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**Excerpts from the
History of the
United States Secret Service
1865 - 1975**

department of the treasury
united states secret service



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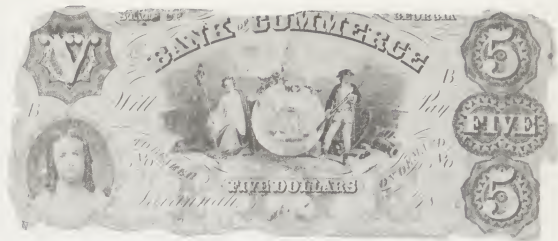


Early Money and Counterfeiting

The use of money as a means of barter can be traced to a Biblical reference when Abraham used silver shekels to buy a burying place for his wife sometime between 1550-1450 B.C. By the seventh century B.C. coins were manufactured in quantity.

The “criminal mind” being what it is, it’s probably safe to assume that counterfeiting followed shortly thereafter. It is known that Athenian “Cynic” Diogenes was the son of a counterfeiter. Diogenes’ father was exiled from his native land for coining false money around 450 B.C. This punishment was less severe than the fate of a slave caught for counterfeiting. A slave was put to death and a person of very low degree was fed to the beasts in the arena.

The history of counterfeiting in America begins with the arrival of the first settlers.



wampum

Wampum was the currency used by the North American Indians along the eastern seaboard when the first European settlers arrived. It was similar to mother-of-pearl, and was a disk approximately a half-inch in diameter and a quarter of an inch long. These disks were strung together on sinews, and were either white or dark purple. The white beads were made from the shell of marine snails and were worth half the value of dark beads, which were made from clam shells.

Wampum was the currency used in trade by the settlers and the Indians; it was recognized by both as money. As such, it was inevitable that our more unscrupulous forefathers would discover that good imitations of wampum could be made from porcelain or bone. By 1650 the spurious wampum was so plentiful that the New Amsterdam Council passed a law prohibiting the “nefarious practice” of counterfeiting it.

The scarcity of English currency in the Colonies caused an influx of various other European coins, both genuine and counterfeit. As the number of counterfeits increased, the colony of Massachusetts decided that positive action was required. Sometime prior to 1652 the first silver coins of the colonies were struck in Massachusetts. These, too, were rapidly counterfeited.

The minting operations of Massachusetts were not entirely legitimate, either, since the prerogative to coin belonged to the mother country. Nevertheless, the Boston mint continued to do business for 30 years, but all coins were dated 1652.

In 1690 New York and New England printed the first paper currency to pay soldiers who had been organized to drive the French



out of Canada. Twelve years later Carolina issued paper currency to finance an expedition. And the other colonies eventually followed suit.

During the pre-Revolutionary period, many kinds of paper notes were issued. "Banks" were not institutions, but merely an issue of paper money. There were "loan banks," "specie (stocks) banks," and numerous other issues backed by commodities and merchandise.

In this period of economic experimentation, the counterfeiter could be expected to flourish, and he did. Not only were coins easily reproduced, but the printing and design of the notes were crude. Any moderately competent woodcut artist could easily counterfeit them.

Punishment for the crime of counterfeiting became successively more severe. In 1720 Edmund Hunt was sentenced to be hanged for counterfeiting and his wife was fined 500£. The example made of the Hunts apparently had little effect; four years later Jersey notes were so plentifully counterfeited that the whole issue had to be recalled.

"not worth a continental"

The fact that the colonies won the Revolutionary War is nothing short of a miracle when one realizes the total devaluation of Continental currency accomplished by counterfeiters.

How much of this counterfeiting can be attributed to criminals and how much was a result of British efforts to win the war has long been questioned. When New York was occupied and controlled by the British, counterfeiters were permitted to blatantly advertise. The following is an example:



advertisement

“Persons going into the other Colonies, may be supplied with any Number of counterfeit Congress-Notes, for the Price of the Paper per Ream. They are so neatly and exactly executed, that there is no Risque in getting them off, it being almost impossible to discover, that they are not genuine. This has been proved by Bills to a very large Amount, which have already been successfully circulated.

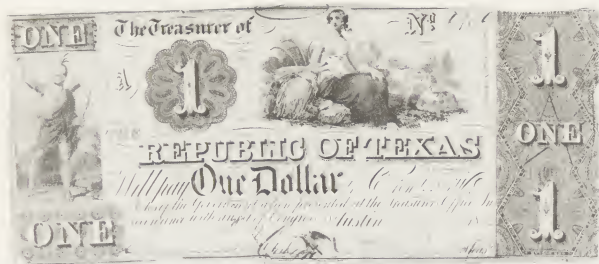
Enquire for Q.E.D. at the Coffee-House, from 11 p.m. to 4 a.m. during the present Month.”

During the period 1775 to 1780, about \$200,000,000 of genuine Continental bills were printed. During the first year of the war, the value of the bills remained at par. By the end of the second year, they had depreciated 50 percent, and in three years, 80 percent. In September of 1779 the notes represented only 5 percent of the initial value, and then they became totally worthless. During this same period, individual states also issued bills of their own, estimated to aggregate \$209,000,000. These were also extensively counterfeited.

chartered banks

The period following the Revolutionary War and prior to the adoption of a national currency can be broken into distinct sections.

Following the war for independence, public confidence in paper currency was so totally shattered that when the Constitution was drawn up in 1787, the right of the Federal Government to issue notes was stricken out of the original draft. Not until 75 years later were circulating U.S. notes issued. In the interim, payable on



fixed date or callable notes were authorized by Congress to meet national emergencies.

In 1781 the Continental Congress granted a perpetual charter to the Bank of North America. It was the first bank, in the present meaning of the word, established in the Union. Later it was rechartered by the State of Pennsylvania. The Bank of New York and the Massachusetts Bank at Boston were incorporated under state laws in 1791. These were the first "state banks."

The first Federal bank chartered was the Bank of the United States at Philadelphia in 1791. In 1811 its charter renewal was voted down, despite the fact that it had flourished, and had maintained its currency at par by redeeming notes for coin on demand.

By now there were 88 state banks. Some were sound, but others repudiated their notes or pretended falsely to redeem upon demand.

By 1816 the financial situation had deteriorated to the point that the Government chartered the Second Bank of the United States in spite of the bankers. Within a year the new national bank had forced most of the errant banks to mend their ways, and within six years had brought about the restoration of sound currency.

However, the national bank was not popular with President Jackson, and when they applied for charter renewal in 1832 he vetoed the Congressionally passed petition. He then fired two Secretaries of the Treasury before his third appointee followed Jackson's directions to transfer most of the Federal deposits from the national bank to his favored state banks. In 1836 the Second Bank of the United States closed its doors permanently.



1865 - 1901

The Creation of the Secret Service: A Solution to the Problem

The first crime mentioned in the Constitution of the United States, for which the Congress was empowered to provide punishment, was counterfeiting the securities and current coin of the United States. (Article I, section 8) But the method used to detect and apprehend the counterfeiter was not defined, and the

efforts of early lawmen were less than successful. Prior to 1860, the detection of counterfeiters was left almost entirely to the states, local authorities, investigating agencies and associated groups of bankers. Congress was primarily concerned with the counterfeiting of coins because the paper currency of the day was issued by

commercially operated banks and therefore its imitation was outside Federal law enforcement jurisdiction. In June 1860, \$10,000 was appropriated for the detection of persons engaged in counterfeiting the coin of the U.S., to be expended under the direction of the Secretary of the Treasury.

The \$10,000 was primarily used to pay informants who would testify against the offenders, and was not particularly successful.

Finally, in 1861, the Secretary of the Treasury urged upon Congress a National Bank System, but the bill did not become law until 1863, and was not fully operational until 1865. However, the cost of organizing and equipping the United States Army to wage the Civil War necessitated increased monetary facilities. Since the issues of state banks had been found woefully unstable, a legal-tender act was passed in 1862 authorizing the issue of United States legal-tender notes, commonly known as "greenbacks."

It was hoped that the excellence in printing and the use of green ink on the reverse side of the note would eliminate the counterfeiting problem. However, the new currency offered a tempting inducement to counterfeiters and was soon duplicated.

In 1863, the Secretary of War summoned William P. Wood, superintendent of the Old Capitol Prison, to a conference and directed him, in addition to his duties at the prison, to undertake the fight against counterfeiters. According to Wood's memoirs, "At this time it was currently reported that about one-half the money in circulation was counterfeit. I was permitted to use my own methods to effect the desired results, and I determined upon capturing and holding in custody the engravers and principals engaged in the business west of the Alleghenies."

