# DOCTORED RECORDS IN GRAFT CASE BARE MYSTERIOUS \$3,500

tries in Books of Butcher Who Got Market Permit. \$500 FOR THE McMANUS

Chemicals Restore Erased En-

Permit Issued by O'Malley When

Adolph Kahn Visited Him

After Drawing \$3,000. SWANN TO AID COMMITTEE

tion of Witnesses Whose Permits Are Revoked.

Promises Prosecutions and Protec-

Adolf Kahn, a wholesale butcher in West Washington Market, admitted before the Meyer committee yesterday that he had cashed a check for \$3,000 on the morning of April 11, 1921, had visited Edwin J. O'Malley, Commissioner

of Public Markets, at the Municipal Building immediately thereafter, and had walked out of his office with a valwable permit for trading in West Wash-

ington Market. Mr. Kahn on the same day made out . a check for \$500 in favor of Thomas J. (The) McManus, the Tammany politician and leader of the Fifth Assembly District. Mr. Kahn said, however, that he "thought better" of this and did not issue the check with the name of McManus on it. Instead, he made out a check for \$500 payable to bearer and it was duly cashed by the bearer. Just what the \$3,000 cash and the \$500

check were used for was the subject of

a good deal of contradiction. Facts tending to explain the transaction were

drawn from reluctant witnesses, from erased and rewritten checks and from pages of Mr. Kahn's books the writing on which had been obliterated with chemicals. Drew Check to "Surprise" McManus. Mr. Kahn issued a statement to the press explaining that he had originally drawn the check for McManus in order to "surprise" him. Then he changed his mind and gave Mr. McManus not a single cent. He said he cashed the check

himself on the same day, April 11, and bet the money even that Jack Dempsey

testified that the \$3,000 in cash which he drew a few minutes before calling

would defeat Georges Carpentier.

où Commissioner O'Malley had been turned over at the bank as a loan to his brother-in-law. An erased entry in Mr. Kahn's books, later restored with chemicals by the Meyer committee, showed that he had originally credited the \$3,500 to his investment in the West Washington Market property, which he acquired by permit from Commissioner O'Malley. The whole page recording his expenses connection with this transaction had been washed with ink-bleaching chemicals. A new investment account had been written up on another page. account did not contain any reference to the \$3,000 in cash or the \$500 bearer

check. But on another page the \$3,500 was succinctly recorded as "withdrawn from capital."

Nearly the whole day was consumed with an intensely interesting development of the mysterious Kahh-O'Malley-McManus transaction; of the manner in which Kahn originally heard that an applicant for a market permit should see McManus; of his quick migration from the bank to Commissioner O'Malley's office; of the number of telephone calls sent out by Kahn on the Saturday he received his subpoena to appear before a Meyer sub-committee; of his consultations and attempted consultations with legal and political advisers, relatives, friends, employes and an expert accountant; of his orders and countermanded orders to his employes; of a gathering on Sunday at his office where his books were kept, and of his appearance on Monday before the Meyer committee with books erased, chemically treated and revised. To Trail That \$3,000 Today. Today's session will be devoted to an investigation of the real destination of the \$3,000. The facts already developed are regarded by counsel for the committee as pretty conclusive as to the

this question the committee will attempt to find an answer today. More definite evidence than is usually obtainable in bribery transaction is said to be forthcoming tomorrow, involving a member of Mayor Hylan's official family. The committee took prompt action to protect the witnesses-Christian Haslob and Stephen Woolsey-whose permits to do business in Washington Market were revoked by Commissioner O'Malley

after they had testified to the payment

price of permission to do business under

The committee engaged Cyrus R. Mil-

of bribes demanded of them as

cipient of the \$500 check to bearer.

"Who got the \$3,000 in cash?"

ler, a lawyer of 261 Broadway, to fight any overt steps taken by Commissioner O'Malley against these men. O'Malley caused them to be notified that their permits would be revoked, but he took no steps to dispossess them. An application for an injunction will be made, according to Leonard A. Wallstein of counsel for the committee, as the first step to prevent dispossession

Commissioner O'Malley.

Swann to Support Committee. District Attorney Edward Swann assured the committee that he would give full support, both in prosecuting crime brought to light by the committee and in crushing attempts to interfere with the committee's work.

