Sent to Prison As Tax Evader

10/20/31

Asbury Park Hotel Owner Also Fined $2,000 on Charge

TRENTON (AP)—Samuel A. Reeves, hotel owner and real estate operator, of Asbury Park was sentenced to two years in a federal penitentiary and fined $2,000 by Federal Judge John Boyd Avis today. He had been convicted of income tax evasion in 1925.

Frederic M. P. Pearse, counsel for Reeves, informed Judge Avis an appeal would be filed today.

Judge Avis continued Reeves's freedom in bail of $5,000 pending disposition of the appeal.

Defense counsel, asking the court for leniency before sentence was imposed, said Reeves once had been a prosprous man "who had a finger in a great many things. He said Reeves had now lost his fortune, no longer occupied a high position in society and had lost his health.

Reeves, asked if he had anything to say, replied "I am not guilty of the charge."

Judge Avis said he felt there should be a substantial sentence and imposed two years in a federal penitentiary and the $2,000 fine. The maximum sentence he said, was $10,000 fine or five years in prison, or both.

Pearce immediately filed notice of appeal. Papers were signed by the court and the $5,000 bail continued.

EXTORTION CASE ENDED AS JURY LIBERATES PAIR

Trenton Times 10/20/31

Pair Are Found Not Guilty of Attempting to Get $50,000

George Hassan, formerly secretary of the J. G. Schmidt Iron Works, Passaic, and Herman C. Rust, Passaic attorney, today were found not guilty by a Federal jury of attempting to extort $50,000 from the iron firm officials on threat to report alleged income tax defalcations.

The verdict was received with great emotion by the two men. Each sat poised and expectant as the sealed verdict was opened by Judge John Boyd Avis, and read by deputy Court Clerk Samuel Bretell.

As the clerk announced that both men were not guilty of the charges, Hassan and Rust stood up and quickly shook hands with their counsel. Other friends surged to their sides and congratulated them.

The verdict was reached by the jury last night after five hours of deliberation. The decision was then placed in an envelope and sealed, the jurors returning to their homes. The panel returned to the courtroom today to affirm the verdict.

The trial continued for a week and was productive of sensational testimony and vehement counter-charges. Hassan and Rust, it was charged by indictment, had conspired to mulct officials of the firm of $50,000. If they did not receive that sum, the Government had stated, the men would inform internal revenue officers.

The men were arrested in June, 1930, when they attended a "conference" in which matters were to be talked over. Prior to the meeting, officials of the firm, including William Hassan, father of George, had notified Government agents of the alleged demand.

Three special agents of the Internal Revenue Department posted themselves outside the office where they could hear all that went on. An initial payment of $5,000 was given the men, it was charged, and the bills were found by agents as Rust and Hassan left the office.

It was the contention of Hassan, as developed by Harry H. Weinberger, his attorney, that the $5,000 represented a first payment on the sale of his 12 shares of stock.

Earlier in the trial it was revealed that a secret book had been kept by firm officials in which unreported sales were recorded. This was done, the bookkeeper of the firm testified, to reduce income taxes. The younger Hassan, it was testified, benefited by these sums which amounted to more than $80,000 over a six-year period.

MISTAKE IS BARED IN JAIL SENTENCE

Trenton Times 10/21/31

It's Apparently the Wrong Man—Checkup to Be Made

Judge Bourquin also has his troubles.

In the United States District Court today, a prisoner who responded to the name of Andrew Duroy, of 295 Palisade Avenue, Union City, stepped forward and retracted a plea of not guilty to liquor law violations.

"You plead guilty?" asked the Court.

"I do," said the prisoner.

"Thirty days and $125 fine," replied the court.

The prisoner was led away by deputy marshals and taken to the cells on the fourth floor of the Federal Building to await transfer to a county jail.

To all intents and purposes this was just another liquor case.

Meanwhile court continued with full speed ahead. Cases came up and were disposed of in fast order. Then the trials started. A jury was called, attorneys began to warm up, the Court got himself in position to hear a long and technical case.

Then up spoke Assistant United States Attorney Walter B. Petry, of Trenton.

"Your honor," he said breathlessly, "I have just learned that the first case on the calendar, Andrew Duroy, is not really Duroy. He is not the man that the agents arrested."

"What's that?" asked Judge Bourquin.

The government official repeated his explanation.

"Bring that man forward," ordered the court.