But Wood's best efforts were apparently not good enough. For on April 14, 1865, the Secretary of the Treasury, Hugh McCulloch, visited the White House and told President Abraham Lincoln that more effective methods would have to be found to fight counterfeiters. The President asked if McCulloch had any suggestions.

'Yes,' the Secretary replied. 'I think we should have a regular permanent force whose job it will be to put these counterfeiters out of business!'

Mr. Lincoln nodded, 'I think you have the right idea, Hugh, you work it out your own way.'

Mr. McCulloch wrote later that these were the last words President Lincoln spoke to him. That night the President was shot by John Wilkes Booth in Ford's Theatre.

The Secret Service Division

On July 5, 1865, the Secret Service Division of the Department of the Treasury was officially established. William P. Wood took the oath of office as the first chief, and a squad of about 10 men were sworn in collectively



Personnel were tentatively assigned to 11 districts. On paper they were listed as follows:

Boston—New England District

New York City—New York District

Newark—New Jersey District

Philadelphia—Pennsylvania and certain portions of neighboring states

Detroit—Michigan District

Cleveland—Central States District

St. Louis—?

Nashville—?

San Francisco—Western States

Washington, D.C.—National Headquarters & District

During the first four years of operation, the Secret Service arrested approximately 200 counterfeiters annually. The scope of responsibilities assigned to the Secret Service began to broaden in 1867 when the appropriation was provided for the purpose of "detecting persons perpetrating frauds against the government." These frauds were initially "back pay and bounty claims" but within three years included investigations of the Ku Klux Klan, nonconforming distillers, smugglers, mail robbers, land frauds and a number of other infractions against the Federal laws.

1867 also brought a number of punitive clauses to the Federal statutes which clarified and broadened the counterfeiting laws. But legislative support was not enough for the young agency and in 1869 Chief Wood's resignation was requested so that the



Secret Service could be reorganized.

On May 12, 1869, Herman C. Whitley took the oath of office as the second chief of the Service. One of his first official actions was to release most of the operatives appointed by Wood and appoint new men. The practice of rewarding each operative with \$25 upon conviction of any counterfeiter "clearly traceable to his efforts" was discontinued.

Whitley began to actively cultivate the cooperation of local police and detective forces at all strategic points of the country, and at headquarters an assistant chief, four clerks and a



messenger were hired.

One of Whitley's first new rules instituted the compilation and maintenance of criminal records. Next he broadened the requirements of the weekly activity reports, and required a daily account of each operative's location, pursuit and source of investigation, as well as his findings.

Information obtained on criminals was reported to headquarters from any locality and was disseminated to field districts with supervisory direction.

In 1870 the field force was comprised of 20 regular operatives, each authorized to employ temporary assistants or informants when the case under investigation warranted additional men. The location of field offices remained as before, but the national headquarters was moved to New York City. The assistant chief and two clerks remained in Washington, while the chief and two clerks moved North.

During the first three years under Whitley's supervision 1200 counterfeiters were arrested and 90 counterfeit plates were seized. During the same length of time, evidence was obtained that led to the indictment of 1100 offenders in other categories, not including arrests made in Ku Klux Klan cases.

On August 5, 1873, all field operatives were issued a regulation badge, and their monthly accounts were assessed \$25 to be reimbursed to them when the badge was turned in at their retirement. It is unknown who designed or manufactured the first badge, but in 1875 the first commission book and a new badge, both designed by the Bureau of Engraving and Printing, were issued to the operatives.

Prior to Whitley's resignation from the Secret Service in 1874 he made a final report to the Secretary of the Treasury. In that report he indicated

that counterfeiting activity in the Eastern and Middle States was almost entirely suppressed, with the only remaining strongholds in the deep South and the West.

But despite the statistics, Whitley's involvement in the political maneuvers of the District of Columbia Government necessitated his resignation and left the Secret Service open to attack.

The Secret Service under fire

The Secretary of the Treasury instructed the Solicitor to conduct a thorough investigation of the operations of the Service and his findings and recommendations were reported to the Secretary on July 27, 1874. Generally, the Solicitor suggested that the Secret Service be totally restructured with a large share of the workload to be turned over to the United States Attorneys and Marshals. This recommendation was not acted upon but the existing operation was greatly modified.

Elmer Washburn was appointed the third chief of the Secret Service in



October 1874. Simeon B. Benson, special operative in charge of the Pennsylvania District during Whitley's administration and acting chief following Whitley's resignation, was appointed assistant chief. A week later, James J. Brooks was made special assistant chief by the Solicitor with instructions to report directly to the Solicitor.

The force was reduced to ten operatives (five of whom were retained from the previous years) and each was placed in charge of a district office. Field offices were located in New York City, Cincinnati, San Francisco, Philadelphia, Erie, Chicago, Detroit, St. Louis and Nashville. Headquarters was returned to Washington, D.C.

The tenth operative was detailed to the special agents of Customs to assist their operations in New York City.

Following Washburn's appointment the reorganization of the Secret Service commenced, and during his short tenure as chief the reputation of the Service improved greatly. He left the Service expressing his confidence that the crime of counterfeiting could be brought under control, 'within a short time.'

The able administrator

The fourth Secret Service chief, James J. Brooks, may be credited with the compilation of the first secret service manual. And unlike his predecessors he was more of an administrator than an investigator. He firmly believed in 'directing everything and leaving the carrying out to others. To originate, direct, and scrutinize, but to do nothing which can be done just as well by assistants.'

The resumption of specie payment in 1875 and the manufacture of silver coins brought renewed activity in the counterfeiting of minor coins. Finally in 1877 Congress passed an Act



Counterfeit beer stamps sent to Chief Brooks

prohibiting the counterfeiting of any coin or gold or silver bar.

When President Hayes was inaugurated in 1877, he appointed John Sherman as Secretary of the Treasury. Secretary Sherman apparently had reason to believe that the Secret Service was being conducted 'for improper purposes' and accordingly the operations of the Service were once again investigated at length. Fortunately, the investigation proved favorable to the Service. For the year ending June 30, 1877, Chief Brooks reported 437 arrests by his force of 34 men. This achievement cost the Government \$92,341.02.



In 1880 the annual appropriation of the Service was cut from \$100,000 to \$60,000, and the language of the Act reduced the authority of the Service from 'other frauds against the Government' to 'other crimes against the Government, and for no other purpose whatever.' The budgetary cut reduced the effectiveness of the Service by cutting off money for rewards, eliminating the assistant chief and a number of operatives, and reducing the salaries of all remaining employees.

During the next two years, the language of the appropriations acts continued to reduce the authority of the Secret Service, until only the suppression of counterfeiting and other felonies committed against the pay and bounty laws remained.

The daily report submitted by one Secret Service operative on July 2, 1881, indicates that he observed a commotion at the Baltimore & Potomac Railway Station, Washington, D.C., and saw that the Metropolitan Police had a man in custody.

The man under arrest was Charles J. Guiteau. He had just assassinated President James A. Garfield. Six days later, Chief Brooks gave a semi-official statement to the press, "Assassin Guiteau had no accomplices in the crime."

In the appropriations act for 1883, the Secret Service was finally acknowledged as a distinct organization within the Treasury to be known as the Secret Service Division. However, the existence of the Secret Service was still dependent upon the annual appropriation and the availability of funds, since no enabling legislation existed. (This continued to be the case until July 16, 1951).

A progressive man, Chief Brooks urged the passage of legislation penalizing the forging or counterfeiting of notes, bonds or other securities of

foreign governments within the United States in 1884.

In 1885 the practice of purchasing counterfeit money from counterfeiters for use as evidence in certain cases was discontinued by the Solicitor of the Treasury. This created such a furor within the Service that Chief Brooks offered to resign unless the practice was reinstated. Eventually, the Solicitor was convinced that the practice was both necessary and legal, but not until after several excellent investigations were thwarted by the inability to obtain evidence.

After serving under five Presidents and nine Secretaries of the Treasury, Chief Brooks passed the direction of the Service to John S. Bell in 1888 and endeavored to retire. He had tendered his resignation in 1885, but no one would accept it, and once again the Secretary requested that Brooks remain with the Service. Such an honor was unprecedented and Brooks remained as an operative "Special Agent" until 1893.



Chief Bell was experienced in the field of law enforcement, and had served as Chief of Police for Newark prior to becoming a Secret Service operative in 1885.