"I deem it to be of greater importance,' said Mr. Swann, in a letter to the committee. "to drive from the public

step to prevent dispossession.

guilty of exacting tribute from a citizen, or receiving compensation for the

The New York Times

Continued on Page Three.

service any public official who has been

Published: August 25, 1921 Copyright © The New York Times

Continued from Page 1, Column 1.

performance of an official duty imposed

upon him by law, than to prosecute the favor of the purchaser. A man who has call on The McManus at the Municipal victims of his greed. Elon R. Brown, chief counsel for the committee, announced that District At- to issue the new permit in his name. torney Swann had agreed that certificates of immunity signed by himself and by the committee should be issued bargain was made. The visit to his them. 'to witnesses who told the truth about attempts of public officials to blackmail

Mr. Kahn's testimony cast a curious sidelight on the general policy of Commissioner O'Mailey. In his testimony on Tuesday, Mr. O'Malley had explained that one of his cardinal principles was the Commissioner regarding the transfer of to discriminate in issuing permits in these stands. favor of merchants who dealt directly with the farmers, and against middlemen who dealt with packers. He justified the large discretionary powers held by the Commissioner on the ground that a wise administration of the office would help to reduce the cost of living. Mayor Hylan in his testimony called particular attention to this matter. He praised Mr. O'Malley's department on the ground that it was "bringing foodstuffs closer to the people."

#### Testify Kahn Is a Middleman.

The testimony yesterday showed, however, that Kahn was a middleman. He said that he bought all his meat from the packers. Despite that fact, after Kahn had reduced his bank account by \$3,500, he obtained the Washington Market concession. In fact, he got the concession away from Frederick E. Menke, an earlier applicant for it Menke buys directly from farmers and cattle raisers.

Menke was not only the earlier applicant for the permit and a direct dealer tracked and the permit issued to Kahn. The permit had belonged to the estate of Albert Kloblein. Menke agreed with the heirs to pay \$8,000 for it. But the heirs, by some process not yet developed, were induced to cancel this bargain and agree to sell to Kahn for \$8,000. Their agreement with Kahn was only verbal. When their permit had been canceled and reissued to Kahn he became the master of the situation. Kahn related with considerable humor now he had taken advantage of the absence of a written agreement to reduce the agreed on price from \$8.000 to \$6.250 to the Kloblein heirs. This was a reduction of \$1,750, which

is exactly one-half of the mysterious \$3.500, which Kahn first listed in his later as a capital withdrawal. In other not. words. Kahn made the seller, much against his will, absorb one-half of the

## Menke Tells of Negotiations.

The manner in which Mr. Menke had reached his agreement to buy the Kloblein business before Kahn intervened, transferred to Adolf Kahn. with the help of McManus, was developed as follows when Mr. Menke was on the stand:

shipments direct from the producers? A.— day previous. Yes, that is correct. Wholesalers, in the name of the supply Q.-Your customers are wholesalers, are they? A.—Wholesalers and butchers. Q.-And they resell to the consumer? A.

Q.—What stands or stalls do you occupy at the West Washington Market? A.-Seven dress or stand number? A.-20, 22 and 24 nue: 27 and 29 Grace Avenue. name of Albert Kloblein? A.-Have been for Mr. Kalin. thirteen-odd years.

Q.—Where does he live? A.—Hoboken, New Jersey. Q.—Is he or was he doing a business at the West Washington Market? A.-He represented the estate of his father, and has Q.—What was his father's name? A.—Al-A.—Adjacent to us.

Thompson Avenue. O.—How many were there? A.—Six in all O.-What kind of business did the late Albert Kleblein conduct at these stands: and several others. A.—Mainly a buying of beef and selling it over again at a profit.

New York. Q.—He was not a commission man who to see The McManus. received merchandise from the shippers direct or the producers direct? A.-No. O.-When did Mr. Albert Kloblein, who

conducted that business, die? A.-Probably four or five years ago.

Q.-And after his death what became of the business? A.—It was left to the estate of which Albert Kloblein, his son, was the Q.—Did you have any talk with Albert Kloblein, the son, with reference to your

corporation acquiring the stands or stalls The man with a beard. which Mr. Albert Kloblein, deceased, had occupied at the West Washington Market? guish him from his brother? A .- Yes. A.—We did all last Fall speak with him regarding his stands. In fact, we used some of his space last Fall on account of the volume of business that we were handling. Q.-And did you come to an arrangement with Mr. Albert Kloblein, the son, as to half of my character, being I was in his permit to me. the terms upon which you were to acquire neighborhood. those stands, subject to the approval of the March, the latter part of March-I believe it

was the 31st. O.—Was that arrangement put in writing? A .- That arrangement was made in our office in the presence of several of our help, intercede for me. and accepted by him and put in writing with

## Agreement Placed in Evidence.

The agreement to purchase the business for \$8,000 was then produced and market men.

placed in evidence. All such sales have to be approved by Commissioner O'Malpresent Administration, has the exclusive right to issue permits. No man can self his permit. The law allows him to sell nothing but his fixtures. After a merchant has built up a large business, however, the good-will of that business is an asset, often worth many thousands of dollars. He cannot sell out however, unless Commissioner O'Malley agrees to issue the new permit in with Kloblein and an angagement to his eye on a good business cannot buy it without the agreement of Mr. O'Malley So in this case, the permission of the office was told as follows:

O.—How is it that that paper was not signed? A.-Why, we went down that same day to the Commissioner's office. O.-Which Commissioner? A.-O'Malley. O.—Who is "we"? A.—Albert Kloblein, his brother James and myself—and spoke to

O.-You spoke to Commissioner O'Malley, Yes, sir at Commissioner O'Malley's office? A.—Yes. O.-What was said in that conversation? A.-Mr. Albert Kloblein brought up the fact that he was executor of this estate: that the purchase of beef and selling it over day, wasn't it? A .- I can't remember. again at a profit was very poor and he wanted to wind up the estate, and he spoke to the Commissioner regarding the transfer of the stands to us, from the fact that we their serial numbers indicating that the had been neighbors of his for twenty-five \$3,000 had been cashed first. years-rather, his father and my father were Mr. Kahn said he rode in his automoneighbors - doing business alongside each bile from his place of business to the other for that number of years, and he felt bank, cashed the \$3,000 check and then we should have the preference in the trans- rode on to the Municipal Building, where ferring of the stands. The Commissioner then requested that we send a letter to the Kahn interposed the explanation that he have a record of it, and that we done the met his brother-in-law, I. Goldberg, at Commissioner in writing so that he would Q.—That is, April 1? A.—April 1.

tween Albert Kloblein and myself we drafted a letter and mailed it to the Commissioner. to the Municipal Building your state-Q.—Applying to the transfer to Steers & ment is that you had gotten rid of that Menke of the stands which Albert Kloblein \$3.000?" asked Mr. Wallstein, had previously occupied? A.-Yes. Q.—Have you told me all the conversation that took place at this interview with Commissioner O'Malley? A.—The subject of the price was mentioned. Q.—What was said with reference to that? with the farmers, but he had already A .- The Commissioner asked both Kloblein claimed: closed the bargain with the holder of and I what were the terms that we have the permit for the purchase of his busi- agreed upon and we told him we had come meant by when he was suddenly side- to the agreement with Steers & Menke to pay the Albert Kloblein estate the sum of further evidence will be adduced on that \$8,000, as that letter there said.

#### Kahn Begins Negotiations.

The visitors left the Commissioner's office and drafted the letter that day. Two weeks passed, during which Mr. Menke said he had heard "rumors." Immediately after Commissioner O'Malley had been informed that the Kloblein business was on the market and that it was considered to be worth \$8,000 the negotiations of Kahn. The McManus and Commissioner O'Malley started, according to the testimony. Mr. Menke's story of his further experiences was brought out as follows:

Q.—Had you heard from the Commissioner books as an investment expense and in that interval of two weeks? A.-I had Q.—Had you heard from anybody connected with the Department of Markets during that irterval of two weeks? A.-No, sir. Q.—After the lapse of two weeks, you went to the Department of Markets? A.—Yes, sir. Q.—Did you ask to see the Commissioner's A.-I asked to see the Commissioner and was told that he was busy, and then his two hours. secretary told me that the stands had been Q.-Who told you that? A.-The Commis-

Q.—What is his name? A.—Mr. McGrath. Q.—You are commission men who receive transferred to Mr. Kahn? A.—He said the A.—Yes, sir. Q.—The day prior to your call? A.—Yes, understand you, Senator McManus came in Q.-And you sell to wholesalers? A.- sir. I was there on a Tuesday, and this to you in the outer office at which you and was on a Monday that he said the stands Mr. Kloblein had been waiting, and told you or not. had been transferred.

Mr. Menke had called on the Commissioner on April 1, 1921. According to the statement credited to Secretary Mc-Grath, the permit had been issued to Kahn on March 30. The permit of Kahn later introduced in evidence, how-Q.-Will you state which they are by ad- ever, showed that it had been issued on April 11, the day of his \$3.500 with- with the Commissioner? A.—He spoke to Lawton Avenue: 30 and 32 Thompson Ave-drawals from the bank. Thus ten days Kloblein first. elapsed between the application of Mr. Q.-Are you acquainted with a man by the Menke and the issue of the permit to in the office of the Commissioner? A.-About

## Rahn's Phone Records Produced.

Before Mr. Kahn was called to the stand the record of the outgoing calls introduced by McManus to the Commissioner. been in that business there for twenty-five on May 22, 23 and 24 from the Hotel Belleclaire, where Mr. Kahn lives, were of mine, Mr. Kahn, which I spoke to you identified and introduced in evidence. about." May 22 was the date on which the sub-O.-And did Albert Kloblein have stands poena of the Meyer committee was don't think he safd anything, so far. or stalls at the West Washington Market" served on Kahn. Calls from the Kahn O.-What else took place at that conversaapartment, sometimes repeated fre-tion? A.—The Commissioner said to Mr. Q.-Which were those? What were their quently, were sent to Isaac Goldberg, Kloblein, "You cannot sell those stands, you addresses or number? A.-18 to 28 inclusive, his brother-in-law; to the Thomas J. understand that?" He said, "And if I (The) McManus Association, Tammany knew you were selling those stands I will Hall General Committee, Sol Goodman