A search was made.

"He's upstairs in a cell," volunteered a deputy marshal. "We took him up there."

"H-m-m," said the court. Then he looked to where the jury was resting easily. "Oh, well," said the judge. "We'll bring him up later. Recall him after this trial and bring him forward. Proceed with the case."

The alleged Duroy is still waiting to find out what they are going to do with him.

GETS 2-YEAR TERM AND FINE OF $2,000

Trenton Times 10/24/31

Michael J. Florman, of Jersey City, was found guilty yesterday in Federal Court of misapplication of bank funds and false certification of checks. He was sentenced by Judge Bourquin to serve two and a half years in the Federal Penitentiary, and to pay a fine of $2,000. The verdict was returned by the jury after deliberating 12 minutes.

It was charged by Assistant United States Attorney Griggs that Florman, in connivance with the paying teller of the Hudson County National Bank, operated a series of transactions referred to as "the kiting of checks." This resulted in Florman having credits from spurious deposits made in four banks, amounting to more than $1,000,000.

William E. Brown, Negro, was been confined to the Hudson County Jail while awaiting trial for narcotic law violations, was found guilty today in the Federal Court. Judge Bourquin sentenced him to serve 16 months in jail and to pay a fine of $500.

THREE ... MUS...

Trenton ...

Pearse, Ca... Adjud... C...

Three North ... find today in t... trict Court by ... contempt of ... justice."

The penalties ... heard last Frida... padlocking suit ... one case, the U... ery, former as... Attorney Frede... counsel. Today ... contempt.

In the other ... States vs. Fran... Richard M. Glassner, both of Newark, were given a joint fine of $50 on the contempt charge by Judge Bourquin.

Imposition of the fine was made by the court in a lengthy opinion which he read in the courtroom. Mr. Pearse did not hear the opinion read. He was in the lower courtroom as counsel in another case. When informed of the penalty, he expressed great surprise, but made no statement.

Discusses Ethics for Lawyers

In his opinion Judge Bourquin interjected previous citations, quoted from the Bible, and went into a lengthy discourse as to the proper

(Continued on Page Eleven)

procedure and the ethics of lawyers trying cases in courts.

"In these suits to abate the Volstead nuisance," Judge Bourquin stated, "the bills allege the defendants are respectively owners and employes. The answers are in behalf of all defendants and signed by counsel only, Mr. Caruso the first, Mr. Pearse the second. In the former, the answer in respect to the said allegations is 'no knowledge sufficient to form a belief' and in the latter 'they deny.'

"The evidence is undisputed and abundantly proves that the allegations of the bills are true, the denials of the proof in the answers untrue, and that the nuisances likewise alleged and denied were committed, suffered and maintained.

"These equity suits involving nuisance in more sense than one are so closely related to criminal proceedings that in general the same counsel defend in both, and in both the tactics are much the same. Too often their strategy is obstruction and delay, less to secure a fair and speedy trial than to prevent one, and to that end false answers are interposed and other means adopted no less vile.

Says Such Tactics Defeat Justice

"Thus is justice defeated, courts reduced to impotency, if not contempt, the bar subjected to suspicion and reproach, public confidence and esteem in and for them impaired, and criminals and crime fostered and encouraged. Always the bar has been an indispensable, great honorable and beneficent profession, embracing in its membership the choicest spirits and leaders of every age.

"But even as a little leaven leaveneth the whole lump, so may the evil practices of some few of the bar visit an undesired odium upon all of it.

"For this grave evil, the bench and bar have the remedy in their control, viz., vigorous discipline which may be fine, suspension or disbarment, the penalties for, amongst other professional conduct, false answers or other documents or papers knowingly presented or maintained in judicial proceedings, penalties unhappily too often incurred and too seldom imposed.

"At the adjourned hearing aforesaid, counsel (Mr. Glassner) asserted the right to present and maintain the false answer by virtue of 'local practice and customs' from time immemorial to thus compel plaintiffs to strictly prove the facts if the plaintiffs could!

"Such a custom is more honored in the breach than in the observance, and the situation requires restatement of the law to impress upon ... such practice or

...IS JAILED ...OR CHARGE

...Times 10/15/31

...ck, Not Apple ...udge Exclaims ... Inquiry

...in, in the United ... Court, has learned ...ey is. After occupy... ...here for more ...ng, of ... ...charge ... to find ...anted to know ... ...was, and he was ini... ...apple whiskey. ...is this apple whiskey that ... ...ant did not ...ing so much about ... ...removing his ... from firm ...upon the ...

