

**FREEDOM OF INFORMATION
AND
PRIVACY ACTS**

**SUBJECT: GEORGE BARNES
(AKA "MACHINE GUN KELLY")**

FILE: 7-115

PART 22 OF 23



FEDERAL BUREAU OF INVESTIGATION

NOTICE

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FEDERAL BUREAU OF INVESTIGATION

Reporting Office OKLAHOMA CITY	Office of Origin OKLAHOMA CITY	Date 9/25/58	Investigative Period 9/3,18,19/58
TITLE OF CASE GEORGE KELLY BARNES, was., et al; CHARLES F. URSCHER - VICTIM		Report made by [REDACTED]	Type [REDACTED]
		CHARACTER OF CASE KIDNAPING	

Synopsis: [REDACTED] and [REDACTED] Oklahoma City, Oklahoma, advised they cannot recall whether photographs taken during actual trials or not. [REDACTED] believes that [REDACTED] Carlsbad, New Mexico, who operates a camera store, took newsreel photographs with a silent movie camera and can furnish desired information.

- P -

DETAILS:

At Oklahoma City, Oklahoma

All b7C

K

Approved <i>W29</i>	Special Agent In Charge	Do not write in spaces below	
Copies made: ① - Bureau (7-115) 1 - USA, Oklahoma City 2 - Oklahoma City (7-6)		7-115-2547	REC
		13 SEP 29 1958	
			EX-102

52 OCT 17 1958
F148
OCT 17 1958

[Handwritten signatures and initials]

FEDERAL BUREAU OF INVESTIGATION
INTERVIEW REPORTDate 9/25/58

[redacted] Oklahoma City, Oklahoma, who [redacted], advised that he was in the Federal Court when the trials were held in the URSCHEL kidnapping case. He advised he was under contract with Paramount News to take photographs with a movie camera for their use in a newsreel.

Each day after shooting pictures of the Judge, defendants and witnesses entering the courtroom, standing during recess, etc., he submitted his film to New York, New York, and never saw it again.

He advised that photographs could have been taken during the trial because the movie cameras do not make much noise and would have been far enough away from the bench that the Judge would not have known photographs were being taken because he could not have heard the cameras.

[redacted] advised that [redacted] took photographs for commercial purposes and at that time or shortly thereafter had [redacted] in Dallas, Texas. [redacted] made photographs and took movies of events during the trial, then took photographs of the URSCHEL home, where events were re-enacted, also the payoff, the home of KATHRYN KELLY, the home of the SHANNONS and other scenes that would show the entire sequence of events. A radio announcer then filled in the audience by announcing what events were being shown. When completed these reels were sold or rented to various movie houses.

[redacted] has one reel of this film which is 35 mm in size and is to be used on a regular theatre projector. He advised he did not "take one foot" of this film. [redacted] stated he is under subpoena by an attorney from Washington, D. C., to appear in Federal Court on September 30, 1958, at Oklahoma City with this film.

A11 b7c

Interview with [redacted] File # 7-6
on 9/3/58 at Oklahoma City, Oklahoma Date dictated 9/3/58
by Special Agent [redacted]

Date 9/25/58

[REDACTED] Oklahoma City, Oklahoma, advised he was engaged in making newsreel pictures during 1933. He had a silent movie camera which he leased to [REDACTED] who took pictures in the courtroom during the time of the URSCHKE kidnapping trial. The film was then picked up by [REDACTED] and shipped air express to Paramount or Universal Newsreel Service, New York, New York.

[REDACTED] was of the impression that some pictures were taken during the trial of the case but recalled that attorney LASKA objected to the photographers taking pictures and Judge EDGAR S. VAUGHT stopped the taking of pictures during the trial.

[REDACTED] recalled that he had a new Leica camera which he desired to use in the courtroom and was warned by some photographer not to use it because Judge VAUGHT would take drastic action if he observed [REDACTED] taking pictures.

[REDACTED] stated in his opinion [REDACTED] is presently operating a camera shop in Carlsbad, New Mexico, and will be in a better position to state definitely whether pictures were taken during the actual trial as well as during recess and during adjournment.

He advised that it is possible Universal Newsreel Service of New York City may be able to screen their old film and make the newsreels of the trial available for use by the court.

[REDACTED] advised he possibly has some of the "cuttings" from the trial and if desired, he will make an effort to locate them.

- P -

Interview with [REDACTED] File # 7-6
on 9/18/58 at Oklahoma City, Oklahoma Date dictated 9/18/58
by Special Agent [REDACTED]

Office Memorandum • UNITED STATES GOVERNMENT

TO

Director, FBI (7-115)

DATE: 9/25/58

FROM

SAC, Oklahoma City (7-6)

SUBJECT:

GEORGE KELLY BARNES, was., et al;
CHARLES F. URSCHER - VICTIM
KIDNAPING

OO: OC

Enclosed is one copy of report of SA [REDACTED]
dated 9/25/58, at Oklahoma City.

REFERENCE

Report of SA [REDACTED] dated 9/16/58, at
Dallas.

ADMINISTRATIVE

The [REDACTED] described in this report, was inter-
viewed by the Albuquerque Office and the results of that interview
set forth in the report of SA [REDACTED] dated 8/7/58, at
Albuquerque.

LEADTHE OKLAHOMA CITY OFFICEAt Oklahoma City, Oklahoma

Will follow and report results of this action.

- 1 - Bureau (Encl. 1)
2 - Oklahoma City

(3)

REC-6

ENCLOSURE

K-102

REC-6

7-115-2548

12 SEP 29 1958

EX-102

52 OCT 17 1958

JPM

All b7C

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 10/8/58

FROM : SAC, KANSAS CITY (7-8)

SUBJECT: GEORGE KELLY BARNES, Was ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING
OO OC

On 10/3/58, [REDACTED] U. S. Penitentiary, Leavenworth, Kansas, made available the photo-static copy of the following letter from HARVEY BAILEY to the U. S. Board of Parole, Washington, D. C. This letter stated:

"Harvey Bailey
"P.M.B. 63400
"Leavenworth, Kansas

"September 30, 1958

"U. S. Board of Parole
"Department of Justice
"Washington, D. C.

"Gentlemen:

"Much has appeared in the public press as to the likelihood of a parole in my case. This is to inform you that a hearing on my part will be unnecessary as I will reject parole. Therefore eliminate my case from your consideration for the reasons set forth in the following paragraph.

"I am not guilty of this offense. I had nothing to do with the kidnaping. I was merely an innocent person at the scene. I was a victim of hysteria and prejudice. The man who was kidnapped was a wealthy man and wielded great influence in the State of Oklahoma and elsewhere. He has boasted that he will spend a million dollars to keep everyone in prison. It may well be that he has greased the palms of many persons.

- ② - Bureau
2 - Oklahoma City (7-6)
1 - Washington Field (Info)
2 - Kansas City

(7)

AIR MAIL

REC-7

EX-124

16 OCT 10 1958

Antel
Saw OC
10-16-58

All b7C

KC 7-8

I am not saying that your Board has been corrupted but it does seem strange that after Mrs. Kelly and Mrs. Shannon obtained their release as a result of a hearing under Section 2255 of the New Judicial Code there was apparent action on your part. My constitutional rights were violated at the trial. The judge was prejudiced against me. In addition photographers were allowed to run riot in the courtroom. Newsreel cameras clicked away incessantly. The jury was in fear. Machine guns were placed at every entrance of the Court House. In addition the lawyers were intimidated and threatened. In fact one lawyer was indicted, convicted and sent to prison. Another lawyer was indicted and acquitted. Therefore I did not get effective assistance of counsel as required by the Constitution. By accepting parole I would be admitting guilt and my future activities would be restricted. In view of all of this I wish to advise you that I will reject parole and ask that you no longer consider my case. I want a full and complete hearing in the Federal Court so that I can prove the efficacy and validity of my contentions.

"Very truly yours,

/s/ "Harvey Bailey"
"Harvey Bailey"

The above is furnished for information. The Kansas City Office will continue to follow this matter and will keep the Bureau and Oklahoma City Office advised of any change of status of BAILEY at the institution.

October 16, 1958

AIRTEL

To SAC, Oklahoma City (7-6)

From Director, FBI (7-115) *REC-19* 2549

**GEORGE KELLY BARNES, WAS., ET AL.; CHARLES F. URSCHEL - VICTIM;
KIDNAPING.**

Re Kansas City letter 10/8/58.

Follow matter closely, inform Bureau of new date for Bailey's hearing, when set, and keep Bureau advised by appropriate means of all pertinent developments.

- 1 - Kansas City (7-8) (Information)
- 1 - Washington Field (Information)

(6)

MAILED 10

OCT 16 1958

COMM-FBI

Tolson _____
Boardman _____
Belmont _____
Mohr _____
Nease _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
Tele. Rm. _____
Holloman _____

F47
OCT 23 1958

MAIL ROOM ☐

Waw
PP
All b7C

62-8-1228

F B I

Date: 9/23/58

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

m3
yfp

TO: Director, FBI (7-115)
FROM: SAC, Oklahoma City (7-6)
RE: GEORGE KELLY BARNES, was., et al;
CHARLES F. URSCHER - VICTIM
KIDNAPING
OO: OC
RE: HARVEY J. BAILEY - Parole Hearing.

This is to advise Mr. E. E. KIRKPATRICK has received a letter from Mr. JAMES C. NEAGLES, Staff Director, U. S. Board of Parole, which indicates Mr. KIRKPATRICK has an appointment with the board at 10:00 a.m. on the morning of 10/28/58.

The hearing is to be held in Room 420 of the HOLC Building, First and Indiana, Northwest, Washington, D. C.

3 - Bureau (AM)
1 - Oklahoma City
[redacted]
(4) b7C

GRAPP

REC-67

7-115-2550
20 SEP 25 1958

EX 105

Approved: 63 OCT 17 1958

Special Agent in Charge

Sent

M

Per

FBI

Date: 9/29/58

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)
FROM: SAC, KANSAS CITY (7-8)
SUBJECT: GEORGE KELLY BARNES, was., ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING

OO: OC

On 9/29/58 ROBERT HOFFMAN, Assistant Attorney General, State of Kansas, Topeka, Kansas, telephonically advised the Kansas City Office that the Sheriff's Office of Leavenworth County, Leavenworth, Kansas, was forwarding on this date a warrant to the Sheriff's Office, Oklahoma County, Oklahoma City for HARVEY BAILEY, arising out of a 1933 Hold Order for BAILEY in connection with time owed the State of Kansas for escape.

FELT
END

- ③ - Bureau (AM)
2 - Oklahoma City (7-6-)
2 - Kansas City

[REDACTED] b7C
(7)

EX 105

REC-67

7-115-2551

12 SEP 30 1958

63 OCT 17 1958

F148

Approved: _____
Special Agent in Charge

Sent _____ M

per _____

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tamm

DATE: 9/19/58

FROM : Inspector James H. Gale

SUBJECT: GEORGE KELLY BARNES, WAS; ET AL;
CHARLES F. URSCHEL - VICTIM
KIDNAPING

Tolson _____
Boardman _____
Belmont _____
Mohr _____
Nease _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Holloman _____
Gandy _____

BACKGROUND: Kathryn Thorne Kelly and Mrs. Ora L. Shannon sentenced to life imprisonment in U. S. District Court in 1933. On June 16, 1958, U. S. District Judge William R. Wallace granted both defendants a new trial and released them on \$10,000 bond each.

During the Oklahoma City Office inspection, instant file was reviewed, and it was noted that the Oklahoma City Office was advised by the Bureau on a number of occasions to insure that false allegations against Bureau personnel were refuted on the record. Copy of inspection write-up of this case attached. Hearings on the defendants' motions were held in U. S. District Court, Oklahoma City June 9 - 16, 1958. The Government's witnesses who testified in this matter tended partially to explain away or deny some of the false allegations made against the FBI by the defendants; however, the cumulative result achieved does not constitute full and complete refutation of the false allegations to the extent desired.

Former Special Agents Gus T. Jones and [REDACTED] both of whom worked many phases of this case in 1933, were present and would have been able to deny many of the allegations against the FBI. However, U. S. Attorney Paul Cress, Oklahoma City chose not to place Jones or White on the stand, being reluctant to do so, apparently for fear he would afford the defense counsel the opportunity to demand production of FBI files; consequently, no present or former FBI Agents testified at this hearing. USA Cress was made fully aware of the Bureau's policy and desire to have the false allegations refuted on the record.

It is understood that the Department is considering an appeal to the U. S. Court of Appeals concerning the lower court's decision in this matter.

OBSERVATIONS AND CONCLUSIONS: The Bureau cannot tell the Department or the U. S. Attorney what witnesses should be put on the stand in order to refute false allegations; however, I

Enclosure
1 - Mr. Rosen
JHG: [REDACTED]
(6)

50 OCT 23 1958

15 OCT 17 1958

PERC. FILES

67C

DECODED COPY

Mr. Tolson _____
 Mr. Belmont _____
 Mr. Mohr _____
 Mr. Nease _____
 Mr. Parsons _____
 Mr. Rosen _____
 Mr. Tamm _____
 Mr. Trotter _____
 Mr. W.C. Sullivan _____
 Tele. Room _____
 Mr. Holloman _____
 Miss Gandy _____

☒ Radio☐ Teletype

DEFERRED 9-22-58

TO DIRECTOR AND SAC OKLAHOMA CITY

FROM SAC DALLAS 222031

GEORGE KELLY BARNES, WAS. ET AL. CHARLES F. URSCHEL, VICTIM,
 KIDNAPING. REREP SA [REDACTED] DALLAS, SEPTEMBER 16, 1958.
 ON SEPTEMBER 19, 1958, [REDACTED] TEXAS THEATER SERVICE, 2013 1/2
 YOUNG, DALLAS, ADVISED SA [REDACTED] HE HAD BEEN SUCCESSFUL IN
 BOOKING THE FILM QUOTE KILLERS ALL UNQUOTE. THIS FILM WILL BE
 SHOWN AT THE RIALTO THEATER IN OKLAHOMA CITY BEGINNING SEPTEMBER 26,
 1958 AND WILL RUN THRU FOLLOWING MONDAY AT LEAST, AND WILL
 POSSIBLY BE SHOWN FOR AS LONG AS ONE WEEK AT RIALTO THEATER.
 [REDACTED] ADVISED FILM WILL PROBABLY NEXT BE SHOWN AT DRIVE - IN
 THEATERS IN OKLAHOMA CITY FOLLOWING EXHIBITION AT RIALTO.
 ACCORDING TO [REDACTED] FILM IS BEING BOOKED THRU [REDACTED]
 VIDEO THEATERS, TELEPHONE CENTRAL 2 - 8881, OKLAHOMA CITY, AND
 FURTHER CONTACT MAY BE HAD WITH [REDACTED] AS TO FUTURE DATES AND
 PLACES FILM TO BE SHOWN. RUC.

