G-Men in Cleveland Probe Gang Escape

Hoover Charges Are Denied; Officer Says Police Almost Fought Federal Agents

By United Press

CLEVELAND—A picked squad of 20 G-Men is working in Cleveland cleaning up a political and gambling ring which aided Gangsters Alvin Karpis and Harry Campbell to escape in 1934, The Cleveland Press said today.

The Press reported the squad was working directly under J. Edgar Hoover, Federal Bureau of Investigation chief.

Hoover charged "crooked politicians with police connections" permitted Karpis-Barker gangsters to escape here in the summer of 1934 after a trap had been set for them.

Bernard J. Wolf, Cleveland police lieutenant and former homicide squad chief, said Hoover's charges were "false" and asserted "refusal of G-Men to work with the police at that time nearly resulted in a gun battle between police and G-Men."

WASH. NEWS

MAY 9 1936

INDEXED RECORDED June 6, 19 6.

62-19816-34X

Mr. E. J. Connelley,
Federal Bureau of Investigation,
U. S. Department of Justice,
Post Office Box 812,
Chicago, Illinois.

Re: ALVIN KARPIS, with aliases, et al;
[redacted] Victim -
KIDNAPING

b7C

Dear Sir:

There is being transmitted to you herewith one copy of a memorandum prepared by the Bureau disclosing all information in the possession of the Bureau in regard to [redacted] This memorandum is submitted to you for your information at this time.

I am likewise transmitting herewith a copy of a memorandum prepared by the Bureau concerning corruption in the Toledo, Ohio Police Department. This is likewise furnished to you for your information.

It is my desire that agents attached to the investigation press vigorously to a logical conclusion all leads outstanding in Toledo, Cleveland, and vicinity, with regard to the harboring of members of the Karpis-Barker gang, and further that vigorous attention be given to obtaining further information indicating additional corruption on the part of the Toledo, Ohio Police Department, together with the possibility that certain members of the Toledo, Ohio Police Department may have been instrumental in harboring and concealing members of the Karpis-Barker gang at that point.

I desire that you first direct your attention to the situation existing in Toledo, Ohio; that you then pursue related matters vigorously in St. Paul, Minnesota, and finally conduct similar inquiries in Hot Springs, Arkansas and Cleveland, Ohio. For your information in this instance there is also being transmitted herewith a copy of a memorandum prepared by the Bureau concerning police corruption in Cleveland, Ohio. You are instructed to press vigorously the activities of James "Shimmy" Patton and

Y

Arthur Hebebrand with reference to their connections with members of the Karpis-Barker gang in Cleveland, Ohio. I desire also that exhaustive investigative attention be given to the "tip off" to members of the Karpis-Barker gang in Cleveland, Ohio on September [redacted], 1934, after [redacted] were arrested, which "tip off" is alleged to have come from a member of the Cleveland Police Department, which was in turn transmitted through certain persons at the Harvard Club. You will also recall that during a recent interview with [redacted] she alleged that the Cleveland contact for the gang was Patton.

b7c

Very truly yours,

John Edgar Hoover,
Director

Enclosure #1050526

cc- St. Paul
Cincinnati
Cleveland

[redacted]

16 April, 1937.

Mr. J. Edgar Hoover

F.B.I., Washington, D.C.

Dear Mr. Hoover:-

Thank you for sending me your interesting address "Problems In Modern Law Enforcement". All such material will be gratefully received.

I am compiling material for a series of articles which will set forth THE THINGS WHICH NICE RESPECTABLE PEOPLE DO WHICH AID CRIMINALS. Some of these things are done inadvertently but the result is the same as if the honest people were deliberately aiding the criminals. These articles will be difficult to write and any suggestio from you will be very helpful. The idea is not to offend but to AWAKEN people to the part which carelessness as well as petty favoritism and graft play in propagating crime that may be really serious. The wife of the rich influential citizen who bribes a traffic officer to let her off when he ought to give her at least a ticket is a part of the crime structure of this nation, whether she believes it or not, and her son is liable to follow suit and put a little more on the ball with the ultimate result that his picture gets in your gallery of fined artists.

RECORDED & INDEXED 62-30452-6

I am not going at this hurriedly for I must be very careful what I say and all material must be drawn from REAL (not reel) life. I doubt if the Saturday Evening Post has the gutts to publish such

I spent nearly 2 years in Hawaii doing investigative work when your Mr. J.P. MacFarlane was running your office there. He is now in charge here in Cleveland and hopes to return to the Pair-o-dice of the Pacific. Mac is a fine fellow and can tell you some interesting results of my work in Hawaii.

