

1928 Grand Jury Probe into Corruption

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Imagine this. This past summer you turned on the radio to KYW to catch up on overnight developments – always a terrifying phrase – and you hear that the Phillie Phanatic had been shot overnight. In a drive by shooting at the site of a major open air drug market.

Well, that's the equivalent of the story that Philadelphians woke up to on August 10th, 1928. Hughie McCloon, hunchback, much beloved former mascot of the Philadelphia Athletics baseball team, was shot dead in a drive by shooting on the night of August 9th in front of his saloon at 10th and Cuthbert Streets. Another saloon owner was shot as well, but he survived. The city was outraged.

Since the departure of Butler, and the reversal of several of his reforms, violence around bootlegging and speakeasies and saloons and distilleries had increased. The U.S. Coast Guard with the purchase of high speed WW I destroyers had chased away the rum runners from Canada who used to anchor in the waters off of New Jersey, perhaps making good liquor harder to obtain. It ultimately turned out that McCloon was shot for refusing to pay a liquor distributor the sums that he owed.

The Grand Jury Probe is of interest to us for two reasons. First, the location of the incident that sparked it, 10th and Cuthbert, was a pretty typical saloon location, and typical of the kinds of places that Butler had tried to shut down in his time here. You are going to be visiting this site and looking around for clues to the socioeconomic status of this part of town.

Second, the Grand Jury Probe of 1928 represents an effort to have law applied against a central and important organization in society: the Philadelphia Police Department. Black, in pages 92-

97, which you are going to be reading for next week, explains what happens when there are efforts to apply law against an organization. The results are instructive.

The Grand Jury was empanelled in August of 1928 by Judge Edwin O. Lewis. A Grand Jury is a group of 15 citizens (now it is 24) who are charged with hearing evidence about a case, and then deciding if that case should go forward. The Grand Jury stayed active until about March of 1929. These were ordinary citizens who gave up their livelihoods to do this jury duty. Their names and occupations are listed in the Grand Jury article set entitled.

Judge Lewis came from a prominent Virginia family. He was a member of a prominent Virginia family, had ancestors who had fought in the War of 1812, played golf at the toney Merion Golf Club, liked to have some friends in and dance for entertainment and exercise, and lived in the fashionable Wynnefield section of Philadelphia.

The District Attorney was John Monaghan, who had a reputation as a tough-minded DA.

Some have questioned whether DA Monaghan and Judge Lewis were doing this out of political motivation. That is an interesting question. Perhaps they hoped to remove the corrupt Vare Brothers who controlled the Republican Party in the city of Philadelphia. William Vare, elected to the U.S. Senate in 1926 but never installed because the election results were deemed fraudulent, was in the hospital at the time the probe was launched. Further, in the 1927 mayoral election, although Mackey, Vare's candidate, had won, it was by a much narrower margin than in 1923. Reform parties were gaining strength.

Harry Davis was Director of Public Safety, holding Butler's old position.

The Grand Jury began unearthing evidence as soon as they started looking into things. They were able to obtain notebooks from saloon keepers that detailed payoffs to police to allow them to stay open. Later they were able to obtain bank books, showing how much money police officers had in various bank accounts.

The August Grand Jury was **only** a fact finding body. It did not function like a regular grand jury, which would, in response from a request from the DA, either indict or not indict someone.

A couple of examples of people who got caught up.

Arnold Venge was the captain in charge of the police precinct station at Front and Westmoreland. Federal investigators had earlier investigated a large still a block away. The large still permeated the neighborhood air with smells from the distilling. Yet the distillery was allowed to operate unimpeded. Why?

Captain Charles C. Beckman returned from a trip to Europe. He said he had been left \$200,000 by a relative who had recently died. Later in the investigation a bank account of his showed \$75,000 that he could not explain.

When the Grand Jury had initial evidence that an officer may be involved in corruption, the word would go out to relieve that person from duty, pending a fuller investigation and a trial. The officer was then relieved from duty, at least temporarily.

When they dug into bank books, they found over \$10 million in mystery accounts at two local banks, Franklin Mortgage and Investment Company and the Union Bank and Trust Company. The latter was located at 3rd and Arch, not that far from the Tenderloin. An exhibition at Temple Library and the Probe's investigation suggested that major bootleggers were laundering moneys through these banks. The police interviewed often had pretty interesting explanations for their bank account sums.

In March of 1929, the August Grand Jury recommended to Judge Lewis that over 100 officers be removed as unfit for duty. Many were tried, some were removed, some of those branded as unfit were later restored to service.

By April of 1928 the counter reaction began to set in. People accused Monaghan and Lewis of pressuring the Grand Jury, and "forcing" them to brand officers as unfit.