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Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: 3-30-56

FROM : SAC, Charlotte

SUBJECT: JULIAN SCHEER
FEATURE WRITER
THE CHARLOTTE NEWS
PRESS RELATIONS

Charlotte, N.C.

Attention: Crime Records

Captioned individual who previously prepared one feature story regarding this office desires to explore the possibility of a detailed feature relative to confidence games and swindlers, which will, of course, be made available to the Bureau for accuracy check prior to publication.

Accordingly, please forward a reasonable number of interesting case writeups regarding confidence games and related swindles for his penual.

- 2 - Bureau
- 1 - Charlotte

RJA:WH
(3)

*Memo to Charlotte
4/6/56
GMP*

REC'D - RECORDS
RECORDED - 4
INDEXED - 4

EX - 107

94-8-432-56

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CRIME

SAC, Charlotte

April 6, 1956

RECORDED - 4

94-8-432-56
Director, FBI

EX-107

JULIAN SCHEER
FEATURE WRITER
THE CHARLOTTE NEWS
PRESS RELATIONS

Reurmemo dated March 30, 1956, concerning the desire of Mr. Julian Scheer for data concerning confidence men.

Enclosed are a memorandum explaining several types of commonly utilized swindles and several other memoranda concerning cases investigated by the Bureau. When presenting this data to Mr. Scheer, you should advise him that the Bureau would be happy to check his story prior to publication in the interest of accuracy.

Enclosures (8)

I.C.'s - #87-22850, #87-6840, #47-9676, #87-26478, #87-17176, #47-39804 - IC's have been checked up to date. Memorandum entitled "Confidence Schemes."

Follow-up made for May 7, 1956

NOTE: The Bureau has enjoyed generally cordial relations with "The Charlotte News." Bufiles reflect that the Bureau has previously cooperated with Scheer in the preparation of an article concerning the Charlotte Office. The material concerning confidence games was previously approved in connection with material given to "Look" magazine on 3/17/55.

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- Tele. Room _____
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ENCLOSURE

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April 6, 1956

CONFIDENCE SCHEMES

"Judge Baker" Swindle

One of the most common schemes of the confidence man is the old "race track" or "Judge Baker" swindle.

Operation of the "Judge Baker" swindle usually requires three persons in addition to the victim -- the "steerer," the "spieler," and the "banker."

The "steerer" is the first member of the confidence mob to make personal contact with the victim. The victim is chosen carefully, con men preferring an elderly person away from his home environment. The "steerer" engages his prospective victim in conversation, perhaps by asking directions to some point in the city. The victim replies that he too is a stranger in the city -- thus, they have something in common. The "steerer" perhaps invites the victim to have a drink or a meal and in the natural course of conversation between two lonely strangers, the "steerer" learns to his satisfaction the victim's financial status. He then proceeds to build himself up, gaining the victim's confidence.

Note - See memo to Charlotte 4-6-56 re Julian Scheer, GMP

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94-8-432-56
ENCLOSURE

The time is then ripe for the appearance of the "spieler," sometimes known as the "inside man." Various methods are used to introduce the "spieler" to the victim. Some confidence men employ a trick whereby the "steerer," while dining with the victim, apparently by accident finds a pocketbook under the table. The pocketbook, of course, contains a large amount of currency and papers which indicate the owner's name and address and that he is a representative of a racing syndicate. He is actually the second member of the trio of swindlers.

The more common method of introducing the "spieler" is the one from which the swindle gets its name -- the "Judge Baker" swindle. After having gained the victim's confidence, the "steerer" suddenly sees an individual whom he points out to the victim as "someone he has met in Judge Baker's office." They approach the individual and introductions follow. In the conversation following, it is learned that this individual has allegedly made a fortune on horse races or the stock market. The "spieler" usually purports to be a racing or brokerage commissioner and a series of wagers is made on his credit, as a result of which a large sum of money is allegedly won.

The third con man in the scheme, referred to as the "banker," now appears. He advises that he cannot pay the winnings as the "spieler's" credit is questionable; however, if the winners can put up a sum of money to show they could have paid if they had lost, the winnings will be turned over. The "banker" generally brings a suitcase full of money representing the winnings into the hotel room occupied by the victim and the con men at this point.

The victim is asked to contribute a part of the necessary sum to evidence good faith in order to share proportionately in the winnings. When all the money is pooled, the "banker" is called to bring the winnings to the meeting place, and he will be shown that the group could have paid off if they had lost. This is a bad time, however. The "banker" is busy and cannot leave his alleged bookmaking establishment.

