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ORGANIZED PROTECTION AGAINST ORGANIZED PREDATORY CRIMES

I. SYNDICATED BANK ROBBERY

R. C. SAUNDERS¹

In November of 1919 when "Blackie" Wilson, a notorious I. W. W., was chided by his associates in a saloon on Fourth Street in Sioux City, Iowa, because he did not have breakfast money, in his irritation he said to them, "I'll have breakfast money tomorrow morning and I'll have money for breakfast every other morning."

That day he gathered around him a few of his friends and they drove into the suburbs of Sioux City where they robbed the Leeds Bank of several thousand dollars. Wilson and these associates were later apprehended and sent to Fort Madison penitentiary.

About the same time another mob congregated in Sioux City, drove out a short distance and robbed a bank at Westfield, Iowa. This crowd was all captured as they were returning to their base of operation. Later, with the assistance of their I. W. W. friends they broke out of the Le Mars, Iowa, jail, killed Sheriff Maxwell's son, shot the sheriff in the side, and escaped. They later were recaptured, pleaded guilty and went to Fort Madison prison for life.

These were two of the earliest Iowa Bank robberies. There were no indications of either of these mobs having any connections outside of Sioux City and their organizations were independent of each other.

About six months later, a reign of bank burglaries began throughout Iowa, but as these crimes were run down, the perpetrators were found to be typical of the old bank burglar, whose custom it was in the summer time to lie around the "jungles," i. e., the creek banks and railroad yards just outside of a town, bury his weapons and most of his loot at the foot of a fence post or in a hollow tree, cook up a "Colorado colaroo" or a "mulligan," lie around with a roll of bills in his pocket and sip whisky and bask in the sunshine all day long.

Just a little later the Government, cooperating with the St. Louis police force, rounded up and sent to the penitentiary, some twenty-

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eight members of the Colbeck, Cuckoo and Egan gange, thereby cleaning up a large number of crimes in St. Louis and vicinity, many of which were bank robberies.

Still later, as our work brought us into Illinois, we encountered the activities of a gang of between fifty and a hundred bank burglars and robbers who were more or less of the old school. Of the fifty-nine individuals whose activities were tabulated, some of the more important ones were "Chicago Blackie," "Syracuse Chuck," "Dressed-up Johnny Gardner," and "Akron Whitey." For several years this mob headquartered in a beautiful natural spot near Vandalia, Illinois, into which, it is said, over \$300,000 in merchandise and loot from banks found its way and was distributed among the thieves.

"Chicago Blackie," who is now serving a sentence in Joliet prison, boasted in the underworld that he himself had blown more than two hundred safes in the State of Illinois during his career. This crowd was so thorough in its survey of the State that it is known they had practically every old type square-door safe located and had plans laid to burglarize, sooner or later, every place of business where such a safe was installed.

Yet this almost unheard-of organization of between fifty and a hundred thieves with wide experience did not bear any earmarks of a national organization, as their activities were largely confined to the State of Illinois. These men engaged in what we commonly term "independent bank robbery." A large percentage of them were either killed or apprehended and sent to prison. While the losses caused by their activities were heavy, yet they sink into insignificance when compared with the amount of loot obtained by bank robbery syndicates.

Along about 1925 it became apparent that a few bank robberies took place in the middle western States each year where the losses generally ran from \$100,000 to \$500,000 each. Every bank robbery of this class bore evidence that the premises had been amazingly well surveyed and that the robbery had been committed by a different type of men than the participants in independent bank robbery. This class of cases baffled the authorities and it was seldom that any of the participants was apprehended.

The following table covering a period from December 1, 1925, to December 1, 1932, embracing several middle western States, shows bank robberies which our best information tends to show were committed by syndicates.

State	No. of Robberies	No. Bandits Participating	No. Convicted	No. Bandits Killed	Loss	Citizens or Officers Killed	Recovery
Indiana	4	20	0	0	\$ 398,245	0	0
Illinois	1	6	1	0	23,500	Cashier Killed	0
						Officer Wounded	
Iowa	6	37	0	0	244,022	0	0
Michigan	4	20	0	0	358,000	0	\$ 90,000
Nebraska	2	9	2	0	2,305,000	0	583,000
Ohio	4	20	3	1	584,000	1	75,000
Wisconsin	6	28	2	0	1,293,700	0	319,000
Total							
7 States	27	140	8	1	\$5,206,467	2	\$1,067,000

A study of this table will quickly convince one that this class of bank robbery is a far greater and more dangerous menace to banking than independent bank robbery.

