

REPORT ON HOUSE RESOLUTION 225.

LETTER

FROM

THE SECRETARY OF LABOR,

TRANSMITTING

REPORT DIRECTED TO BE MADE TO THE HOUSE OF REPRESENTATIVES PURSUANT TO HOUSE RESOLUTION 225.

AUGUST 29, 1919.—Referred to the Committee on Labor and ordered to be printed.

DEPARTMENT OF LABOR,  
OFFICE OF THE SECRETARY,  
*Washington, August 28, 1919.*

SIR: I have the honor to acknowledge the receipt of attested copy of House resolution 225, dated August 14, 1919, directing the Secretary of Labor to report forthwith to the House of Representatives of the United States of America the following facts:

(1) Copies of all such instructions mentioned by John B. Densmore as having been received by him during the months of May, June, July, August, September, and October, 1918, he having said:

SAN FRANCISCO, CALIF., *November 1, 1918.*

Hon. W. B. WILSON  
*Secretary of Labor, Washington, D. C.*

SIR: Pursuant to instructions received from time to time during the past six months, I have the honor to report that I have conducted a secret and altogether informal inquiry into the Mooney case, and beg leave to submit herewith the results of my investigations.

The only instructions issued to John B. Densmore in connection with the Mooney case were oral instructions that he (Mr. Densmore) should get any additional information that might be of value in securing a full understanding of the case for submission to the President and if necessary to the governor, and to utilize the services of the immigration inspectors assigned to him for the investigation of frauds in immigration cases for that purpose.

(2) The names of all persons who, under the direction of any branch of the Department of Labor, had anything to do with the investigation of Thomas J. Mooney, charged with and convicted for heinous crime in California, stating in detail their respective activities, the amount of compensation paid them, respectively, and the expenses of such investigation itemized in detail during the six months between May 1 and November 1, 1918.

✓ The representatives of the Department of Labor who investigated the Mooney case were at the same time cooperating with the Department of Justice in securing evidence in other criminal cases. It is not deemed compatible with the public interest to make public the names of these persons or to itemize their expenses. The total salaries of the inspectors referred to during the period of investigation amounted to \$6,101.68. The total of all other expenses incurred by or for them was \$1,043.02.

(3) What connection in behalf of the Department of Labor, if any, since the punishment of said Thomas J. Mooney was commuted to life imprisonment, and since November 1, 1918, has any employee of the Department of Labor had with said case of Thomas J. Mooney, stating such activities in detail, the expense of same itemized in detail, and upon what authority of law, attaching copies of all reports made thereunder to the Department of Labor.

The Department of Labor through its Immigration Bureau is directed to deport alien anarchists. Its investigations in these cases have developed clues that lead to the Mooney case. It is continuing these investigations, and it is not deemed compatible with the public interest to disclose at this time its activities in detail, to itemize its expenses in detail, or to attach copies of reports thereunder to the Department of Labor. The authority of law is found in the act of February 5, 1917, and the act of October 16, 1918.

(4) What activities, if any, are now being conducted in behalf of Thomas J. Mooney.

It is not deemed compatible with the public interest to make public the present activities of the department that affect the case of Thomas J. Mooney.

(5) Attach copies of vouchers of McPherson, Kelly, and Kilmer for July, 1918, covering their trip from San Francisco to Los Angeles, the purpose of such trip and expense of same itemized.

There are no vouchers of McPherson, Kelly, and Kilmer for July, 1918, covering any trip from San Francisco to Los Angeles. No such trip has been authorized by the Department of Labor, nor has any expense been incurred in connection with any such trip. There is not now and there has not been any McPherson or Kilmer on the rolls of the Department of Labor. There is a John A. Kelly and there was a T. R. Kelly in the Employment Service of the department at San Francisco, a Henry Kelly in the Immigration Service at Tucson, Ariz., and a William P. Kelly in the Immigration Service at Boston, Mass., none of whom has ever made any trip from San Francisco to Los Angeles at the expense of the Department of Labor.

(6) Attach copy of letter of instructions sent by John B. Densmore to H. L. Cobb after Cobb was sent to Texas on propaganda trip for Employment Bureau and expense of trip itemized in detail.

H. L. Cobb was not sent to Texas on a propaganda trip. He was sent on official business of the Employment Service. No instructions were sent by John B. Densmore to H. L. Cobb after Cobb was sent to Texas. The itemized expense account of Mr. Cobb is herewith attached.

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(7) Attach all reports of Gallagher and Martin for their six weeks spent in Philadelphia, spring of 1919, investigating F. R. Welsh, with statement of expenses fully itemized in detail.