At this point, the pooled fund is sent to the bookmaker by one of the swindlers who is to return with it and the winnings. As he leaves the hotel room, the other con man asks that his portion of the winnings be wagered again. Apparently by mistake, the messenger wagers the entire sum which is lost.

Words, and sometimes blows, are exchanged by the two con men, but finally they assure the victim that the money he furnished will be promptly returned. He is directed to another city to await instructions. He generally receives a telegram or two from the confidence men, known as "cooling off" telegrams, advising that they are trying to raise funds and make new arrangements. The victim is finally instructed to go home, and sometime thereafter, he comes to the conclusion that he has been bilked.

The "cooling off" telegram serves the purpose of pacifying the victim after his loss. It makes the victim believe the transaction was legitimate so that he will not immediately make a complaint. This enables the con men to depart in safety from the area where the swindle took place.

Pigeon-Drop or Flimflam

Another scheme similar to the "Judge Baker" swindle is one which usually involves women and is known as the "pigeon-drop" or "flimflam." This scheme usually develops after a casual conversation on the street or in a public place. During the course of the conversation, the victim, most often an elderly woman, is told about a friend of the confidence woman who has just found a wallet or pocketbook with considerable amount of money.

While the confidence woman and the victim are still engaged in conversation, the second confidence woman, who allegedly found the money, appears. The two women discuss the possible disposition of the money and the finder indicates she has consulted her boss. They have concluded that the money should be kept; however, since she has mentioned her find to a friend (the first confidence woman) the money should be split between them. This conversation, of course, is carried on in the presence of the victim and now the first confidence woman advises the second that she had previously mentioned the finding of the pocketbook to the victim; therefore, the money should be split three ways.

The second confidence woman again contacts her boss, and upon returning, advises that the boss thinks the three-way split is perfectly all right. The boss advises, however, that the victim must show that she has sufficient cash to repay her one-third interest in the event any subsequent claims are made by the loser of the money. Having seen the contents of the pocketbook, the victim is eager to obtain her share and, therefore, withdraws from

her savings cash equal to one-third of the find. Upon returning, the victim shows the money to the confidence women who take the money to show it to the boss previously referred to. Of course, the victim never sees either the confidence women or her money again.

Gypsy or "Dirty Money" Swindle

Almost as common as the "race track" or "Judge Baker" swindles are the notoriously primitive and simple gypsy swindles. They are dependent upon superstition, naive trust, and a good measure of plain stupidity on the part of the victim.

Most gypsy schemes involve "conning" the victim (usually an elderly woman) through fortune telling. The victim is persuaded her fortune will never improve because the money is "tainted" or "has a curse on it."

For a small fee, the gypsy will remove this blemish by blessing the money. The ceremony of blessing the money usually involves sealing it in a container such as a paper bag or a pillow slip and muttering incantations over it in a darkened room. The sealed container is then turned over to the victim who is warned not to open it during the three days -- sometimes more, sometimes less -- required for the spell to work properly.

The gypsy, of course, takes advantage of this time lapse to get far away from the scene of her swindle and when the container is opened, needless to say, all the spell will produce is a bundle of worthless scraps of paper in place of the United States notes that had been in the bundle.

Spanish Swindle

Another of the more common types of swindles is that known as the Spanish Swindle. While the activities of a con man operating a Spanish Swindle are, of course, of primary concern to the Postal authorities rather than to the Federal Bureau of Investigation, the frequency with which it is used leads us to include it with other information on confidence men.

Using a sucker list carefully selected to include doctors, clergymen, college professors and other persons of means, the swindlers send out thousands of identical letters, each purportedly painstakingly handwritten by a prisoner languishing in a Mexican jail. The technique of this fraud seldom varies. A letter will be received from a correspondent who relates he is imprisoned in Mexico City for bankruptcy. The writer will usually advise that he has several hundred thousand dollars hidden in a secret compartment of a trunk checked in a customs house in the United States. The baggage check to the trunk, plus a \$25,000 certified check, is in a suitcase being held by the police who have him incarcerated. The letter will usually state the recipient's name was furnished the writer by a friend in the United States who was not in a position to give direct help. The writer will indicate that if the recipient of the letter will help pay the cost of his trial and thus save his fortune, the recipient can have one-third of the money hidden in the trunk.

Many victims of this swindle have gone to Mexico City where they meet two men, one of whom poses as a prison guard and

the other as a prisoner. The prisoner gives the victim a baggage check and a certified check for \$25,000. The victim then gives the "guard" a large amount of cash, supposedly the prisoner's fine, and flies to a point across the border in the United States to await his share of the trunk full of money. After waiting several days, the victim finally receives the inevitable note to the effect that all is lost and that he might as well go home. Of course, both the baggage check and the cashier's check turn out to be worthless forgeries.