It is this kind of case in which the banks themselves suffer huge losses, due to the fact that they are seldom completely covered by insurance. In many instances, the bank finds itself in the desperate position in which it must either recover the stolen property or go out of business. This kind of situation results in the bank's bartering with the thieves for the return of its property, and generally one of the stipulations of the bargain is that the thieves will not be prosecuted, which, to some degree, accounts for the small percentage of convictions shown in the above table. It is not uncommon for insurance companies also to pay great tribute to this class of criminals, where they themselves have sustained heavy losses.

The participants in syndicated bank robbery are an older, more vicious class and as a rule have long criminal records. They equip themselves to the nth degree with every imaginable weapon of defense including machine guns, tear gas, automobile smoke screens, etc. They are strongly entrenched politically, and usually have very definite protective arrangements with some high officials of the police department in the city from which they operate. They retain corrupt criminal attorneys and lay aside a large sinking fund for the defense of any of their members who may get into trouble. In case of an arrest of one of the organization in any city on the North American continent, the best criminal attorneys in that city appear, as if by magic, to defend them. This policy, together with their powerful political connections, makes extradition in many cases impossible.

Syndicate bank robbers usually go a long distance from their base of operation to commit their crimes. They seldom commit a crime in the State where they reside. For illustration, the bonds stolen from the Jefferson, Wisconsin, bank a couple of years ago,

were recovered at Fred Burke's home near Benton Harbor, Michigan, from which city the robbers no doubt operated. It is understood that the bonds stolen from the Lincoln National Bank & Trust Company, Lincoln, Nebraska, in 1930, were turned over to Gus Winkler (who returned them to Mr. Smith, attorney for the bank) by a woman who resided at Galesburg, Illinois, where the gang is known to have headquartered. About \$500,000 in bonds stolen from a Milwaukee bank some years back were recovered from a gang in Minneapolis.

It is obvious that syndicated bank robbery has not been given the careful consideration due it, by those charged with the responsibility of the protection of banks. In fact these major bank robberies committed by syndicate mobs, have been given very little more consideration than the ordinary bank robberies where the losses are but a few thousand dollars.

The table above shows the result—less than 6% of the perpetrators were convicted. Illinois bank robbery records show that by the time the statute of limitation expires, for several years past, about 70% of the men who have committed independent bank robberies in the State have been accounted for. That is, they were either apprehended and sent to prison or killed at the time of the robbery.

It behooves the banks and insurance companies of our nation to take this syndicated bank robbery problem by the throat and organize nationally to meet the emergency. Otherwise, as time goes on, we will have more of these bank robbery syndicates in the United States than there are at this time, and it will follow that the larger banks will suffer so much from these losses that both the banks and the companies that write the insurance will be forced from the business field.

Syndicated bank robbery is undoubtedly of a sufficiently serious nature that *federal statutes* should be enacted whereby the robbers of a national bank or member of the Federal Reserve Bank, or anyone transporting across a State line property stolen from such a bank, would be amenable to prosecution by the Government.

A splendid example of what such a law as this would mean was brought out after the \$2,225,000 robbery of the Lincoln National Bank & Trust Company of Lincoln, Nebraska. The owners of that bank tried for seven months to recover their property and apprehend the criminals but at the end of that time they failed to have any tangible clue as to the identity of the robbers and as to how they could recover their property.

After that time had elapsed, it was suggested to Mr. Barkley, president of the bank, that he retain Hon. Emory J. Smith, assistant attorney general of Illinois and attorney for the Illinois Bankers Association, to represent him in Chicago. Mr. Smith immediately took steps to start a federal prosecution under the existing Federal Banking Act, which had never before been attempted. He first obtained the permission of Mr. Dodd, Assistant United States Attorney General, to commence a federal grand jury investigation at Lincoln. Witnesses were subpoenaed from Minneapolis, Des Moines, New York and from many other points in the country. When it became known that a federal grand jury investigation was taking place in Lincoln, pandemonium reigned among the thieves. Two of them said to the writer, "When they brought the United States government into this case they certain put fear into the mind of every man who had anything to do with this robbery."