There have been no "reports of Gallagher and Martin for their six weeks spent in Philadelphia, spring of 1919, investigating F. R. Welsh" received by this department or any of its bureaus or services. There is no person by the name of Gallagher employed by the department. There is an Albert S. Martin in the Immigration Service at El Paso, Tex.; an Alice M. Martin in the Immigration Service at Ellis Island, N. Y.; an Isaac Martin in the Immigration Service at Charlotte, N. Y.; and an Arthur S. Martin, clerk, in the department, Washington, D. C., none of whom has ever made any investigation of F. R. Welsh. The department has never made any investigation of F. R. Welsh, and consequently there has been no expense incurred for that purpose.

(8) Attach report of John B. Densmore on Immigration Service investigation at San Francisco, with full statement of expense thereof itemized in detail.

The report of John B. Densmore on Immigration Service investigation at San Francisco is herewith attached. As this investigation was made in cooperation with the Department of Justice, it is not deemed compatible with the public interest to state the expenses thereof itemized in detail.

Respectfully submitted.

W. B. WILSON,  
Secretary of Labor.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

*Itemized statement of expenses of Harvey L. Cobb, May 27 to June 25, 1919, on trip to Texas, via Detroit, paid out of the appropriation War Emergency Employment Service, 1919.*

| Date.  | Character of expenditure.                                                                                                                                      | Amount. | Total.   |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------|
| 1919.  | Per diem from May 27 to June 25, 1919, inclusive, 30 days, at \$4. ....                                                                                        | .....   | \$120.00 |
|        | Transportation.....                                                                                                                                            | .....   | 195.25   |
| May 26 | Left Washington, official station, 11.40 a. m.; arrived Detroit 9.30 a. m.; railroad fare \$17.97 (LE43256); Pullman, Washington to Detroit, \$2.80 (LE43257). |         |          |
|        | Pullman porter fee.....                                                                                                                                        | \$0.25  |          |
| 26     | Taxi fare necessary on account of working in office till 11.16, and 2 pieces official baggage, typewriter, and data, express to railroad station.....          | 1.00    |          |
| 26     | Lunch on train \$1, dinner \$1, tip 25 cents.....                                                                                                              | 2.25    |          |
| 27     | Car fare, Detroit, official business.....                                                                                                                      | .10     |          |
| 28     | Phone O/B 15 cents, checking baggage 2 days.....                                                                                                               | .55     |          |
| 29     | Left Detroit 12.20 a. m.; arrived Dallas 2.10 p. m. 31st; railroad fare \$35.22 (LE43258); Pullman, Detroit to Dallas, \$7 (LE43259).                          |         |          |
|        | Porter fee.....                                                                                                                                                | .25     |          |
| 30     | Checking baggage St. Louis between trains.....                                                                                                                 | .30     |          |
|        | Porter fee.....                                                                                                                                                | .20     |          |
| 31     | Car fare 20 cents, phone 15 cents, checking baggage 20 cents.....                                                                                              | .55     |          |
| 31     | Railroadfare, Dallas to San Antonio, \$8.74; arrived 7.30 a. m. (LE43260); Pullman, Dallas to San Antonio, \$2 (LE46111).                                      |         |          |
|        | Pullman porter fee.....                                                                                                                                        | .15     |          |
| June 1 | Car fare 40 cen s phone 20 cents .....                                                                                                                         | .60     |          |
| 2      | Phone 5 cents, car fare 25 cents.....                                                                                                                          | .30     |          |
| 3      | Phone and car fare 15 cents.....                                                                                                                               | .15     |          |
| 4      | Car fare 30 cents.....                                                                                                                                         | .30     |          |
| 5      | Phone and car fare 25 cents.....                                                                                                                               | .25     |          |
|        | Railroad fare \$7.75; Pullman fare \$2 (LE46115), left San Antonio 11.30 p. m.; arrived Galveston 8 a. m. (LE46116).                                           |         |          |
|        | Pullman porter fee.....                                                                                                                                        | .25     |          |
|        | NOTE.—LE46112-3 canceled account instructions to change itinerary after ticket bought.                                                                         |         |          |
| 6      | Car fare 30 cents, phone 15 cents, check baggage 20 cents.....                                                                                                 | .65     |          |
| 7      | Phone 15 cents, car fare 20 cents.....                                                                                                                         | .35     |          |

