

PONZI'S SCHEME PAINING BILLS

Boston Wizard Gives Out a Million Dollars in a Day to Those With Claims—Story of His Life Reads Like a Book of Fiction—Tells How He Got His Great Idea.

Boston, July 29—Three investigations of the foreign exchange "wizard" which has enabled Charles Ponzi to pay out more than \$1,000,000 in a day, if his story is true, were under way today.

Governor Coolidge directed the state attorney general to investigate in conjunction with the federal and county district attorneys, Ponzi's system of changing American money into depreciated foreign money, buying international reply coupons and redeeming them in stamps.

"The idea which you refer to as the 'great idea' and which really is not a great idea at all, came to me last August. It came because I was thoroughly awake and on the lookout for the main chance. Are not you also doing just that, what I had a scheme to start an exportation, a pamphlet or a periodical dealing with the most ordinary export and import trade. I wrote to a man in Madrid asking him certain things that I had to know about exports, and in reply I received an international coupon, which I was to use for the purchase of United States postage stamps and these stamps I was to mail to the man in Madrid a copy of my magazine.

"Perhaps you do not know about these coupons. They are simply international postal reply coupons. One buys them for 6 cents in one's own country and sends them to a correspondent in another country. You do this if you desire to render the courtesy of repaying the postage of a letter of correspondence you hope to receive. They are redeemable in stamps at 5 cents each. The sixth cent goes to the government to pay the expenses of getting them out. Understood?

"Well, that coupon I received from Spain cost, in Spain, the equivalent of one cent here in America. The rate of currency exchange differs, you know, in these times. Do you see? I took that coupon to the United States post office where I received the value of five cents for it. That meant the stamp had yielded 400 per cent profit.

"I said to myself that I might buy hundreds, thousands, millions of these stamps in Spain, France, Italy, Switzerland and all the new countries in south and southeast Europe. Then I planned further. I investigated and studied foreign exchange.

"I bought a small amount of the stamps abroad. I made a neat turnover. I had little money of my own and I figured that it was best to make money in this way while the possibility was here. So I went out among the few men I knew and begged them to let me have their wages, their savings and what they could obtain in loans. I worked. It was hard work. It almost drove me mad. Here I had an opportunity to make a legitimate fortune, and I was going to fail because there would be no time and I'd have to do it like a picker unless someone helped me. I worked all day and all night. Men laughed at me. They warned me that I'd go to jail. I knew I was right and I would take a chance or let me take a chance with his money. I had none of my own.

"I took one room at 27 School St. I found a man who said he'd put money in my scheme if I'd prove its worth. I had a couple of thousand dollars and I decided to let it go into advertising and office rent. I shot the roll, as they say, and the roll came home. I really got under way in December.

PONZI'S SCHEME

International reply coupons are actually prepaid postage. A correspondent on the other side of the ocean sends a reply coupon so that the person on this side need not pay postage. They are really postage stamps. Because of the depreciation in foreign exchange they cost actually one cent in American money in Spain or in other countries. Their face value is 6 cents. Ponzi discovered that he could sell them here and in some other nations for five cents thus making 400 per cent. He purchased, he says, millions of them and gave his clients 50 per cent profit and kept 350 per cent himself.



Originator of new Get-Rich-Quick company who is said to have made \$5,500,000 in year, wife and mother: Charles Ponzi (insert) head of the Securities Exchange Company of Boston, on has borrowed money, giving nothing but his personal securities in exchange as a guarantee that he will return the sum borrowed, plus 50 per cent interest in 45 days. Federal, state and city authorities have not to und anything illegal in his enterprise. (CU&U)

Ponzi Opened Office in Bridgeport Recently

The Securities Exchange Company of Boston which pays 50 percent in 45 days, 100 per cent in 90 days, on any amount invested, and which is causing great interest throughout the financial world at the present time, has opened a branch office in the Liberty building in this city. The office is located in Room 313 and Charles F. Fox, who came to this city especially to open the office, is in charge. W. L. Jarvis, of Boston, is the district manager. So far offices have been opened only in New Haven and this city.

Another office will soon be opened in Hartford and other places in the state. Up to the present time the two solicitors have done very little business in this city because investors have been amazed at the guarantee of 50 per cent for 45 days and 100 per cent for 90 days offered by the company for the loan of money. Investors believe it is impossible, but Manager Fox expects there will be plenty of business very soon and after the company gets established.

The manager himself has received a check of \$3,000, but that did not come from a Bridgeport investor. It was a Boston man who is willing to take the chance with Charles Ponzi's method of making money through the difference in foreign exchange rates. This week, according to Manager Fox, the solicitors are not working because the home office in Boston asked that nothing be done until the audit in the home office had been completed.