Mr. Kahn said he had been a whole- tures.' sale butcher for nine years, buying from Q.-The buying of beef from whom? A.- Armour and Swift and selling to butch-Packing and slaughter houses throughout ers. He asserted that he reached a bargain with Kloblein first and then went

> O.-Which McManus? A.-Mr. Thomas McManus. Q.—Are you sure it was Thomas McManus? You remember at one time you were confused about it, and said it might be Alderman Mc-Manus, and later you said it was Thomas McManus? A.-I don't know which is Alder- tures might be sold but that the perman-I know both brothers. Q.-Will you describe the gentleman you

> have just said was Thomas McManus? A .- on: Q.—That is the way in which you distin- view? A.—And as far as I can remember, Q.—It was the man with a beard that you those stands to me. spoke to concerning this matter? A.—Yes. Q.-What did you say to him? A.-I wanted him to intercede with me, as I wrote an ap- you? A .- Yes. plication for those stands, and speak in be-

Q.-Had you had any difficulty in getting A.-Yes, I mean the permit. Department of Public Markets? A.-By the transfer up to that time? A.-I had not tried to get the transfer. O.—Why did you try to get his assistance? A.—Because I was told to act in that way. Q.—In what way? A.—To get some one to sioner at this conference that he was satis-

Q.-Were you told whom to have intercede to those stands, to you? A.-I cannot rea check drawn to cover it, but was not ac- for you? A .- Some one, I don't know whether member exactly. to call him exactly a politician or whether I can call him a citizen— O.—But you were told to have some one of that sort intercede for you? A.-Yes. Q.—Who told you that? A.—One of the

ley, who, under rules adopted during the you have described? A.—Yes, I do business man told me he would transfer the permit with him at the same time. Q .- That enabled you to speak to him? A .- me the fixtures; I can't recall that. Q.—And what did Mr. McManus say to you when you asked him to do that? A.-That he would do that for me.

## \$3,000 Check Enters the Case.

Kahn said he then made an agreement Building on O.—You drew some checks on that day,

Commissioner was asked as soon as the April 11, didn't you? A.-I drew several of Q.—This day that you went down there was April 11? A.-Yes. sir. Q.-I show you a check for \$3.000. Number 24068, dated April 11, 1921, bearing your imprint, to your own order, and endorsed by you, and apparently cashed over the counter

from the endorsement thereon, and I ask you if you drew that check on the day it bears date? A.—I drew this check. Q.—On the day of its date, April II? A.— A.—Yes, sir.

Q.—Did you cash it yourself? A.—Yes, sir. Several checks issued by Hahn on that day were then introduced in evidence, he arrived at about 11:30. Here Mr. the bank and turned the \$3,000 over to him as a loan. "So that by the time you had gotten- agreement in writing,

"Yes. sir." "We'll see about that," said the law-Assemblyman Bloch, one of the Tammany members of the committee, ex-' we will see about it "Yes," replied the lawyer. "I meant

#### Tells of Meeting McManus.

The questioning of Kahn then pro-O.-Now, when you arrived at the Munici- A.-I do. Building, who was the first person that met you? A.—Mr. McManus. O.-And where was it that you saw him? A .-- I met him downstairs by appointment. Q.—What time was your appointment for? A.-I told him I couldn't make it before 12 here? A.-This was a business transaction o'elock. He called me up about 10 o'clock on my part at my office. Q.—And you met him at 12? A.—I told him I will be there by 12 o'clock. Q.—Did you go with him to the office of the Department of Public Markets? A.—The outer office. Q.—Just the two of you, you and Senator

McManus? A.—And Mr. Kloblein. Kahn said the Commissioner was not money. in and that they entered the office of Secretary McGrath. Mr. McManus then left the office and told Kahn to wait. Q.-And how long did you wait? A.-About Q.—And who was the first to come back Commissioner's office together. Q.—And when you got into the Commis-

Q.—So that after waiting two hours, as I was examined last May. to come with him to the Commissioner's office? A.—Yes, sir. Mr. McGrath, Mr. Kloblein, myself and Mr. McManus went into the Commissioner's office. Q.—And then you went in and found Commissioner O'Malley there? A.—Yes, sir. Q.—Did you have a conference then with Commissioner O'Malley? A.—Yes, sir. O.—How long were you in the office there Q.—My question was, How long did you stay half an hour. O.—And did all the members of your party stay there that same length of time? A.-

O.-What was the conversation? A.-I was Q.-What did Mr. McManus say? A.-He said to the Commissioner, "This is a friend take this permit away from you." He said. " All I am selling is the contents of my fix-

Q.—Selling the fixtures? A.—Yes. O.—There is a rule in the department that the stands themselves, or the privilege, may not be sold? A.—Yes, sir. Q.—You know that? A.—Yes, sir.