*Itemized statement of expenses of Harvey L. Cobb, May 27 to June 25, 1919, on trip to Texas, via Detroit, paid out of the appropriation War Emergency Employment Service, 1919—Continued.*

| Date.  | Character of expenditure.                                                                                                                            | Amount. | Total.  |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| 1900   |                                                                                                                                                      |         |         |
| June 8 | Electric car from Galveston to Houston (receipt attached \$1.25, plus tax 10 cents); reason for taking electric quicker, cheaper, and save time..... | \$1.35  |         |
| 8      | Checking official baggage.....                                                                                                                       | .30     |         |
| 8      | Car fare 35 cents, phone 10 cents.....                                                                                                               | .45     |         |
|        | Left Houston 8.15 p. m.; arrived Cleburne 6.45 a. m. (LE46116), railroad fare \$8.20, Pullman \$2 (LE46117).                                         |         |         |
|        | Pullman porter fee.....                                                                                                                              | .25     |         |
| 9      | Left Cleburne 6 p. m. arrived Abilene 7 a. m. (LE46118).                                                                                             |         |         |
|        | Railroad fare Cleburne to Abilene, \$6.80.                                                                                                           |         |         |
|        | Pullman Fort Worth to Abilene, \$1.22 (LE46119).                                                                                                     |         |         |
|        | Transfer S. C. S. F. depot to T. P. at Forth Worth.....                                                                                              | .50     |         |
| 10     | Pullman car fee.....                                                                                                                                 | .25     |         |
|        | Left Abilene 11.30 p. m.; arrived Dallas 10 a. m.; railroad fare, \$5.78 (LE46121).                                                                  |         |         |
|        | Pullman, Abilene to Fort Worth, \$1.22 (LE46120).                                                                                                    |         |         |
|        | Pullman car tip.....                                                                                                                                 | .25     |         |
| 12     | Car fare 30 cents, phone 15 cents, check baggage 20 cents.....                                                                                       | .65     |         |
| 13     | Car fare 20 cents, phone 10 cents.....                                                                                                               | .30     |         |
| 14     | Left Dallas 9 a. m.; arrived Waco 2.10 p. m.; railroad fare, \$2.99 (LE46122)                                                                        |         |         |
|        | Telephone 15 cents, car fare 40 cents.....                                                                                                           | .55     |         |
| 15     | Left Waco 4.50 p. m.; arrived Dallas 8.40 p. m.; railroad fare, \$2.99 (LE46123).                                                                    |         |         |
| 16     | Car fare.....                                                                                                                                        | .20     |         |
| 17     | Left Dallas 11 p. m.; arrived San Antonio 7.30 a. m.; railroad fare, Dallas to San Antonio, \$8.75 (LE46125).                                        |         |         |
|        | Pullman, \$2, Dallas to San Antonio (LE46124).                                                                                                       |         |         |
|        | Pullman car fee.....                                                                                                                                 | .25     |         |
| 18     | Car fare 40 cents, phone 20 cents.....                                                                                                               | .60     |         |
| 19     | Phone 10 cents, car fare 20 cents.....                                                                                                               | .30     |         |
| 20     | Left San Antonio 7.45; arrived Austin 10.30 a. m.; railroad fare, San Antonio to Austin, \$2.59 (LE46126).                                           |         |         |
|        | Car fare 35 cents.....                                                                                                                               | .35     |         |
|        | Checking baggage.....                                                                                                                                | .30     |         |
| 20     | Left Austin 11.30 p. m.; arrived Houston 8.17 a. m.; railroad fare, Austin to Houston, \$4.94 (LE46127).                                             |         |         |
|        | Pullman, Austin to Houston, \$2 (LE46128).                                                                                                           |         |         |
|        | Pullman car tip.....                                                                                                                                 | .25     |         |
| 21     | Car fare 20 cents, phone 15 cents.....                                                                                                               | .35     |         |
| 22     | Left Houston 8 a. m.; arrived Waco 5.10 p. m.; railroad fare, \$5.55 (LE46129).                                                                      |         |         |
|        | Pullman seat, Houston to Bremen (point of transfer), \$0.75 (LE46130).                                                                               |         |         |
| 23     | Left Waco 1.15 p. m.; arrived Dallas 5 p. m.; railroad fare, \$2.99 (LE29371)                                                                        |         |         |
|        | Car fare 20 cents.....                                                                                                                               | .20     |         |
| 24     | Car fare 35 cents, phone 15 cents.....                                                                                                               | .50     |         |
| 24     | Left Dallas for Official Station 4.15 p. m.; railroad fare, Dallas to Washington, \$42.90 (LE29372).                                                 |         |         |
|        | Pullman, Dallas to Memphis, \$2.60 (LE29373).                                                                                                        |         |         |
| 25     | Pullman, porter tip.....                                                                                                                             | .25     |         |
| 25     | Pullman, Memphis to Washington, \$5.50 (LE29374).                                                                                                    |         |         |
|        | Pullman porter tip.....                                                                                                                              | .25     |         |
| 26     | Breakfast on train, \$1; lunch, \$1.....                                                                                                             | 2.00    |         |
|        | Arrived Washington, D. C., 2 p. m.                                                                                                                   |         |         |
|        |                                                                                                                                                      |         | \$19.10 |
|        | Total.....                                                                                                                                           |         | 334.35  |

NOTE.—All the car fare, telephone calls, checking baggage, porter fees, and the one taxi was account Government business.