I am tied up here in Cleveland taking care of my 83 year old Mother but if and when I do get to Washington I hope to sit down with you over a bowl of soup and map out some articles which will be of some real help to you in your work. I feel that the public should be sold on the F.B.I. as I am but am not just certain how best to go at it.

Your Department should have 3 or 4 times the funds which it now has and I am frankly willing to become a party to any legitimate conspiracy to get them allocated to the F.B.I. But that will also require some heavy thinking especially in view of the economy program now being launched by the administration.

You may recall that you said something about crookedness in the Cleveland Police Department once not so very long ago and when you left a member of it came out with an indignant act in the local press in which he opined that you had better prove such charges or----etc. Of course you are not in the business of dry cleaning city police but I got a big kick out of the several indictments of crooked police officer which happened soon afterward when Elliot Ness took over as Director of Safety in our fair village,- and the end is not yet by any means.

Sincerely

[redacted] b7c

JOHN EDGAR HOOVER
DIRECTOR

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

LBN:PED

November 1, 1937.

MEMORANDUM FOR MR. TOLSON

Pursuant to your request there is attached a summary memorandum setting forth information regarding the Police Departments with which cooperation is impossible or is vastly limited because of inefficiency, political domination and corruption. The list, of course, includes just the main offenders in view of the fact that many Police Departments are known to be politically dominated but in some instances this has not affected cooperation with the Bureau.

In accordance with your desire this memorandum has been made as brief as possible.

Respectfully,

L. B. Nichols

L. B. Nichols.

RECORDED
&
INDEXED

62-33431-26X

Cleveland

The past complexion of this department is well known in connection with the Mrs. Newton D. Baker, III, Extortion Case and the Bremer Case. Although, at the present time, it appears that Safety Director Elliot Ness is anxious and desirous of cooperating.

Lisbon

Cooperation should not be extended Frank Springer, an Assistant Prosecuting Attorney, who suggested to the Chief, J. H. Fultz, of Wellsville, that he not turn Richetti over to the Bureau.

Newburg Heights

Frank Ptak, the Village Marshal, is known to be crooked and was paid off at one time by Hebebrandt and Patten. Ptak's actions seemingly have been exposed by Mayor Jerry Sticha.

Toledo

The lack of cooperation with this department is based on corruption as evidenced by the Karpis investigation.

Wellsville

The inability to cooperate with this department has resulted from the apprehension of Pretty Boy Floyd and Adam Richetti, the facts of which are well known.

Wooster

In a trial at which a laboratory employee appeared as an expert Captain Zook testified for the defense. This department consists of five policemen, two of whom are captains.

Lucas County

Cooperation is impossible with Sheriff Joseph O'Reilly of Toledo because of experiences in the Bremer Case.

Delaware and
Union Counties

In the Marysville Commercial Bank Robbery Case Prosecutor Laurence F. Keller, Delaware County, and Clifton Caryl, Prosecutor of Union County, Marysville, Ohio, displayed a non-cooperative attitude at the insistence of Caryl, and at first refused to permit the subjects to be prosecuted in Federal Court, although later Caryl asked the U. S. Attorney at Cincinnati to prosecute.

Federal Bureau of Investigation
United States Department of Justice

1448 Standard Building
Cleveland, Ohio

March 30, 1938.

PERSONAL AND CONFIDENTIAL

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: COOPERATION - CLEVELAND POLICE DEPARTMENT

Dear Sir:

This is to advise you that a recent summary survey of the Cleveland (Ohio) Police Department by Special Agent [redacted] reflects that important contacts have been effected by the Cleveland Office, not only with Elliot Ness, Director of Public Safety, and Chief of Police George J. Matowitz, but also with Joseph M. Sweeney, Chief Inspector of Detectives, who has under his supervision the Divisions of Criminal Investigation, Criminal Identification, Ballistics, Automobile Thefts and Pawn Records, to which there are assigned approximately one hundred ninety-four detectives.

These contacts have been established principally through Chief Inspector of Detectives Joseph M. Sweeney and the officers in charge of his divisions and other subordinates. However, the wholehearted cooperation afforded by the Cleveland Police Department can be attributed to Chief Inspector of Detectives Joseph M. Sweeney, who appears to have a high regard for the Bureau and who speaks admirably of the Director.

