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Pendergast file

Miss Smyth says she thinks JVB means to [Ms. illegible] folder

Administrative Form No. 16-F

May, 1937

UNITED STATES BUREAU OF PRISONS
INTRA-BUREAU CORRESPONDENCE
UNITED STATES PENITENTIARY
LEAVENWORTH, KANSAS

TO: Director, Bureau of Prisons

RE: Thomas J. Pendergast, No. 55295

DIRECTOR

JAN 27 1940

BUREAU OF PRISONS

January 19, 1940

(Date)

IN REPLY REFER TO:

Enclosed is copy of letter dated June 13, 1939 from Mr. Charles O'B. Berry, Special Agent in Charge, Intelligence Unit, Treasury Department, Kansas City, Missouri, in which he states that Attorneys John G. Madden, R. R. Brewster and James E. Burke of Kansas City have filed power of attorney signed by Pendergast authorizing and empowering them to act in the prisoner's behalf in all matters before the Treasury Department relating to income tax liability, and in which it is recommended that they be permitted to interview Pendergast, in the belief that such interviews would work to the interest of the Government. Messrs. Madden and Brewster are the attorneys of record in Pendergast's case and it is understood that Attorney Burke is associated with them.

Pendergast has been permitted to receive visits as follows, not including those paid him by members of his immediate family:

- 6-14-39 Attorney John G. Madden
- 6-23-39 Attorneys John G. Madden and James E. Burke
- 8-4-39 Attorneys John G. Madden and James E. Burke
- 8-10-39 Attorney James E. Burke
- 8-10-39 Mr. James M. Pendergast (nephew), regarding administration of prisoner's deceased sister's estate and in connection with renewal of lease on prisoner's farm, which expired Oct. 1, 1939.

- 10-3-39 Attorneys R. R. Brewster, J. G. Madden and J. E. Burke
10-24-39 R. C. Lynn, Special Agent, Intelligence Unit, Treasury Department, Kansas City, Missouri
B. P. Fox, Special Agent, Intelligence Unit, Treasury Department, Kansas City, Missouri Attorney James E. Burke
Miss Dorothy Greenlee, Intelligence Unit Stenographer, was present and took notes.
11-7-39 Attorney James E. Burke
11-17-39 Attorneys R. R. Brewster and John G. Madden
12-19-39 Attorneys John G. Madden and J. E. Burke
1-17-40 Attorney James E. Burke

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During the course of these interviews Pendergast and his attorneys have completed arrangements for and paid the Government a substantial portion of the income tax arrearages and penalties. It has been reported to me by the officer who was present at one of the recent interviews between Pendergast and his attorneys that a verbal arrangement was made during the interview whereby Attorney Burke was to be placed on the payroll of the Pendergast business interests in Kansas City, and that when the matter of salary was mentioned, Attorney Madden's suggestion of \$300 a month was overruled by Pendergast who gave instructions that Burke's salary should be \$750 per month.

The record would indicate that Pendergast has extensive holdings in several different business enterprises in Kansas City, and the affairs of these enterprises have been discussed by him with his attorneys on the occasion of their visits here, both with respect to the procurement of funds from such sources for the purpose of meeting his income tax liabilities as well as purely from the standpoint of the perpetuation of the enterprises. Although the attorneys have the power to act for him when necessary, the record indicates that it was characteristic of Pendergast to conduct much of his business dealings without the formality of a bookkeeping system, which is evidently one of the reasons why the number of interviews with his attorneys has been required.

The above is submitted for your information.

Robert H. Hudspeth
Warden

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COPY

TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

Kansas City, Missouri.
June 13, 1939.

KANSAS CITY

SI:15246-F
COBB-C

Mr. Robert H. Hudspeth,
Warden, Federal Penitentiary,
Leavenworth, Kansas.

In re: T. J. Pendergast,
Kansas City, Missouri.

This will introduce to you Messrs. John G. Madden, R. R. Brewster and James E. Burke. These gentlemen are attorneys for Mr. T. J. Pendergast and have filed power of attorney signed by Mr. Pendergast, authorizing and empowering them to act in his behalf in all matters before the Treasury Department relating to his income tax liability.

The agents of this office are endeavoring to arrive at a final determination of Mr. Pendergast's income tax liability for the years 1927 to 1937, inclusive. Because of the many sources of income enjoyed by Mr. Pendergast during those years, and the lack of proper records from which that income may be determined, the work of the agents is considerably increased. The above-named attorneys have been cooperating with the agents, in order that the correct liability of the taxpayer may be determined at as early a date as is possible. It is believed that if they are given permission to consult with their client, he may be able to furnish from memory data relating to numerous transactions, or advise them as to where the necessary information may be located. It is also believed that such consultations will materially work to the Government's interests, in that a more accurate determination can be had, and also a considerable saving of time.

If it does not conflict with the regulations governing your institution, I would recommend that Messrs. Madden, Brewster and Burke be granted an opportunity to talk to Mr. Pendergast.

(Signed)
Chas. O'B. Berry,
Special Agent in Charge.

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