UNITED STATES DEPARTMENT OF LABOR,  
UNITED STATES EMPLOYMENT SERVICE,  
Washington, May 1, 1919.

The honorable the SECRETARY OF LABOR.

SIR: I have the honor to make the following report of my investigation into certain irregularities in the Immigration Service at the port of San Francisco, Calif.

In March, 1917, as the result of the exposure of certain thefts of Chinese records from the Immigration Station at Angel Island, you directed me to proceed to San Francisco and make a detailed investigation into the matter, with a view to discovering the guilty parties

and learning as much as possible about the extent of their operations and methods of work. My instructions were to submit such recommendations as would result in a complete administrative clean-up of the service at this station, which, on account of numerous petty intrigues and frequent charges of graft among the employees had been a source of considerable annoyance and embarrassment to the department for a number of years.

A brief survey of the situation as it existed when I arrived in San Francisco convinced me that a thorough investigation would be required in order to uncover the grafters, who seemed to be numerous and well intrenched. It is necessary at this point to sketch in outline the developments which had occurred up to this time.

On December 8, 1916, a clerk by the name of McFarland had been detected in removing Chinese records from the files without apparent justification, and upon being questioned by his superior officers frankly admitted his guilt. His statement was not only an admission of his own culpability, but also involved two other employees, a stenographer by the name of Armstrong and a messenger by the name of Kaphan. In addition to these, the detected culprit also named two ex-employees, Hilkemeyer and Fergusson, who had formerly worked at the station in capacities which gave them access to the Chinese files and records.

Through some oversight on the part of the officials of the station, McFarland's confession was not put into writing at the time. The result is that he subsequently denied that he had ever confessed at all; meanwhile he absented himself from his official duties. Matters thus drifted along for several days until, on December 12, there was a new development, which caused the belief that possibly still others were involved. This was the mysterious return to the station of four Chinese records, which properly belonged in the files and which had evidently been surreptitiously and illegally removed therefrom.

This new development was taken as an indication that McFarland had warned this fellow conspirators, and that some of the latter were now trying to cover up their tracks by replacing in the files all purloined records then in their possession. The officials at the station, realizing the seriousness of the situation and believing that no time should be lost, immediately secured statements from Armstrong and Kaphan with a view to throwing further light on the subject.

Armstrong made a partial confession, involving McFarland, Hilkemeyer, Fergusson, Kaphan, and others. According to his story, there had been carried on for some time a systematic traffic in official Chinese records, which had been abstracted from the files by the conspirators, who then either altered or destroyed them to suit the requirements of applicants attempting to gain illegal entry into the United States. Armstrong intimated that large sums of money had changed hands as a result of these transactions.

Despite Armstrong's confession, corroborating and elaborating the previous one of McFarland's, Kaphan stoutly maintained his entire innocence of any wrongdoing. His guilt, it may here be remarked, was subsequently demonstrated in court, as will appear in the sequel.

As the officials of the station looked further into the matter they became convinced of the necessity of a thorough investigation, with a view to rounding up the guilty parties and making a complete exposé of their methods—all this in order to purge the service of

undesirables and safeguard it from similar abuses in the future. A number of other employees of the force were interviewed, and the more searching the inquiry became the more evidence developed that the theft and manipulation of records had been carried on extensively. Finally, under date of February 26, 1917, the commissioner recommended "that definite action be taken at once to put an end to the present intolerable condition." It was in response to this urgent request of the commissioner's that you directed me to proceed to San Francisco and look into the situation.

I arrived in San Francisco in March, 1917, and had not been long on the ground before I decided that the usual type of departmental investigation, with formal hearings of a semipublic character, would accomplish little good. There had been such inquiries at this station before, and for the most part they had been in vain. What seemed necessary in order most effectively to uncover the ring of grafters was a probe conducted in the most secret way possible; without the knowledge of even the officials of the service at this port. I felt that the seriousness of the situation left me no choice in the matter; in other words, that it was incumbent upon me to adopt whatever form of strategy was best calculated to produce results.

Having decided upon a secret probe, it became necessary, in furtherance of my plan, to select several competent operatives to assist in the work—preferably men who were unknown to any of the employees in the service at San Francisco. After some little delay I managed to secure four—one from the East, one from Seattle, another from San Francisco (though unknown in immigration circles), and fourth, an intelligent young Chinese of demonstrated probity and courage, whose place of residence must not be disclosed. The identity of these four men, as well as the character of the confidential work upon which they were engaged, remained secret throughout the entire course of operations.

