# ACTUAL ADVENTURES WITH THE DIAMOND SMUGGLERS

## Customs Inspector Tells of the Shrewd Devices Used to Defraud Uncle Sam—How They Are Detected

By A CUSTOMS INSPECTOR.

ONE of the traditions of the United States customs service tells of a wealthy widow who, about to be detected in the act of smuggling diamonds, encased the precious stones in lumps of fat and fed them to a pug dog. All of the special inspectors repeat this story with perfectly straight faces and nobody ever believed it. Another tale describes a distinguished foreigner who concealed two pints of diamonds in the hollow part of a thick bamboo cane. The third and most reasonable of the trinity of stories that never happened concerns a mythical youth who filled the tires of a bicycle with priceless pearls.

But the seemingly improbable sometimes happens. I know because I was an actor in one interesting drama. The time was two years ago, the place Philadelphia and the principal character a charming young woman.

We had information that she contemplated smuggling one or more rare diamonds into the country of her birth. I was delegated to meet her and to see that the Government lost none of its lawful revenue. She assured me with a confiding smile that she had nothing of a dutiable nature in her trunk. Nevertheless I insisted upon a search, and the thoroughness with which I went about the work made her understand that she was under suspicion.

The duel was on from that moment. A slight contraction of the eyelid was the only sign she gave, but I recognized it as readily as if it had been a spoken challenge. When I opened her trunk I found on the very top a nicely bound copy of Dickens's "Great Expectations."

"I'll take that, if you please," she said smilingly.

I handed it to her, and while I went through her trunk she sat on a coil of rope on the pier and placidly read the book. I went through her baggage with a fine tooth comb, as the saying is, and found nothing. She carried a little wrist bag and after my Waterloo with the trunk I brusquely asked her to let me see the bag. She contemplated a crack in the floor and said quietly:

"Is it necessary?"

"Absolutely," I replied, preparing for a scene.

But there was none. She quietly unfastened the cord from her arm and passed the bag over to me and resumed her reading. It contained the usual trifles dear to the feminine heart, but no gems and nothing dutiable. As I returned the bag to her there was again that almost imperceptible contraction of the eyelid, which seemed to say: "You think you're smart, but I'm more than a match for you."

"Is that all?" was what she really did say.

"Yes," I answered grudgingly, "so far as I know that's all."

She arose to leave the wharf and as she did so the copy of "Great Expectations" slipped from under her arm and fell on the floor. I stooped to pick it up for her and as I did so noticed something peculiar about the book. I looked it over and opened some of the pages.

They revealed nothing out of the ordinary. I passed it in the direction of its owner. She reached for it and at that moment the doubt that had been in my mind formed into a definite suspicion. I opened the book again and discovered that the leaves in the middle of the volume had been glued together. I smiled—a smile of triumph—and she dropped her eyes as one who acknowledged defeat.

"Please come to the office with me," I said.

She followed me and when we reached the room where the Deputy Collector of Customs sat in state the book was pried open and there in the centre where the paper had been cut out to make a cavity we found a brilliant sunburst.

Did the young woman collapse and acknowledge her fault? Not much! She even reported me to the Collector for discourtesy and made a hard fight to recover the diamonds. But in the end they were confiscated and she was compelled to pay a fine besides.

The Keck case began when the Secretary of the Treasury received a cablegram from the confidential agent of the United States Government stationed in Paris stating that a gem merchant had purchased an unusually large number of white stones in the French capital, and that part of them had been given to the captain of a tramp steamer with instructions to hand them to a confederate of the diamond dealer on the arrival of the craft in Philadelphia. This part of the consignment was securely sealed in a box and the skipper of the ship, of course, was ignorant of the dangerous enterprise in which he was engaged. The moment he docked his vessel an alert looking young man boarded the boat and said briskly:

"I'll have the package that you promised to deliver for Mr. Keck, if you please."

"But who are you, and what authority have you for making such a request?"

"My name does not matter, but my right to make this demand is pinned on my vest," and throwing back one side of his coat the visitor displayed the silver badge worn by special inspectors of customs.