62-19816-96

Chief Inspector of Detectives Joseph M. Sweeney is contacted almost daily by agents of the Cleveland Office. He is dependable and honest and can be relied upon at all times in matters which require discreet and confidential investigation. If it becomes necessary to seek the cooperation of the Cleveland Police in a Bureau investigation, the matter is first taken up with Chief Inspector of Detectives Sweeney who gives it his personal attention and makes assignments of members of his personnel to assist an agent or agents of the Cleveland Office. In this regard, picked detectives are assigned and therefore no publicity may be anticipated.

4-750 (2-7-79)

XXXXXX
XXXXXX
XXXXXX

FEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

☑ Deleted under exemption(s) (b)(7)(C) with no segregable material available for release to you.

☐ Information pertained only to a third party with no reference to you or the subject of your request.

☐ Information pertained only to a third party. Your name is listed in the title only.

☐ Document(s) originating with the following government agency(ies) _____, was/were forwarded to them for direct response to you.

_____ Page(s) referred for consultation to the following government agency(ies); _____ as the information originated with them. You will be advised of availability upon return of the material to the FBI.

_____ Page(s) withheld for the following reason(s):

_____

_____

☒ For your information: THE REMAINDER OF THIS SERIAL DOES NOT MENTION ELIOT NESS

☒ The following number is to be used for reference regarding these pages:
62-19816-96 PGS 2-8

XXXXXXXXXXXXXXXXXXX
X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXX

XXXXXX
XXXXXX
XXXXXX

FBI/DOJ

CITY OF CLEVELAND

DEPARTMENT OF PUBLIC SAFETY

230 CITY HALL

ELIOT NESS
DIRECTOR

ROBERT W. CHAMBERLIN
EXECUTIVE SECRETARY

August 30, 1938.

Mr. J. Edgar Hoover,
Director, Bureau of Investigation,
Washington, D. C.

Dear Mr. Hoover:

This letter will serve to introduce Captain Charles Spoerke of the Cleveland Police Department and Mr. John B. Boren, Superintendent of Crime Survey, who are desirous of securing information regarding the systems and operations of your Department.

Any courtesies extended to Captain Spoerke and Mr. Boren will be greatly appreciated by the writer.

Very truly yours,

Eliot Ness

Director of Public Safety.

EN:MM

62-19816-110

...LAND VALUES YOUR LIFE - PROTECT IT - WALK SAFELY ...

CITY OF CLEVELAND

DEPARTMENT OF PUBLIC SAFETY

220 CITY HALL

ELIOT NESS
DIRECTOR

ROBERT W. CHAMBERLIN
EXECUTIVE SECRETARY

September 2, 1938.

Inspector L. B. Nichols,
Department of Justice,
Washington, D. C.

Dear Mr. Nichols:

I wish to express my appreciation for your great courtesy and cooperation to members of my department, Captain Charles Spoerke and John Boren, head of the N.Y.A. Crime Statistical Survey in Cleveland, and Mr. Keith Wilson from this city.

They have told me how beneficial their visit was and how you and your assistant, Mr. Lindsey went far out of your way to aid them. They tell me that your services and help have been extremely valuable to them in the setting up of our new system of keeping records.

Very truly yours,

Eliot Ness

Director of Public Safety.

EN:MM

RECORDED & INDEXED

62-19816-109X

FEDERAL BUREAU OF INVESTIGATION

SEP 15 1938 A.M.

DEPARTMENT OF JUSTICE

RES.

STAT. SECT.

FILE

(copy-cmcw)

62-1151-115

LBN:JAK

November 22, 1938

[redacted] b7C

Ferro Enamel Corporation
Cleveland, Ohio

Dear [redacted] b7C

I have received your letter of November 17, 1938, and appreciate very much your thoughtfulness in writing me as you did and I want you to know that I would really enjoy addressing the members of the Citizens' League of Cleveland. Unfortunately, however, in the past I have been so overwhelmed with pressing duties and previous commitments which make it impossible to accept additional commitments.

It so happens that the invitation which was extended me to address the Economic Club in Detroit was received many many months ago and I had declined the invitation on several occasions since it was just not possible for me to visit Detroit on the dates which officers of the Economic Club at Detroit desired.