RECEIVED:

6:06 PM RADIO

6:49 PM CODING UNIT

Mr. Rosen

REC-4

7-115-2553

EX-128 F148
59 OCT 22 1958

OCT 17 1958

4-11-7-115

GEORGE KELLY EARNES, was.; ET AL;
CHARLES F. URSCHEL - VICTIM
KIDNAPING
OC File 7-6
Bufile 7-115

INSPECTOR GALE: This is a pending file in 19 volumes, assigned to SA [REDACTED] since being reopened 4-17-58 and supervised by SAC DOYLE.

It will be recalled that KATHRYN THORNE KELLY, wife of GEORGE "MACHINE GUN" KELLY, and her mother Mrs. ORA SHANNON, two of the subjects in this case, were convicted in USDC, Oklahoma City, in 1933, and both were sentenced to life imprisonment. On 3-19-58 Mrs. KELLY and Mrs. SHANNON, inmates of the Federal Reformatory for Women, at Alderson, West Virginia, acting through their Attorney, Mr. JAMES J. LAUGHLIN of Washington, D. C., filed motions in USDC, Oklahoma City, to vacate and set aside their judgments of conviction, and motions for new trial, basing such motions on Title 28, Section 2255, USC.

Affidavits filed by defendants in support of above motions contained numerous disparaging allegations against the FBI and former Bureau Agents, involving the original investigations in 1933, and the arrest, transportation, confinement and trial of defendants, claiming in substance that the defendants' constitutional rights had been violated. The motions and affidavits particularizing these allegations are set forth verbatim in report of SA [REDACTED], dated 7-11-58, at Oklahoma City.

Bureau communications to Oklahoma City, dated 3-26-58, 4-4-58, 4-16-58, 4-25-58, and 6-10-58, instructed that, inasmuch as the above affidavits containing false allegations against present and former personnel of the Bureau will be part of the official court record, the false allegations should be refuted on the record.

OKLAHOMA CITY INSPECTION

8-21-58

4-A

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INVESTIGATIVE DIV
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50 OCT 23 1958

7-115
NOT RECORDED

15 OCT 17 1958

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Hearings on the defendants' motions were held in USDC, Oklahoma City, June 9-16, 1958. Some of the false allegations against the FBI contained in defendants' affidavits were orally repeated by the defendants from the witness stand and in arguments by Mr. LAUGHLIN. The Government's witnesses were the former USA, who tried defendants in 1933; the former USM, in whose custody defendants were held during 1933 trials; the former Sheriff, and the former Jailer, of Oklahoma County; one of the defendants' original attorneys, and another attorney who had represented some of the collateral defendants in this case. No FBI Agent or former FBI Agent took the stand.

While testimony of some of the above Government witnesses tended partially to explain away or deny some of the false allegations made against the FBI by the defendants, the cumulative result achieved does not constitute full and complete refutation of the false allegations to the extent desired. Although no transcript of their testimony is contained in our file, it appears that such refutations as the Government was able to spread upon the record were, at best, incomplete; attacked the allegations only obliquely and did not meet all of the false allegations head-on. As the record now stands, some of the false allegations made about the FBI have not been refuted.

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Former SAC GUS T. JONES and former SA [REDACTED] both of whom worked many phases of this case in 1933 and both of whom appear competent to deny and directly refute the great bulk of defendants' wild allegations against the FBI, were under subpoena and present in Oklahoma City during the proceedings June 9-16, 1958, and were willing to testify for the Government. Had they been placed on the stand, they undoubtedly could have refuted most of the false allegations. However, the USA chose not to place JONES and/or [REDACTED] on the stand, being reluctant to do so apparently for fear it would afford LAUGHLIN an opportunity to demand production of FBI Files, plus opening up other fields to LAUGHLIN's exploratory type of cross-examination. Consequently as stated previously, no present or former FBI Agent testified at this hearing.

Upon conclusion of the hearings, U. S. District Judge Wm. R. WALLACE sustained defendants' motions to vacate and set aside judgment of convictions and for new trial, and freed both defendants under \$10,000.00 bond each. The court's action was based upon the refusal of the USA, who relied upon Departmental

3.

Order #3229, to produce FBI reports and records pertaining to alleged investigations of defense attorneys by the FBI during the 1933 trials. This issue, a key point dwelled upon by LAUGHLIN, was whether or not defendants' attorneys in 1933 were under personal apprehension or coercion, because of alleged FBI investigations of them as possible recipients of ransom money as legal fees, and were therefore unable adequately and competently to defend the defendants. The court seized upon this as a critical issue, and the USA's refusal, under D.O. 3229, to produce FBI reports and records, led to the Judge's ruling in behalf of defendants and the immediate release of defendants from custody. Thus, so far as records of USDC, WDO, are concerned, the false allegations by defendants against the FBI remain substantially unchallenged and unrefuted at this time.

Oklahoma City airtel to the Bureau dated 6-17-58 advising the Bureau of the outcome of this matter contains the following sentence: "As Bureau is aware, no present or former Special Agent was used as witness by Government in this hearing." Other than this the file does not reflect that the Bureau has been clearly and fully advised in detail which false allegations were not completely refuted on the record. This should be done.

It is understood that the USA is considering an appeal to the U. S. Circuit Court of Appeals. In the event a future hearing is held on appeal, or a new trial is conducted, you should endeavor to see to it that each and every false allegation made against the FBI, both in defendants' affidavits and in their oral testimony, is clearly, fully and unequivocally refuted on the record of the court by competent witnesses. You should keep the Bureau advised of developments in this matter.

Explanations of SA [REDACTED] and SAC DOYLE are requested, (1) as to why all false allegations of defendants against the FBI were not fully and completely refuted on the record as instructed by the Bureau; and

(2) why the Bureau was not clearly and fully advised in detail which allegations were not completely refuted on the record, at conclusion of the hearing.

4.

SA [REDACTED] b7C

The information set forth above is correct in that the false allegations made against personnel of this Bureau by ORA L. SHANNON and KATHRYN THORNE KELLY were not refuted by Bureau personnel. As stated in Oklahoma City airtel to the Bureau dated 6/17/58, no Bureau employee, past or present, testified.

The United States Attorney in Oklahoma City was advised of and made fully aware of the Bureau's policy and desire to have the false allegations refuted on the record.

The allegation that Director J. EDGAR HOOVER was in Oklahoma City at the time of the trials was refuted by former United States Attorney HERBERT K. HYDE.

The allegations concerning the confinement of ORA L. SHANNON and KATHRYN THORNE KELLY in the Oklahoma County Jail, Oklahoma City, Oklahoma; the transportation of prisoners; and security measures taken at that time were explained in testimony of Mr. W. C. "RUBE" GEEKS, former United States Marshal; Mr. STANLEY ROGERS, former Sheriff; and Mr. ROSS BIGGERS, who was a jailer at the time of the trials.

The allegation concerning the striking of GEORGE KELLY BARNES by SA J. C. "DOC" WHITE was explained in the testimony of attorney JAMES H. MATHERS, who represented KATHRYN THORNE KELLY during her trial.

The allegations concerning the investigation and coercion of defense attorneys by FBI Agents was refuted by attorney JAMES H. MATHERS, who represented HARVEY BAILEY during the first trial and KATHRYN T. KELLY during the second trial. The testimony of attorney J. B. DUDLEY, who represented several of the Minneapolis defendants during the first trial, corroborated the testimony of attorney MATHERS.

Mr. GUS T. JONES and Mr. [REDACTED] both retired Special Agents of the FBI, were interviewed concerning the allegations and were subpoenaed for this hearing. They were available to testify and to refute the false allegations. Neither man was used as a witness by the United States Attorney because he felt their use as witnesses would weaken the Government's case.

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Mr. GUS T. JONES was formerly a Special Agent in Charge for this Bureau and was very active in the investigation and prosecution of the URSCHER kidnaping case. Following his retirement, he worked on a fee basis for one of the company's controlled by the URSCHER interests. Mr. JONES later conducted investigation, prepared documents and appeared before the U.S. Board of Parole in an effort to keep KATHRYN T. KELLY and ORA L. SHANNON from receiving paroles. Mr. JONES received compensation for this work from either Mr. CHARLES F. URSCHER, Mr. E. E. KIRKPATRICK, or both.

[REDACTED] was not used as a witness, the main reason being that he is senile.

During the hearing the United States Attorney in Oklahoma City was in daily contact with the Department in Washington, D.C. by telephone, explaining developments in the hearing and seeking suggestions on how best to proceed.

The Bureau was advised by teletype and/or telephone daily of all developments in the hearing, including the fact that no Bureau personnel, past or present, had testified.

The teletypes and the report submitted were factual accounts of what occurred during this hearing. Since no Bureau personnel, past or present, testified or refuted the false allegations, no mention was made of this in the report. It is believed the Bureau is fully aware of all developments that occurred during this hearing, and the inference is clear that the allegations were not refuted by Bureau personnel even though the report does not specifically point this out in so many words.

SAC DOYLE:

As pointed out in the foregoing comments by SA [REDACTED], the United States Attorney did consider the use of former SAs GUS T. JONES and [REDACTED]. It is noted, however, that GUS T. JONES did considerable work and

All b7C

investigation to try to keep KATHRYN KELLY and ORA SHANNON from being paroled. Mr. JONES maintained that he was not paid by KIRKPATRICK for this work; however, there is indication that the company for which he did work while he was conducting this investigation is controlled by the URSCHEL interests. In view of his past activity since his retirement, the United States Attorney felt that putting JONES on the witness stand would open the possibility of his being biased and prejudiced against SHANNON and KELLY, as well as the possibility the production of FBI files would be easier for attorney LAUGHLIN to obtain. Former SA [REDACTED] was garrulous and talkative while being interviewed as a witness by the United States Attorney and there is good indication that he is presently senile. For this reason, United States Attorney PAUL CRESS did not feel it was wise to use him as a witness in this hearing. b7C

As the hearing progressed it became obvious that Judge WALLACE was allowing wide latitude to attorney LAUGHLIN in the cross examination of all Government witnesses. It was also obvious that Judge WALLACE felt that he should see FBI reports concerning investigation of the URSCHEL kidnapping case. He was also apparently considering the publicity which had been given his desires to see these reports. The United States Attorney did not feel that putting SA [REDACTED] or me on the witness stand would accomplish a great deal since he did not feel we were competent witnesses to testify concerning any events which happened during the investigation of the URSCHEL kidnapping case. b7C

I was in daily telephonic contact with the Bureau and daily teletype summaries were sent in as this hearing progressed. The Bureau was kept advised of the United States Attorney's discussions with the Department concerning the strategy to be followed.

In answer to Item No. 2, an account of what allegations were refuted and which ones were not did not appear in the investigative report since Bureau personnel did not testify. Those allegations which were refuted, however, were brought to the attention of the Bureau as the hearing progressed.

A careful examination of the transcript will be made to determine which allegations against the Bureau were

7.

not clearly refuted and this will be brought to the Bureau's attention. In the event a future hearing is held on appeal or a new trial is conducted, every effort will be made to see that each and every false allegation against the FBI, both in defendants' affidavits and in their oral testimony, is clearly, fully and unequivocally refuted on the record of the Court by competent witnesses.

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 10/21/58

FROM : *J. Edgar* SAC, KANSAS CITY (7-8)SUBJECT: *J* GEORGE KELLY BARNES, Was, ET AL;
CHARLES F. URSCHER - VICTIM;
KIDNAPING
OO KC

Re Kansas City letter to the Bureau 9/17/58.

On October 14, 1958, [REDACTED]
[REDACTED] U. S. Penitentiary, Leavenworth, Kansas, made available the file of HARVEY BAILEY, an inmate at the institution which reflected that an annual review was prepared for BAILEY in September, 1958. This annual review stated:

"PURPOSE

"ANNUAL REVIEW

"Bailey is a 71 year old white man sentenced October 7, 1933 at Oklahoma City, Oklahoma to serve a life sentence for kidnaping and holding for ransom. He was committed to the USP Fort Leavenworth, Kansas October 8, 1933 and transferred to Alcatraz September 4, 1934. He was returned to this institution September 11, 1946. He remains in close custody. Has a detainer against him from the Kansas State Penitentiary Lansing, Kansas where he is wanted for escape. He has kept a clear conduct record since 1955. He previously served one State Penitentiary sentence.

"Bailey is working in the industrial maintenance shops where he was assigned in August of 1957. He had worked briefly before that in the general industrial maintenance. He had worked from 1946 until then in the furniture factory. On all of these assignments he has made very good work adjustment having worked as a cabinet maker, furniture repairman, saw filer and as a general shop man, and is described by his foreman as a very good steady and dependable worker. Since the last progress report was prepared a year ago he has completed a course in Catholic Instructions.

- ② - Bureau
1 - Oklahoma City (4-6)
1 - Kansas City
[REDACTED]

(4)

53 NOV 4 1958

REC-32

EX 105

12 OCT 24 1958

All b7c

KC 7-8

b7c
"Bailey has been receiving occasional visits from a niece and brother as well as from his attorneys. His wife sued him for divorce a number of years ago. Bailey informs us that his son [REDACTED] is living in Kansas City, Missouri. He explains that his son has not been writing him recently as he advised him it might be detrimental to his son's welfare. Neither has the son written him in sometime. Bailey was denied parole in November of 1948. He has continued his efforts to try to obtain relief on his present sentence, has had considerable correspondence with an attorney, James J. Laughlin Washington, D. C. A letter dated August 29, 1957 from Col. G. C. Rexroag Director, of Penal Institutions State of Kansas advised that on August 1, 1957 the parole board took following action: Action was taken relative to Harvey Bailey Escapee number 3045-KSP now in the Federal Penitentiary. It was moved and passed that the Board will recommend a commutation of sentence through the Governor after which the Board will place him on parole to run concurrent with his federal parole. Bailey was interviewed prior to the preparation of this report and he states that he is well satisfied with his institutional program and does not want any change made in it. He mainly in hopes that because of recent court actions taken in the case of two of his codefendants, that some relief might be in sight for him. He has a very pleasant attitude during interview, seems resigned to whatever fate befalls him and resolved to continue a good institutional adjustment.

"There is no new medical or psychiatric information to add to previous reports.

"RESIDENCE: Transient. USPO: Oklahoma City, Oklahoma.