From Brooks he had inherited a \$60,000 annual appropriation, 32 operatives and authority to suppress counterfeiting and enforce pay and bounty laws. But counterfeiting was once again on the rise and the need for additional funds to conduct the activities of the Service became more pressing. Chief Bell became increasingly insistent that the Secretary assist in the obtainment of supplemental funds. His concern was firmly grounded, but to the Secretary of the Treasury his constant requests became a pestering nag, and the Secretary finally advised him that the best way to prevent a deficiency in the appropriation would be to do without Bell's service as Chief. Bell hung on for several months, but finally his resignation was requested. Brooks refused to be considered for reinstatement as Chief, and the position was not filled for seven months.

Broadening the law

In 1891 Andrew L. Drummond, a veteran operative of 17 years, and Operative in Charge of the New York district under Chief Brooks, was appointed chief.

Although the annual appropriation increased slightly, the duties assigned to the Secret Service also began to increase. The investigation of fraudulent claims for pensioners and fraud and mismanagement in the national banks were added to Secret Service responsibilities.

Chief Drummond's administration was characterized by his special effort to clarify the intent or broaden the scope of the statutes which affected the

work of the Secret Service. During his three years as chief, he was a member of the committee which evaluated the type of fiber content used in currency. He was instrumental in the government's decision to recall worn currency for destruction. The reproduction statutes making the production of molds or dies a Federal crime came into being. The possession of counterfeit by anyone other than the Secretary of the Treasury or his authorized representative became a Federal offense. And Secret Service operatives were given authority to obtain search warrants. He drafted fourteen amendments in three years. Some of these had been urged by predecessors and some required resubmission by successors before eventual passage.

During Drummond's tenure, photographic equipment improved to the point that a fairly deceptive note could be made from this method.



Drummond's successor was William P. Hazen, a field operative of seven months experience, but a former detective of considerable experience and reputation. Counterfeiting was again on the rise and Hazen appeared to be the best man to handle it.

The adoption of new silver coin designs by the government around 1894, brought about renewed interest in counterfeiting silver coins. Additionally, criminals had begun to realize that the growth of the Secret Service had not kept pace with the growth in population, and there just were not enough operatives to cover the country.

Counterfeit stamps began to make their appearance, and in 1895, the Congress passed corrective legislation for the counterfeiting or possession of counterfeit stamps.

In 1898 the Secret Service was once again placed under investigation by the Secretary of the Treasury, not for any specific allegation, but because the Secretary apparently felt it necessary.

The investigation provided evidence that on several occasions, two, or sometimes, three, operatives had been



assigned to guard the President's vacation home in Massachusetts. Allegations were made that the Secret Service appropriation was misspent for this expense without legal authority. Hazen was reduced to the rank of field operative, but remained with the Service three more years.

At the same time the Service was being investigated, the Service was conducting one of the most perplexing counterfeit investigations in its 30-year history. Commonly called the "Monroe Head' Hundred," it was the only counterfeit ever made which necessitated the recall of an entire issue.



A new breed . . . a new era

With Hazen's departure as chief, the Secretary of the Treasury began his search for the new chief. Unsure of exactly the type of man he was seeking, he apparently thought a "new breed" was indicated. John E. Wilkie was making his name as an extremely talented journalist with the ability to scoop even the police with his investigative techniques.

Wilkie was investigated by the

Secretary and brought to Washington. He rejected the idea because of his personal feelings that he was not qualified, but the Secretary was persuasive. Wilkie was appointed chief on February 28, 1898.

His first action was to undertake the search for the makers of the "Monroe Head' Hundred." With expert assistance from operatives throughout the country, the case was solved.

The publicity given the case probably helped influence the 55th Congress, for the appropriation for 1899 was \$100,000, and never again did the appropriation fall below that figure.

The Spanish-American War ushered in new responsibility for the Secret Service. The favorable reputation they had acquired made them the logical choice of the War Department to investigate actions of suspected Spanish Agents.

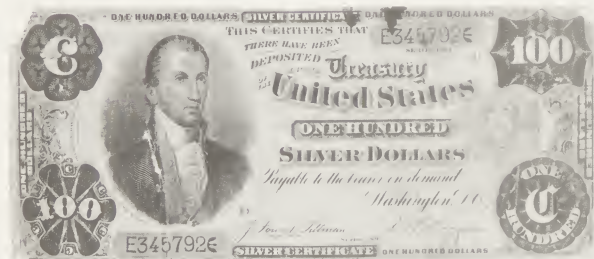
In September of 1901, President William McKinley visited the Pan American Exposition in Buffalo, New York. He made two appearances. The first was to deliver an address. The

second was for a public reception.

Outside the reception twelve uniformed Buffalo police officers were posted. Inside 18 uniformed officers, 11 soldiers of the Coast Guard and a number of guards in civilian clothes maintained posted positions. Three Secret Service operatives were present. They had been sent as a courtesy by the chief and were expected to help keep the reception line moving and prevent crowding around the President.

Suddenly, there was a muffled sound, and then the realization that the President had been shot. Two bullets entered his body, but surgery failed to locate them. Finally, during a second surgical probing, one of the bullets was recovered. The President appeared to rally, but on the sixth day after the shooting, it became apparent that the President would not recover. On September 14, 1901, the President died.

The affairs of government were transferred to his Vice President. And the small band of operatives who worked for the Secret Service Division were plunged headlong into a new era.





1901 - 1940

From Presidential Protection to Know Your Money

Following the assassination of President McKinley, Congress introduced 17 bills concerning the protection of the President; none of them passed. A joint resolution was introduced in the House of Representatives providing for an amendment to the Constitution making it treason to kill the President; the

resolution died in Committee. A bill proposing that the Constitution be amended to make the assault of the President a Federal crime was introduced; the bill died in Committee.

Everyone agreed that Presidential protection was necessary, but no one could agree on how it should be provided. While discussions continued

and proposed legislation died, the Secretary of the Treasury and the Secretary to the President directed the Secret Service to provide protection for the President of the United States. The exact date is unknown. The expense was borne by the appropriation for suppressing counterfeiting and other crimes.

In the Sundry Civil Expenses Act for 1907, enacted in 1906, a single line legalized the use of appropriated funds, "for the protection of the person of the President of the United States."

Secret Service Operatives killed in the line of duty

One Secret Service Operative was killed while protecting the President. President Theodore Roosevelt visited Pittsfield, Massachusetts in 1902 to make a speech. After the talk, the President planned to go to nearby Lenox. He and his secretary rode in a four-horse carriage with the Governor of Massachusetts and Secret Service Operative William Craig.

As the Presidential carriage drove down the main street, a trolley car carrying a few prominent citizens sped forward from one end of town, intending to reach Mr. Roosevelt's next stop before he did. The President's carriage, at one point, had to cross the trolley tracks. As it did so, the onrushing trolley kept coming and failed to slow down. Operative Craig jumped to his feet in the moving carriage and waved frantically as a signal for the car to stop. Moments later the speeding trolley crashed into the carriage, overturning it. Craig was thrown into the air. The President and other passengers fell out and were shaken but not seriously hurt. Mr. Roosevelt rushed to Craig. He was dead.

During these years, the investigative

activities of the Secret Service continued. With increasing frequency various Departments of the Executive Branch were requesting trained investigators. They turned to the Secret Service and operatives were loaned to Justice, Army and Interior, among others. Cases ranged from peonage to immigration, from violations of the Sherman Anti-Trust Act to violations of the Homestead Act.

It was during a land fraud investigation that Operative Joseph A. Walker was brutally murdered. Walker, an 18-year veteran, was the operative who originally established the Denver District. In those days it encompassed Colorado, Wyoming, Utah, New Mexico, and Arizona.

In 1906 Walker was detailed to the Department of Justice to investigate land frauds near Durango, Colorado. He was assisted by Operative Thomas J. Callaghan and two Interior Department engineers. They were endeavoring to gain evidence that a group of men were holding about 15,000 acres of coal-rich land, by claiming it to be grass and timber land.

Walker and the others planned to enter the mine through an airshaft. When they reached the shaft, Walker was suffering from asthma and the group agreed that he should remain above the shaft while the others descended into the mine via ropes and pulleys.

Walker was ambushed, the ropes and pulleys were thrown down the shaft and the murderers fled. One of the three men in the mine was able to climb up the airshaft and assist the other two.

Later, two men were tried for Walker's murder and acquitted. Callaghan always claimed that the jury was afraid to bring in an honest verdict. Within a year after their acquittal, both defendants committed suicide.

Congress limits Secret Service Operatives

The land frauds continued, but the Secret Service Operatives who had been detailed to the Justice Department were exceedingly successful in solving the cases. And they were unintimidated by the power or wealth of those implicated by the evidence. Their ability to follow their leads, right to the top, was making a lot of very influential men very nervous.