The result was that in six weeks three persons were arrested in East St. Louis who were later identified and tried for complicity in the bank robbery. Two were convicted, and the final result was that \$583,000 worth of negotiable coupon bonds stolen from the bank were delivered to Mr. Smith, without payment of any funds to the robbers.

In my opinion, had this federal grand jury investigation not been started, the Lincoln National Bank & Trust Company robbery would be as much a mystery today as it was at the end of seven months of trying to do something through the State courts.

More than twenty years ago, the railroads of the nation realized the necessity of a federal statute whereby the robbers of interstate shipments could be prosecuted by the Government. Such a law was enacted and the results obtained from that law is one of the principal causes for the reduction of American railroad losses from about \$13,000,000 a year at the peak, to less than \$900,000 a year at this time.

The Dyer Act makes any person who transports a stolen automobile across a State line amenable to federal prosecution. The Government is constantly sending violators of this Act to prison.

The enactment of such a law would enlist the services of the United States Department of Justice, Bureau of Investigation, in cooperating with State and local officials in apprehending the perpetrators of these crimes. Mr. J. Edgar Hoover, Director of the Bureau of Investigation, has already laid the foundation for a most valuable service in apprehending criminals.

Mr. Hoover's department is now putting out a monthly bulletin to State Bureaus, sheriffs, police departments and government investigating organizations in which he furnishes the names, aliases, fingerprint classifications and descriptions on every wanted criminal about whom he can acquire the information. If this record were carefully indexed in each office that it reaches, as soon as a suspicious person was picked up, and his fingerprints classified, it could be immediately determined whether or not he was wanted in some part of the country. Criminals would soon find this out and would become very wary as to how they moved about.

In each of twenty-three States of the Union, there is either a state police organization with a bureau of identification in connection, or a bureau of criminal identification and investigation. Of course, the proper kind of state police organization with an identification bureau as a part of it would be the ideal situation, but under existing circumstances it is rather too much to expect that a state police organization could be effected in any State where one is not in operation at this time. It is not beyond the realm of possibility, however, to create, at a very nominal cost, a State Bureau of Criminal Identification and Investigation such as those now being very successfully operated in many States.

When a bank robbery occurs, investigators for the State Bureau should cooperate with the local authorities in making an investigation and furnishing to the State Bureau a highly detailed report, the manner of which report should be uniform all over the country. Copies of this report should be systematically furnished to Bureaus in surrounding States, police departments in the larger cities in the vicinity, and to the Bureau of Investigation at Washington. The investigation would then be carried on by the United States Department of Justice in cooperation with the State Bureau and the local officers.

Every time a bank robber is committed to prison, the Bureau of Identification in that State should issue a standard 8" x 8" circular showing his name, aliases, photograph, description, fingerprints, handwriting, associates and method of operation, photostatic copy of which should be furnished every State Bureau in the country and the National Bureau at Washington. These circulars should be stamped in red ink, "Bank Robber," and where such is the case, "Syndicate Bank Robber." We know of no one thing that would be a greater deterrent than this systematic tabulation, because we have been told by many

bank robbers of their absolute fear of having their records spread all over the country.

Five to ten years in the future these same bank robbers will come out of the penitentiary and a great percentage of them will re-engage in bank robbery. If a warrant for one of them is issued, the Bureau in that State can simply put out a notice to every Bureau in the United States stating that this particular bank robber is wanted and sooner or later, he will naturally walk into the net.

The foregoing is a brief outline of some ideas that we have had in our mind concerning a great cooperative comprehensive scheme which would not only contribute largely to the apprehension of syndicate bank robbers, but would serve to apprehend independent bank robbers as well.

Space will not permit us to go further along the line of apprehension. However, it is our belief that the matter of *prevention of bank robbery* and cutting off the income of the thieves, is even more important than the arrest of criminals after they have committed these crimes. It is not our thought to minimize the importance of apprehending criminals but the American citizen and business man must realize the tragedy of the tremendous losses happening in our country.