Dictated: 9/18/58: AED/rw:

"ACTION: In view of his excellent adjustment on the present program, no change is indicated at the present time."

The Kansas City Office will continue to follow this matter closely and advise the Bureau of any change of status of BAILEY at the institution.

SAC, Oklahoma City (7-6)

October 29, 1958

Director, FBI (7-115)

GEORGE KELLY BARNES, was. et al.;
CHARLES F. BRSCHEL - VICTIM
KIDNAPING

B(1-1)
10-7

7.2g
If not already done, information in your file relative to the motion filed by Kathryn Kelly and Ora Shannon which resulted in their release from custody on 8-16-58, should be reviewed and the Bureau advised in detail as to which allegations were refuted during the course of their hearing and which allegations were not refuted. This matter must be followed closely with the United States Attorney's Office so that all of the unfounded allegations against the Bureau may be refuted on the record.

[REDACTED]
(4)

All b7C

EX-102

REC-17

COMM - FBI
OCT 29 1958
MAILED 20

7-115-125

OCT 30 1958

Tolson _____
Boardman _____
Belmont _____
Mohr _____
Nease _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
Clayton _____
Tele. Room _____
Holloman _____
Gandy _____

59 NOV 3 1958

MAIL ROOM ☒

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: NOV. 3, 1958

FROM : SAC, OKLAHOMA CITY (7-6)

SUBJECT: GEORGE KELLY BARNES, was, et al
CHARLES F. URSCHER - VICTIM
KIDNAPING

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Nease	_____
Mr. Parsons	_____
Mr. Rosen	_____
Mr. Tamm	_____
Mr. Trotter	_____
Mr. W.C. Sullivan	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

Attached is a self-explanatory copy of a letter to the SAC, Okla. City, from PAUL W. CRESS, USA, WDO. Mr. CRESS desires SA [REDACTED] presently assigned to the Atlanta Office, to return to Okla. City and handle instant case.

As the Bureau is aware, there are numerous defendants and various motions and hearings pending. This is an extremely complicated matter, and there are twenty volumes in this individual case, which is interrelated with other cases. In addition, there is much information which is not self-evident in the file.

SA [REDACTED] was present during the various hearings held to date and is the only Bureau Agent who has a detailed knowledge of this case and its many ramifications. As set out in the letter of Mr. CRESS, there have been over 2,000 pages of transcript in the various tribunals concerning this matter, and SA [REDACTED] is conversant with the details. A preliminary inquiry reflects that he has devoted a considerable portion of the last twelve months in familiarizing himself with all the details.

I have telephonically contacted Mr. CRESS, and he desires SA [REDACTED] to be present in Okla. City for conferences beginning Nov. 17, 1958, and lasting approximately two weeks. The SAC at Atlanta is requested to make the appropriate arrangements for SA [REDACTED] to be in Okla. City at the indicated time, UACB. I will periodically contact the USA after SA [REDACTED] arrival to insure that he is released at the earliest possible time for his return to Atlanta. The best interests of the Bureau would be served by the above indicated course of action.

(4)

2 - Bureau (Encl. - 1)
1 - Atlanta
1 - Okla. City

REC-32

7-115-2556
3 NOV 6 1958

/ENCLOSURE

REC-32

Antel 8/12/58
11-13-58

All b7C

PAC/KAG

October 28, 1958

Mr. Wesley G. Grapp
Special Agent in Charge
Federal Bureau of Investigation
940 First National Building
Oklahoma City, Oklahoma

Re: United States v. Harvey Bailey
No. 10478 - Criminal (Motion to
Vacate and Set Aside Judgment of
Conviction)

Dear Mr. Grapp:

Heretofore we have furnished you with copies of letters of Mr. Harvey J. Bailey and his attorney, James J. Laughlin, wherein Mr. Bailey has withdrawn his application for parole and demanded a hearing before Judge W. K. Wallace. I am this day in receipt of a communication from the United States Board of Parole, in Washington, D. C., confirming the receipt by that board of the withdrawal of the parole application.

While I have suggested to Judge Wallace that I felt that the Bailey hearing should not be held until after the Circuit Court had passed upon the questions involved in the Kelly and Shannon appeal - and I feel that he would prefer to follow this suggestion -, because of the publicity emanating from Mr. Laughlin in Washington which is now being carried in the local papers, I would not be surprised if Judge Wallace would set the Bailey matter down for hearing. There is no way for me to determine when this hearing will be held.

In the original Bailey trial (which included other defendants) the transcript of the trial proceedings contained 1484 pages and a number of exhibits. The hearing in the Kelly-Shannon case covered 620 pages. There were many related trials and ramifications in this matter. These files and proceedings need to be reviewed and a further investigation made.

b7C [REDACTED] originally reviewed [REDACTED] furnished invaluable assistance before and during the [REDACTED] hearing. He was present throughout the hearing.

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 29 1958	
FBI - OKLAHOMA CITY	

7-115-2556
ENCLOSURE

- 2 -

six days, and spent many days, and even months, in familiarizing himself with the F.B.I. files involved.

b7C Because of the importance of the case and because of [REDACTED] familiarity with the matter, I would request that he be assigned now to assist me in the preparation for the hearing which will surely come in this Bailey 2255 application.

Very truly yours,

PAUL W. CRESS
United States Attorney

November 18, 1958

AIRTEL

To SAC, Oklahoma City (7-6)

From Director, FBI (7-115) - 2556

**GEORGE KELLY BARNES, WAS., ET AL.; CHARLES F. URSCHEL - VICTIM;
KIDNAPING.**

Re Oklahoma City letter 11/3/58, and Atlanta airtel
11/10/58.

While it would seem to be satisfactory that SA [REDACTED] should assist U. S. Attorney Paul W. Cress, Oklahoma City, in connection with his preparation for the hearing on Harvey Bailey's petition to vacate sentence, it would appear that a conference of two weeks is an excessive amount of time. SAC, Oklahoma City should confer with U. S. Attorney Cress in order to insure that SA [REDACTED] is required to be in Oklahoma City only for the period absolutely essential to accomplish Government's preparation for hearing.

1 - Atlanta (7-22) (Information)

NOTE: U. S. Attorney, Oklahoma City, reports that although hearing date on Bailey's motion to vacate his sentence has not been set, he contemplates that date will be set at an early date, and requests that SA [REDACTED] be available for conferences beginning 11/17/58, and lasting for approximately two weeks. SA [REDACTED] handled case prior to his transfer to Atlanta Division and is fully conversant with voluminous material in file.

SAC, Oklahoma City recommends approval as the best interest of the Bureau would be served.

In view of actions of Attorney James J. Laughlin in the hearing on the motions of Kathryn Kelly and Ora Shannon to vacate sentences, and the results of this hearing, all possible assistance should be given to the U. S. Attorney so that any allegations made against the Bureau can be refuted promptly and thoroughly. SA [REDACTED] assistance at conferences in preparation would appear to serve such a need.

SAC, Oklahoma City instructed to insure Agent remains in Oklahoma City only for period absolutely essential.

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Rosen _____
Tamm _____
Trotter _____
Nease _____
Tele. Room _____
Holloman _____
Gandy _____

NOV 13 1958

MAILED 5

COMM-FBI

MAIL ROOM

(5)

All b7C

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 11/1/58

FROM : SAC, WFO (7-19)

SUBJECT: GEORGE KELLY BARNES, was.; ET AL
CHARLES F. URSCHER - VICTIM
KIDNAPING
(OO:Oklahoma City)

Re Oklahoma City airtel 10/28/58, copy of which is attached.

Bureau authority is requested to contact [REDACTED] AP News Bureau, Washington, D.C., as requested in re airtel. No action will be taken by WFO until such authority is received.

② Bureau
1-Oklahoma City
1-WFO

(4)

et to WFO 11/2/58
Enclosure - 1

All b7C

7-115

MA
ENCLOSURE

REC-23

REC-23

EX-155

20 NOV 4 1958

MA
EXP. PROC.

Oct. 28, 1958

PLAIN TEXT

AIRTEL

AIR MAIL

pull
7-19

TO : SAC, Washington Field
FROM : SAC, Oklahoma City (7-6)
SUBJECT: GEORGE KELLY BARNES, was.; ET AL
CHARLES F. URSCHEL - VICTIM
KIDNAPING

(OO: Oklahoma City)

HARVEY BAILEY, a bank robber, was arrested at the BOSS SHANNON farm near Paradise, Texas, on 8/12/33 and was found to have \$700 of the ransom money in his possession. He was tried in Oklahoma City, Okla., before U. S. District Judge EDGAR S. VAUGHT. The trial began September 18, and was concluded on September 30, 1933. On October 7, 1933, BAILEY was sentenced to serve life for his part in this crime.

He has now filed a motion to set aside his conviction and sentence. Numerous allegations are made against the Court, the prosecution and the investigation of the case. An Oklahoma City newspaper, the "Daily Oklahoman" under date of 9/29/33 published an article which reflects an interview with HARVEY BAILEY and ALFRED BATES. The article carries no "by line" and quoted BAILEY as saying he received a fair trial. Efforts to determine the identity of the reporter have to date met with negative results. Information received from the Oklahoma Publishing Company indicates that [REDACTED] was [REDACTED] at the time of this trial and is now [REDACTED] of the AP News Bureau in Washington, D. C. It was stated that [REDACTED] might recall the name of the reporter who was the author of this article.

WASHINGTON FIELD is requested to contact [REDACTED] AP News Bureau in Washington, D. C. and endeavor to determine the name of the reporter who wrote the article referred to above. If definite information is developed sutel so the reporter can be interviewed. THIS MUST BE EXPEDITED.

GRAPP

(3)

All b7C 7-115-2557
ENCLOSURE

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
OCT 29 1958	
FBI - WASH DC	

lv

1 - Mr. Nease

SAC, Washington Field (7-19)

November 5, 1958

Director, FBI (7-115)

REC-23

7-115-2557
GEORGE KELLY BARNES, was.; ET AL
CHARLES F. URSCHEL - VICTIM
KIDNAPING

EX-136

Re WFO letter 11/1/58.

WFO request for authorization to contact [REDACTED]
[REDACTED] AP News Bureau, Washington, D. C., is approved.
Expedite investigation and furnish the results to Oklahoma
City.

1 - Oklahoma City (7-6)

(6)

NOTE: WFO requested authorization to contact [REDACTED]
[REDACTED] AP News Bureau, Washington, D. C., in an effort to
determine identity of reporter on "Daily Oklahoman" who
wrote article 9/29/33 reflecting interview with Harvey
Bailey and Alfred Bates. [REDACTED] was [REDACTED] on "Daily
Oklahoman" at time. All other investigation to determine
identity of reporter unsuccessful, [REDACTED] may recall.
Contact deemed necessary part of investigation to obtain
facts to reflect allegations made by Harvey Bailey in his
motion to set aside conviction and sentence of life imposed
10/7/33 for his part in kidnaping of Charles F. Urschel.

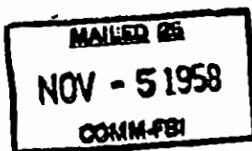
[REDACTED] in Mr. Nease's office advises no
objection to contacting [REDACTED] if such contact necessary.

All b7C

W3W

Tolson _____
Boardman _____
Belmont _____
Mohr _____
Nease _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
Clayton _____
Tele. Room _____
Holloman _____
Gandy _____

MAIL ROOM ☐



NOV 8 1958

RECEIVED NOV 8 1958
FBI - B.I.

NOV 12 1958

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (7-115)

DATE: 11/7/58

FROM : SAC, Kansas City (7-8)

I
SUBJECT: GEORGE KELLY BARNES, was., ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING
OO-KC

Re Kansas City letter to Bureau dated 10/21/58.

A review of the records of the U. S. Penitentiary, Leavenworth, Ks., made available by [REDACTED] on 11/4/58, to SA [REDACTED] reflect no change in status of BAILEY at the institution.

The Kansas City Office will continue to follow this matter closely and advise the Bureau of any change in status of BAILEY at the institution.

2-Bureau
1-Oklahoma City (7-6)
1-Kansas City
[REDACTED]

(4)

All b7C

REC-93

23 NOV 10 1958

7-115-2558

90
57 NOV 12 1958

FBI

Date: 11/10/58

Transmit the following in _____

PLAIN TEXT

(Type in plain text or code)

Via _____

AIRTEL**AIRMAIL**

(Priority or Method of Mailing)

TO : DIRECTOR, FBI (7-115)

FROM: SAC, ATLANTA (7-22)

RE : GEORGE KELLY BARNES, was., et al
CHARLES F. URSCHEL - VICTIM
KIDNAPING

Reference is made to Oklahoma City letter to Bureau and Atlanta dated 11/3/58.

This is to advise that SA [REDACTED] will report to the Oklahoma City Office and the U. S. Attorney there on November 17, 1958 as requested.

All b7C

ng

REC-14

7-115-2559

5 NOV 12 1958

3- Bureau
1- Oklahoma City (7-6)
1- Atlanta

(5)

AIRTEL _____

TELETYPE _____

A. M. _____

A. M. S. D. _____

SPEC. DEL. _____

REG. MAIL _____

REGISTERED _____

60 NOV 18 1958

Approved: _____

Special Agent in Charge

Sent _____

M

Per _____

FEDERAL BUREAU OF INVESTIGATION

Reporting Office SAN ANTONIO	Office of Origin OKLAHOMA CITY	Date 12/4/58	Investigative Period 12/3/58
TITLE OF CASE GEORGE KELLY BARNES, aka., ET AL CHARLES F. URSCHER, VICTIM		Report made by [REDACTED]	Typed By [REDACTED]
		CHARACTER OF CASE KIDNAPING	

Synopsis:

REFERENCE

Oklahoma City airtel to New York dated November 26, 1958.

- R U C -

All b7C

Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below	
Copies made: ① - Bureau (7-115) 3 - Oklahoma City (7-6) (1 - USA) 1 - San Antonio (7-11)		7-115-2560	REC-96
		DEC 6 1958	
			EX-105

66 DEC 12 1958

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 / USA, Oklahoma City

Report of:

Date:

December 4, 1958

Office:

SAN ANTONIO

File Number:

7-11

Title:

GEORGE KELLY BARNES, aka., ET AL
CHARLES F. URSCHER - VICTIM

Character:

KIDNAPING

All b7C

Synopsis:

[REDACTED] former reporter on The Daily Oklahoman, Oklahoma City, Oklahoma, did not report an interview with HARVEY BAILEY or ALFRED BATES, but recalls one unsuccessful attempt to interview BAILEY.