I am, of course, not unmindful of the work which Mr. Eliot Ness is doing as Safety Director in Cleveland although he was never affiliated with the Federal Bureau of Investigation.

Certainly I can answer your question in a very emphatic manner by pointing out that I would enjoy meeting your group but frankly, as I have already indicated, my official duties and prior commitments in the past have deprived me of this pleasure.

With best wishes and kind regards,

Sincerely yours,

LBW:DSS

September 3, 1938

62-1816-110

RECORDED

Mr. Eliot Ness
Director of Public Safety
230 City Hall
Cleveland, Ohio

Dear Mr. Ness:

I wish to acknowledge receipt of your letter of August 30, 1938, which was presented by Captain Charles Spoerke, of your Police Department, when he called at the Bureau on August 31, 1938 accompanied by Mr. Doren and Mr. Wilson of your office.

You may rest assured that I was happy indeed to have your representatives given a detailed tour of inspection of the facilities of the Federal Bureau of Investigation, after which one of my Assistants discussed in great detail with them the matter of records and the Bureau's practice of filing communications and investigative reports.

Captain Spoerke requested an outline covering certain of the points discussed and I shall forward this to him within the next few days.

Sincerely yours,

Mr. .....
Mr. Nat .....
Mr. Tamm .....
Mr. Clegg .....
Mr. Coffey .....
Mr. Crowl .....
Mr. Dawsey .....
Mr. Egan .....
Mr. Foxworth .....
Mr. Glavin .....
Mr. Harbo .....
Mr. Lester .....
Mr. McGuire .....
Mr. Nichols .....
Mr. Tracy .....
Miss Gandy .....
.....

COMMUNICATIONS SECTION
MAILED
SEP 3 1938
P. M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

(copy-cmcw)

FERRO ENAMEL CORPORATION

CLEVELAND, OHIO

November 17, 1938

Mr. J. Edgar Hoover
Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

Dear Mr. Hoover:

I have your note of the 15th and copy of speech which you delivered before the Economic Club in Detroit, Michigan, and enjoyed reading this.

It is very kind of you to keep me on your mailing list, but every time I note you are making a speech in a different part of the country, I wonder why you don't accept the Citizens League's invitation to speak here.

We have been trying to get you to come out here for two or three years, and because one of your own boys, Elliot Ness, has done such a great job as Safety Director, we would think you would like to come out here and speak.

What's the matter with us?

Yours very truly,

/s/ [redacted] b7c

raw-cns

62-19816-118

Huntington, West Virginia
April 6, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

Dear Sir:

Information has been received through Chief Clerk [redacted] b7C [redacted] that the individuals who formerly operated the Harvard Club in Cleveland, Ohio, understood to be a notorious gambling house, have moved their operations, or have at least taken an interest in The Continental Night Club, which is operated at Chesapeake, Ohio, just across the River from Huntington, West Virginia.

According to information received, the anti-vice activities of the Safety Director ELLIOT NESS of Cleveland, Ohio, have caused them to transfer their interests to Chesapeake.

It is an ideal location inasmuch as they are permitted to sell drinks at the bar and table while in West Virginia, you are not allowed to buy drinks at a bar or table. According to other information received, the individuals in connection with the Continental Club have an elaborate gambling lay-out.

It is requested that the Cleveland Field Division advise this Office and the Cincinnati Field Division concerning the individuals who operated the Harvard Club, their background and history. The institution of resorts such as the Continental Night Club in an outlying section such as Chesapeake should be frequented with notorious criminals, and an appropriate check will be maintained on this place by the Huntington Field Division without interference with any operations that the Cincinnati Field Division might have in mind.

Very truly yours,

RECORDED
&
INDEXED 62-53530-1

W. V. McLAUGHLIN,
Special Agent in Charge

AVM/EAB
cc: Cleveland
Cincinnati

E INDEXED
IATE:
5

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation

United States Department of Justice

Washington, D. C.

LRP:CLS

April 28, 1939

Time: 12:25 P.M.

MEMORANDUM FOR MR. TAMM

Mr. Fitzgerald of the Cleveland Office called and advised that the County Grand Jury in Cleveland had indicted about thirty people for extortion growing out of the policy racket. He stated that about thirteen of these individuals who were indicted are fugitives now and in todays paper the following headline appeared:

"Ness asks G-Men to help hunt for thirteen indicted in policy racket."