A rider was tacked onto the Sundry Civil Appropriation Bill for 1909 making it impossible to pay any operative of the Secret Service Division out of the appropriation of any other agency.

President Roosevelt was so incensed over the amendment that he wrote:

"The chief argument in favor of the provision was that the Congressmen did not wish to be investigated by the Secret Service men. Little of such investigation has been done in the past; but it is true that the work of the Secret Service agents was partly responsible for the indictment and conviction of a Senator and a Congressman for land frauds in Oregon."

"I do not believe that it is in public interest to protect criminals in any branch of the public service, and exactly as we have again and again during the last seven years prosecuted and convicted such criminals who were in the Executive branch of the government, so, in my belief, we should be given ample means to prosecute them if found in the Legislative branch."

"But if this is not considered desirable, special exception could be made in the law prohibiting the use of the Secret Service for investigation of Members of Congress. It would be far better to do this than to do what actually was done, and strive to prevent, or at least to hamper, effective action against

criminals by the Executive branch of the government."

But Roosevelt's comments had little effect on the Congress. While discussions ensued as to how to detect and prosecute crimes against the United States, the U.S. Attorney in New York suggested to the Attorney General that he hire some of the Secret Service men who had worked for the Justice Department in the past. On June 30, 1908, nine men were separated from the Secret Service. Before fiscal year 1909 began the following day, they were on Justice's payroll. In March 1909 the unit formed by these men and 14 others was christened the Bureau of Investigation. In 1935 it was renamed the Federal Bureau of Investigation.

Following the 1908 election, the Secret Service began protecting the President-elect. By 1910 counterfeit activity was once again on the increase, and during the same year the theft of Government checks and the forging of endorsements began to flourish. Additionally, two extensive conspiracies to manufacture counterfeit obligations in the United States were uncovered by the Secret Service. So even without the investigations of other departments, operatives of the Secret Service were keeping busy.

Chief Wilkie retired from the Service in 1912 and became a public utilities magnate in Chicago. During his 14 years as Chief, he built a remarkable record of accomplishments and added immeasurably to the prestige of the Secret Service.

On December 18, 1912, William J. Flynn, Operative in Charge of the New York District, became the new Secret Service chief. Flynn was a 15-year veteran of the Service and was recommended for the position by his predecessor. A native New Yorker, Flynn was not happy about transferring his family to Washington, so the Secretary of the Treasury allowed Flynn

to maintain his home in New York and to commute there as often as family business required. For this favor, Flynn accepted a \$500 per annum cut in salary.



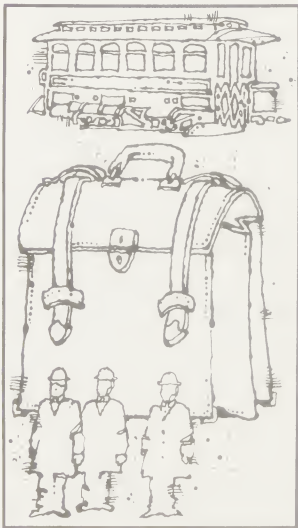
During the first year of Chief Flynn's administration, the production and circulation of counterfeit currency slowed considerably. Fifty-eight of the 67 persons arrested for violations of the counterfeiting laws during that year were raisers and passers of raised notes. One offender, the leader of a gang responsible for raising a large number of notes, was sentenced to 20 years' imprisonment.

Fortunately the volume of counterfeiting was undersized during Flynn's first year, for the heavy expense of the Presidential Inauguration severely reduced the operating fund. As the end of the year approached, it was discovered that there was not enough money to pay the operatives for the month of June. Finally, the men were requested to work without pay for the last six days of the fiscal year. Later when all other expenses had been met, the operatives were paid for one and a half of the six days.

Three years later, counterfeiters were again extremely active. The opening of the Panama Canal, with its accompanying exposition in San Diego, coincided with the Golden Gate exposition in San Francisco. Chief Flynn's report for 1915 reflected, "Because of the expositions at San Francisco and San Diego, counterfeiters were unusually active on the Pacific Coast." The number of counterfeiting arrests in California that year rose to 61.

Counterespionage

On May 14, 1915, President Wilson, at the suggestion of the Secretary of State, directed the Secretary of the Treasury to use the Secret Service to investigate violations of the United States



neutrality in connection with the war in Europe.

As a neutral power, the United States had continued commerce with both the Allies and Germany. But the Allies controlled the seas, and Germany desperately wanted to prevent them from obtaining supplies. Therefore, they planned to sabotage U.S. manufacturing plants and cut off supplies to the Allies.

Chief Flynn established a counterespionage unit in New York City which was manned by 11 operatives. The most publicized investigation of that unit dealt with the activities of Dr. Heinrich Albert and his infamous briefcase.

On Saturday, July 24, 1915, a Secret Service operative who had been following the publisher of the German-oriented periodical known as "The Fatherland" observed the publisher, G. S. Viereck, enter the building housing the Hamburg-American Shipping Line.

The operative telephoned his superior, Frank Burke, and Burke joined him at the office building. When Viereck left the building, he was accompanied by another man. The two entered the elevated train, and during their subsequent conversation, Burke noted that Viereck was particularly polite and showed great deference to his companion. When Viereck left the train, the operative followed him and Burke remained with the stranger. Thoroughly absorbed in the book he was reading, the stranger almost missed his stop. As he rushed to leave the train, he forgot his briefcase. Burke quickly grabbed it and left the train by another exit.

Albert was found to be the principal financial agent of the German Empire in the United States. His account books revealed that he had received more than \$27 million from the German Government. Evidence showed that

Albert and his representatives were responsible for longshoremen's strikes, tie-ups in our munitions plants and other factories manufacturing supplies for the allies; that he attempted to control and influence public opinion through the purchase of newspaper publishing companies, periodicals and book concerns; that he undertook to corner the supply of liquid chlorine used for poison gas and to acquire the Wright Airplane Company and its patents; that he organized a movement to cut off the cotton supply from England and to enforce an embargo on munitions shipments.

Eventually, it was also divulged that in addition to his concerted effort to drive the United States into the war, he had prepared a gigantic plan for the military occupation of this country, involving the sudden landing of 85,000 German soldiers on the New Jersey coast. Detailed statistics later found in his possession indicated that it was necessary for New York to resupply its food stock every five days. The invading force was to cut New York off from the rest of the country and starve them into submission. The copious and accurate information found in Albert's possession demonstrated the lamentable vulnerability of the United States, and showed how Germany planned to force the United States into war.

Twelve years after the war, Viereck wrote: "The publication of the Albert papers was a German catastrophe . . . A veritable nest of intrigue, conspiracy, and propaganda reposed placidly in Dr Albert's briefcase. The inner workings of the propaganda machine were laid bare . . . the loss of the Albert portfolio was like the loss of the Marne."

Other assignments

The pre-war years were busy years for the Secret Service. The reputation gained in the previous 15 years made

Secret Service operatives the first choice of officials requiring competent investigators.

In 1916, authority was granted for the hire and operation of motor-propelled vehicles to pursue suspects.

Later that year, when the Federal Farm Loan system was created, the Farm Loan Act authorized the Secret Service for its enforcement sections.

Herbert Hoover, appointed by President Wilson to administer the United States Food Law, requested and received the assistance of the Secret Service.

In 1917, the protection of the President's immediate family was authorized by statute. In the same year Congress enacted legislation making it a crime to threaten the President of the United States by mail or any other manner.

In 1917 the War Trade Board requested the use of the Secret Service to investigate its cases.

During the five years Flynn was chief, counterfeit investigations resulted in 1,038 convictions and the confiscation of \$283,706.64 in counterfeit notes and coins.



Prior to Chief Flynn's resignation the theft and forgery of Government checks also increased.

William H. Moran was appointed Chief of the Secret Service on January 2, 1918. He had started as a messenger to Chief Brooks in 1882 and had worked his way up through the ranks.

During his first year, only six new counterfeit notes appeared in circulation. However, during the following year, while President Wilson traveled extensively throughout Europe from January until July, the Secret Service made 510 arrests. Forty-one percent of those arrested were note raisers or check forgers. The highest number of check forgers, by far, were arrested in Washington, D.C. The upward crime trend continued during 1920, when the Service made 779 arrests (60 percent note raisers and check forgers) and 1921 with 1,025 arrests.

Prohibition ushered in another area of criminal investigation for the Secret Service, and in 1921, 96 persons were arrested for counterfeiting Internal Revenue stamps for liquor. The same year 4,400,000 more Government checks were sent out through the Pension Office than in any previous year. Claims for theft and forgery totalled 3,700 but the operatives were successful in solving 90 percent of the cases.