## Kahn's Memory Becomes Faulty.

Immediately after telling about this lecture on the law of the markets by Commissioner O'Malley-that the fixmits could not—the examination went justice will be done in this case.

O.—What elso took place at that interhe told me he was satisfied to transfer O.—Who said that? A.—Mr. Kloblein. Q.—You mean, to transfer the fixtures to Q.—What else? A.—No, to transfer the Q.-You don't mean transfer the permit? not sure of their identity. It was shown it? A.-No. sir. Q.—You mean that Mr. Kloblein said he

was satisfied to transfer the permit to you? A.—Yes—I had to buy the fixtures. Q.—And Mr. Kloblein said to the Commisfied to transfer the permit which he held Q.—I understood you to say that a moment

ago? A.-If I did I made an error. Q.—What was said on that subject? A.—I can't remember. Q.—You cannot remember that? A.—No. Q.—You think that is a way to avoid a Mr. Wallstein last May.

Q .-- And so you selected Mr. Thomas J. Mc- question of possible embarrassment? A .--Manus as the man with the qualifications No, not exactly; but I can't understand if a Senator Downing. to me, or if the man told me he would sell conversation hopelessly deserted him number of women in the front row. out the permit in favor of Kahn. Ther. harshly: O'Malley and McManus had a little conversation, but Kahn said he did not hear He then drove off in his machine,

#### Kloblein to his office. Breaks Agreement With Kloblein.

dropping McManus at Forty-ninth Street

Here a surprise awaited Kloblein. stead of the promised \$8,000, Kahn paid only a check for \$6,250, which was introduced in evidence.

handn't vou? A.-Yes, Sir. Q.—Did he willingly accept the \$6,250? A.—No. Sir. Q.—What was your conversation with him about that? A.-I told him that the stands cost me a great deal more to fix up than Q.—That was the first check you drew that I first expected they were to cost, and I told him I am paying him entirely too much for these stands, and I first originally offered him \$5,000, which would be more than sufficient, and we battled for about a half an hour, and he couldn't get no more out of me than \$6,250. Q.—He could not get any more out of you than the \$6,250? A.—No. Sir. Q.—You had an agreement with him to pay him \$8,000, hadn't you? A.--1 did. Q.—How did you come to give him only \$6,250? A.—Because I thought I had paid him too much the way it was. Q.—You told me before that it was because he didn't have any agreement in writing, is time he thought he was telling the truth, that right? A.—He wouldn't give me no Q.—It was because he had no written agreement over your written signature to pay him \$8.000 that you were able to give him 56,250, isn't that right? A.—That's right. Q.-Now, you had already had the permit then, hadn't you? A.-Yes, Sir. Q.-And Kloblein had to take the \$6,250 or get nothing, didn't he? A .- Yes, Sir. Q.—And you knew that? A.—I knew this at the time when I gave him a check that "Mr. Wallstein, may I ask what you the stands was not worth what I paid him. to take the \$6,250 or get nothing, because documents, don't you? Don't you know that you had the permit then? You knew that, didn't you? A.—Maybe.

Kahn admitted that, having left the tor? A.—Not all of them. permit, he was in a position to throw Kloblein "out on his head," but that he wouldn't do anything like that. Q.—But you don't always keep your word? Q.—Well, you didn't this time, did you! A.—In some of my business transactions.

some of my dealers have not kept their word with me, either. Q.-That's why you didn't keep your word Q.—And therefore you didn't have to keep your word, is that right? A.—I don't understand\_that. question to me again. action you didn't have to keep your word? book page), \$500. A.—Well, I bargained with him for less

## Q.—After you had made the deal? A.—Yes. Questioned About \$500 Check.

Mr. Kahn's attention was then di- sir. rected to the check of \$500 payable to Senator McManus? A .- Senator McManus The McManus, which was superseded came into the office and we went into the by a check payable to bearer. The existence of this check was inferred by and the figure "g" indicating the posting other. I am not sure. Q.—Did he tell you when they had been sioner's office, the Commissioner was there? the committee from the discovery of its page of the ledger are not written over eradistub in the stub book of Kahn, which cations? A.—There has been a change made self. We will prove it without your com-

Q.-You destroyed that check, is that right? A.—I don't know if it was destroyed Q.—Well, you replaced it by another check A.—Yes, sir. Q.—And you then drew a check to the order of "Bearer," is that right? A.—Yes,