While these men worked quietly and under cover, I personally paid open daily visits to the immigration station at Angel Island, where I conducted numerous hearings, studied the personnel and methods of work at first hand, and in other ways investigated such phases of the case as could be looked into without embarrassment to the special lines of inquiry along which my operatives were working. By thus centering upon myself the attention of the principal crooks, I succeeded to a large extent in disguising the real magnitude of the investigation and in lulling to sleep the suspicions of the various employees and others who were even then being held under close surveillance by the men working under me.

It is not the purpose of this report to detail the various expedients adopted in order to run down the crooks and break up this notorious ring of grafters. It will suffice to say that months of hard work were required; that my operatives finally succeeded in establishing the most confidential relations with some of the most celebrated Chinese manipulators and smugglers; and that from these Chinese full particulars of their illegal methods were obtained, as well as the details of their crooked dealings with various dishonest members of the official force of the Immigration Service. This delicate work required time, care, and a large degree of patience. At the same time it was being carried on, I had under close observation some of the suspected employees—inspectors, interpreters, clerks, and

others—as well as some of the outside parties who were acting as attorneys, brokers, professional witnesses, steerers, and go-betweens.

It will be seen from all this that several separate and well-defined lines of inquiry were thus being carried on simultaneously—first, my own open investigation at the immigration station, consisting chiefly of miscellaneous hearings and intimate daily study of the official practices then in vogue; second, that phase of the operation growing out of the contact established by my men with various Chinese smugglers and manipulators; and, third, the systematized surveillance maintained at all times over the principal white suspects, both inside and out of the service. My small force, though augmented from time to time by additional helpers, was kept busy day and night. It goes without saying that I was pestered by the usual swarm of informants, both American and Chinese, full of false clues and imaginary grievances. These people caused me considerable annoyance, as did also the operatives of a local detective agency which had been retained by some of the crooks to spy on my movements and endeavor to discredit the investigation by involving me in some sort of compromising frame-up.

After working for some weeks along the lines indicated, I began at last to gain a true insight into the scope and character of the fraudulent operations which had been carried on at this station for so long a time. These operations, of whatever nature, fall principally under two general classifications; first, fraud in connection with the manipulation of records, and, second, fraud in connection with the examination of applicants. All the graft in connection with Chinese immigration cases centers around one or the other of these two classifications.

The manipulation of records embraces a number of separate offenses, such as stealing from the files, the removal of records from the station, the selling of information obtained from the records, mutilating or destroying official data, manufacturing entirely new records on the basis of information illegally secured from the Government archives, the substitution of photographs, so that the bogus claimant may successfully pose as the original owner of the records, and counterfeiting notarial and other seals and stamps.

Fraud in connection with examinations manifests itself in the employment of fake witnesses and affidavits; the surreptitious coaching of applicants by means of letters secretly delivered to them in the detention quarters of the immigration station; purposely easy examinations on the part of the inspectors; underhanded assistance rendered applicants, during the course of examinations, by the official Chinese interpreters, changing of notes on the part of stenographers who report the hearings, reconciling discrepancies in testimony by the inspectors who conduct the examinations; in short, by general collusion and dishonesty on the part of the applicants, their friends, relatives, and attorneys, aided and abetted by unscrupulous employees of the Government.

Instances of all the above dishonest practices were gradually uncovered as the investigation progressed, and prompt steps were taken to rid the service of employees whose guilt was established beyond all reasonable doubt. In my numerous recommendations to the department, covering these necessary changes in personnel, I in each case set forth in considerable detail the reasons which prompted

my action; these are far too voluminous to incorporate in this final summary, which aims at generalities, rather than at confusing array of relatively unimportant minutiae. The files of the department will show that in all cases where the offending employee was subject to the rules pertaining to the classified civil service he was furnished with specific written charges and given a chance to reply thereto. The following list comprises the employees who were affected:

| Name.                     | Designation.     | Action taken. |
|---------------------------|------------------|---------------|
| William H. Gassaway.....  | Inspector.....   | Removed.      |
| Clarence E. Ebey.....     | do.....          | Do.           |
| J. H. McCall.....         | do.....          | Do.           |
| William W. Thiess.....    | do.....          | Do.           |
| W. H. Heitmann.....       | do.....          | Do.           |
| W. H. Clendenin.....      | do.....          | Resigned.     |
| Albert W. Long.....       | do.....          | Removed.      |
| Edward Park.....          | Interpreter..... | Do.           |
| Julius S. McClymont.....  | do.....          | Do.           |
| John Olvera.....          | do.....          | Do.           |
| Joseph Gubbins.....       | do.....          | Do.           |
| A. M. Alves.....          | do.....          | Do.           |
| W. W. Thacher.....        | do.....          | Do.           |
| Robert Lym.....           | do.....          | Resigned.     |
| Presley A. McFarland..... | Clerk.....       | Removed.      |
| Arthur Hyman.....         | do.....          | Transferred.  |
| Theodore Kaphan.....      | Watchman.....    | Removed.      |
| Harry A. Akers.....       | do.....          | Do.           |
| Rolub W. Hendricks.....   | Laborer.....     | Disciplined.  |

In addition to the above employees, evidence was also secured against a number of outside parties who were found to be involved, among them the following:

O. P. Stidger, an attorney practicing in Chinese cases.

Henry C. Kennah, Stidger's partner, paymaster in the firm's bribery cases.