The captain demurred at first, but he had a wholesome respect for the Government and he finally surrendered the package, which was taken to the Custom House and placed in the safe in the seizure room. The first hurried appraisement placed the value of the diamonds at $10,000, but it was said afterward that this estimate was too low. In the meantime it was learned that Keck had engaged passage on a steamer due to arrive in New York on the following day. The special inspector, armed with a description of his man, went down the bay on the revenue cutter and hastened to extend him the "courtesies of the port."

The steamer was reached in due time, but the officer found that Keck's name was not on the passenger list. A quick survey of the returning travellers also failed to reveal any one who tallied with the description of the diamond merchant. He was satisfied that his man was on the boat and that he had secured his passage under an assumed name. He likewise came to the conclusion that Keck was disguised.

The ship had docked by this time. What to do under the circumstances was a problem. To let the culprit slip through his fingers was unthinkable. But how was he to be picked out of a crowd of five hundred men and women?

The answer came to the customs officer like an inspiration. To think was to act and the next moment he had the nearest telegraph office on the telephone. Ten minutes later, while the dock was filled with passengers waiting to have their trunks examined and before any of them had left the wharf, a cherubic faced messenger boy made his way up and down the landing place calling in a monotonously strident voice:

"Keck, Keck, telegram for Mr. Keck!"

Mr. Keck, in the language of the hotels, was being "paged." The youngster had not finished his second trip along the pier before a small, chunky man detached himself from a group that stood in the shadow of a great post and hurried after the uniformed one.

"Here, boy," he called, "that's for me."

"All right," grinned the messenger, "sign right here," and he pointed a dirty forefinger to the place in his receipt book.

Keck quickly complied and no sooner had he convicted himself by his autograph than a heavy hand was laid on his shoulder and a cheerful voice exclaimed:

"You are my prisoner!"

The diamond dealer gave the inspector a wire drawn smile, but offered no resistance. He did, however, protest his ignorance of any reason for his arrest. He was taken to Philadelphia, where he had a hearing before the United States Commissioner and was released on bail. Then began his fight for liberty. The cleverest counsel at the cleverest bar in the world defended him, but a jury in the United States court found him guilty and he was sentenced to a fine and a year in the penitentiary. This, of course, was in addition to the confiscation of the diamonds.

But Keck was a fighter, and he seemed to have unlimited resources. He appealed from the verdict. The case was carried from one legal tribunal to another until it finally reached the United States Supreme Court. The point made by his counsel was that the seizure was not a legal one and for that reason he could not be convicted of smuggling. It was insisted that the special inspector had been premature in going aboard the ship and seizing the diamonds from the captain; that goods of any kind to be smuggled must first be landed and taken out of the custody of the Government.

This view was argued at length by eminent counsel for the prisoner, one of whom was a United States Senator. After much deliberation the court handed down an opinion in favor of Keck. He won by a vote of five to four. Later an Attorney-General of the United States gave a decision defining smuggling to be "the actual passage of dutiable goods through the lines of the Custom House without paying or securing duty."

Customs officials were much chagrined over the result in this case. They seemed to think it made smuggling easy. They contended that once a suspect left the wharf it was difficult, if not impossible, to prove him guilty of violating the law. Congress subsequently passed an act providing punishment for "unentered goods." It was also made clear that violation of the revenue laws in any way was akin to smuggling.

But alas for the uncertainty of things mundane! When the five to four decision of the United States Supreme Court reached the home of Keck, the diamond dealer was dead and buried. He had been legally vindicated, but he did not live to enjoy his victory.

A former special agent of the Treasury Department tells a story which strikingly illustrates the narrow margin that lies between success and failure in the smugglers' trade. This agent, who made a specialty of trapping diamond thieves, was given the most difficult cases and he nearly always captured his man. Word had been received by the Collector of Customs that a tourist, who shall be called Schmidheiser, had sailed from Amsterdam with three blue diamonds of special cut and great value.

The special agent met the suspect at the wharf and made an exhaustive search of his baggege, but found no trace of the contraband stones. He went about his work in a way that was not calculated to excite the attention of the passenger. Schmidheiser looked and acted like a stage German, and after his belongings had been examined wanted to know where he could find an expressman to send them to his lodgings.