The theft and forgery of liberty bonds and war-saving stamps was another criminal enterprise launched during the early twenties. Also, upon request, operatives surveyed the various Government money storage facilities around the country for the purpose of setting up or improving the protective safeguards against theft or sabotage.

Teapot Dome

In 1922 the Secretary of the Interior fraudulently leased the Teapot Dome oil field to Harry F. Sinclair. The

negotiations leading up to the lease were conducted in secret; there was no competition. After a Senate inquiry into the lease, a joint resolution was passed instituting suits to cancel leases, and appoint a special counsel to have charge of the prosecution of such litigation. A second joint resolution provided funds for payment of the necessary attorneys, agents, clerks and others. On March 29, 1924, four operatives of the Secret Service were secretly assigned to the investigation. During the next three years, they investigated allegations and uncovered evidence which led to the conviction of the Secretary of the Interior and others.

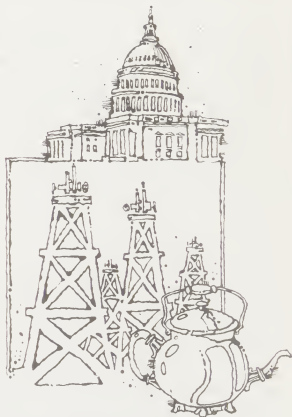
At the urging of President Harding a special White House Police Force was created in 1922. The force was under the sole control of the President. Although the bill became law on September 14, 1922, it provided the authority from July 1, 1922. The original force numbered 33 men. They were "hand-picked" from the District of Columbia Metropolitan Police Department and the U.S. Park Police.

Counterfeiting investigations during the early 1920's continued to rise annually. During 1923 the Secret Service arrested 1,060 persons; 223 for altering currency and 314 for forgery.

In 1925 a 15-member committee was appointed to study currency and ways to circumvent the counterfeiters.

The committee's report was submitted in 1928 and a number of its recommendations were adopted. Currency was reduced in size. Denominational designs were approved regardless of the kind of note. The distinctive fiber that had formerly appeared in localized areas was distributed in tiny particles throughout the paper. The first issue, series 1928, was placed in circulation in 1929.

Following the adoption of the uniform design, an educational campaign was conducted and note-raising became practically extinct.



Agent Webster Killed

In 1927, Agent Robert Webster was assigned to proceed from his headquarters in Atlanta to the island of Bimini to investigate reports that a counterfeiting plant was in operation there. He was given transportation on a Coast Guard vessel that patrolled the coast, watching for run-runners. On the way to Bimini the Coast Guard ship hailed a small boat suspected of carrying alcohol illegally. The boat was searched and was found to contain a load of contraband whiskey. Its crew was placed under arrest.

One of the smugglers shot and killed the Coast Guard commander and wounded a member of the Coast Guard crew. Horace Alderman, another smuggler, then held Agent Webster and the other seamen at bay with his gun, and his men prepared to sink the patrol boat.

Alderman told his crew that he intended to kill Webster and the others so they couldn't testify against him. For just an instant, Alderman took his eyes off Webster to look into the engine room of the rum boat. In that fatal second, Webster leaped upon the man. Alderman fired one shot, killing Webster. Then he fired again at one of the Coast Guardsmen, who was hit and fell overboard (he was later rescued). At the same time, the other Coast Guardsmen, fell upon Alderman, and one stabbed him with an ice pick. One grabbed Alderman's gun and rounded up his accomplices. Alderman was later convicted and executed for murder in the first degree.

The White House Police

On May 13, 1930, a well-dressed but unannounced visitor came to the front door of the White House and walked confidently in as though he knew just where he was going.

The police officer inside the door asked another officer who the man was, and the second officer realizing that the officer outside the door had allowed him to enter, replied, "I don't know, but I think he is a Secret Service agent." By that time the visitor was entering the dining room where President Hoover was eating dinner. The Secret Service agent in the dining room intercepted the visitor and escorted him back to the front door, where it was learned that he was "just sightseeing."

At 9 o'clock that evening the ranking Secret Service agent for the President's protection was called before the President. The President asked how such a thing could happen. The agent replied that the procedure for receiving guests at the White House had never been satisfactory with the Secret Service since the police officers at the door were not under the same supervision as the agents.

The President replied, "I want the

policing system put under the Secret Service, beginning tomorrow morning, and I want the Service to immediately start the necessary processing to get the legislation for it."

By July 1, 1930, the President's wishes had been carried out.

Assassination attempt

Shortly before President Roosevelt's inauguration in 1933, he took a vacation cruise. He landed in Miami on February 15, and planned to return to New York by train. The City of Miami turned out to greet the President-elect and a number of Democratic Party leaders were among the group.

As the President-elect motored through the crowd, he caught sight of Chicago Mayor Anton Cermak and beckoned him to come over to the open car. At that moment someone handed the President-elect a microphone and he made a brief speech. As he finished speaking, he leaned forward to grip the Mayor's hand. At that moment two sharp explosions blared through the roar of the crowd. In a second, three more retorts split the air



Cermak shouted, "The President! Get him away!", and the President's car moved rapidly forward. A moment later a man yelled, "Cermak is shot!"

The President-elect ordered his car to stop and Cermak entered the car. Fifteen days later, Cermak died as a result of his wound. Four bystanders

were wounded during the assassination attempt.

At his trial on March 11, 1933, the assassin pleaded guilty and on the 21st he was electrocuted.

A bill was introduced in Congress making it a Federal crime to assassinate the President, Vice-President, President-elect, Vice President-elect, and the candidates for President and Vice President. The bill died in committee.

Wilson appointed Chief

The Great Depression of the 1930's brought new investigations to the Secret Service, but the suppression of counterfeiting continued to occupy the agents on an unprecedented scale, and the forgery of Government checks was actively striving for lead position. In 1933, 1,406 forgers were arrested, while only 873 counterfeiting arrests were made.

On March 28, 1934, Chief Moran reached the mandatory age for Government retirement. But President Roosevelt felt that "the public interest requires that Chief Moran be continued in the service," and by Executive Order the Chief remained in Office until December 31, 1936. He served 54 years with the Secret Service, under 13 Presidents and 19 Secretaries of the Treasury.

Just prior to his retirement, Moran became ill, and at the direction of his doctor was forced to take a month-long vacation. At the time, the Service was without an assistant chief and the Secretary of the Treasury appointed Frank J. Wilson of Internal Revenue's Intelligence Unit to the position of acting assistant chief. Wilson had made his name in law enforcement through his investigation and the subsequent successful prosecution of Al Capone, and later during the investigation of Bruno Hauptmann, who was convicted of the Lindbergh

kidnapping.

On January 1, 1937, Wilson became the new chief of the Service. For the first three months Wilson quietly observed the activities of the Secret Service. What he saw disturbed him. He saw too few men, with too little money, trying to do too much. He saw counterfeiting trends that alarmed him. He saw an organization that kept its existence a secret, and he wondered.



Know your money

Crime statistics and economic trends were studied, but there was no apparent relation to the rise of counterfeiting. Finally, he resorted to the most radical of solutions. He decided to tell the public they had a problem. To tell them what genuine currency looked like and how to tell if a note was counterfeit.

An educational campaign was begun in New York City. Eventually, the idea caught on. Newspapers, magazines and radio stations featured the "Know Your Money" campaign. Four national radio



hook-ups were made and hundreds of thousands of people were reached. In the first year the amount of counterfeit currency seized by the Service dropped to nearly half the previous year's total.

During the next 2 years, the Secretary of the Treasury provided \$300,000 annually from the Emergency Relief Fund for the continuance of the educational campaign. It is interesting to note that the Congressional appropriation for the activities of the Secret Service during that period averaged between \$600,000 and \$800,000 annually.

Since Wilson's radical idea was successful against counterfeiters a similar program was undertaken to alert the public to "Know Your Endorser." The Service pushed for an "identification procedure" to be printed on the face and back of all Government checks, and brought about standardized paydays, so that payees would know when to expect their checks.

In July of 1940 the Secret Service celebrated its diamond anniversary. Seventy-five years of quiet, yet effective, service to the country



1940 - 1962

World War II to PL 87-829

When Germany invaded Norway in April of 1940, King Haakon VII, the Crown Prince and his family escaped and established their government in England. The Crown Princess Martha and their children came to the United States in September of that year, and at the direction of President Roosevelt, the Secret Service was assigned to protect the royal family.