...I have been hearing so much about ... in New Jersey?" he said, removing his glasses and peering down upon the witness.

"Your honor," explained Prohibition Agent Spering, "apple whiskey is made from apple cider."

"Then why don't you call it by its ... good, old name?" demanded the defalcation court. "It's applejack, and not apple whiskey."

The woman was sentenced to serve 60 days and to pay a fine of $150. Then the court softened the sentence and placed her in probation for five years, telling her that if she committed any similar violations she would have to serve the sentence.

Angelo Abruscato and Michele Barrizza, of Vineland, were each sentenced to serve eight months in jail and to pay a joint fine of $1,000 for liquor violations.

Harry Levy, of Orange, who said that he had been in "business" for only one day before the agents raided his place, was fined $150 for possession of liquor.

"The agents were too quick for you," the court commented.

Joseph Pabst, of Atlantic City, was sentenced to serve 60 days in jail and to pay a fine of $200 for liquor law violations. In the same case, David Mulholland, also of Atlantic City, was sentenced to serve 30 days and to pay a fine of $150.

...N DENIAL ...SUPPORT

... Substantiates ...timony—Di... ...ct Refused

...or George Hassan, ... of the J. G. ...ks, Passaic, called ...ay, accountant, to ... in Federal Court ...t their con... ...ant did not ... from firm ...ist, Passaic ...al before ...aking the ... form the ... defalca... ...ctment ...e tried ...t for ...reats ...held ...firm ...ex... ...tes ...ng ...e ...t

...anels Ne... ...ed in Sn...

...aids by Federal ... Reveal Thousa... ...by Ring for $...

...f four houses connec... ...nd passages in the Por... ...ent east of the Penns... ...d and not far from the ...siness section has been ...e headquarters of a smug... ...t brought thousands of ...e country.

States Department of ...eration with the Depart... ...e, raided this smuggling ... in the hope of finding ...ere until they paid from ...apiece to the ring. The ...lure because the houses ...vacated and the under... ...s were blocked at inter... ...oors designed to prevent ... the imprisoned aliens

...arsson, Assistant Secre... ...charge of an investiga... ...uggling activities, said ...believed the agencies of ...e part of a nation-wide ...al entry for Portuguese ...s are under scrutiny. ...Martins of 220 Roseville ...or of a haberdashery ...hip agency at 104 Ferry ...eart of the Portuguese

...ace Hearing.

...ppear Wednesday before ...ommissioner Cotter in ... hearing on a charge ...an illegal entry permit ... the Immigration Bu... ...hit was said to have ...nable Francisco Hen... ...here from Portugal il...

...ken into custody Au... ...arrest of the immigra... ...n Rothberg. Martins ...fore Assistant United ...Herlands in New York ...self for questioning ...ad been found in rec... ...othberg. He was re... ...ail.

...Ferry street last night, ...e existence of a smug... ...wark. He explained ...d been in the colony ...was a member of the ...and president of the ...n Citizens' Club, he

...he believed the headquarters structures were located in Goble street, although he had no definite information.

Another Portuguese who declined to have his name divulged last night gave a detailed explanation of the methods of the ring. He said that two principal methods were used, reentry blanks supposed to be furnished so that a person leaving the country could later return were "cooked up" so that an alien from Portugal entered with them. This plan, he explained, necessitated the connivance of an immigration bureau clerk.

The second method, he said, was used for Portuguese who had been smuggled off steamships. Under this plan, he explained, fake witnesses are used to testify that an alien had been in the country prior to 1921 when, in fact, he has just arrived. Under a 1929 law, the informer pointed out, an alien who has been in the country prior to 1921 may secure citizenship papers even if he came here illegally.

This informer declared that the smuggling ring had sources of information enabling it to foretell all the moves of investigators. That such information is circulated was confirmed by the explanation of Martens that he had gone August 11 to New York to offer himself to Herlands because he "had learned" that his name was i... the papers of the clerk, Rothberg, w... had been arrested two weeks before

...copy of the secret book, cancelled checks from the unreported account, and his 12 shares of stock.

Then the $5,000, representing what claimed was an initial payment, was given him and the meeting was adjourned. As he walked from ...ce with Rust they were ...der arrest by special interna...