Mr. Fitzgerald stated another headline read, "Safety Director Elliott Ness today asked Federal G-Men to aid in the capture of thirteen men hunted as accused extortionist in Cleveland's $5,000,000 a year numbers racket." According to Mr. Fitzgerald the following paragraph appeared on the back page of a paper:

"Several of the missing gangsters are known to be out of the State and Safety Director Elliott Ness today asked the Federal Bureau of Investigation to join the hunt for the fugitives and after a conference with James B. Fitzgerald, FBI Agent in Charge here, Mr. Ness said he had promised full cooperation."

Mr. Fitzgerald stated he had not talked with Mr. Ness for approximately six months. He stated that yesterday afternoon a man by the name of Clothey, an Assistant in Ness' Office called him and stated that three of the fugitives were in a boat off the coast of Florida. Mr. Fitzgerald stated Clothey wanted to arrange an appointment with him to furnish the facts to ascertain if there were an unlawful flight to avoid prosecution case, and an appointment was made for this morning. He stated that Clothey later called him and advised that a wire had been received from the Chief of Police in Miami saying the boat was coming in and therefore he would like to call the conference off.

62-14311-1

RECORDED & INDEXED

In response to my inquiry as to whether the charges on which the individuals in question were indicted were covered by the unlawful flight statute, Mr. Fitzgerald stated he had not studied the facts but the case is an extortion matter growing out of the policy racket.

DESTROYED

OCT 12 1964

He stated the gangsters would go to the policy men and force them to turn over 10% or 15% of the proceeds by making certain threats. Mr. Fitzgerald stated that Mr. Ness is a very good friend of the Bureau and was very cooperative. He stated he did not believe that Ness had anything to do with the stories appearing in the papers, but that some reporter probably heard that Clothey called the Cleveland Office and assumed the rest of the article. I told Mr. Fitzgerald that the Bureau should be immediately advised of any further inquiries from Ness' Office and that any inquiries received from newspaper men should be answered by telling them that we have received no request for assistance in locating these fugitives.

Respectfully,

L. R. Pennington

L. R. PENNINGTON

JOHN EDGAR HOOVER
DIRECTOR

161

Bureau of Investiga
United States Department of Justice
Washington, D. C.

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Egan
Mr. Gleavin
Mr. Gray
Mr. Harbo
Mr. Lester
Mr. Lawler
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. D. Tamm
Mr. Trotter
Miss Gandy

Date 10-24

MEMORANDUM FOR MR. TOLSON

For record purposes, I talked to Mr. [redacted] ... Director's desire that the four agents in charge will personally interview those who had registered at the YMCA ... and that inquiry at the office of the security officer ... those who had registered since he had acquired his ... Detroit, today. He was advised that the interviews ... by that a letter is not necessary; that he should ... are right, at one point it would be helpful ... by messenger. He was cautioned ... material to the following:

[redacted]

b7C

[redacted]

b7C

94-1-152-4527

Signature

Post Office Box 812
Chicago, Illinois
November 21, 1939

Personal and
Confidential

Commander J. W. Gregory
Naval Training Station
Great Lakes, Illinois

Dear Commander Gregory:

Pursuant to your request, I am forwarding herewith a carbon copy of a teletype message received at this Office from NIXON, Naval Intelligence Headquarters, Washington, D. C. This message was received at this Office on November 21, 1939 and is quoted below:

"FROM WASHINGTON OFFICE OF NAVAL INTELLIGENCE

PLEASE FURNISH FOLLOWING MSG TO COMDR JW GREGORY DISTRICT INTELLIGENCE OFFICER NAVAL TRAINING STATION GREAT LAKES

UNDERSTAND LIEUT J R HASKINS AT CLEVELAND INSTRUMENTAL IN FORMING CLEVELAND SAFETY COUNCIL OF INDUSTRIAL PLANTS IN COOPERATION WITH ELLIOT NESS. PLANT OWNERS BELIEVE THIS TO BE AT INSTIGATION OF NAVY DEPARTMENT. PLEASE INVESTIGATE AND RECTIFY. THE ONLY SOUND RECOGNIZED AND AUTHORIZED METHOD IS FOR PLANT SURVEYS AND RECOMMENDATIONS, COVERING SABOTAGE AND ESPIONAGE, TO BE CARRIED OUT BY FBI, WHICH PROJECT IS AT PRESENT UNDERWAY BY THAT BUREAU
NIXON END"