ROUND UP OF 300 STENOGRAPHERS

Deputy Collector Wallace Smith has received a telegram from Washington asking that the local post office assist in the rounding up of 300 stenographers who are wanted for permanent positions in Washington. The entrance salary is \$1,200 a year with a \$20 bonus. Anyone capable of filling said positions and who are looking for a chance to go to work in the White House city should get in touch with Mr. Smith at once.

M'ADOO WILL STUMP FOR COX

New York, July 29—William G. McAdoo announced today that he had consented to make speeches in behalf of Governor Cox during what he said would be a vigorous campaign.

FIRE IN GARAGE

Fire starting in a pile of rubbish in the rear of Wheeler & Howes garage on Congress streets at 12:30 o'clock this noon did no material damage and was quickly extinguished by the chemical crew from Headquarters Co.

BOY MISSING

The police have been asked to search for Daniel Sekety, 16, who left his home at 853 Hallett street, yesterday morning and has not been seen or heard of since. The youngster was barefooted and wore a white blouse and black trousers at the time of his disappearance.

UNLADYLIKE TO SIT ON FENCE

Morristown, N. J., July 29—At a dinner given by State Senator Arthur Whitney at his home near Easton, last night, to a number of State Republican leaders, Mrs. E. F. Feister of North Plainfield who is chairwoman of suffrage ratification committee and vice chairman of the Republican State Committee of New Jersey said that she had found many women voters throughout the country unable to determine their politics and were sitting on the fence. "This is most un-ladylike thing to do," she declared.

Travis Is Given A Pardon

Stamford Bank Man Sentenced to 15 Months At Atlanta Last September Released By Order of the President—Also Charged With Taking City Money.

Stamford, Conn., July 29—William N. Travis, who on September 25, last, was sentenced to Atlanta penitentiary for embezzling funds of the Stamford National bank, has been pardoned by President Wilson. He will return home tomorrow, according to Mrs. Travis, who received word today. Travis was a former city treasurer and was also charged with taking wrongfully \$7,200 of the city's funds. His bank embezzlement according to the indictment, was \$20,000. In this latter instance Travis accepted notes of the Sykes Motors Sales company, in which he was interested with James A. Sykes, and disobeyed orders of the bank directors who had warned him not to loan money to the company. The sentence of the United States Court at New Haven, Judge Garvin, presiding, was fifteen months. He had pleaded guilty.

LUDENDORFF ASKS TO FIGHT SOVIETS

Paris, July 29—General Ludendorff is reported in a Berlin despatch to the Journal to have made an offer to the British charge d'affaires at Berlin to raise an army of 1,500,000 men to fight the Bolsheviks in Russia in exchange for the return to Germany of Posen and the annulment of certain clauses of the Versailles treaty, among them the one dealing with Danzig and the Polish corridor.

CORONER HOLDS UP HIS FINDING

Testimony is now closed in the case of the accident which resulted in the death of James DeLoon, eight year old boy, who was killed Monday afternoon at Bank and Main streets, by a truck driven by Charles L. Kittels, driver for George Kelley.

Detectives were unable to locate the missing witness, but according to the coroner's report, the driver of the boy who was killed, the woman who gave him the money did not see the accident. Witnesses have practically agreed on the point that the driver was under the wheels of his truck. The finding will be given by Coroner Phelan in a few days.

SHORE LINE ROAD SOLD FOR JUNK

New London, July 29—Announcement was made today of the sale of the shore line electric railway company property between Flinders Junction, Saybrook, and New Haven, to the United States Railway & Equipment Co., which will dismantle the line and dispose of the material and equipment as junk. The sale involves \$340,000.

WILL INVESTIGATE

Mrs. Kate Noski, of Devon, who escaped from the Connecticut State Farm for Women, at Niantic, last December, was arrested here yesterday for drunkenness. Her case was referred to the probate court this morning, in order that the probate officer may investigate the circumstances.

SEASIDE TRUCK CASE NOLLED IN COURT

The first arrest for violation of the city ordinance which provides against the driving of commercial cars in Seaside park, took place yesterday afternoon when Officer Sherwood took into custody Walter Bernstein, of 71 Capitol avenue. In the city court this morning, Bernstein explained that he was taking his wife to the park in a delivery car. Charges were nulled upon the payment of costs.