Q.--I show you a check dated April 11. 1921, to the order of "Bearer" in the sum of \$500, purporting to be signed by you, and ask you if you drew that check? A.-Yes, Q.—Now, this check for \$500. I understand

you to say that you used that to make a bet with? A.—Yes, sir. Q.—And you gave it to a bookmaker by the name of Henry Jones? A.—Yes, sir. Q.—That you made a bet in April, 1921, on the Dempsey-Carpenter fight. Is that A. No. right? <sup>©</sup> A.—Yes. sir. Q.—That is the testimony that you have entry there was No. 50? A.—I. cannot re- 50. wouldn't it, that you attempted to obgiven in preliminary examination before a member. sub-committee? A.—Yes. sir.

bookmaker Harry Jones with whom he had placed the bet at even money. At the noon recess, Kahn issued a bers. typewritten statement through his lawyer. William Chilvers, alleging that his answers had been cut short and that he had been unable to say that neither Commissioner O'Malley nor Mr. Mcpayment of a cent of graft. All this hullabaloo," his statemen

## Kahn Complains of Wallstein.

questioned Kahn about the great acthe day after the subpoena had been and \$500 as part of the cost of his new bookkeeper was there and said there in-law or a bet on Dempsey. from his apartment for Goldberg, the A.-Yes, sir. brother-in-law, and at least one for the McManus Association. Then, on Monday, May 23, Mr. Kahn

appeared before the Meyer sub-committee with his acid-bitten books and his A.—Yes, sir. story that the \$3,000 cash had gone to the brother-in-law. That ended the direct examination of Kahn. Asked if he had any statement to make, he complained that he had

"What did he say to you?" asked

"He caled me a ———— liar." The witness said that more injurious epithets had been hurled at him, but he Kahn's memory of this part of the declined to repeat them, because of the and after a few more efforts to have Mr. Kahn added bitterly that when he him disentangle his contradictions the had appeared before the sub-committee examination proceeded. Kahn said the he had pleaded for representation by Commissioner told Mr. McGrath to make counsel, but that Mr. Wallstein had said

"You don't need no counsel." "Did he threaten to punish you!" asked Senator McArdle. why I eradicated it.

"Or do you bodily harm in case you Eighth Avenue, and taking Mr. refused?" ''No. Bulldozed me.''

## Tells of Erasing Records.

The next witness was Milton S. Maas. who confessed that it was he who applied the chemical bleach and the rubber eraser to the passages in the ac-Q.-You had agreed to pay him \$8,000, counts of Mr. Kahn, which had been vealing chemicals had again attested presented to the Meyer committee as led to the discovery of the manner in blanks. He said he did it of his own which the items on Page 50 had been accord, without any instructions or suggestions from his employer. Mr. Maas of the investment in the Kloblein marhad appeared before the subcommittee ket. with the \$3,000 cash and the \$500 last May and was confronted with his "bearer" check left out. handiwork, after the crased entries had been resuscitated by a chemical called "reproducing fluid." He supplemented his employer's opinion of the subcommittee at the outset of his ex- on Page 60. amination by saying: "That was a murderer's committee."

He was shown the "Bearer" check for \$500. He admitted that he had before the "murderer's committee" first it? A.-Yes, sir. denied that this had replaced a check drawn to McManus. He said at that but later he came to the conclusion that it was "an error." He was then shown the stub on which the obliterated name of McManus had been chemically restored.

Q.—The fact is, however, that you desire to correct that, and that it was made to to the page that you made blank; isn't that the order of McManus? A.-Since then I so? A.-Yes, sir. remember that Mr. Kahn had ordered me to  $_{
m in}$  Mr. Wallstein then read from the recmake it out to Thomas McManus. O.—And since then you know that reproducing fluid has been applied to the eradication Q.—But you also knew that he would have which you made upon this stub and other reproducing fluid has been applied to the documents which you erased by ink eradica- 1921, Manhattan Cold Storage, 60-\$1,200. Q.—To some of them? A.—Yes. Q.—Some of the reproducing fluid was ap-

plied in your presence, wasn't it? A.—Yes. Q.—And what was shown upon the application of that reproducing fluid was read by you, wasn't it? A.—Partly, yes, sir.