This was the beginning of a new protective activity for the Secret Service. In the years that followed, the

Secret Service provided security for a number of visiting foreign dignitaries in the United States. These included Prime Minister Winston Churchill of England, Madame Chiang Kai-shek of China, Queen Wilhelmina and Princesses Juliana, Beatrix and Irene of The Netherlands, the President of Chile, the Prime Minister of Pakistan and the President of the Philippines, among others.

The protection of the President of the United States also escalated in those

years. On December 7, 1941, the Japanese bombed Pearl Harbor, and on the following day 38 agents of the Secret Service surrounded the President as he journeyed to Capitol Hill to address a joint session of Congress.

At the same time, agents were surveying the White House, the Treasury building and the area immediately around the Executive Residence to insure bomb shelters and other maximum security areas were available for the rapid evacuation and safety of the President.

In New York and other major cities around the country, a special force of Secret Service agents seized files and papers of hundreds of Japanese firms, protected alien property seized by the Government, and conducted hundreds of investigations into the background of enemy aliens.

On December 26, 1941, the Secret Service transported the Government's most important papers to Ft. Knox, Kentucky, for safekeeping. These included three volumes of the Gutenberg Bible, The Articles of Confederation, The Magna Carta, Lincoln's Second Inaugural Address, Lincoln's Gettysburg Address, The Constitution of the United States and The Declaration of Independence.

War also brought increasing problems for the Secret Service in terms of foreign travel by the Chief of State. Although the secret meeting between President Roosevelt and Prime Minister Churchill which resulted in The Atlantic Charter occurred prior to Pearl Harbor, conferences at Casablanca, Cairo, Teheran, Yalta and Potsdam were monumental security undertakings.

Counterfeiting plummets

During the War, counterfeiters turned to other endeavors and the prewar average of \$1 million in counterfeit annually shriveled to around \$50,000

per year. The Know Your Money program focused on the counterfeiter as "the Silent Saboteur." However, counterfeit stamps for war rationing made their appearance and the number of checks issued by the Government during the war years more than doubled.

In 1942, the first counterfeit note index was devised. Five-by-eight index cards with denominations indicated by different colors and alphabetically indexed by check letter were prepared and issued by the Federal Reserve System to every bank in the United States. The design for the index was attributed to Secret Service Agent Harry Neal.

A protective research force was instituted during World War II, and the use of two-way radios between the agents and their offices was greatly expanded.

Shortly after the War, Chief Wilson resigned to become the Chief Coordinator of Treasury Enforcement Agencies. His successor was James J. Maloney, a World War I veteran who had served in every law enforcement position imaginable—from fire captain



to detective — state trooper to undersheriff. He was appointed to the Secret Service in 1931 and became Assistant Chief in 1943.

The Secret Service which Maloney inherited from Chief Wilson faced many problems. The President's postwar austerity program demanded a cut in appropriations, but the amount of counterfeiting activity in 1947 nearly doubled that of the preceding year. The budget cut necessitated dismissal notices to 177 employees. And so, during the year, a force of roughly 250 agents worked 93,000 hours of uncompensated overtime. They received 400 new check cases each week, as 71.1 checks in every million issued were stolen, forged and cashed.

Although the preventive measures of the Know Your Money and Know Your Endorser campaigns had been effective, the chief was forced to instruct the agents to curtail this activity in lieu of the high volume of investigations requiring agent time.

Following the War, the currency of every European country was heavily counterfeited and rapidly devalued. American currency in Europe was in high demand since the Nazi Government had been unsuccessful in duplicating the paper, ink or technical engraving of our currency. However, by 1947 a fairly deceptive counterfeit U.S. note was circulating on the continent and two Secret Service agents were sent to Europe to curtail the activity.

Within a few weeks, the agents were successful in capturing the counterfeiting plant near Marseilles, France, seizing over \$2 million in counterfeit currency and arresting 11 suspects.

The reorganization of 1950

On November 9, 1948, Chief Maloney was reassigned to the position of Chief Coordinator of Treasury Enforcement Agencies and U. E. Baughman,

supervising agent of the New York district, was appointed chief. He was appointed from the ranks and had 21 years of prior experience with the Service.

Chief Baughman felt that the Service would greatly benefit from a reorganization. Accordingly, after considerable discussion, and with the approval of the Secretary of the Treasury, he set forth a reorganization of the Secret Service. He felt this would improve management, efficiency, economy, expedite the work flow and provide more open communication between the field and headquarters.

The principal features of the July 1, 1950, reorganization were as follows:

1. Each office became an independent office reporting directly to the chief.
2. Each office was under the direction of a special agent in charge, with field agents GS-9 or above designated as special agents, and agent if below GS-9. Resident agents continued as before except that they reported through the designated special agent in charge rather than the district supervising agent.



3. Four inspectors were designated to conduct systematic and regular inspections of field offices and report their findings to the Chief.
4. A Secret Service manual was issued.

In addition a new system of office numbers, file codes and indexing was implemented.

The Secret Service manual issued in connection with this reorganization was a total compendium of regulations and procedures. The volume was approximately 800 pages in length—a voluminous change over the previous 160 page “Rules, Regulations, Procedures and Objectives.”

One matter was of particular concern to Chief Baughman. From the beginning of his tenure as Chief he had endeavored to gain permanent legislative authority for the Secret Service. At that time, the activities of the Secret Service were carried out only by virtue of the annual appropriations act of the Treasury. Although no new duties or functions were sought, the first bill drafted through Chief Baughman’s urging met opposition and failed to pass.

The Blair House

On August 20, 1950, White House Police Private William Crawford fired 300 bullseyes in 300 shots at the 19th Annual International Pistol Tournament at Teaneck, New Jersey, and reaffirmed the outstanding firearms reputation of the White House Police. Likewise, the Treasury Guard Force rolled up an outstanding record of firearms proficiency, and ranked with the top experts in the country.

The importance of this firearms prowess was brought vividly to public attention on November 1, 1950.

On that afternoon, two Puerto Rican Nationalists unsuccessfully attempted to shoot their way into Blair House, (the President’s official residence during White House renovation) and



kill President Harry S. Truman

The following is an account of that attempt:

After a brief ride from their hotel, Collazo and Torresola got out of the cab at 15th Street and Pennsylvania Avenue. “We had to study the way we were to approach the Blair House,” Collazo explained at his trial. Together, the conspirators sauntered past the house to get a better look at its entrance and guard booths. Then they walked back to 15th Street and settled on their tactics.



In order not to attract attention, the two separated. Torresola crossed to the south side of Pennsylvania Avenue—opposite Blair House—and while Collazo drifted along the north side, Torresola walked past the White House and the Executive Office Building, planning to recross the avenue later and approach Blair House from the west.

Meanwhile, Collazo, approaching from the east, walked along Pennsylvania Avenue past Lafayette Square. Having a shorter distance to cover he slowed his pace so that he and Torresola, coming from opposite directions, would reach Blair House simultaneously.

Seated in the west guard booth, in the line of Torresola's approach, was Private Leslie Coffelt. In the east booth, along Collazo's route, Private Joseph O. Davidson was talking to Secret Service Agent Floyd M. Boring. Standing under the canopy on the first step of the stairs leading to the Blair House doorway was Private Donald T. Birdzell.

At 2:20 p.m., Collazo reached a point about eight feet from Birdzell, who was facing the other way, and stopped. The President was napping in a front bedroom on the second floor.

Collazo drew his pistol, pointed it straight at Birdzell, and pulled the trigger. It produced only a sharp click. For reasons that ballistics experts were unable to determine, the weapon had misfired. At the sound of the click, Birdzell glanced around and saw Collazo holding his pistol flat against his chest and pounding it with his left fist. This may have released the safety lock, for an instant later the gun went off and a bullet struck the policeman's right leg.

Caught off guard, Birdzell, despite his wound, dashed out into the middle of Pennsylvania Avenue, to draw Collazo's fire. Then drawing his own

revolver, Birdzell wheeled to return fire. Collazo, supposing that Birdzell was in flight, had already started up the steps. At this point, Boring and Davidson opened fire on him from the east booth.

Collazo crouched down on the second step and shot back at them. When his first clip was emptied, he managed to reload. Boring and Davidson, both expert marksmen, were handicapped by the iron picket fence that separated them from their target. Bullets flattened against or ricocheted off the bars; one cut Collazo's nostril, another nicked his ear, and a third went through his hat without touching his head.

Secret Service Agent Vincent P. Mroz stepped from a street-level door at the east end of Blair House and fired at Collazo.

Once, when Davidson thought he saw Collazo reel, he shouted to Coffelt in the west guard booth, "Hold it, Coffelt! Don't shoot!" Collazo responded by pointing his pistol at Davidson, who jumped into a doorway leading to the Blair House basement and fired again. Collazo, meanwhile, fell with a bullet in his chest.