- R U C -

FEDERAL BUREAU OF INVESTIGATION
INTERVIEW REPORTDate December 4, 1958

[REDACTED] Texas Auto Dealers Association, advised that he did not prepare any story for The Daily Oklahoman relative to an interview with HARVEY BAILLY or ALFRED BATES. He pointed out that he worked as a reporter for the above paper and covered the trials of HARVEY BAILLY and ALFRED BATES, but so far as he recalls, he never actually interviewed either of them.

He recalls that on one occasion he was accompanied by [REDACTED], another reporter for The Daily Oklahoman, [REDACTED] a reporter for Associated Press assigned to the Oklahoma City Office, and JOE KEENAN, Special U.S. Department of Justice Prosecutor from Washington, D. C. On the occasion in mind, KEENAN arranged for them to see BAILLY in his cell atop the jail in Oklahoma City, Oklahoma, and an effort was made to interview BAILLY by himself and the other newspaper men, but BAILLY declined to be interviewed, stating he had nothing to say. As best he could recall, this was about the time of BAILLY's trial and was at about 11:30 p.m. at night.

- R U C -

Interview with [REDACTED]

File # 7-11on 12/3/58 at Austin, TexasDate dictated 12/3/58

by Special Agent [REDACTED]

Property of FBI - This report is loaned to you by the FBI, and neither it nor its contents are to be distributed outside the agency to which loaned.

All b7C

FBI

Date: 12-10-58

Transmit the following in _____

(Type in plain text or code)

Via AIRTEL

AIR MAIL

(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Nease	_____
Mr. Parsons	_____
Mr. Rosen	_____
Mr. Tamm	_____
Mr. Egan	_____
Mr. W.C. Sullivan	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

TO: DIRECTOR, FBI (7-115)

FROM: SAC, OKLA. CITY (7-6)

GEORGE KELLY BARNES, AKA, Et Al;
 CHARLES F. URSCHEL
 VIKID
 (OO-OC)

There are enclosed photostat copies of an airmail letter to JAMES W. KNAPP, Chief, Trial Staff, Criminal Division, Department of Justice, from PAUL W. CRESS, United States Attorney, Oklahoma City, Oklahoma, dated 12-4-58. This letter is self-explanatory.

This matter is being followed closely by this office and the Bureau will be kept advised of all developments in this matter.

GRAPP

③ - Bureau (Enc. 2)
 1 - Okla. City

(4)

2 ENCLOSURE

REC-68

7-115-2561

12 DEC 12 1958

Approved: _____
 Special Agent in Charge

Sent _____ M Per _____

Oklahoma City Division has forwarded copy of letter from U. S. Attorney Cress to Department concerning conference with Judge Wallace and defense attorney James J. Laughlin relative to motion of Harvey Bailey for new trial in Urschel kidnaping case. Cress desires to defer hearing until after decision of Circuit Court of Appeals on government appeal of Judge Wallace's order granting Kathryn Kelly and Ora Shannon new trial. Cress comments re his feeling that retrying Kelly and Shannon at this time would be impossible, but such question must await decision of appeals court. Cress further commented that Laughlin has never met his client, Bailey, and is under the impression that Bailey has some trouble to clear up in the State of Michigan. Cress found it necessary to straighten Laughlin out by informing him of the fugitive warrant issued by the State of Kansas for Bailey as Bailey was serving a life sentence in Kansas at the time he escaped shortly before the Urschel kidnaping. Laughlin had never heard of this and indicated his intention to see his client. ✓

AIR MAIL

James W. Knapp, Chief, Trial Staff
Criminal Division (109-60-1)

December 4, 1958

Paul W. Cress, United States Attorney
Oklahoma City, Oklahoma

United States v. Harvey Bailey
No. 10478-Criminal, W.D. Oklahoma

Yesterday Judge Wallace called and said Mr. Laughlin, of Washington, D. C., was in his office and suggested I meet there with them after lunch. I called for you in Washington but found you were at Tyler, Texas and I did not talk to anyone else.

At the meeting in Judge's chambers Mr. Laughlin stated that he was wanting to have this hearing set by Judge Wallace, that the application for parole had been withdrawn on his recommendation, and that he thought I might agree to the same order that was made in the Kelly-Shannon case.

I had two suggestions. One was that it would be impossible for me to try the case until after the Selected Investments case was tried, and I pointed up the lack of help in my office as compared with the amount of work we have to do. Further, I advised them that we were not delaying the Kelly-Shannon appeal and were expediting it, and that I had the assurance of the Department that it would be moved as rapidly as possible; further, that the same question would probably be injected into the Bailey case, that the Kelly-Shannon case took more than a week to try and I felt that this one would be at least as long, and that we should wait on the Circuit Court's decision.

Mr. Laughlin again suggested that we were denying Mr. Bailey this freedom and that other than for a little matter possibly in Michigan, if he was successful in the hearing here, he would be free. I suggested that he probably meant Kansas instead of Michigan and on his insistence that it was Michigan, I asked him if he had any objection to my stating what I knew about the matter in the presence of the Court. He said that he did not and I told him that Bailey was serving a life sentence, as I understood it, in the State of Kansas at the time he escaped (shortly before the Urschel kidnapping) and that I knew there was a fugitive warrant for him because inquiry had been made of me about placing the fugitive warrant in the hands of the U. S. Marshal here and that I had told them I did not want the U. S. Marshal to have it but that it should be put in the hands of the local Sheriff's office. Mr. Laughlin stated that he had never heard of the Kansas case and that he was going to see Mr. Bailey. Incidentally, he stated that he had never met him and that he would find out about this Kansas situation and write the Judge within ten days.

7-115-2561
ENCLOSURE

That is about the size of the matter. The Judge did ask me if we were expediting the matter of the appeal. I told him again that I had the assurance of the Department that it would not be delayed and there was some conversation between the Judge and Mr. Laughlin about asking the Circuit Court to expedite the matter.

I have asked to have the Kelly and Shannon case rechecked for the purpose of retrying it (should the Circuit Court affirm Judge Wallace's holding). I have the feeling that it would be impossible to retry Kathryn Kelly and her mother at this late date although of course that decision must wait until we see the report.

If the case is affirmed, I think it important to make the announcement of our inability to try the case at once, or immediately try it.

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 12/30/58

FROM : *X* SAC, KANSAS CITY (7-8)*B*
SUBJECT: GEORGE KELLY BARNES, Aka ET AL;
CHARLES F. URSCHEL - VICTIM;
KIDNAPING

Re Oklahoma City airtel to Kansas City 12/3/58.

On 12/22/58, this matter was discussed with Warden [REDACTED] and [REDACTED] by SA [REDACTED]. They advised that a warrant had been filed as a detainer at the U. S. Penitentiary, Leavenworth, Kansas, and arrangements had been made for the officials at the U. S. Penitentiary, Leavenworth to notify the officials at the Kansas State Penitentiary, Lansing, Kansas, of any plans or actions concerning the movement of HARVEY BAILEY to the District of Oklahoma. They advised that the officials at the U. S. Penitentiary, Leavenworth were to forward with BAILEY the warrant to be delivered by the U. S. Marshal who moves BAILEY to the local authorities who would have jurisdiction over BAILEY should BAILEY be released by the District of Oklahoma.

They advised that in addition, upon receipt of notification that BAILEY is to be moved to Oklahoma the Kansas State Penitentiary will at that time forward to the appropriate official in Oklahoma another copy of the warrant to be placed as a detainer against BAILEY. They advised that they did not believe that any purpose would be served by forwarding a warrant to the Sheriff's Office Oklahoma City at this time.

- EX-101
- ② - Bureau
 - 2 - Oklahoma City
 - 2 - Kansas City

(6)

REC-68

7-115-2562

JAN 2 1959

57 JAN 7 1959

All b7c

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 12-31-58

FROM : SAC, Kansas City (7-8)

SUBJECT: GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHEL - VICTIM
KIDNAPING
OO: Kansas City

Re Kansas City letter to Bureau, 12-30-58.

A review of the records of the United States Penitentiary, Leavenworth, Kansas, made available by [REDACTED] on 12-30-58, to SA [REDACTED] reflect no change in status of BAILEY at the institution.

The Kansas City Office will continue to follow this matter closely and advise the Bureau of any change in status of BAILEY at the institution.

- ② - Bureau
1 - Oklahoma City (7-6) (Info)
1 - Kansas City

(4)

All b7C

EX-132

REC-75

7-115-2563

14 JAN 5 1959

113
JAN 8 1959

February 2, 1959

I
AIRTEL

To SAC, Oklahoma City (7-6)

From Director, FBI (7-115)

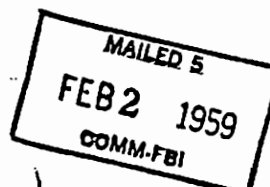
GEORGE KELLY BARNES, WAS., ET AL.; CHARLES F. URSCHEL - VICTIM;
KIDNAPING.

Suairtel by 2/5/59, status of matters pending this case your division, specifically that of the motion made by Harvey Bailey to vacate sentence and any further action in regard to status of Kathryn Kelly and Ora Shannon.

All 67C

EX 105

REC-8



7-115-2564
25 FEB 3 1959

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Mohr _____
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W.C. Sullivan _____
Tele. Room _____
Holloman _____
Gandy _____

FEB 9 1959

MAIL ROOM ☐

TELETYPE UNIT ☐

FBI

Date: 2/5/59

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)

FROM: SAC, OKLA. CITY (7-6)

Wally
Wally
GEORGE KELLY BARNES, ~~Aka.~~, et al.;
CHARLES F. URSCHEL - VICTIM;
KIDNAPING

ReBuairtel 2/2/59.

PAUL W. CRESS, USA, WDO, on 2/5/59, advised that the motion made by HARVEY BAILEY to vacate sentence has not been set for hearing. He advised that in a discussion of this case with US District Judge W. R. WALLACE, Judge WALLACE indicated that the case would be set for trial after the appeal of KATHRYN KELLY and ORA SHANNON is passed on by the Circuit Court of Appeals in Denver. The latter case is expected to be heard about the middle of March, 1959, according to USA CRESS. He advised that the appeal of KATHRYN KELLY and ORA SHANNON is being handled by the Department of Justice.

This matter is being followed closely and the Bureau will be advised of all pertinent developments.

GRAPP *hi**b7c*
(4)

EX 105

REC-92

7-115-2565

6 FEB 6 1959

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

Office Memorandum • UNITED STATES GOVERNMENT

Waggy
from
10
FROM : SAC, Oklahoma City Your file 7-6

DATE: 6-5-59

TO : Director, FBI (Bufile and serial 7-115)

SUBJECT: GEORGE KELLY BARNES, aka. ET AL;
CHARLES F. URSCHEL - VICTIM
KIDNAPING

Office of Origin: OC

1. () The deadline in this case has passed and the Bureau has not received a report. You are instructed to submit a report immediately. In the event a report has been submitted, you should make a notation of the date on which it was submitted on this letter and return it to the Bureau, Room No. Room 5718.

Report submitted _____

Letter
Report will be submitted *to leave OC by 6/12/59.*

Reason for delay _____

2. (X) Advise Bureau re status of this case. *Sulet.*
3. () Advise Bureau when report may be expected.
4. () Surep immediately.

(Place your reply on this form and return to the Bureau. Note on the top serial in the case file the receipt and acknowledgment of this communication.)

U. S. GOVERNMENT PRINTING OFFICE: 1955-O-577608

7-6

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 2-24-59

FROM : SAC, Kansas City (7-8)

I
SUBJECT: GEORGE KELLY BARNES, Aka;
ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING

OO: Oklahoma City

Re Kansas City letter to Bureau 12-31-58.

A review of the records of the U. S. Penitentiary, Leavenworth, Kansas, made available by [REDACTED] on 2-19-59, to SA [REDACTED] reflect no change in the status of BAILEY at the institution.

The Kansas City Office will continue to follow this matter closely and advise the Bureau of any change in the status of BAILEY at the institution. *MA*

2-Bureau
1-Oklahoma City (7-6)
1-Kansas City
[REDACTED]
(4)

All b7C

EX-132

REC-9

7-115-2566

20 MAR 2 1959

53 MAR 5 1959

[Signature]

3-4-59

AIRTEL

To: SAC, Oklahoma City

From: Director, FBI

GEORGE KELLY BARNES, AKA, ET AL.,
CHARLES F. MURSCHEL - VICTIM
KIDNAPING

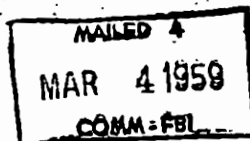
News article appearing in the "Denver Post,"
Denver, Colorado, 2-13-59, indicates that the U. S.
Tenth Circuit Court of Appeals in Denver will hear
arguments on 3-24-59, concerning Government's request
to nullify the order of U. S. District Court Judge,
Oklahoma City, which freed Kathryn Kelly and her
mother, Mrs. Ora Shannon. Susairtel status of this
appeal matter.

-4-

All b7C

Tolson _____
Belmont _____
Mohr _____
Nease _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Holloman _____
Gandy _____

ENCLOSURE



52 MAR 9 1959

MAIL ROOM ☐ TELETYPE UNIT ☐

REC-4

2 MAR 5 1959

115-256

Appeal Set On Release Of 2 Women

The U. S. 10th Circuit Court of Appeals will hear arguments March 24 in Denver on the release from prison of the widow and mother-in-law of George (Machine Gun) Kelly, prohibition era mobster.

The government has asked the court to nullify an order by an Oklahoma City judge which freed Mrs. Kathryn Kelly, 54, and her mother, Mrs. Ora Shannon, 70.

The women have served nearly 35 years of their life sentences for their part in the 1933 kidnaping of Charles Urschel, Oklahoma City oil man.

Urschel was released unharmed after paying \$200,000 in ransom.

Kelly died in Leavenworth, Kan., Federal Penitentiary while serving a life sentence for the kidnaping.

DENVER PC

DENVER, CO

FEB 13 1956

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
FEB 18 1956	
FBI - DENVER	

Bureau

7-115-2567
ENCLOSURE

FBI

Date: March 9, 1959

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)TO: DIRECTOR, FBI 7-115
FROM: SAC, OKLAHOMA CITY 7-6GEORGE KELLY BARNES, aka; et al.;
CHARLES F. URSCHER - VICTIM
KIDNAPING

ReBuairtel 3/4/59.