The customs officer, seeing in this a reasonable excuse for detaining his man for a while, invited him into his office, saying that he would secure a wagon for him. Once inside the agent began to question the German about himself and his friends. During the conversation he pulled a cigar from his pocket and lighted it, at the same time offering one to Schmidheiser. The German declined, saying:

"I have my meerschaum—that is my best friend."

The pipe, which he kept in his mouth had a long, curling stem and a large bowl. The customs officer handed him a match and he struck it and lighted the tobacco in his pipe, pressing the top of it down very hard with the end of his thumb. The talk proceeded for some minutes and the agent noticed that the German's pipe was unlighted.

He handed him a second match and the first performance was repeated. There was more conversation and all the while the Government detective was debating whether he should compel Schmidheiser to submit to a search. In the midst of this he discovered that while the German was sucking away at his pipe he was producing no smoke.

He passed him a third match, and then for the first time it dawned on him that the moment after Schmidheiser lighted his pipe he extinguished the sparks with the end of his thumb.

Why?

That monosyllable seemed to fill the room. It danced through the agent's brain and seemed to spur him on to action.

"Let me see that pipe," he demanded.

Schmidheiser handed it to him reluctantly.

"Be careful with it," cautioned the German.

Without a word of warning the officer emptied the tobacco from the big bowl of the pipe on a flat top desk by his side, and there in the midst of the crumbs were the three blue diamonds.

It was the officer who found the three blue diamonds in the bowl of the meerschaum pipe who "pulled off" the Leinkram case. Michael Leinkram came to this country on the Kronprinz Wilhelm on the crossing that brought Prince Henry of Germany here. He thought, naturally enough, that in the fuss that would inevitably be made over the landing of the brother of Emperor William a modest person like himself would escape attention.

But he was mistaken. In the eyes of a certain agent of the Treasury Michael Leinkram was more important than the German Prince who was to be the guest of the nation.

He had one piece of baggage. He said it contained nothing dutiable. It didn't. And for that reason he was told that he would have to return to the vessel and be searched.

"This is an outrage," he cried.

"I know," was the cool rejoinder; "we're in an outrageous business."

Every pocket in his outer garments was examined. His waist seemed bulky.

"Take off your coat and vest," commanded the inspector.

"Must I?"

"You must."

Stripped, he was found to have a red bandage wrapped about his waist.

"What's that?" asked the detective.

"It's a medical band—for my kidneys."

The inspector laughed.

"I don't see the funny side of this business," cried Leinkram.

"No," conceded the officer, 'it's serious. Take off the bandage."

He refused and it was taken off for him. It was filled with diamonds. There were five compartments in the belt, all carefully sewed by hand, and each one containing a particular kind of stone. There were fifteen hundred diamonds in all, making Leinkram the richest man on board the Kronprinz Wilhelm—not excepting Prince Henry.

He had an able lawyer who made the plea that the charge of smuggling could not stand as he had not left the wharf and therefore the belief that he did not intend to pay duty on the fifteen hundred diamonds was mere conjecture. But he was found guilty and sentenced to the penitentiary.

It is conceded that the greater part of the diamond smuggling into this country is across the Mexican and Canadian borders. One of the offenders in this respect was a man named Lazar. He was involved in many disputes with the Government, but one of the most curious concerned a bride and bridegroom who were on their wedding trip.

Lazar met them on a sightseeing tour in Montreal and managed to get into their good graces. He entertained them lavishly and made himself agreeable. As they finally separated he handed the bride a package and asked her if she would not be good enough to deliver it at a designated address on the American side of Niagara Falls.

She willingly and innocently undertook the commission. The customs officer who happened to be on duty must have been lacking in gallantry. At all events he insisted upon opening the little package that had been given the young woman by Lazar. It contained a large number of valuable diamonds.

"Where did you get these?" he asked.

"That is none of your business," she retorted with spirit.