His chances of reaching the front door of Blair House had been doomed when he failed to fell Birdzell on the first attempt. Once he became detained by the gun duel outside, it was too late for him to go any further. The moments shots sounded, Secret Service Agent Stewart Stout, who was posted in the front hall, rushed to a gun cabinet and took a Thompson submachine gun. He planted himself in the center of the hall, guarding the front door, and covered the elevator and stairs leading to the President's quarters on the second floor. Stout could see Collazo crouched on the outside steps, but once Stout was in position with the machine gun, Collazo never could have reached the top of the steps and survived.



Officer Leslie Coffelt

At the moment Collazo was taking his first aim at Birdzell, Torresola was walking up to the west booth with his Luger drawn. He peered in first one window and then another, and then darted to the doorway. There, holding the butt of his pistol against his chest with both hands, he fired three times at Coffelt, striking him in the left side and abdomen. Coffelt collapsed and Torresola swung his weapon on White House policeman, Joseph H. Downs, who had been about to enter Blair House by the west basement door. Torresola fired three more times and hit Downs with every shot.

Torresola then leaped over the hedge to go to Collazo's aid on the steps. He

saw that Birdzell, out in the street, was now shooting at Collazo. Torresola fired at Birdzell and put a bullet in his left knee.

At this point, Coffelt, though mortally wounded, leaned out of the doorway of his booth, drew his revolver, took aim at Torresola and fired. Torresola, who was reloading his pistol, stood still for an instant, then shook his head and dropped dead behind the hedge with a bullet in his brain.

Coffelt died three hours and forty minutes later during an operation. He and Torresola, who had shot each other, were the only persons killed. Downs and Birdzell, like Collazo, survived their wounds.

Public Law 82-79

Following the assassination attempt on President Truman's life, the American news media brought to the public's attention that the Secret Service was without permanent authority. The papers reported, "Ordinarily it would not be considered news that the Secret Service is a permanent organization of the Federal Government; but it is great news to most folks that it *is not*."

On May 21, 1951, H.R. 2395 was unanimously passed by the House of Representatives. The following month it was passed by the Senate. And on the 86th anniversary of the Service, July 5, 1951, the bill was sent to the White House. Upon signing the bill on July 16, 1951, President Truman remarked, "Well, it's wonderful to know that the work of protecting me has at last become legal."



In addition to providing for the protection of the President, his immediate family and the President-elect, Public Law 82-79 also provided for the protection of the Vice President, at his request.

But the permanent authority provided in 1951, by no means eased the activities of the Secret Service. During the fiscal year, the Service seized \$1.44 million in counterfeit, completed 49,952 investigations, expended 95,000 hours in uncompensated overtime and had a 98.8 percent conviction rate of those cases going to trial. A remarkable accomplishment for a force of 250 agents.

Training

During the early 1940's, the importance of training for Treasury's law enforcement officers was recognized and a training program similar to today's FLETC basic agent course was established. In the Secret Service young men showing an aptitude for investigative work were appointed as clerks and, as a general rule, spent a minimum of three years in an assistant agent/on-the-job training status prior to their designation as Agent.

Chief Baughman felt that because of the specialized responsibilities of Secret Service agents, they should receive specialized training. Accordingly, in the early 1950's, the Service established a Special Agent training manual and course. Training for White House Police Officers commenced about the same time.

Theft at the Bureau of Engraving and Printing

One of the boldest thefts in Treasury history occurred on December 30, 1953, when James Landis, a currency wrapper at the Bureau of Engraving and Printing, walked out of the



building with \$128,000 hidden in a paper bag. In addition, he had hidden \$32,000 in the building to carry out at a later time.

On the day of the theft, Landis entered the Bureau for work at 6:45 a.m. carrying two dummy "bricks" he had disguised to look like genuine paper currency packaged for shipment. At the entrance he waited until the guard had turned away and took an elevator to the third floor, concealing his "bricks" in the locker room.

Landis then reported for work at 7:30 a.m. Ten minutes later he removed from a skid two "bricks" of genuine currency each containing 4,000 \$20 Federal Reserve Notes. Next he took the "bricks" to a wrapping machine, wrapped them in brown paper and took his package to a fifth floor storage area. Then Landis unwrapped the "bricks" and removed the labels which bore the package and serial numbers, cut the steel bands from the bricks, placed the currency in two paper bags and hid the bags.

At 10:50 his section was given a 20-minute break. Landis went to the third floor locker room and pasted the labels on the dummy "bricks." Covering the two dummy bricks with heavy brown paper, Landis carried them to the first floor and placed them on a storage skid.

At 3:10 p.m., Landis finished work and placed a pair of trousers which he had brought from his locker on top of the bag with the \$128,000 and left the bag containing \$32,000 concealed under a skid. He carried the bag containing the money and trousers to the first floor. As he walked out of the building, Landis held the trousers part way out of the bag for the guard to see and continued on his way.

On January 4, 1954, a Bureau employee discovered that \$160,000 was missing. After learning that the Secret Service was investigating the theft, Landis decided to get rid of the money. He talked his father-in-law, who worked on an estate in nearby Virginia, into keeping it in a safe place.

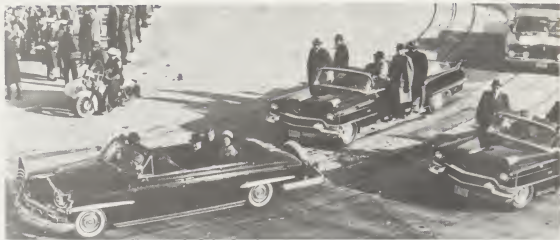
On the morning of January 5, 1954, the father-in-law telephoned the Virginia State Police and turned the money over to them. The State Police notified the Secret Service.

Landis was placed under arrest, admitted to the theft and furnished full information covering his actions. He also showed Secret Service agents where he had hidden the remaining \$32,000 in stolen currency. Landis and five accomplices were arrested, convicted and sentenced.

Chief Baughman retires

By the time Chief Baughman retired in the summer of 1961, he had made an indelible mark on the history of the Secret Service. The reorganization he had initiated in 1950 had been smoothly refined, and although there were still many who could tell how it used to be done, few wanted to revert to the old way.

At headquarters, the assistant chief was responsible for overseeing the "Security Division" which encompassed the protective activities of the Service, as well as the White House Police, the Treasury Guard Force and the Protective Research Section. The



deputy chief was responsible for the "Investigations Division"—a counterfeiting section and forgery section at headquarters and the 54 field offices around the country. In addition, an administrative officer handled the financial, personnel and training programs of the Service, and an "Inspection Division" provided the inspection and audit activities required for maximum efficiency.

During fiscal year 1961, agents of the Secret Service seized \$2.2 million in counterfeit currency—\$1.6 million before it could be passed on the public—and closed a total of 56,902 cases of all types.

On September 1, 1961, James J. Rowley was sworn in as the 14th Chief of the Secret Service. Like his predecessor, Chief Rowley was originally from New York. But his route to the Office of Chief had been through the White House Detail rather than the New York district. Chief Rowley had been appointed to the Secret Service in New York in 1938, after serving with the New York State Banking Department and the Federal Bureau of Investigation. The following year he was appointed to the White House Detail and was named Special Agent in Charge in 1947.

Shortly after Chief Rowley began his tenure, Public Law 87-829 was passed

by Congress. This law eliminated the requirement that the Vice President request protection. In addition, protection was extended to the Vice President-elect, a former President, at his request, for a reasonable period after leaving office, and to Officers next in order of succession to the Office of President when there is no Vice President.

No one could possibly have suspected in 1962, that the Secret Service would be forced to carry out this final authority a year later.





1963 - 1975

by H. Stuart Knight

Editor's Note: To conclude the series of articles on the history of the Secret Service, the following article, which appeared in the July 1975 issue of "Police Chief" magazine, is being reprinted.

As a result of the tragic assassination of President John Fitzgerald Kennedy on November 22, 1963, the Secret Service has witnessed monumental changes.

On September 24, 1964, the President's Commission on the Assassination of President Kennedy,

the "Warren Commission," submitted its final report to the President of the United States. As expected, this report contained several recommendations for expanded programs to improve Presidential security which have been implemented.

These recommendations fell into three general areas: an increase in the number and training of Special Agents assigned to Presidential protection; the enlargement of the protective intelligence function and increased liaison with other law enforcement agencies; and the acquisition of



sophisticated technical security equipment, automatic data processing and communications.