AUSA GEORGE CAMP, Oklahoma City, advises U.S. Tenth Circuit Court of Appeals, Denver, Colorado, will hear arguments, on 3/24/59, on Government appeal of order of USDC Judge, Oklahoma City, which freed KATHRYN KELLY and ORA L. SHANNON. Brief prepared by Departmental Attorneys to be argued by them. USA PAUL CRESS and AUSA GEORGE CAMP, Oklahoma City, to be present.

GRAPP

3-Bureau
1-Oklahoma City[REDACTED] b7C
(4)

REC-53

7-115-2568

MAR 11 1959

18
57 MAR 13 1959

Approved: _____

Special Agent in Charge

Sent _____

M

Per _____

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 3/23/59

FROM : SAC, KANSAS CITY (7-8)

SUBJECT: GEORGE KELLY BARNES, aka.;
ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING

OO: OKLAHOMA CITY

Re Kansas City letter to Bureau 2/24/59.

712
A review of the records of the United States Penitentiary, Leavenworth, Kansas, made available by [REDACTED] on 3/17/59 to SA [REDACTED] reflect no change in the status of BAILEY at the institution.

The Kansas City Office will continue to follow this matter closely and advise the Bureau of any change in the status of BAILEY at the institution.

- ② - Bureau (7-115)
1 - Oklahoma City (7-6)
1 - Kansas City (7-8)

[REDACTED]
(4)

All b7C

Ar

REC-32

7-115-2569

7 MAR 26 1959

F Sgo
17 MAR 31 1959

FBI

Date: 4/1/59

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)
 FROM: SAC, OKLAHOMA CITY (7-6)
 GEORGE KELLY BARNES, aka, ET AL;
 CHARLES F. URSCHER - VICTIM
 KIDNAPPING

Re OC airtel 3/9/59.

In conversations on 3/30, 31, 1959, with SA [REDACTED] of this office, First Assistant United States Attorney, GEORGE CAMP, handling this case, indicated that he desired investigation to ascertain all evidence presently available in this case and the persons competent to introduce same in order that the feasibility of completely retrying subjects KATHRYN THORNE KELLY and ORA L. SHANNON may be determined, against the eventuality that the Tenth Circuit Court of Appeals, Denver, Colo., rules against the Government in the appeal pending before it to nullify the order of U. S. District Judge, WILLIAM R. WALLACE, Oklahoma City, setting aside the convictions of KELLY and SHANNON. Argument concerning this appeal was heard by the Tenth Circuit Court of Appeals on 3/24/59. Mr. CAMP expects a decision from this court in this matter by about the first or second week in May, 1959.

Mr. CAMP also requested investigation to establish what evidence is available to retry subject HARVEY BAILEY, who has instituted court action to set aside his conviction as did KELLY and SHANNON.

Mr. CAMP suggested that a report briefing, in some detail, the testimony of all available witnesses in the original trials, who gave evidence relative to KELLY, SHANNON, and BAILEY, be prepared, with leads to have them interviewed concerning such previous testimony with a view

③-Bureau
 1-Oklahoma City

EX-135

REC-93

7-115-2570
25 APR 2 1959

(4)
 airtel to OC
 4-8-59

Approved: _____

Special Agent in Charge

Sent _____

M

Per _____

All b7C

FBI

Date: 4/1/59

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)OC 7-6
Page 2

to refreshing their memories and to determining the extent of testimony they may be able to give at this time.

In the above connection, Mr. CAMP requested that all exhibits in the original trials, still available, be located and collected and that persons competent to introduce them into evidence be identified and contacted to this end. He also requested further investigation to locate a copy of the transcript of the trial of GEORGE KELLY BARNES and KATHRYN THORNE KELLY in 1933.

Mr. CAMP further requested that a review of the file be conducted to ascertain if all leads to locate LUTHER WILLIAM ARNOLD and his daughter have been exhausted and, if not, that further efforts be made to locate them.

The above request is being complied with and this matter is receiving continuing attention in this office.

In connection with the above, the Bureau is requested to advise the Oklahoma City Office, if such information is available at the Bureau, the present whereabouts of the Thompson Sub-Machine Gun, Serial Number 4907, which was purchased by KATHRYN KELLY at Ft. Worth, Texas, in February, 1933, and which was seized by Bureau Agents during the raid on the R. G. SHANNON farm, August 12, 1933, at which time R. G. SHANNON, ORA L. SHANNON, ARMON CRAWFORD SHANNON, and HARVEY BAILEY were arrested.

GRAPP

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

4/8/59

AIRTEL

To SAC, Oklahoma City (7-6)

From Director, FBI (7-115) - 2570

**GEORGE KELLY BARNES, AKA., ET AL.; CHARLES F. URSCHER - VICTIM;
KIDNAPING.**

EX-135

Reurairtel 4/1/59.

You should insure that preparation of material requested by the USA's Office in this matter is handled promptly. Auxiliary offices are to be advised that there is to be no delay in the covering of any leads or requests you may make.

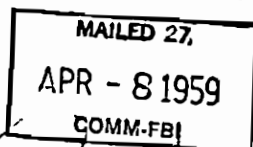
With regard to your request for information as to the present whereabouts of the Thompson submachine gun, serial number 4907, which was purchased by Kathryn Kelly at Forth Worth, Texas, in February, 1933, and subsequently seized by Bureau Agents on the R. G. Shannon farm 8/12/33, the following information has been located from a search of the Bureau file.

A letter from the Dallas Office dated 1/6/34, advised the Director that in compliance with instructions contained in Division letter of 12/19/33, Mr. F. J. Blake, Special Agent in Charge, delivered to Detectives [REDACTED] and [REDACTED] of the Fort Worth, Texas, Police Department, a .45 caliber Thompson submachine gun, No. 4907. You may desire to request the Dallas Division to make further inquiry with regard to the present whereabouts of this gun.

(4)

NOTE: Info contained in Bufile 7-115, serials 1054 and 1022.

Tolson _____
Boardman _____
Belmont _____
Mohr _____
Nease _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Holloman _____
Gandy _____



67 APR 18 1959

TELETYPE UNIT ☐

All b7C

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 4/14/59

FROM : ASAC, KANSAS CITY (7-8)

SUBJECT: GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING

OO: OC

Re Kansas City letter to Bureau
dated 3/23/59.

A review of the records of the U. S. Penitentiary,
Leavenworth, Kansas, made available by [REDACTED]
[REDACTED] on 4/9/59 to SA [REDACTED], reflect
no change in the status of BAILEY at the institution.

The Kansas City Office will continue to
follow this matter closely and advise the Bureau of
any change in the status of BAILEY at the institution.

② Bureau (7-115)
1 Oklahoma City (7-6)
1 Kansas City (7-8)

[REDACTED]
(4)

105

REC-44

7-115-2571

APR 16 1959

236
62 APR 20 1959

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: May 12, 1959

FROM : SAC, KANSAS CITY (7-8)

SUBJECT: GEORGE KELLY BARNES, aka.;
ET AL;
CHARLES F. URSCHEL - VICTIM
KIDNAPING

Origin: Oklahoma City

Reference Kansas City letter to the Bureau
dated April 14, 1959.

A review of the records of the United States
Penitentiary, Leavenworth, Kansas, made available by
[REDACTED] on May 4, 1959, to Special
Agent [REDACTED] reflected no change in the
status of HARVEY BAILEY at the institution.

The Kansas City Office will continue to
follow this matter closely and will advise the Bureau
of any change in the status of BAILEY at the
institution.

2 - Bureau (7-115)
1 - Oklahoma City (7-6)
1 - Kansas City (7-8)

[REDACTED]
(4)

REC-18

7-115-2572
15 MAY 14 1959

All b7c

133

MAY 20 1959

FBI

Date: June 8, 1959

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)
FROM: SAC, OKLAHOMA CITY (7-6)
GEORGE KELLY BARNES, aka. ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPPING

Re Oklahoma City airtel to Bureau dated 4-1-59, and
Buairtel to Oklahoma City dated 4-8-59.

Records of U. S. District Court, Oklahoma City, Court
Reporter for three previous URSCHER case trials, [REDACTED]
[REDACTED] still active as court reporter, examined by Agent 5/28/59
through 6/8/59, found to contain original stenographic record of
trial of U. S. vs. BATES, ET AL, U. S. vs. GEORGE and KATHRYN
KELLY and U. S. vs. ALVIN H. SCOTT, BEN B. LASKA, ET AL, as well as
forty-seven exhibits of probable value in any retrial of KATHRYN
KELLY, ORA L. SHANNON and HARVEY BAILEY. One stenographic notebook
of KELLY trial proceedings broken and pages scattered among other,
similar, shorthand pages; however, it is believed all pages this
book have been recovered in good order. U. S. Attorney PAUL W.
CRESS, Oklahoma City, requesting Departmental authority for re-
transcription of notes of KELLY trial and will assign first
priority to the project. Details, in letter, follow.

U. S. Attorney, Oklahoma City, advises no decision to date,
KELLY-SHANNON appeal, Tenth Circuit Court of Appeals, Denver.

GRAPP

③ - Bureau
1 - Oklahoma City

(4)

REC-92

EX-132

7-115-2573

JUN 10 1959

Approved: _____

Special Agent in Charge

Sent _____

M

Per _____

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: June 8, 1959

FROM: SAC, KANSAS CITY (7-8)

SUBJECT: GEORGE KELLY BARNES, aka.;
ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING

Origin: Oklahoma City

Reference Kansas City letter to the Bureau
dated May 12, 1959.

A review of the records of the United States
Penitentiary, Leavenworth, Kansas, made available by
Agent [REDACTED] on June 4, 1959, to Special
Agent [REDACTED] reflected no change in the
status of HARVEY BAILEY at the institution.

The Kansas City Office will continue to
follow this matter closely and will advise the Bureau
of any change in the status of BAILEY at the
institution.

2 - Bureau (7-115)
1 - Oklahoma City (7-6)
1 - Kansas City (7-8)

[REDACTED]
(4)

All b7c

EX-132

REC-70

7-115-2574

60 JUN 16 1959

12 JUN 11 1959

SAC, Oklahoma City (7-6)

6/17/59

Director, FBI (7-115)

GEORGE KELLY BARNES, AKA.; ET AL.
CHARLES F. URSCHEL - VICTIM
KIDNAPING

Reurlet 6/12/59.

Relet does not indicate status of appeal
concerning Kathryn Kelly and Ora Shannon. Sulet
immediately advising the Bureau in this regard.

ALL
b7C

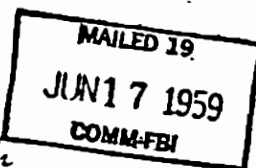
REC-95

7-115-2575

23 JUN 18 1959

EX-113

Tolson _____
Belmont _____
DeLoach _____
McGuire _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Holloman _____
Gandy _____



60 JUN 24 1959

MAIL ROOM TELETYPE UNIT ☐

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (7-115)

DATE: June 12, 1959

FROM : SAC, Oklahoma City (7-6)

SUBJECT: GEORGE KELLY BARNES, aka.; ET AL
CHARLES F. URSCHER - VICTIM
KIDNAPPINGATTENTION: FBI LABORATORY

Re Oklahoma City airtels to Director 4/1/59 and 6/8/59,
and Buairtel to Oklahoma City dated 4/8/59.

In response to the request of the United States Attorney, Oklahoma City, dealt with in referenced airtels, the transcript of the proceedings in the trial of United States vs. ALBERT L. BATES, et al., USDC, Oklahoma City, Docket #10,478-Cr., has been briefed for reporting and continuing exhaustive investigation has been conducted by SA [REDACTED] to locate the transcript of proceedings in the trial of U. S. vs. GEORGE and KATHRYN KELLY, which is also designated by USDC, Oklahoma City, Docket #10,478-Cr. and to locate the exhibits in all three "URSCHER CASE" trials.

A request by AUSA FRANCIS M. DUDLEY, filed May 28, 1935, for a court order directing the court reporter of the USDC, Oklahoma City, to deliver the exhibits introduced by the Government in the trial of USDC, Oklahoma City, Docket #10478-Cr. to the United States Attorney, Oklahoma City, for use in preparing for trial the case U. S. vs. ALVIN H. SCOTT, et al., USDC, Oklahoma City, # 11024-Cr., was found by the agent in old records of the U. S. District Court Clerk, Oklahoma City.

It was determined that the files of the U. S. Attorney, Oklahoma City, in USDC # 11024-Cr. had been destroyed at the Federal Records Center, Fort Worth, Texas, on 3/17/58. The FRC, Fort Worth, file of the U. S. District Court Clerk, Oklahoma City, in # 11024-Cr., was obtained and contained no transcript or exhibits.

It was determined that Mr. B. RULE SIMPSON was the court reporter in all three of the "URSCHER CASE" trials, to-wit: U. S. vs. ALBERT L. BATES, et al., in September, 1933; U. S. vs. GEORGE AND KATHRYN KELLY, in October, 1933, and U. S. vs. ALVIN

2 - Bureau
2 - Oklahoma City

(4)

REC-71

cc - 7-115-2576

All b7C

SEVEN

OC 7-6

H. SCOTT, et al., in June, 1935, and that Mr. SIMPSON, although quite elderly at this time, is still active as a court reporter in U. S. District Court, Oklahoma City.

Mr. B. RULE SIMPSON, above, informed the agent that, until about 1945, it was the rule and practice of the U. S. District Court, Oklahoma City, to cause the court reporter, in each case, to receive, mark and retain, as custodian for the court, all exhibits received in evidence. He stated that he had searched his records for any exhibits, documents or other material bearing upon the "URSCHEL CASE" or related cases but with negative results.

Mr. SIMPSON agreed to permit the agent to make a search of his records, which are contained in two small rooms adjoining his office in the Federal Building, Oklahoma City, and which represent an accumulation of notes, transcripts and exhibits from 1917 to the present, being quite voluminous and in remarkable disorder.

On 5/28,29; 6/2,5,8/59, the agent located the following items in ~~MR. SIMPSON'S~~ records which are of interest in this investigation:

1. A copy of Volume I of the transcript of proceedings in the trial of U. S. vs. ALBERT L. BATES, et al., #10,478-Cr.
2. A copy of the transcript (verbatim) of the exhibits in U.S. vs. ALBERT L. BATES, et al., # 10,478-Cr.
3. A partial transcript, in two volumes, or proceedings in U. S. vs. ALVIN H. SCOTT, et al., # 11024-Cr.
4. Mr. SIMPSON's stenographic notebooks, numbers 22, 23 and 24 of 1933, containing his original shorthand notes of the proceedings in the trial of U. S. vs. GEORGE and KATHRYN KELLY, # 10478-Cr., October, 1933. It should be noted that book number 23, containing 100 pages written on both sides, was broken and the pages scattered among other, similar, broken shorthand notebooks. However, it is confidently felt that all pages of this book have been recovered in good order since many pages contain, in long hand, names of individuals recognized as being participants in the trial. Books number 22 and 24 were intact.