## Pages From Records Produced.

Pages from Kahn's cash book and ledger were then offered in evidence. These had been torn from the book by written permission from Kahn in order that he might get the rest of the book Q.—You don't remember? A.—No: but this back. Mr. Wallstein read an entry from the ledger account saying, "April 11, thing else that was there? A.—It looks like Q.-I say, because it was a business trans- cash, page 195 (referring to the cash an alteration, yes, sir. Q.—That is the way that entry appears now

> after the various erasures and alterations had been made, isn't it? A.—Yes, sir. Q.—The way it has now been offered in evidence and read, isn't that so? A .- Yes, a series of doubtful answers on the Q.—It didn't always read that way, did it? -Not originally, no. sir. Q.—I will show you again Page 195 of the A.—I don't know what you call it. cash book, which is Exhibit 58 of this date. Q.-Well, what do you call it? A.-I am and ask you whether the word "bearer"

> Q.—You made the change, didn't you? A.— . Q.—Did you ever testify before as to done whatever has been done there. O.—You made the change? A.—Whatever Maybe. change has been made I made. Q.—And you made the change by applying —I am not sure. ink eradicator to the entry which was originally there? Is that correct? A.—Yes, sir. you? A.—So you told me before. O.—What was the entry that was originally there? A.—I am not sure. It may have been

> Thomas McManus. Q.—You are not sure? A.—No. Q.—But you think it was? A.—Perhaps Q.—And what was the page that was there deny giving anything. If you are reading before the number was eradicated and 8 was it there. I will admit it. written? A.—That I don't know. Q.—Do you remember when the reproducing no record of what I said. fluid or reviving fluid was applied to that that you could read it? A.—I don't know

what was applied to that. Q.—You don't know whether it was or not Q.—Did you testify that the original page Q.—That would bring us again to this Page O.—Well, suppose I endeavor to refresh Q .- And that is the testimony that you your recollection. I read from Page 488 of repeat now on that subject? A .- Yes. sir. the record before the sub-committee the fol-In his sub-committee testimony, Kahn lowing: "Q.—And you read a \$500 entry to remember whether he had changed them had said that he bet the \$500 at even me with reference to the same account, didn't money on Dempsey. Odds in April were you? A.-Yes, sir. Q.-And that is the way made the change? Look at it. I think you quoted heavily in favor of Dempsey, that record on Page 50 of the ledger, Exhibit can tell even now from looking at it. Oh, varying from 9 to 5 to 4 to 1. Kahn No. 15, stood before you had erased it. Is come, Mr. Maas. A.-I am not sure. You could not help the committee find the that so? A.—Yes, sir, that was originally in will have to tell me. there." Do you recall that? A.-I cannot remember all those figures and page num- was until I read to you what you have

Q.—But you don't deny that you gave that idea. testimony, do you? A.—I may have.

## Maas Also Has Faulty Memory.

Mr. Maas pleaded faulty mnemonic Manus had asked for or hinted at the powers as a long series of questions is that right? A.—I always am careful. was put to him, and then Mr' Wallstein continued, "is raised to cast false sus- came to page 50 of the ledger. This picions on Mr. O'Malley and Mr. Mc- was a white sheet of paper when it Manus, and I feel it my duty to let came into the hands of the committee. tioning continued: the real facts be known so that no in. Albert S. Osborne, a document examiner, puffed chemical fumes on it from a vaporizer. A pale yellowish crop of writ- doesn't it? A.—Yes, sir. ing sprouted all over the page. The After the noon recess, Mr. Wallstein page gradually blanched again, but pho- safety that you are not telling us anything tographs of the writing were preserved. that you didn't tell us before, that that 60 This was the page which showed that was originally a 50, can't you? A.-Yes, sir. tivity in his office on Sunday, May 22, Kahn had originally charged the \$3,000 served on him. He admitted that his business, not as a loan to the brotherwere two other men present, but he was Q.—This page was not always blank, was

that three telephone calls had been sent Q.—There was writing on it at one time? Q.-And it was you who removed that writing, was it not? A .-- Yes. sir. Q.—Who told you to do that? A.—I did it myself. No one had to tell me. Q.—And you therefore did what thought would obliterate everything on that has been done. That is, if it has blurred been talked to in a rough manner by page? A.-I done what I thought was right, the deposit of ink so much that the writing Q.-And you thought it meant a permanent may become illegible, even though the scat-

I just made the page clear. Q.-You just eradicated it? A.-That is all. cation of Iron gall ink, that is, the ordinary smelling salts, made the words stand out Q .- And that was to prevent any one commercial ink, ordinarily can be recolored knowing what was there? A .- Just to cor- by the application of a chemical that will Q .- But you didn't think people would ever that is a part of the ink. know what was there? A.—I had no reason to think ahead, at all. Q.—You were not surprised when we found it was there? A.—No. I was not. Q.—It was a matter of indifference to you! A.—Yes, sir, certainly.