In order to effectively incorporate the recommendations of the Warren Commission and to carry out the increases in legislative authority, manpower and budgetary allocations have also increased.

Increases in protective responsibilities

Following President Kennedy's assassination, the Congress passed legislation for the protection of the widow and minor children of a former President and making the assassination of the President a Federal crime.

On September 15, 1965, the Service was authorized to protect a former President and his wife during his lifetime, and minor children of a former President. This responsibility was extended in October 1968 to provide protection for the widow of a former President until her death or remarriage and protection of minor children of a former President until the age of 16.

After the assassination of Senator Robert F. Kennedy in June 1968, Congress authorized the Service to protect major Presidential and Vice Presidential candidates and nominees. In 1968 10 candidates received protection and during the 1972 Presidential campaign the Service protected 13 candidates.

Since 1963 a number of temporary



protective duties have been assigned to the Service. One such assignment included protection for foreign dignitaries visiting the United States in celebration of the United Nations 25th Anniversary in October 1970.

This temporary assignment led to permanent protective responsibility. On January 5, 1971, the Service was authorized to protect the person of a visiting head of a foreign state or foreign government and, at the direction of the President, other distinguished foreign visitors to the United States and official representatives of the United States performing special missions abroad. During FY 1975, the Service provided security for 132 foreign dignitaries.

In order to fulfill the new missions of the Service, approximately 500 agents were hired over a three year period beginning in 1970. Field offices located throughout the United States absorbed this additional manpower. The new agents were readied for the 1972 campaign and the expected influx in visiting foreign dignitary protective details.

During fiscal year 1975, the Service began planning for the large increase in protective responsibilities expected in fiscal 1976 and 1977. In addition, it is anticipated that a large number of foreign heads of state or government will visit the United States for the Bicentennial celebrations, United Nations' activities and in connection with the nearby Olympic games in Canada.

Executive Protective Service

To effectively handle the increases in governmental activities, the number of persons touring the Executive Residence, visitors to the White House complex, the Executive Office Building and the increase in assaults against diplomatic missions, legislation became effective on March 19, 1970, expanding the size and responsibilities of the Executive Protective Service.

The Executive Protective Service, formerly known as the White House Police, is responsible for protecting the White House; buildings in which Presidential offices are located; the President and his immediate family; the Vice President and his immediate family; the Vice Presidential residence; and foreign diplomatic missions in Washington, D.C. The Executive Protective Service has grown from a force of 200 officers in 1965 to more than 800 in 1975. Currently, legislation is pending in Congress to increase the statutory personnel ceiling of EPS from 850 to 1,200.



Protective Research

The past decade has seen immense changes in the conditions under which the Service must perform its duties and responsibilities. The rise in terrorism, the increasing use of explosives and hazardous devices and the increasing mobility of the President and other protectees here and abroad have added new dimensions to the protective mission of the Service.

As reflected in the Warren Commission Report, the Service was to maintain close liaison with law enforcement and intelligence agencies at all levels for the improvement of Presidential protection.

Therefore, the methods and techniques employed by the Office of Protective Research, formerly the Protective Research Section, for collecting, evaluating and storing protective security information, were expanded

Several divisions have been established in the Office of Protective Research to handle this function.

The Intelligence Division was established to evaluate protective intelligence information. After review, information is maintained only on those individuals or groups who are of protective interest to the Service.

With the inception of the Communications Division in 1963, a program was implemented to research, expand and administer a modern radio communications system eliminating obsolete equipment and providing effective communications to each field office, Secret Service vehicle and special agent.

Shortly thereafter, the Data Systems Division was established as a direct result of recommendations by the Warren Commission that "the Secret Service should expedite its current plans to utilize the most efficient data processing techniques" in their protective function.

It is now possible to abstract and convert intelligence files to computerized form.

The Technical Development and Planning Division is responsible for keeping the technical activities and equipment of the Service up-to-date.

Also, this Division works closely with other Federal law enforcement agencies and with private enterprise in areas of research and development.

In late 1965, the Technical Security Division was created to protect the environment around the President via technical equipment. This support includes the design, installation and maintenance of protective aids or devices during Presidential and Vice Presidential trips as well as at the residences of protectees.

Also, this Division is responsible for collecting and evaluating information and providing clearances for White House complex pass holders, tradesmen

entering the complex and other persons having reason to enter the White House.

The Liaison Division, established in 1968, is responsible for maintaining personal liaison with offices and agencies within the Executive, Judicial and Legislative branches of the Government.

This liaison is to assure the proper coordination and exchange of information in matters relating to the responsibilities of the Service.

The cooperation received from various law enforcement agencies, the acquisition of sophisticated technical security equipment, the utilization of automatic data processing, and increased communication facilities have enhanced the protective and intelligence operations of the Service.



Increases in investigative functions

The investigative functions of the Service include the suppression of counterfeiting and forgery of United States currency, checks, bonds and other obligations.

On August 31, 1964, Congress deemed food stamps to be obligations of the United States and provided another area of investigation for the Service.

A high percentage of counterfeiting operations are now being suppressed before counterfeit bills reach potential distributors or the public. The Service seized \$45 million during FY 1975, with only \$3.6 million reaching the public.

With today's sophisticated printing equipment, counterfeit currency can be produced rapidly and in large quantities. Also, modern transportation facilities enable criminal groups to establish nationwide operations in a relatively short time.

For this reason, the Service must move quickly when a new counterfeit bill appears in circulation.

The cooperation received from local police departments, the public, banks and the printing industry has greatly assisted the Service in its effort to suppress counterfeiting.

Hundreds of millions of U.S. Government checks are issued each year. This large number attracts criminals who specialize in stealing and forging thousands of them. A high percentage are stolen from mailboxes in apartment houses and private homes.

The number of check and bond forgery cases received for investigation increases each year. In FY 1963, the Service received 40,165 forged check cases and 6,005 bond cases to investigate. During fiscal year 1975, the Service investigated 78,148 forged check cases and 12,645 bond cases. Since 1963, the number of check cases received for investigation has increased



95 percent while bond cases have increased 111 percent.

Training

It is necessary for the Service to work closely with law enforcement agencies at all levels in conjunction with its protective and investigative responsibilities.

As the Service is able, specialized training is provided to local, state and Federal law enforcement personnel on matters of mutual interest.

A Questioned Document Course is designed for special agents of the Service and is intended to make them more effective criminal investigators. On a space available basis, guest students are accepted from sworn law enforcement agencies. This is a three-week program in which the students are introduced to the study and analysis of handwriting and typewriting found on questioned and disputed documents such as forged checks or bonds, and anonymous letters.

Another area of training open to sworn police officers is the Service's Protective Operations Briefing Course. This program is intended for police officials who have protective responsibilities and for



Vehicular Firing Range

departmental training officers. It deals with basic concepts used in the protection of persons.

In addition, a limited number of police officers are accepted in the Firearms Instructor Course. This program includes training in instructional techniques, analysis of shooting errors, safety and weapons maintenance.

Firearms training is conducted at the range complex in Beltsville, Maryland, by Service personnel for law enforcement officers of all Federal agencies except the FBI. It is one of the most sophisticated firearms training facilities in the country.

The Special Training Building houses administrative offices, classrooms, a cafeteria, student lounge, two indoor firing ranges, an ammunition storage room, an armorer's workshop and locker rooms.

The indoor ranges provide firing points for a total of 24 shooters. Each range is equipped with a control booth, artificial lighting for simulating daylight or night-firing conditions and a safety-designed (escalator) bullet-trap.

In addition, there are outdoor ranges, the vehicular range and an ammunition storage bunker. The rifle, submachine gun and shotgun range is 100 yards deep and has 12 stationary firing points. The pistol range is 60

yards deep and has three bays with 10 firing points each.

The vehicular range is a facade of buildings equipped with 25 moveable hit-sensitive targets with audio shoot-back capability. Three life-size targets move along a running-man track directly in front of the buildings. The 28 targets portray people in different situations, holding a variety of objects and are operated by a small computer. The targets are programmed to appear from windows and doors, hold for a specified length of time and then disappear. Certain targets simulate return gun fire if not fired upon.

The training provided by the Service to other law enforcement personnel not only provides them with new techniques and concepts to carry out their responsibilities, but enables them to more effectively assist the Service with its protective and investigative missions.

The Office of Training also provides numerous courses for Service personnel in order to develop and improve employee skills, attitudes and effectiveness.

Summary

In 1975, the Secret Service had an operating budget of over \$95,000,000 and more than 3,000 employees, as compared to a budget of \$8,000,000 and less than 1,000 employees in 1963.