Very truly yours

W. S. DEVEREAUX
Special Agent in Charge

WSD:IAJ
cc Bureau
Enclosure
SPECIAL DELIVERY

62-56169-1A

(ETC)
(COPY)

EAT:COX

1:55 p.m. December 1, 1939

MEMORANDUM FOR [redacted]

SAC Guinane called from Cleveland in connection with an article appearing in the last edition of the Cleveland Press last night concerning charges made by the CIO Cleveland Industrial Union Council against Mayor Burton and various city officials, including Elliot Ness, with reference to an investigation by the city and other agencies in a rumored spy hunt.

The article is captioned "CIO DEMANDS CITY LEAK OUT ON SPY CHARGES", and is subcaptioned "Union Group here worried by reports. To ask Murphy about FBI". The article states that the CIO Cleveland Industrial Union Council demanded that Mayor Burton confirm or deny disturbing and sinister reports that the city administration is seeking to prevent wartime sabotage in industry by spying on union officers and members. The article further states that R. E. Stevenson, the Council's secretary, had been instructed to visit Washington within a week to ask United States Attorney General Frank Murphy what part the Federal Bureau of Investigation is taking in the rumored spy hunt. According to the article, the city, represented by Safety Director Elliot Ness has cooperated with the Pinkerton Detective Agency, the Associated Industries and the FBI in formulating a "prevent sabotage" program, and Mr. Stevenson has scored the Mayor, for not consulting labor concerning the menace.

It also is indicated in the article that it is understood that Ness had a meeting with several industrialists in Cleveland at which time there was outlined a program. There also is a statement in the article that the Pinkerton Detective Agency was contacted concerning the meeting and the local manager denied knowledge or participation in the alleged probe.

Mr. Guinane stated that his letter dated December 13 headed "Cleveland Safety Council" would furnish some background to this matter.

The Cleveland Office has not

62 56169-4

FEDERAL BUREAU OF INVESTIGATION
DEC 16 1939
DEPARTMENT OF JUSTICE

FILES

MEMO FOR THE DIRECTOR 12-1-52

this matter by the newspapers, the CIO or A. E. Stevenson. I advised Mr. Guinane to make it clear, in the event he is contacted by the newspapers, that the Bureau is not participating in this matter and does not know what it is all about. The article is being forwarded to the Bureau tonight.

Respectfully,

E. A. TAMM

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation

United States Department of Justice

Washington, D. C.

EAT:LCJ

8:26 AM

December 19, 1939

MEMORANDUM FOR THE DIRECTOR

SAC Listerman called from Cleveland with reference to the Cleveland Safety Council, stating that before he got to Cleveland last Saturday apparently Mr. Stevenson, the Secretary of the Cleveland Industrial Union Council, was in Washington and talked to the Attorney General and the Director. Mr. Listerman stated that last Saturday's paper, a copy of which he had just obtained, states that after Mr. Stevenson's return he sent a letter to Mayor Burton demanding the resignation of Safety Director Ness. In that letter, Mr. Stevenson stated that on December 9, "Elmer O. Fielhopper (phonetic), Secretary of the Laborers' Non-Partisan League of Ohio and myself visited the office of the U. S. Attorney General and the office of the F.B.I. in Washington. We were shown a letter by J. Edgar Hoover to Attorney General Frank Murphy in which the Cleveland labor espionage plan was fully described. Mr. Ness was credited with playing an instrumental part in setting up this organization known as the Cleveland Industrial Safety Council. Under this plan each employer is assessed twenty-five cents per quota for each employee and the money is used to hire under-cover agents to destroy the union movement. It is expected that the assessments will raise between $150,000 and $175,000 a year. Mr. Ness has set up a special squad in the Police Department to coordinate the activity. Mr. Hoover's description of the plan was that it was 'very repugnant' to him, a remark that hardly coincides with Mr. Ness' declaration in the daily papers that he is working in close cooperation with the Federal Government."

I inquired whether he could not have furnished the information sooner, inasmuch as it was in Saturday's paper. Mr. Listerman stated that he just reached Cleveland Saturday, and that he did not know of this article until today.