OC 7-6

The United States Attorney, Oklahoma City, has requested Departmental authority to cause a re-transcription by Mr. SIMPSON of these original stenographic notes and has assigned first priority to the project.

5. Mr. SIMPSON's stenographic notebooks, numbers 18, 19, 20, 21 and part of 22, of 1933, recording the proceedings in the trial of U. S. vs. ALBERT L. BATES, et al., # 10,478-Cr., in September, 1933. These books were found to be intact.
6. Mr. SIMPSON's stenographic notebooks, numbers 14, 15 and 16 of 1935, recording the proceedings in the trial of U. S. vs. ALVIN H. SCOTT, et al., # 11024-Cr., in June, 1935. These notebooks were intact.

It is noted that many of the exhibits being sought were used successively in the BATES, KELLY and SCOTT trials, the latter being the last trial in which the exhibits were used.

7. Forty-six exhibits introduced in the SCOTT, et al. trial, # 11024-Cr., of probable value in any re-trial of KATHRYN KELLY, ORA L. SHANNON and HARVEY BAILEY, including telegrams, some in the handwriting of the sender; hotel registrations; original recordings of ransom bills, by serial numbers, as taken by officers from the persons of ALBERT BATES and HARVEY BAILEY; a long distance telephone traffic sheet of the Black Hotel, Oklahoma City, recording calls to the SHANNON home at Paradise, Texas; the original, handwritten, telegram from BATES in Minneapolis to KELLY in Cleveland, 8/8/33, warning him "the deal has fell through", sent upon BATES learning of the first arrests in the case; a receipt executed by EDNA CLARY CLARK, Assistant United States Attorney and Special Agent J. T. MURPHY, FBI, 8/5/37, for the three original ransom notes; photos of BATES and KELLY; handwritten letters of BATES and defense exhibit #2 bearing the signature of BATES as "GEORGE L. DAVIS".

A number of other exhibits were found which are unrelated to ORA L. SHANNON, KATHRYN KELLY or HARVEY BAILEY.

All of the above items were left in Mr. SIMPSON's possession.

OC 7-6

Mr. PAUL W. CRESS, United States Attorney, Oklahoma City, has indicated that he desires a listing of these pertinent exhibits, certified by ~~MR.~~ SIMPSON, identifying each by its exhibit number in each of the trials in which it was used, in order that he may obtain them by court order in positively identifiable form, particularly in view of ~~MR.~~ SIMPSON's age and declining vigor. It is felt that this would be a very difficult, if not impossible, task for Mr. SIMPSON and the agent ^{is} assisting him. Pertinent exhibits have been identified by exhibit number in the trial of U. S. vs. ALBERT L. BATES, et al., # 10478-Cr. from the transcript of the proceedings in that trial, in which they are not recorded verbatim, and from the verbatim transcript of exhibits in that trial. This work is continuing but completion of this phase of establishing the continuity of possession of these exhibits will, necessarily, be impossible until ~~Mr.~~ SIMPSON completes the transcription of his notes of the KELLY trial.

It is pointed out that a number of these exhibits contain handwriting, in ink or pencil, of the individuals originally preparing them, as do other exhibits from the KELLY trial which have been located in the files of the United States Attorney, Oklahoma City, and that these present possibilities of handwriting comparisons which may be pertinent in any future prosecutions in this case. It is recalled that defendants in previous trials were charged with conspiracy and that an essential part of the prosecution's efforts, in these trials, aimed at establishing the conspiratorial relationship which existed among the various defendants, consisting of showing that, in the months prior to the kidnapping of Mr. URSCHER, many messages were sent and received among them using a sort of code language and names other than their own, reporting to each other, arranging meetings, etc. The evidence supporting this phase of the government's case consisted, in large measure, of the exhibits mentioned hereinbefore.

The Bureau's attention is further invited to the fact that a number of these exhibits, so used in the first, or BATES, et al, trial, were examined by a private handwriting expert, Mr. D. C. PATTERSON, a Certified Public Accountant of Oklahoma City, who testified for the Government concerning his findings. Mr. PATTERSON died in November, 1958.

It is the expressed opinion of First Assistant United States Attorney, Oklahoma City, GEORGE CAMP, that such handwriting

OC 7-6

examinations and testimony must play an essential role in establishing the conspiracy among the defendants, including ORA SHANNON and KATHRYN KELLY, in any future trial in this case.

The FBI Laboratory's policy of not examining evidence previously examined by other technical experts, is recognized. However, in view of Mr. PATTERSON's death and of the major importance of this case and considering the importance of handwriting evidence in any future trial in this case and, further, in view of the grossly false and vicious allegations made against the Government, including Bureau personnel, by KATHRYN KELLY, ORA L. SHANNON and HARVEY BAILEY, which imply that in a fair trial they would be found innocent, the Bureau is requested to make an exception to its policy and to accept for examination all pertinent handwriting evidence available in this case.

Routing Slip
FD-4 (Rev. 12-4-57)

Date 6/15/59

To

☒ Director
Att. Division 6

FILE # Bufile 7-115
OC file 7-6

☐ SAC
☐ ASAC
☐ Supv.
☐ Agent
☐ SE
☐ CC
☐ Steno
☐ Clerk

Title GEORGE KELLY BARNES,
aka; et al.; CHARLES F
URSCHER - VIC.
KIDNAPING

ACTION DESIRED

☐ Acknowledge
☐ Assign Reassign
☐ Bring file
☐ Call me
☐ Correct
☐ Deadline
☐ Deadline passed
☐ Delinquent
☐ Discontinue
☐ Expedite
☐ File
☐ Initial & return
☐ Leads need attention
☐ Open Case
☐ Return with explanation or notation as to action taken.

☐ Prepare lead cards
☐ Prepare tickler
☐ Recharge serials
☐ Return assignment card
☐ Return file
☐ Return serials
☐ Search and return
☐ See me
☐ Send Serials

to

☐ Submit new charge-out
☐ Submit report by
☐ Type

Re OC let to Director 6/12/59.

Page 4, line 8, of relet should read
"...and the Agent is assisting him."

SAC WESLEY C. GRAPP

☐ See reverse side

Office OKLAHOMA CITY

SAC, Oklahoma City (7-6)

June 17, 1959

REC-77
Director, FBI (7-115) - 2576

GEORGE KELLY BARNES, aka; et al.
CHARLES F. URSCHEL - VICTIM
KIDNAPPING

Reurlet 6/12/59.

The FBI Laboratory policy of not examining evidence previously examined by other experts in the same scientific field is not applicable in this situation since this was and is a Bureau case. This policy applies only with respect to requests received from agencies outside the Bureau.

It appears from your letter that the nature and extent of any handwriting examinations to be made in the Laboratory are not yet known by your office and it seems practical that any submissions to the Laboratory be made only after it has been definitely determined there will be a retrial.

1 - [REDACTED] Room 5718

Note: This matter has been coordinated with Supervisor [REDACTED] in Investigative Division. ^{CONVICTION} Kathryn Kelly and Ora L. Shannon ^{are seeking} ~~retrial of their respective cases and their~~ ^{REVERSED BY DISTRICT COURT, AN APPEAL OF THIS ACTION} ~~actions~~ under consideration by the Court of Appeals. The U. S. Attorney in Oklahoma City desires all original transcripts and evidence be located so will be available in event retrial is necessary.



Tolson _____
Belmont _____
DeLoach _____
McGuire _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Holloman _____
Gandy _____

MAIL ROOM ☐ TELETYPE UNIT ☐

- 7615 All b7c

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR 7-115

DATE: June 19, 1959

FROM : SAC OKLAHOMA CITY 7-6

SUBJECT: GEORGE KELLY BARNES, aka; et al.;
CHARLES F. URSCHER - VICTIM
KIDNAPINGReBulet 6/17/59 and OC airtel to Director 6/8/59
in captioned case.

AUSA GEORGE CAMP, Oklahoma City, advised 6/19/59 that no indication has reached his office that the Tenth Circuit Court of Appeals, Denver, Colorado, has, as yet, ruled on the Government's appeal in the KATHRYN KELLY - ORA SHANNON matter.

2-Bureau
1-Oklahoma City

(3)

b7C

EX-132
REC-5 7-115-2577

JUN 25 1959

F-313
JUN 30 1959

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 7-8-59

FROM : SAC, Kansas City (7-8)

SUBJECT: GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING
OO: Oklahoma City

Re Kansas City letter to the Bureau, 6-8-59.

A review of the records of the United States Penitentiary, Leavenworth, Kansas, made available by [REDACTED] on July 2, 1959, to SA [REDACTED] reflected no change in the status of BAILEY at the institution.

The Kansas City Office will continue to follow this matter closely and will advise the Bureau of any change in the status of BAILEY at the institution.

- 2 - Bureau
- 1 - Oklahoma City (7-6) (Info)
- 1 - Kansas City

[REDACTED]
(4)

All b7C

7-115-2573

REC- 99

~~7-115-3578~~
11 JUL 13 1959

53 AUG 31 1959

DECODED COPY

Mr. Tolson _____
 Mr. Belmont _____
 Mr. DeLoach _____
 Mr. McGuire _____
 Mr. Mohr _____
 Mr. Parsons _____
 Mr. Rosen ✓
 Mr. Tamm _____
 Mr. Trotter _____
 Mr. W.C. Sullivan _____
 Tele. Room _____
 Mr. Holloman _____
 Miss Gandy _____

XXX Radio

Teletype

URGENT

7-28-59

TO DIRECTOR

FROM SAC OKLAHOMA CITY 281735

GEORGE KELLY BARNES, AKA, ET AL, CHARLES F. URSCHER, VICTIM, KIDNAPING. RE OC LETTER TO DIRECTOR JUNE 19 LAST. PUBLIC SOURCES THIS DATE INDICATE THAT ON JULY 27 LAST US CIRCUIT COURT OF APPEALS, DENVER, REVERSED RULING OF USDC, OKLAHOMA CITY, JUNE 16, 1958 WHICH SET ASIDE 1933 CONVICTIONS OF KATHRYN THORNE KELLY AND ORA L. SHANNON AND ORDERED NEW TRIAL, AND THAT DEFENSE ATTORNEY JAMES J. LAUGHLIN, WASHINGTON, D.C., EXPRESSED INTENTION OF CARRYING MATTER TO U.S. SUPREME COURT. USA, OC HAS NO INFO OTHER THAN THAT AVAILABLE FROM NEWS SOURCES. USA UN- CERTAIN WHETHER USDC, OKLAHOMA CITY, ACTUALLY REVERSED OR CASE REMANDED TO TRIAL COURT FOR FURTHER ACTION. DENVER OBTAIN FULL DETAILS FROM CLERK 10TH CIRCUIT COURT OF APPEALS AND ADVISE BUREAU AND OKLAHOMA CITY, AND FOLLOW ANY FURTHER ACTION ON APPEAL FROM 10TH CIRCUIT COURT. DENVER ADVISED BY TELETYPE.

RECEIVED:

3:11 PM RADIO

3:36 PM CODING UNIT

Mr. Rosen

EX-133

REC-29

All b7C

7-115-2579

JUL 31 1959

62 AUG 5 1959

F95

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

JUL 29 1959

TELETYPE

URGENT 7-29-59

1-54

TO DIRECTOR AND SAC, OKLAHOMA CITY
FROM SAC, DENVER

GEORGE KELLY BARNES, AKA ET AL, CHARLES F. URSCHER, VICTIM,
KIDNAPING. RE OKLAHOMA CITY TELETYPE JULY TWENTY EIGHT,
FIFTY NINE. CLERK, U. S. CIRCUIT COURT OF APPEALS, DENVER,
COLORADO, ADVISED THAT OPINION OF COURT HAS BEEN SENT TO
PRINTERS AND WILL NOT BE AVAILABLE FOR REVIEW. STATES
HOWEVER THAT CASE WAS REVERSED AND REMANDED. ALSO VERIFIED
BY TELEPHONE CALL TO USA, OKLAHOMA CITY, THAT COPY OF OPINION
HAD BEEN RECEIVED THAT OFFICE AND THAT IT WILL BE MADE
AVAILABLE TO FBI, OKLAHOMA CITY. OKLAHOMA CITY OBTAIN COPY
OF OPINION. RUC.

WA 456PM OK FBI WA

C OC OK FBI OC

62 AUG 5 1959

Mr. Rosen

Mr. Tolson
Mr. Belmont
Mr. DeLoach
Mr. McGuire
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W.C. Sullivan
Tele. Room
Mr. Holloman
Miss Gandy

JUL 31 1959

EX-133

All b7C

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 8/3/59

FROM : SAC, KANSAS CITY (7-8)

SUBJECT: GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING

OO: Oklahoma City

Re Kansas City letter to Bureau dated 7/8/59.

On 7/30/59 [REDACTED]
U. S. Penitentiary, Leavenworth, Kansas, made available to
SA [REDACTED] a photostatic copy of a letter of
Mr. JOSEPH N. MINIACE, Attorney, Kansas City, Missouri to
Mr. HARVEY BAILEY, an inmate at the U. S. Penitentiary,
Leavenworth, Kansas.

The letter states as follows:

"July 28, 1959

"Mr. Harvey Bailey
"Register No. 63400
"Leavenworth, Kansas

"Dear Sir:

"I read in the Kansas City Times that the Court of
Appeals has reversed the decision of the District
Court of Oklahoma.

"If you have changed your mind relative to seeking a
parole, let me know, as I am still willing to help
you if I can.

"Yours truly,

/s/ "Joseph N. Miniace

"Joseph N. Miniace

"JNM:vj"

REC-36

AUG 5 1959

② Bureau
1 Oklahoma City (7-6)
1 Kansas City

(4) 53 AUG 7 1959

All b7c

KC 7-8

Kansas City will continue to follow this matter and advise the Bureau of any changes in the status of BAILEY.

August 5, 1959

AIRTEL

To SAC, Oklahoma City (7-8)

From Director, FBI (7-115)

**GEORGE KELLY BARNES, AKA., ET AL.; CHARLES F. URSCHER - VICTIM;
KIDNAPING.**

Re Oklahoma City airtel 7/31/59, transmitting a copy of the ruling of the U. S. Court of Appeals, 10th Circuit.

This matter must be closely followed with the U. S. Attorney's Office in order that your office may be aware of any action taken in connection with the ruling of the 10th Circuit Court of Appeals. You should ascertain, if possible, what Judge Wallace intends to do. The Bureau must be kept advised of all developments in this matter.

