

May 12, 1936\*

Senator Harry S. Truman, 3726 Connecticut Ave Washington, D.C.

Dear Senator:

You will recall at Judge Purcell's funeral yesterday, I told you about the Federal government investigating some alleged liquor violations in Kansas City.

This investigation on has been on for about three weeks and is under the supervision of Harvey L. Duncan of the Alcohol Tax Unite. Duncan is an old prohibition agent who has had 35 years government service. He is a Republican and is under civil service. He is almost eligible for retirement.

Every rectifier and wholesale liquor dealer in town, with the possible exceptions of T.J.Pendergast Wholesale Liquor Co. and the Hirsch Distilling Co, is under investigation. Besides these, a large number of retailers and trucking lines are being investigated, Some of the retailers are Joe Stevens, 6th and Main and the Mid-West Distributing Co, One of the truck lines is the Superior Motor Freight Lines in which Arthur Hardgrave and Bill Levy are interested.

Word has reached me that Duncan has said that he intends to put a feather in his hat on this scoop by indicting 160 or more and to give the Democrats of Kansas City something to think about this fall.

This investigation was begun as the result of an inter-state shipment of liquor being stolen. In searching for this liquor, the agents found some of it in the possession of a bootlegger named Pat Marnell. At the time the stolen liquor was found, Marnell had in his possession some liquor that was consigned to Louisville, Ky. and which was bottled by the Ostermann products Co. which T represent. This liquor was delivered by the Ostermann Co. to a common carrier and has a bill of lading for it, but in some manner got into the possession of Marnell who intended taking it to Kansas to supply some of his trade.

As a result of all this, Marnell was arrested and is now under bond on two charges. From this one incident, the investigation spread with result that Duncan is now trying to build up a charge of conspiracy to violate the dry laws of Kansas and he is trying to ring in the whole group above mentioned, as a part of the conspiracy.

To show how vicious and unfair Duncan is, he offered immunity to Marnell if Marnell would tell all he knew. Marnell accepted and proceeded to tell the whole story which was to the effect that Marnell had committed some violations of the law. When Marnell failed to implicate my client, the Ostermann Co. Duncan got mad, accused Marnell of lying, told him the deal was off, and for him to come back when he got ready to tell the truth about the Ostermann Co. Marnell told him he had already told the truth, whereupon Duncan countered with the statement that Marnell made a perfect defense witness for the Ostermann Co. This shows that Duncan is not making a fair and impartial investigation with the view of arriving at the facts, but is trying to persecute. He wants to make a scoop and to deal some misery to the Kansas City Democrats this fall. Duncan even refused to take Marnell's statement, but said he wanted to get the higher ups.

Duncan has had 53 agents working in Kansas for the past three weeks getting information as to how various brands of liquor got into Kansas. The agents have tapped telephone wires and have accumulated a vast amount of documentary evidence.

I am not trying to shield any one who has violated the law but to submit it is grossly unfair to try to make a case that does not exist. If any one has violated the law, he should be dealt with singly and not try to group the whole bunch together for the purpose of making political capital. If 160 or more are indicted on a conspiracy charge, it will be big news that will go out all over the country. The Kansas City organization will be blamed. I need not paint the effect of a situation where indictments are returned this spring and trials this fall before election with Judge Otis sitting as the trial judge.

If any one has violated the law, he should be dealt with singly and not collectively. Any single case can be disposed of without a lot of noise by the U.S. Attorney here filing informations when the facts warrant. Under this system, no grand jury investigation will be necessary.

I told Jim about this matter yesterday. He knew a little about it but did not know about Duncan's plan to make a big blow up of it. Jim said he would see you. He agrees an indictment of 160 or more would be a big stage play and would be harmful politically.

In view of the foregoing situation, I offer the following concrete suggestions:

1. Ask Bennett to call Maurice Milligan on the telephone at his home here and ask Milligan to proceed cautiously in this matter, take sufficient time to digest these cases

before he proceeds. It could reasonably take all summer to digest the mass of evidence assembled. If, after going over the evidence, he concludes that some action should be taken against any one, he should file single informations against any violator. This procedure is fair and will result in substantial justice being done all parties without any injustices which certainly would result if the matter is now presented to the grand jury and 160 or more are indicted on a mother Hubbard charge of conspiracy. In my opinion, it is vital that such an agreement be gotten from Milligan immediately in view of the fact that the grand jury is scheduled to convene in Kansas City next Monday, May 18.

2. In view of Duncan's political attitude (and he is a civil service employee) steps should be taken to immediately get him transferred from Kansas City or otherwise disciplined. He is not interested in making an impartial investigation with the view of getting at the real facts but is interested in making a political scoop of the matter with the view to putting a feather in his hat.
3. If Milligan will not hold up the matter pending study, then steps should be taken to get the whole case sent to Washington for review there in order that no injustices may be perpetrated. This may be a difficult procedure, but I think you might be in a position to get this done.

If Bennett calls Milligan, he should not call him at his office, since the Federal Bldg, switchboard here is in Duncan's office. Since the grand jury meets Monday, May 18, I am sure you can see the wisdom of moving as rapidly as possible, particularly with respect to suggestion number 1.

This about tells the story as I know it. I have acted as my own stenographer in writing this and of course it is strictly confidential.

With best wishes, I remain,

Sincerely yours,