62-561 69-14

Mr. Listerman advised that the Mayor did not make any reply to this statement, but in this morning's paper Carl Smith, aide of the Safety Council, came out with the following statement: "The U. S. Naval Intelligence sponsored and helped organize a campaign against industrial sabotage here. This was asserted today by Carl Smith, Secretary of the Cleveland Industrial Safety Council, in a statement which contradicted charges that Safety Director Elliott Ness has initiated it as an anti-labor movement. . . . In conformance with the President's proclamation, the expressions of Attorney-

RECORDS DESTROYED
348 OCT 26 1964

General Murphy and Mayor Harold H. Burton, Lieutenant J. R. Haskin, U. S. Naval Intelligence Officer, asked me to arrange for a meeting of leading citizens in the Cleveland area to furnish him an opportunity to enlist their patriotic cooperation in certain matters arrising from the war condition. It was therefore at the request of a representative of the U. S. Government that a meeting was called." Mr. Listerman stated that the letter describes the meeting and continues for about a column, denying that it is an investigation of labor unions and their members.

Mr. Listerman stated that he noted also in this morning's paper that a telegram demanding clarification of the Government's policy in regard to labor espionage was sent to President Roosevelt last night by Stevenson, Secretary of the Cleveland Industrial Union Council. The article says that Stevenson's request was sent to the Chief Executive following release of a statement by Carl Smith that the whole thing originated in a campaign against Industrial sabotage, and the instigator was Lieutenant J. R. Haskin of the Naval Intelligence. It then quotes the telegram: "A GROUP OF POWERFUL CLEVELAND INDUSTRIALISTS HAS ORGANIZED AND FINANCED A WIDESPREAD SPY SYSTEM AGAINST THE CLEVELAND WORKING PEOPLE. PLAN OF THIS ORGANIZATION KNOWN AS THE CLEVELAND INDUSTRIAL SAFETY COUNCIL HAS BRANDED AS MOST REPUGNANT BY GOVERNMENT REPRESENTATIVES IN THE FEDERAL BUREAU OF INVESTIGATION. HOWEVER TODAY'S NEWS STORIES DISCLOSE IT WAS SPONSORED WITH AID OF THE U. S. NAVAL INTELLIGENCE DEPARTMENT AT A SECRET MEETING WITH SAFETY DIRECTOR ELLIOTT NESS AND VARIOUS UNNAMED INDIVIDUALS. CLARIFICATION OF THE POLICY OF THE GOVERNMENT WITH REGARD TO LABOR ESPIONAGE CONDUCTED BY PRIVATE AGENCIES UNDER THE GUISE OF PREVENTING SABOTAGE IS IMPERATIVE. SMITH SAID IN HIS STATEMENT THAT THE MEETING CALLED BY LIEUTENANT HASKIN HAD AS ITS PURPOSE THE COOPERATION OF CITIZENS OF THIS COMMUNITY IN A MATTER OF PATRIOTIC DUTY. IT IS REGRETABLE THAT THE RESPONSE OF THESE MEN TO THE CALL OF THE UNITED STATES GOVERNMENT FOR THEIR COOPERATION SHOULD NOW BE REPRESENTED TO BE LABOR SABOTAGE OR ANY OTHER PARTISAN PURPOSE. THESE MEN ATTENDED THIS MEETING AT THE REQUEST OF A REPRESENTATIVE OF THE UNITED STATES GOVERNMENT'."

I advised Mr. Listerman to be sure to send me clippings to us, as I wanted to show them to the Navy Department. Mr. Listerman stated that he understood that Ness was out of the city, but that he will probably return tonight or tomorrow. Mr. Ness' chief investigator, who has been chief investigator for the Cleveland Industrial Safety Council, has communicated with the Cleveland Office and informed that

Mr. Ness wanted to have a conference with Mr. Listerman upon his return to discuss this matter. I advised Mr. Listerman to go ahead and have a conference with Mr. Ness and see just what he has to say.

I advised Mr. Listerman confidentially, advising him not to tell Ness, that I know Stevenson did not see the Director; that in fact I saw him myself; that I know that much that he says is exaggerated and that some of it is untrue. I advised, however, that it may not be strategic for us to deny it. I advised Mr. Listerman to see Ness and tell him that he does not know frankly what this is all about, but that we are not going to become involved in any controversy between the labor unions and the Cleveland Police Department; that Mr. Ness' statements and the clippings will be forwarded to Mr. Hoover for his information.

Respectfully,

E. A. TAMM