(4) **7** b7C

REC-18

EX-109

7-115-2582

23 AUG 6 1959

Tolson _____
Belmont _____
DeLoach _____
McGuire _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Holloman _____
Gandy _____

AUG 5 1959

MAIL ROOM ☐ TELETYPE UNIT ☐

MAILED 25

AUG 5 - 1959

COMM-FBI

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

DATE: July 28, 1959

FROM : A. Rosen *Rw*

SUBJECT: GEORGE KELLY BARNES, with aliases,
et al. *①*
CHARLES F. URSCHEL - VICTIM
KIDNAPING

Ken
Tolson ☒
Belmont ☒
DeLoach ☒
McGuire ☒
Mohr ☒
Parsons ☒
Rosen ☒
Tamm ☒
Trotter ☒
W.C. Sullivan ☒
Tele. Room ☒
Holloman ☒
Gandy ☒

I thought you would be interested in the fact that the U. S. Circuit Court of Appeals for the 10th Circuit ordered Mrs. Kathryn Kelly and her mother, Mrs. Ora Shannon, returned to prison. The Circuit Court of Appeals issued its order 7/27/59.

On 7/22/33 Urschel was kidnaped at Oklahoma City and was released after payment of \$200,000 ransom. In connection with the kidnaping, Shannon was sentenced to life on 10/7/33, and Kelly was sentenced to life on 10/12/33.

Hearings were held in the U. S. District Court, Oklahoma City, 6/9 through 16/58, on motions filed by Shannon and Kelly to vacate their life sentences imposed in 1933. Testimony heard by U. S. District Judge William R. Wallace included an allegation that attorneys representing the defendants could not properly represent their clients in 1933 because they were under investigation by the FBI. This testimony was refuted by the U. S. Attorney who prosecuted the cases in 1933 and by two of the defense attorneys.

On 6/12/58 the court ruled the testimony concerning the investigation of the defense attorneys in 1933 was a critical point and requested testimony from the present U. S. Attorney or a representative of the FBI denying the allegation. As an alternative the court ruled that FBI reports be furnished for inspection by the court. The U. S. Attorney requested a delay which was granted and on 6/16/58 Judge Wallace ordered all files and reports of the FBI pertaining to all prosecutions arising out of the kidnaping of Urschel in 1933 be delivered to the court for examination. The court also ordered the U. S. Attorney to deliver the files in open court or the court would sustain the motions for new trials. On 6/16/58 the U. S. Attorney, acting on instructions received from the Attorney General, advised the court the FBI files would not be produced. The court sustained the motions of Shannon and Kelly for a new trial and they were ordered released on 6/16/58 on \$10,000 bond each.

The U. S. Attorney appealed the decision of the U. S. District Court to the U. S. Circuit Court of Appeals, 10th Circuit.

REC-14
SENT DIRECTOR
7-28-59
All b7C

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

DATE: August 4, 1959

FROM : A. Rosen *R*SUBJECT: GEORGE KELLY BARNES, WAS., ET AL.;
CHARLES F. URSCHEL - VICTIM;
KIDNAPING

Tolson	_____
Belmont	_____
DeLoach	_____
McGuire	_____
Mohr	_____
Parsons	_____
Rosen	_____
Tamm	_____
Trotter	_____
W.C. Sullivan	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

For your information a summary is set forth of the opinion of the 10th Circuit Court of Appeals reversing the U. S. District Court in captioned case.

In June, 1958, hearings were held in U. S. District Court, Oklahoma, on motions of Kathryn Kelly and Ora Shannon (serving life for the kidnaping of Urschel on 7/22/33), to vacate the life sentences. Former U. S. Attorney Hyde who originally prosecuted the case for the Government testified that defense attorneys were not investigated by the FBI in 1933 as alleged by Kelly and Shannon. The court ruled this testimony was a critical point and ordered the U. S. Attorney to deliver the Government's files in open court for examination. On 6/16/58, the U. S. Attorney on instructions from the Attorney General refused to produce the files, whereupon the court sustained the motions of Kelly and Shannon. The Government appealed.

The 10th Circuit Court of Appeals reversed the District Court on 7/27/59. The court overruled a motion by James Laughlin, Washington, D. C., attorney representing Kelly and Shannon, that the court lacked jurisdiction on the ground that the order directing the production of the files was a mere interlocutory order from which no appeal will lie. The court ruled the Government's appeal was from the order vacating and setting aside the sentences in two criminal cases and such an order is open to appeal.

In its opinion the Circuit Court of Appeals referred to the Jencks Decision (Jencks versus U. S.) and stated that Title 18, Section 3500, U. S. Code, enacted soon after the Jencks Decision, was controlling; that this statute represented a studied congressional purpose based on considerations of public policy to limit the right of a defendant in a criminal case to the production of documents from files of the Government. The statute provides no statement or report made by a Government witness shall be the subject of inspection until such witness has testified on direct examination in the trial of a case. No evidence was introduced in the hearing on the motions (of Kelly and Shannon) which tended to show the witness Hyde made or did not make any statement or report to the Government as defined in Section 3500 and in view of the rigidity of this section there was no sustainable basis for the demand of the plaintiffs (Kelly and Shannon) that the seal of secrecy on the Government's files be broken and the files made available for examination.

ENCLOSURE

REC-65

2-115-2074
RECORDED

10 AUG 7 1959

SP2

Memorandum for The Director

The Circuit Court of Appeals went even further and said even assuming that the Government should have broken the seal of secrecy on the files and submitted them for examination as directed by the U. S. District Court and the Government elected not to comply with the U. S. District Court's order, the procedure was to strike from the record all of the testimony given by the witness Hyde and proceed with the hearing. The Circuit Court of Appeals said it was not within the range of choice on the part of the U. S. District Court to set aside the convictions.

EW
RB

File # 8

L. K.

Belmont ✓
DeLoach *P*
McGuire *S*
Mohr
Parsons
Rosen
Tamm
Trotter
M.C. Sullivan
Tele. Room
Holloman
Gandy

Burd
\$5

AA1

Machine Gun Kelly's Wife Is Ordered Back to Prison

Denver, July 27. (AP)—The U.S. Circuit Court of Appeals today ordered Mrs. Kathryn Kelly, 55, widow of gangster George

(Machine Gun) Kelly, and her mother sent back to prison. The women's sentences were set aside and new trials were ordered.

Mrs. Kelly and Mrs. Ora Shannon, 71, were released under bond more than a year ago after serving nearly 25 years of life sentences for the 1933 kidnaping of

Charles F. Urschel, wealthy Oklahoma oil man. Urschel was released unharmed after \$200,000 ransom was paid. Kelly died in the Federal Peni-

All b7C

The Washington Post and Times Herald _____
The Washington Daily News _____
The Evening Star _____
New York Herald Tribune _____
New York Journal-American _____
New York Mirror _____
New York Daily News 17 _____
New York Post _____
The New York Times _____
The Worker _____
The New Leader _____
The Wall Street Journal _____

JUL 28 1959

SENT DIRECTOR
7-28-59

ENCLOSURE

7 - 115 - 25-84

ENCLOSURE

see memo 8/4/59 Post Director
re 900012121
Charles D. Hootch
JUL

The Worker -
The New Leader
Broadway Street
Date

F B I

Date: July 31, 1959

Transmit the following in _____

(Type in plain text or code)

Via AIRTELAIRMAIL

(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)

FROM: SAC, OKLAHOMA CITY (7-6)

GEORGE KELLY BARNES, aka.;
ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPPING

(OO: Oklahoma City)

Re Oklahoma City teletype to Director and Denver, dated 7-28-59, and Denver teletype to Director and Oklahoma City, dated 7-29-59.

Transmitted herewith is a copy of the ruling of the U. S. Court of Appeals, Tenth Circuit, in the matter of the Government's appeal from the Order of Judge W. R. WALLACE, U. S. District Court, Western District of Oklahoma, sustaining the motions of KATHRYN THORNE KELLY and ORA L. SHANNON to vacate and set aside the 1933 judgements and sentences and ordering new trials in their cases. This ruling reverses the 1958 Order of Judge WALLACE and remands the cause to the U. S. District Court, Oklahoma City. This was obtained from the U. S. Attorney, Oklahoma City.

Public sources indicate that Judge WALLACE will allow KATHRYN KELLY and ORA SHANNON to remain free on their present bonds, of \$10,000.00 each, pending a final disposition of their appeal under Section 2255, Title 28, USCA, and that the cause will be scheduled for further hearing at a time as yet undetermined, perhaps in September, this year. Assistant U. S. Attorney GEORGE CAMP, Oklahoma City, advises that he has no information other than from news sources concerning this matter.

- ③ - Bureau (Enc. 1)
1 - Oklahoma City

(4)

ENCLOSURE

ENCLOSURE

Approved: _____

Special Agent in Charge

Sent _____

M

Per _____

60 AUG 17 1959

7-115-2585

15 AUG 3 1959

REC-31

OC 7-6

Mr. CAMP further advised that his office is in receipt of a copy of a motion, filed by Attorney JAMES M. LAUGHLIN in behalf of KATHRYN KELLY and ORA SHANNON, to stay the mandate of the Tenth Circuit Court of Appeals, in this matter, pending appeal to the Supreme Court of the United States.

The Bureau will be advised of developments.

GRAPP

ENCLOSURE TO BUREAU (1)

BU file 7-115

OC file 7-6

7-31-59

GEORGE KELLY BARNES, AKA.;

ET AL;

CHARLES F. URSCHER - VICTIM

KIDNAPPING

(OO: OC)

One copy of ruling of US 10th Circuit Court of Appeals on the appeal
by Government of 1958 USDC, Oklahoma City, order in the hearing under
Section 2255, Title 18, USCA, of motions of ORA L. SHANNON & KATHRYN KELLY

ENCLOSURE

7-115-2585

UNITED STATES COURT OF APPEALS

TENTH CIRCUIT

March Term - 1959

MAY

UNITED STATES OF
AMERICA,

Appellant,

vs.

KATHRYN THORNE KELLY
and ORA L. SHANNON,

Appellees.

NUMBER 6020

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES

FOR THE REASON

Theodore George Gilinsky, Attorney, Department of Justice, (Malcolm Anderson, Assistant Attorney General, and Paul W. Cress, United States Attorney, were with him on the brief) for Appellant.

James J. Laughlin for Appellees.

Before BRATTON, Chief Judge, and PICKETT, Circuit Judge, and ENCUS, District Judge.

WATKINS, Chief Judge:

Cora L. Shannon and Kathryn Thorne Kelly are mother and daughter. In 1933, each was convicted in the United States Court for Western Oklahoma of conspiring to kidnap Charles F. Bremer at Oklahoma City, transport him into Texas, and there hold him in concealment for the payment of ransom. Each was sentenced to imprisonment for life, and on appeal both judgments and sentences were affirmed. *Shannon v. United States*, 76 F.(2d) 890; *Kelly v. United States*, 76 F.(2d) 847.

In 1952, Cora L. Shannon and Kathryn Thorne Kelly each filed a motion under 28 U.S.C.A. §2255 to vacate and set aside the sentence imposed upon her. An affidavit was attached to each motion. The motions were identical but the affidavits differed. The grounds of the motions were inadequate assistance of counsel, use of testimony known to be false, denial of compulsory service where which prevented a fair and impartial trial.

trial of the original cause, and others testified

that he was familiar with the facts surrounding the publication of the books; that he continued in the office of the United States Attorney until January, 1934; that while he was United States Attorney, the Federal Bureau of Investigation did not communicate or interrogate any of the attorneys representing defendants in the cases; and that any investigation which may have been made of the attorneys was begun after January 1, 1934. The files of the Department of Justice relating to the Brantley and Manning cases consisted of seventy-three volumes.

at the time of the hearing on the motions, such
files were in the office of the United States At-
torney at Oklahoma City. During the course of the
hearing, Ors L. Shannon and Kathryn Thorne Kelly

from such files of all records reflecting investiga-
tion of attorneys in the criminal cases having to
do with their representation of any and all defen-
dants; all records having to do with alleged receipt
of ransom money by attorneys in the cases; all re-
cords reflecting visits and interviews with any and
all attorneys or any other persons interviewed with
respect to such attorneys; all records with respect
to Luther Arnold (a witness in the trial of the crim-
inal case in which Kathryn Thorne Kelly was convicted)

records with respect to Arnold's involvement in
certain offenses; all records reflecting agreement
made by the Government with Arnold to the effect that
he would not be prosecuted for all offenses if he
would testify against Kathryn Thorne Kelly; all re-
cords reflecting an offer of the Federal Bureau of
Investigation to assist Arnold in collecting reward
money; all records showing an order of a certain agent
of the Federal Bureau of Investigation concerning the
confinement of Kathryn Thorne Kelly and the feeding
of her on bread and water to weaken her morale; and

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

to the court files which might tend to affect the credibility of the witness Hyde, particularly his testimony that there was no investigation of counsel in the criminal cases before he left office in the early part of 1934. And it was further recited in the order that such order carried no implication that under the evidence adduced at the hearing, the defendants were entitled to prevail; and also that it did not imply that the defendants were not entitled to so prevail. The Government appealed.

A preliminary question is presented relating to the lack of jurisdiction of this court to enjoin the Government from producing the documents. The contention that the order directing the production of the files was a mere interlocutory order from which no appeal will lie. But the argument rests upon a misconception. The Government did not appeal from the directive of the court for the production of the files. The appeal was taken from the order vacating and setting aside the judgments and sentences in the two criminal cases. Such order was predicated upon the refusal to make the files available to the court. But the scope and effect of the order was to vacate and set aside the judgments.

ments and sentences in the two criminal cases,
and an order of that kind is open to appeal by
the Government. *United States v. Williamson*, 235
F.(2d) 512, certiorari denied, 353 U.S. 941.

The congressional purpose in the enactment
of 28 U.S.C.A. § 2255, *supra*, was to provide that
an attack upon a judgment and sentence in a criminal
case which previously might have been made in
a proceeding in habeas corpus should be made by
motion filed in the court in which the sentence
was imposed, unless for some reason the remedy
by motion is inadequate and ineffective. The
scope of the collateral attack is broad,
but the scope is limited to matters which may be
raised by collateral attack. A proceeding under
the statute is an independent and collateral in-
quiry into the validity of the conviction. *United*
States v. Rayman, 342 U.S. 803; *Butler v. Looney*,
219 F.(2d) 146; *Ostern v. Looney*, 221 F.(2d) 254;
Simmons v. United States, 230 F.(2d) 73, certiorari
denied, 351 U.S. 927. It is not a proceeding in
the original criminal prosecution but is an in-
dependent proceeding, civil in nature. *Malin v.*
United States, 358 U.S. 415.