H. Embert Lee, also an attorney in Chinese cases; formerly in the service.

Agathon L. Hilkemeyer, former employee and one of the leaders in the thefts from the record room at Angel Island.

Robert T. Fergusson, former employee; subsequently an important witness for the Government.

Fong Get, leading Chinese photographer, who made hundreds of fake photographs for use in falsifying records.

E. L. Mills, friend of Hilkemeyer's and mechanical expert, who counterfeited seals and aged photographs.

Robert Riley, notary public and former immigration employee.

Soo Hoo Yee Wai, notorious steerer and go-between for the attorneys Stidger and Kennah.

Jung Bing Hee, Chinese runner and go-between.

Lee You, clansman and partner of Lee U. Ong.

Lee U. Ong, one of the most ingenious and enterprising smugglers and manipulators.

Lee Ming, crooked Chinese broker, caught in act of passing bribe to Inspector Heitmann.

Whoe Tong, ex-interpreter of the Immigration Service, manipulator of crooked cases.

Hom Wing, brother-in-law of Lee U. Ong; professional witness in bogus Chinese cases.

Lee Tin, professional witness.

Yee Poy, steerer for Stidger & Kennah; fixer of cases for Chinese laborers.

L. D. Sing, prominent Chinese merchant and smuggler.

Wong Ah Wong, notorious manipulator of crooked cases; merchant.

Low Fat Yuen, steerer and go-between.

Woo Wai, fixer of crooked cases.

Lim Hing, steerer and fixer.

Lee Fook, one of Lee U. Ong's partners; dealer in forged and altered records.

There were others, of course, but these were the principal ones. They were all trying in one way or another to circumvent and nullify the various provisions of the Chinese exclusion act, and they did a thriving business, involving in the aggregate enormous sums of money. It is not to be understood that they all worked together; on the other hand, there were several combinations, some of them acting independently, but most of them controlled by the corrupt law firm of Stidger & Kennah.

This firm had for years enjoyed by far the largest part of all the Chinese business coming up before the San Francisco immigration station. They got the business because they won their cases; and they won their cases because they controlled some of the best examining inspectors in the Immigration Service—such men, for instance, as Inspectors Heitmann, McCall, Gassaway, Ebey, and Thiess. With these inspectors handling the firm's business there was little danger of losing a case.

Not only did this firm control the inspectors named, but they also had as their agents some of the other employees of the immigration station, through whose instrumentality they were enabled to secure official files and confidential data from the record room. In my report to the department, dated July 24, 1917, concerning the corrupt activities of this firm, I made use of the following language:

These men stand guilty, individually and as a firm of attorneys, of the most fraudulent practices, the entire record going to prove that in the conduct of their business they are brazenly and criminally unscrupulous, and that, through bribery and perjury, they are directly responsible for the corrupt methods so long prevalent at this station.

On the strength of this report, which went into the case of these crooked attorneys quite exhaustively, the notorious firm of Stidger & Kennah, long the center and inspiration of all the bribery and graft in Chinese circles at the port of San Francisco, was formally disbarred by the department from further practice before the Immigration Service. I consider this the most important single development of the entire investigation, for with the fall of these wholesale corruptionists dismay and consternation seized upon the lesser fry, and the props everywhere began to drop from under the established system of graft which had grown up through the years.

Early in the investigation I had been directed by the department to confine my efforts to an administrative clean-up of the Immigration Service at the port of San Francisco, and it was upon this understanding that the operation had been conducted throughout. In order to complete the record in so far as this report is concerned,

I insert here the department's telegram transmitting these instructions:

Washington, D. C., April 20, 1917.

J. B. DENSMORE,  
*Cartwright Hotel, San Francisco, Calif.*

Secretary directs that you complete investigation in such manner as simply to permit the taking of such administrative measure as the situation at Angel Island requires, concerning employees of Immigration Service, and that you proceed no further with investigation of outside parties.

HAMPTON,  
*Acting Commissioner General of Immigration.*

These instructions had naturally restricted my activities to a very marked degree; the result being that the few outside parties who had been reached by the investigation were those who, like Stidger & Kennah, had maintained such intimate relations with the dishonest employees that they could not possibly be ignored. The department's obvious purpose, at the time the above dispatch was written, was to correct an intolerable condition in its own service solely; it conceivably had neither the time, inclination, nor authority in law to clean up the entire community.