#### Another Page Is Analyzed.

The witness paused, however, without making his explanation. Page 60 was next analyzed. This had been written after 50 was obliterated. Various references had been found in other accounts to Page 60 of the ledgers, but the rethat the 60 was written over a 50. This redistributed through the book. Its successor, Page 60, contained a statement Q.-Well, now, that record of that transaction did not always read that way, either,

did it? A.—No, sir. Q.—There was an alteration there? A.—Not Q.—No? Think about it. A.—There has no change been made on that page. O.—But that page was written anew after the change was made some place else, wasn't Q.—The change was in the cash book at Page 195, wasn't it? A.—Yes, sir. Q.—That is, what there appears as Page 60 of the ledger now, before the change was

made was Page 50. Isn't that so? A .-Q.—And it was you who made that change: is that right? A.—Yes, sir Q.-And before it was changed it would have led us to Page 50, and again we come

ord of the subcommittee that first took the testimony of Maas:

Q.-Now look here, Mr. Maas, on Exhibi 56-which is the cash book page-I show you the fourth item entered there. "May " The 6 of that 60 is an alteration over a 5 isn't it? A.-I don't know whether it is of not. I am not sure. Q.—It is an alteration, isn't it? A.—No Q.—Is that 6 an alteration or isn't it A .- I don't know whether it is or not. Q.-You don't know whether it is or not A.-No. sir. Q.-Well, look at it. Can't you see that you altered it? A .- Yes, sir. Q.—Do you recall that? A.—Perhaps. Q.—Did you give that testimony? A.—I may have given it.

Q.-You are not sure about that either?

Q.—But you do know that the 60 that ap-

pears there now is an alteration from some-

## Maas Suffers a Reaction.

A.—No. sir.

After admitting this much, however, Mr. Maas suffered a reaction and gave

Q.—You are going to hedge; is that right? not going to commit myself one way or the Q.-Well, you don't have to commit yourmitting yourself. A .- All right, go ahead. whether that was an alteration or not? A .-Q.-You don't know about that, either? A. Q.-You have a pretty poor memory, haven't

Mr. Maas was unable to recall any of his earlier testimony, which was then read to him. O.—Do you deny giving it? A.—I don't O.—What? A.—You are reading it. I have Q.—And that's why you won't deny it? A. -I can't deny it. Q.—You won't deny anything as to which

we have got a record on you, will you? A.-I won't say that. literate by eradication. A.—Yes, sir. The witness looked at other figures which had been changed, but could not O.-Now, what figure was there before you Q.—You are not going to tell us what that already testified, are you? A.—That's the

Q .- You are going to play very safe, so as not to say a word that is not dragged out of you, aren't you? A.-I will say anything I am sure, but nothing that I am not. Q.—And you are going to be very careful; Q.-So I have observed.

The previous testimony of Mr. Kahn's bookkeeper was then read, and the ques-Q.—Do you recall that? A.—Yes, sir.

O.—And that refreshes your recollection. Q.—And now you can testify with entire

#### Expert Placed on Stand The last witness was Albert S. Osborne

of 233 Broadway, who described himself as "an examiner of questioned documents," and testified interestingly to the methods of getting rid of undesired entries after they have been once com-Q.-And you removed the writing that was mitted to paper and the methods of there by the application of ink eradicator? treating paper to make a murdered entry live again. Q.-Will you please state the conditions under which it can be revived and cannot?

Q-No one gave you instructions about it? A .- It depends on the kind of ink that is used and also somewhat upon the thoroughyou ness with which the so-called eradicating

obliteration of everything on that page? A.- tered colors may be reproduced somewhat. turbance on the surface; but a simple Ordinarily what is called the chemical eradi- process, like the ordinary application of discolor the remains of iron in the paper

Q.—If I understand you, then, the applica- mainly the fumes of fluid that affected tion of the so-called ink eradicator serves to blot the color out of the ink? A.—Yes. Q.—And the application of the reviving or reproducing fluid serves to bring back the lines of the writing which are made by the Q.-And that was why you eradicated it, iron in the ink? A.-Yes; that is, it so that any one could see what was there, colors the remains of the ink that is in the is that right? A.—No, sir. I will tell you paper, the remains that are still in the O.—Discoloring them to a blackish color?

A.-Usually a yellowish color. Q.—Yellow-blackish? A.—Yes.

#### Blank Page Reveals Story.

Page 50, on which Mr. Maas had toiled conscientiously, was a perfectly white tity of the beneficiaries of the mystesheet, with scarcely any evidence of dis-rious \$3,500, will be questioned

the paper and ink." The document expert examined and identified all his work. Some of the words had been too much erased to be read easily, but the examiner said that he had made them out by studying the peculiarities of the penmanship of Mr. Maas, as shown elsewhere in the book. Senator Downing studied some of the photographic reproductions with him and professed inability to make out the words seen in them by the expert. The committee adjourned, leaving the Kahn case incomplete. More witnesses on the subject, particlarly on the iden-

"I applied a very thin or slight appli-

piece of absorbent colton, so that it was

' he said; "it was absorbed in a

and tell their story.