While these proceedings initiated by the filing of motions under 28 U.S.C.A. 1825, supra, were civil in character, the plaintiffs in them were defendants in the original prosecutions out of which the motions arose. In the course of the hearing upon the motions an effort was made to compel the production of secret files of the Government, 18 U.S.C.A. 1500 became applicable with controlling effect. That statute was interpreted soon after *Smith v. United States*, 353 U.S. 637, was decided. It provides that in any criminal prosecution no statement or report in the possession of the Government which was made by a Government witness or prospective Government witness shall be the subject of subpoena, disclosed, or introduced in evidence without being first produced on direct examination in the trial of the case. It further provides that after a witness called by the Government has testified on direct examination, the court shall, on motion of the defendant, order the Government to produce any statement, as thereafter defined, of the witness in the possession of the Government which relates to the subject matter to which the witness has testified. It further provides that if the entire contents of any such statement relate to the subject matter of the testimony of the witness, the court shall

order it to be delivered directly to the defendant for his examination and use. It further provides that if the statement contains matter which does not relate to the subject matter of the testimony of such witness, the statement may be excised in the manner therein specified. It further provides that if the Government elects not to comply with an order of the court to deliver to the defendant any such statement, or such portion thereof as the court may direct, the court shall strike from the record the testimony of the witness, and the trial shall proceed, unless the court in its discretion shall declare a mistrial. And it defines the term "statement" as used in the statute to mean a written statement made by the witness and signed by him, or adopted and approved by him, or a transcription thereof which is a substantially verbatim recital of an oral statement made by such witness to an agent of the Government and recorded contemporaneously with the making of such oral statement.

When the statute is considered in its entirety against the background which attended its enactment, the congressional purpose is clear. The statute represents a studied congressional purpose based upon considerations of public policy to limit the right of a defendant in a criminal

case to the production of documents from the files of the Government. By its terms, the right of a defendant to the production of documents from the secret files of the government is limited to the production of statements as defined in the statute as so used for impeachment purposes only. *Palermo v. United States*, ___ U.S. ___, *Johnson v. United States*, (CA-10), ___ F.(2d) ___.

No evidence was introduced in the hearing on the motions which tended to show that the witness Spide made or did not make any statement or report to the Government as defined in section 3500, supra, interrogation or non-interrogation, or any of the attorneys representing any of the defendants in the criminal cases. He was not asked whether he had made any such statement or report and therefore he neither admitted nor denied having done so. And no other evidence was adduced which tended to indicate whether he had or had not made such statement or report. In other words, there was a complete absence of any evidence which tended to show directly or indirectly that the secret files of the Government contained any statement or report

made by the witness relating to the matter. Since the witness neither admitted nor denied making any such statement or report, his testimony was not open to impeachment through the use of statements

or reports in the government files. In view of the validity of section 1900, supra,

there was no sustainable basis in the record for the demand of plaintiffs that the seal of secrecy upon the files of the Government be broken and

the files made available for examination to determine whether they contained a statement or report which might have the effect of impeaching the testimony of the witness in relation to the examination or interrogation of attorneys. Neither

was there any sustainable basis for the directive

for the purpose of a plenary inspection as to whether they contained any such statement or report. Cf. *Baden v. United States*, (CA-5) ____ F.(2d)

Moreover, although for the reasons already outlined we think otherwise, let it be assumed for the moment that the Government should have broken the seal of secrecy upon the files and submitted them for examination in obedience to the directive

of the court. As previously stated, section 3500,

supra, provides that if the Government elects not

to comply with an order of the court to deliver

to the defendant any statement as therein defined,

the court shall strike from the record the testi-

mony of the witness and proceed with the trial,

unless the court in its discretion shall declare

a mistrial. Since the hearing was before the court

without a jury, when the Government declined to

make its files available for examination, the pro-

cedure open to the court under the plain command

of the statute was to strike from the record all

of the testimony given by the witness and pro-

ceed with the hearing. The procedure outlined in

exclusive procedure thus blighted, it was not with-

in the range of choices on the part of the court to

set aside the convictions in the two criminal cases

and award new trials as an appropriate sanction

imposed upon the Government for its refusal to sub-

mit the files for examination.

and the judg-

ments and sentences in the two criminal cases are

reversed and the cases are remanded.

FBI

Date: 8/18/59

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)

FROM: SAC, OKLA. CITY (7-6)

GEORGE KELLY BARNES, aka.;
Et Al;
CHARLES F. URSCHER - VICTIM
KIDNAPING

(OO: Oklahoma City)

Re Oklahoma City airtel to Director, 7/31/59.

Public sources indicate U. S. Court of Appeals, 10th Circuit, has granted 30 day stay of its mandate of 7/27/59, remanding this case to lower court. Order to stay action on earlier decision is understood to be based on motion by Attorney JAMES M. LAUGHLIN, who represents KATHRYN KELLY and ORA SHANNON, to allow time for filing of request for review of proceedings by U. S. Supreme Court.

DENVER obtain details of Court's action and advise Bureau and Oklahoma City.

- (3) - Bureau
2 - Denver
1 - Oklahoma City

(5)

REC-33

EX 109

All b7C

F163

53 AUG 24 1959

Approved: W 2187

Special Agent in Charge

Sent

M

Per

SAC, Oklahoma City (7-6)

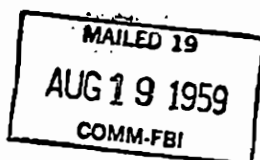
August 19, 1959

Director, FBI (7-115)

a
GEORGE KELLY BARNES
aka., Et Al.
KIDNAPING

An article from the "Oklahoma City Times" dated August 11, 1959, submitted by your division reflects that an order was issued by the Circuit Court of Appeals, Denver, Colorado, staying the decision of that court which was handed down on July 27, 1959, reversing the ruling of the District Court which had ordered new trials for Kathryn Kelly and Ora Shannon.

You are reminded that due to the nature of this case it is necessary that the Oklahoma City Division must keep the Bureau advised of all developments in this case on a current basis. It is noted that in your airtel of July 31, 1959, you indicated that Attorney James Laughlin would petition for a stay pending appeal to the Supreme Court of the United States. This matter must be followed most closely by your division so that the Bureau can be promptly advised of any action taken to bring this matter before the Supreme Court.



REC- 96
EX 109

7-115-2587
13 AUG 20 1959

olson _____
elmont _____
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(4)

FIG3/WK

13 AUG 25 1959 MAIL ROOM TELETYPE UNIT

All b7c

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: August 19, 1959

FROM : SAC, KANSAS CITY (7-8)

I
SUBJECT: GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHEL - VICTIM
KIDNAPING

Origin: Oklahoma City

Reference Kansas City letter to the Bureau
dated August 3, 1959.

A review of the records of HARVEY BAILEY,
inmate, United States Penitentiary, Leavenworth,
Kansas, made available by [REDACTED]
[REDACTED] to Special Agent [REDACTED]
on August 14, 1959, reflected no change in the
status of BAILEY at the institution.

The Kansas City Office will continue
to follow this matter closely and will advise the
Bureau of any change in BAILEY's status at the
institution.

2 - Bureau (7-115)
1 - Oklahoma City (7-6)
1 - Kansas City (7-8)

[REDACTED]
(4)

All b7C

REC-3

7-115-2582

18 AUG 21 1959

F B I

Date: August 21, 1959

Transmit the following in AIRTEL

(Type in plain text or code)

Via AIR MAIL

(Priority or Method of Mailing)

TO: Director, FBI (7-115)

FROM: SAC, Denver (7-7)

RE: GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHER - VICTIM
KIDNAPING
(OO Oklahoma City)

Re Oklahoma City airtel to Bureau dated August 18, 1959.

b7C [REDACTED] Clerk of Court's Office, U. S. Circuit Court of Appeals, Denver, Colorado, advised August 21, 1959, after reviewing her files that an order was issued on August 6, 1959, by that court staying a mandate of that court dated July 27, 1959, which remanded this case to the lower court with the order that judgment and sentences should not be set aside as ordered by the lower court. [REDACTED] explained b7C that this stay of the mandate had been issued in order that counsel for the defendants could have a petition filed with the Supreme Court of the United States. She added that if such petition were filed within 30 days from the date of August 6, 1959, that the mandate dated July 27, 1959, would be permanently stayed until such time as the U. S. Supreme Court rendered a decision. *R.M.*

- ③ - Bureau (AM)
2 - Oklahoma City (AM) (7-6)
1 - Denver

(6) b7C

WERNER
REC-427-115-2589
23 AUG 24 1959Approved: _____
Special Agent in Charge

Sent _____ M Per _____

FBI

Date: 9/1/59

Transmit the following in _____

(Type in plain text or code)

Via _____

AIRTEL

AIRMAIL

(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)
FROM: SAC, OKLAHOMA CITY (7-6)
GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHEL
KIDNAPING
OO:OKLAHOMA CITY

Re Denver airtel to Director 8/21/59.

Denver maintain contact with Clerk, U. S. Tenth Circuit Court of Appeals, Denver, in order to be immediately advised if defendants file petition with Supreme Court of United States by 9/5/59, thus further staying the mandate of the Tenth Circuit Court of Appeals. Advise Bureau and Oklahoma City.

- ③ - Bureau
2 - Denver (7-7)
1 - Oklahoma City

(6)

58

REG-5 7-115-259

7 SEP 2 1959

Approved: WYH Special Agent in Charge Sent _____ M Per _____

F B I

Date: 9/8/59

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIR MAIL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)
FROM: SAC, OKLAHOMA CITY (7-6)

GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHEL
KIDNAPING
(OO: OC)

ReOCairtel to Director, 9/2/59.

USA PAUL W. CRESS, Oklahoma City, advises he is in receipt of information to the effect that the Tenth Circuit Court of Appeals, Denver, Colorado, granted a 10-day extension, to 9/15/59, of the stay of that court's mandate reversing the U. S. District Court, Oklahoma City, and remanding the case to such court for further consideration. He indicated that this extension was to permit further time for the filing of a petition with the U. S. Supreme Court by the attorney for ORA L. SHANNON and KATHRYN THORNE KELLY.

Denver, confirm the above and follow with the Clerk of the Tenth Circuit Court of Appeals, Denver, in order to be notified of the action of the Supreme Court in this matter and advise the Bureau and Oklahoma City.

GRAPP

3 - Bureau
2 - Denver
1 - Oklahoma City

(6)

b7C

REC-72

7-115-2591

14 SEP 9 1959

58 SEP 16 1959

Approved: _____

Special Agent in Charge

Sent _____

M

Per _____

F B I

Date: 9/2/59

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL

AIRMAIL

(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)
FROM: SAC, OKLAHOMA CITY (7-6)
GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHER
KIDNAPING
OO: OKLAHOMA CITY

Re OC airtel to Director 9/1/59.

USA, PAUL CRESS, Oklahoma City, advises J.J. LAUGHLIN, attorney for KATHRYN THORNE KELLY and ORA L. SHANNON has petitioned the Circuit Court of Appeals, Denver, Colorado for an additional 10 days stay to September 15, of that Court's mandate, in order to permit a filing of a petition with the Supreme Court of the United States. Mr. CRESS stated that he does not intend to file an objection.

GRAPP

- ③ - Bureau (Info)
2 - Denver (7-7)(Info)
1 - Oklahoma City

(6)

b7C

REC-72

7-115-2592

11 SEP 4 1959

Approved: WJB 1163

Special Agent in Charge

Sent _____

M

Per _____

62 SEP 16 1959

FBI

Date: September 3, 1959

Transmit the following in AIRTEL

(Type in plain text or code)

Via AIR MAIL

(Priority or Method of Mailing)

TO: Director, FBI (7-115)
FROM: SAC, Denver (7-7)
RE: GEORGE KELLY BARNES, aka;
ET AL;
CHARLES F. URSCHEL- VICTIM
KIDNAPING
(OO Oklahoma City)

Re Oklahoma City airtel dated September 1, 1959.

On September 3, 1959, [REDACTED]
U. S. Tenth Circuit Court of Appeals, Denver, advised ~~on~~
~~September 3, 1959~~ that subjects' attorney had been granted
another stay of mandate in instant matter until September 15,
1959, for purpose of perfecting a petition to U. S. Supreme
Court.

Case will be followed with Circuit Court at Denver
and Bureau and Oklahoma City advised.

WERNER

- 3 - Bureau (AM)
2 - Oklahoma City (7-6)(AM)
1 - Denver
[REDACTED]

(6)

EX - 124

REC- 36

20 SEP 5 1959

All b7C

Approved: *[Signature]*

Special Agent in Charge

Sent

M

Per

SEP 26 1959

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (7-115)

DATE: 9/21/59

FROM : SAC, KANSAS CITY (7-6)

SUBJECT: GEORGE KELLY BARNES, aka;
ET AL
CHARLES F. URSCHER - VICTIM
KIDNAPING

OO: Oklahoma City

Re Kansas City letter to Bureau, dated 8/19/59.

A review of the records of HARVEY BAILEY, inmate United States Penitentiary, Leavenworth, Kansas, made available by [REDACTED] to SA [REDACTED] on September 14, 1959, reflected no change in the status of BAILEY at the institution.

The Kansas City Office will continue to follow this matter closely and will advise the Bureau of any change in BAILEY'S status at the institution.

All b7C

2 Bureau
1 Oklahoma City (7-6)
1 Kansas City
[REDACTED]

(4)

REC-5

4 SEP 24 1959

58 SEP 28 1959

138

FBI

Date: 9/16/59

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (7-115)

FROM: SAC, DENVER (7-7)

GEORGE KELLY BARNES, AKA, ETAL
CHARLES F. URSCHEL
KIDNAPING
OO - OKLAHOMA CITY

Re Oklahoma City airtel 9/8/59.

1576 [REDACTED] Tenth Circuit Court of Appeals, Denver, Colorado, on 9/16/59 advised that no notice of appeal by subjects had been received in his office; however, he stated that it would be more likely if such an appeal is filed, that it would be made directly with the Supreme Court in Washington, D. C., and that his office would be notified subsequently.

This matter will be closely followed by the Denver Office.

③ - Bureau
1 - Oklahoma City (Inf.) (7-6)
1 - Denver (7-7)

(5)

b7C

REC-8
-EX-105

7-115-2595

SEP 16 1959

Approved: [Signature]
Special Agent in Charge

Sent _____ M Per _____