This attitude was perfectly right and proper at the time and as long as the wrongdoing seemed to be confined to some three or four underpaid clerks; but as the situation developed and the scandal attained larger and larger proportions I plainly perceived that something besides an administrative house cleaning would be in order if full justice were to be meted out to the principal offenders. By July I had established the guilt of nearly a score of employees, and the trails which led from these to other crooks outside the service were practically innumerable. The amount of publicity evoked by the exposé had caused a very general feeling that the guilty should be punished to the fullest extent of the law—particularly the "higher-ups" who had profited most through these illegal and nefarious practices.

These and similar considerations prompted me on July 21 to lay the whole matter once more before the department with a request for further instructions as to my future course of procedure. I pointed out the enormous local interest which the scandal had aroused, as well as the great stir and criticism which would probably be forthcoming if the department adhered to its original plan and confined its corrective measures simply to a readjustment of the personnel of the immigration station. A failure to prosecute the guilty, or at least to present the entire matter to the Federal grand jury, would be utterly misconstrued by those not thoroughly conversant with the facts. Charges of playing politics and white-washing would certainly be made; there would be endless explanations and argument, in which the department's prestige would suffer and its usefulness become impaired; while the ensuing controversy might even in time eclipse in unsavoriness the original scandal. As above stated, I put all this up to the department, and in reply received the following telegram from the secretary:

WASHINGTON, D. C.,  
July 26, 1918.

J. B. DENSMORE,  
*Cartwright Hotel, San Francisco, Calif.:*

Answering your letter 21st, report entire matter to United States attorney, obtain his assistance, and assist him in every way possible.

WILSON.

I spent the remainder of my stay in San Francisco cooperating with the United States attorney's office in preparing the cases for the grand jury and in seeing that they were properly presented before that body. There were a number of difficulties to be overcome. For one thing, much of the information secured against the dishonest employees, through conclusive evidence of guilt in so far as the department's requirements were concerned, was of such a confidential nature that it could not be used in court without vast embarrassment to the Department of Justice, thus precluding utterly the possibility of bringing to trial some of the most flagrant cases.

Another handicap was the disappearance of many potential witnesses, some of whom fled the country entirely; others burying themselves so effectually that considerable trouble was experienced in tracing and apprehending them. The crooked law firm of Stidger & Kennah was directly responsible for a number of these disappearances, having engineered and financed them, according to the subsequent testimony of McFarland, who was arrested while working under an assumed name at Cosmopolis, Wash.; of Fergusson, who was picked up after a long trip East while secretly visiting his attorney; and of Hilkemeyer, who was overpowered and disarmed after a running gun fight on a ranch in Nevada. These men all testified that their absence from San Francisco had been directed and paid for by Stidger & Kennah, their erstwhile partners in crime.

Troubles such as these were to be expected and were discounted in advance. In another and totally unlooked for direction, however, I encountered a complication that proved well-nigh ruinous. I refer to the despicable double-dealing and rank treachery of the assistant United States attorney who was handling my cases before the grand jury—Mr. Caspar Ornbaum, a crony of Stidger's and an unscrupulous up-country lawyer, who placed the personal interests of his grafter friend above any considerations of duty, honor, or public good. Ornbaum's crooked activities in behalf of Stidger were carried on with such finesse that it was some time before I came to a full realization of what this unfaithful public servant was working to accomplish; indeed, it was not until the Federal grand jury had actually refused to indict Stidger (Ornbaum having handled the case before them), that my latent suspicions became fully aroused. I was debating what course I should pursue when I was approached by one of the grand jurors, a jeweler by the name of Barbier, who informed me that he had resigned from that body in disgust, on account of persistent efforts which had been put forth to influence the jury in behalf of Stidger. At the same time my operatives furnished me with proof that Ornbaum was keeping the Stidger gang closely informed of every development in the situation.

Indignant and disheartened at this treachery within the Government's own forces, I immediately had Ornbaum haled before the United States attorney, in whose presence I denounced him as a crook and declined to have anything further to do with the immigration cases unless he was first removed from all participation therein. The United States attorney took the cases in his own hands from that time on. He re-presented Stidger's case to the grand jury, with the result that Stidger was promptly indicted. It goes without saying that Ornbaum was relieved from all further connection with the cases. He had been working on them for some time, however, and had done more damage than I at first thought, as will appear in the sequel.

In spite of these various difficulties I finally succeeded in bringing the cases of a number of the grafters before the grand jury. Under authority of the Attorney General, dated October 10, 1917, I had been empowered as an officer of the Department of Justice (I then held the position of solicitor under that department, assigned to the Department of Labor) to conduct grand jury proceedings in connection with my investigation, and this authority expedited matters considerably. True bills were finally returned against all the individuals whose cases were presented, as follows:

Clarence E. Ebey, former inspector, Immigration Service.