The losses caused by syndicated bank robbery are terrific, but the loss by forgery is many times greater. Counterfeiting of such instruments as stock certificates, bonds, checks and money orders, which is only in its infancy, is taking a great toll from business throughout the country. Cook County, Illinois, alone is caused an annual loss in automobile theft amounting to ten million dollars. It is stated that one hundred fifty drug stores are held up in Chicago each month, and the number of oil stations robbed is still higher. Seven hundred thousand chickens were stolen in a single year from the farms of Illinois, according to a tabulation compiled by the Prairie Farmer.

But the cost of robbery does not end with the loss to the property owner. Investigation and trials that follow cost the taxpayers great sums of money, and each prisoner in the penitentiary is a burden of about \$450 a year to the State. Illinois has some twelve thousand criminals confined in penal institutions, which means an annual cost to the taxpayers of about \$5,000,000. For the past several years there has been a substantial increase in the prison population of this State. At this time there are about five hundred fifty more in the prisons than there were at this time last year. If one pyramids this

increase for twenty years, he will get some idea of where this crime problem is leading us.

I have been a student of the bank robbery problem for more than thirteen years and during that time I have watched the constant increase of losses from various lines of business to thieves. I have seen banks and other businesses forced to suspend on account of having been robbed. I have seen the men apprehended, watched long expensive trials, and seen the men sent to the penitentiary for a number of years. But the public takes it merely as a matter of course and in most cases makes no effort of any kind to prevent a recurrence of those losses to the community. A gang of thieves may rob a bank or other place of business a second time, the same procedure will be gone through again, and still the people will not wake up to the fact that there must be efforts made to prevent these losses.

The fact that must be driven home to the American people is that loot is the capital of the thief. Loot makes the thief the "big shot" in the eyes of the underworld. Loot is the incentive which spurs the thief on to his next job. Loot attracts the unscrupulous attorney to bank robbers and furnishes able defense. Loot creates a sinking fund to defend the mob if apprehended. And finally, robbery insurance rates are based entirely on loss through loot.

I have long since reached the conclusion that any crime committed in a community is a community problem, and is not alone the problem of the person, firm or corporation that has suffered the loss. Out of necessity, these crimes must be fought collectively—they can never be successfully suppressed by individuals.

Any effort, however, that is made along the line of citizen organizations should be in cooperation with and under the direction of the regular constituted officers. It is wholly unwise for the public to take the law into its own hands. For the past twelve years vigilante organization has been built up in five middle western States, under the direction of the sheriffs in the various counties, by the Bankers Associations, and in all of those States, as long as interest was maintained in the vigilantes, bank robbery continued to be reduced. In two of those States it showed a reduction of about 90% at the end of three years over the years before the organization was attempted. This record is sufficient proof of the value of citizens' interest in bank protection. If vigilante organization, properly created and properly maintained, can furnish such protection to banks, it goes without saying that an organization of that kind can reduce the

thefts from other lines of business in the same degree it reduced bank robbery.

Prior to the war, bank burglary was not uncommon but bank robbery was almost unheard of. The banks, under the direction of their State Associations have installed burglary protection to a point where bank burglary has almost entirely ceased. When the few cases that take place at this time happen in banks, adequate burglary protection has not been installed.

Up to this time only a small percentage of banks have taken advantage of installing proper protection against robbery. If the average bank could see its way clear to spend as much money for robbery protection as it has spent for burglary protection, a great improvement would be the result. Many reliable firms are building bandit-proof enclosures and large concerns are developing excellent tear gas protection. In most cases where these installations have been made, the added protection has been well worth the cost. The percentage of banks availing themselves of this equipment, however, is so small that it makes little impression on the bank robbery problem as a whole.

We have watched the construction of many beautiful bank buildings which were undoubtedly the last word in architecture and modern fixtures. Every protection is provided against burglary but evidently little consideration is given to the protection of the hundreds of thousands of dollars in money and securities which will be in the keeping of that bank every day.

In the future when new banks are built or old banks remodeled, it must be understood that it is just as necessary for the services of a qualified protective equipment engineer to be sought, as it is to consult with an architect.

In conclusion, we believe that the solution to the syndicated bank robbery problem lies in federal legislation; federal investigation in cooperation with State bureaus of identification and investigation working with local authorities; active community organizations supervised by regularly constituted officers; and the proper physical protection of banks.