The newly wedded husband of course sustained his bride and as a consequence they were both taken to Buffalo. Explanations were attempted there, but they were so conflicting that the pair of innocents were placed in a cell. They had the unique, if disagreeable, experience of spending their honeymoon in prison. In the course of time they were released.

"The joke," explained the customs officer, "is on the Government."

Mr. and Mrs. Newlywed were so lacking in a sense of humor that they declined to laugh at this quip.

Lazar in the course of forty-eight hours was taken into custody, tried and sent to the penitentiary.

This is the story of six women who travelled from Europe together as bosom friends, but who now do not speak as they pass by. It occurred just about the time Collector Loeb was putting the screws on malefactors of great wealth. During the passage from Havre to New York the six feminine friends talked a great deal about the customs regulations and they agreed that the law which placed a tariff on importations was preposterous and should not be encouraged by free born Americans.

On their arrival they severally and jointly assured the inspector that they possessed nothing dutiable. Then the poor man proceeded to show five of them that they had been trifling with the truth. Two had resorted to the time worn device of hiding valuables in the sleeves of the dresses in their trunks. Two others had been guilty of the age honored scheme of secreting gloves and silks in the middle of soiled linen. The fifth—an adventurous soul—actually had a secret bottom in her trunk. But alas! Such things are found nowadays by even the boneheads of the inspectors' force.

The sixth woman, a willowy blond, stood apart from the others, hands in muff, contemplating the morning mist. She had escaped unscathed. The most rigid search failed to show anything contraband. Incidentally she showed a desire to keep away from her friends. They were in trouble and it was not good policy for her to fraternize with them.

Five pairs of flashing eyes were levelled at her and five hearts fairly burst with honest—or dishonest—indignation. Suddenly, filled with an inspiration, they called for an inspector and the quintet whispered many words in his willing ears. A few minutes later he tapped the willowy blond on the arm.

"I'll have those pearls, please."

"You can have anything you find," she retorted.

Politely he took her muff, and ripping out the lining disclosed a string of pearls, nestling in the interior of the furry thing. The case was finally compromised by the payment of the duty, but the flaxen haired lady is no longer on speaking terms with the five others and a rather agreeable bridge party has ceased to exist.

Diamond smuggling on a big scale is not confined to the gems concealed in the personal baggage of incoming passengers. Indeed, most of it is brought about by systems of false invoices. Two brothers in New York proved to be specially adept in this sort of business. They had confederates on the other side and for a series of years succeeded in hoodwinking the principal customs officials at this port.

The Jewellers Protective Association has been of incalculable value to the United States Government in running down diamond smugglers. Most of the members of this association are Maiden lane business men, and it is naturally to their interest to prevent diamond smuggling into the United States.

One morning less than six months ago three men, shabbily dressed, entered the store of one of the diamond dealers in New York and offered to sell a number of stones at a price much lower than the current market rate. The fact that they offered diamonds at a low price did not arouse the jeweller's suspicions so much as the apparent nervousness of the man who kept constantly looking out of the show window. The jeweller asked to be excused a minute and, going into the back room, called up the secretary of the protective association, who in turn, called up the customs office. It was determined by the latter that the men should be shadowed and when they left the store a special inspector of customs was on their heels.

Before many hours he learned that the three men had come over as steerage passengers on the Mauretania and after taking lodgings they started out to sell the diamonds. The inspector followed them to their rooms and as a result discovered a cigar box almost filled with valuable diamonds. The box was in a shabby satchel and this in turn was hidden within the folds of a feather bed.

The culprits were placed under arrest at once, and when questioned by the United States Commissioner they that they were Germans who had come from the diamond fields of South Africa, where they had worked as miners.

The arrest of this trio closed wholesale smuggling operations among steerage passengers. A number of immigrants were arrested, but the Federal authorities believe that all of these cases may be traced to one source. The scheme presents distinct advantages to the wholesale smuggler, as many articles may be distributed among the steerage passengers of a ship in such a way as to allay suspicion.

## Battle of Wits Between Authorities and Cunning Criminals—Women Expert in Concealing Jewels

# THE PLAYTHINGS---Drawn by Rodney Thomson

## He Pulls the String and the Marionettes Dance