Julius S. McClymont, former interpreter, Immigration Service.

Robert T. Fergusson, former stenographer, Immigration Service.

A. L. Hilkemeyer, former clerk, Immigration Service.

Presley A. McFarland, former clerk, Immigration Service.

Theodore Kapham, former messenger, Immigration Service.

Harry A. Akers, former watchman, Immigration Service.

Rolub W. Hendricks, laborer, Immigration Service.

Henry C. Kennah, attorney.

O. P. Stidger, attorney.

H. Embert Lee, attorney.

Robert Riley, notary public.

E. L. Mills, mechanic.

Lee U. Ong, Chinese smuggler.

Lee You, Chinese smuggler.

Soo Hoo Yee Wai, Chinese steerer.

Wong a Wong, Chinese merchant and fixer.

Hom Wing, Chinese professional fake witness.

Owing to a crowded court calendar the cases were not reached until a year later, when they came up for trial before Federal Judge M. T. Dooling. In the meantime Kennah, Stidger's partner and perhaps the chief crook of the entire gang, had died; Lee You was supposed to be hopelessly insane; and Soo Hoo Yee Wai, one of the most important Chinese defendants, had fled to Mexico. These things placed the Government at considerable disadvantage; nor were they the only handicaps under which the prosecution labored. Early in the trials it developed that some of the indictments which had been prepared by Ornbaum, including Stidger's, were so drawn as to preclude the admission, under a ruling of the court, of any testimony outside a very restricted period, thus making it utterly impossible to introduce in evidence the full strength and purport of the Government's case against some of the defendants.

In addition to all this it became a matter of common knowledge that Hilkemeyer, one of the witnesses on whom I was chiefly relying to prove essential matters of fact in the case of Stidger and others, had been endeavoring to sell out to the crooks, thus discrediting himself as a witness and making it useless to think of putting him on the stand. With the assistance of operatives from the United States attorney's office Hilkemeyer was finally trapped by means of a dictograph and caught in the very act of selling out for \$4,500, paid over to him in marked bills. All hope of convicting Stidger and some of the other defendants at once vanished.

I desire to emphasize the fact that it was only because of the obvious defects in the indictments drawn by Ornbaum, coupled with this defection of one of the Government's principal witnesses, that the United States attorney reluctantly requested the dismissing of

several of the indictments, including Stidger's. Of the other defendants, the majority were found guilty and sentenced to various terms in jail or penitentiary, the complete record standing as follows:

Fergusson, guilty.

Hilkemeyer, guilty.

McFarland, guilty.

Kaphan, guilty.

Akers, guilty.

Hendricks, guilty.

Lee Ong, guilty.

Hong Wing, jury disagreed.

Ebey, jury disagreed.

Mills, jury disagreed.

Wong A. Wong, not guilty.

McClymont, indictment dismissed.

Stidger, indictment dismissed.

Riley, indictment dismissed.

H. E. Lee, indictment dismissed.

Kennah, as above stated, was dead; Lee You, unable to be present; and Soo Hoo Yee Wai had fled the jurisdiction of the court.

This ended the investigation so far as the courts were concerned. Considering the unusual difficulties under which the prosecution labored it is believed the results achieved were as gratifying as they were salutary. The example made of those who had been convicted served as a warning to prospective grafters, both American and Chinese, that the laws could not be broken with impunity, while all charges of whitewashing and political logrolling were silenced forever.

My study of the methods of work and personnel of the immigration station had convinced me that some radical changes could profitably be made in the system of conducting the public business that would result in a very material lessening of the chances of wrongdoing on the part of the employees. With this idea in view, I recommended to the department a somewhat comprehensive series of changes, under the operation of which it was to be hoped the Government's business would be expedited and its interests safeguarded in the future. These changes, affecting the entire Immigration Service at the port of San Francisco, were subsequently put into effect with beneficial results. It is believed that it is not too soon to say that the investigation accomplished in all respects what it set out to do, namely, to eradicate graft and place the whole immigration establishment at the port of San Francisco on a firm basis of honesty and efficiency.

I would be remiss in a sense of gratitude if I failed, before closing this final synopsis of operations, to acknowledge my thanks to Commissioner Edward White, Assistant Commissioner W. T. Boyce, Chief Law Officer W. H. Wilkinson, Inspector in Charge Lorensen, and other loyal officers and employees of the station who rendered invaluable assistance throughout the trying times that I was attempting to bring order out of a situation that occasionally seemed closely akin to demoralization. The cooperation of these gentlemen lessened my own labors and contributed materially to the success of the investigation.

Respectfully,

J. B. DENSMORE,  
*Director General of Employment.*





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