BRING COSGROVE'S BODY FROM COBLENZ

The body of Private Edward J. Cosgrove of Company H, 5th Infantry, U. S. Army, arrived in the city last night. Private Cosgrove died in Coblenz, Germany, on March 2, 1919, of pneumonia. He was 28 years of age. He is survived by his parents, John W. and Rose Cosgrove of 763 Kosuth street, also three sisters, Catherine, Ann and Rosemary, and one brother, John. Deleations from the American Legion and the Women of the World's War will attend the funeral, which will be held from the funeral parlors of Mullins, Scott & Redgate, 138 Gold Hill street, on Saturday at 8:30 o'clock. Interment will be in St. Michael's cemetery.

STOLEN IN JITNEY

Nick Cosias, of 54 Kiefer street reported to the police today, that \$56 was stolen from his pocket this morning while he was riding in an Ajax Creek jitney. The money was in a wallet.

Tels Utilities Board That State Trolleys Must Close Down Within Two Months

Washington, July 29—The Democratic party's campaign war chest is open to contributions of any amount George White, chairman of the National Committee announced here today. Party leaders, he said, would examine the source rather than the amounts of all contributions. "Peace, progress, prosperity," will be the slogan of the Democratic campaigners, White said. With this slogan, he added, the party should be "coaxure" of victory.

Jitney Men Say They Will Remain Whether or Not Trolleys Come Back—Say the People Must Decide What They Want—Would Like Stores to Close a Little Earlier.

Jitneys will continue to operate in Bridgeport whether or not the Connecticut company decides to resume trolley service. This statement was made today by John G. Schwartz, president of the Bridgeport Bus association, who added that the jitneys were perfectly willing to stand another test against the trolleys and let the public decide as to which means of transportation is the best. "The jitneys will stay on the streets even should trolley service be resumed," emphatically declared Mr. Schwartz. "We are willing to put it up to the public again, and if the people decide against the jitneys we are willing to get off the streets."

According to the bus association president, the jitneys are having no difficulty in handling Bridgeport's transportation problem. Factory and shop employes are carried to and from their work more rapidly than ever before, and up to the present time not a single accident has occurred to mar the work of the jitneys. In order to relieve the congestion in business districts during the rush hours, the jitney men have suggested that local stores close their business for the day shortly before 5 o'clock. Shoppers and store employes could then be transported to their respective destinations with a greater degree of comfort, and the buses could return in time for the factory closings at 5 o'clock.

Despite the fact, however, that the factories and stores for the most part are closing at the same time, the jitneys are not falling down on the job of carrying the workers. The earlier closing of stores has been recommended merely as a suggestion for relieving the somewhat crowded conditions during the rush hours. Although there are enough machines in Bridgeport at the present time to handle the situation in an adequate manner, more jitneys from outside the state are needed. Most of the cars which have arrived here since last Sunday night are from nearby Connecticut cities and towns, and their migration to Bridgeport has resulted in a shortage of jitneys in some places. As soon as more cars are secured the Connecticut machines undoubtedly return to their home cities.

Practically all of the new drivers who have arrived here since the suspension of trolley service are members of the Connecticut Bus Owners' association, of which the Park City and Bridgeport associations are branches. These men conform with the rulings of the local associations working under the direction of the state organization. Four new machines arrived in Bridgeport from New Haven this morning, and none of the drivers were members of the association. They were promptly informed that they would have to adhere to the requirements of the two local branches if they wished to operate in this city.

A movement is now on foot to incorporate the bus owners of the state into one large company, which would bring the members of the state association into a single corporation. Plans for this project are only tentative as yet, but it is the belief of the jitney men that such a consolidation would bring the best interests of the state drivers and the public. It is the intention to have uniformed men on all buses if such a company is formed. Jitney men from New York and other cities outside the state are complaining about the rigid enforcement of state and city public service rulings. New Yorkers claim they have no chance in Bridgeport, but stick to their jobs nevertheless. More machines are reported to be on the way despite the alleged rigid laws.

At the traffic division at police headquarters it was said today that no complaints have been received as yet regarding jitney mishaps. Traffic policemen are handling the extra amount of automobile traffic in exceptionally good style, and all streets are kept free from blockades even during the rush hours of early morning and between 5 and 7 o'clock at night.

In the absence of W. E. Chapman, officials at the Motor Vehicle department office were unable to state this morning, the exact number of new public service registrations and (Continued on Page Eight.)

Tels Utilities Board That State Trolleys Must Close Down Within Two Months

LOSES WIFE AT THEATER, BEGS FARE

Has anyone in Bridgeport seen a woman 20 years old, wearing a big black picture hat, white shoes and a black silk taffeta dress? She was last seen in Poli's theatre yesterday afternoon where she attended the matinee with her husband. In some mysterious way the couple got separated and the husband is worried to death for fear that his better half has been kidnapped or spirited away. "But listen to the whole story as told by Otto Bondi of 5622 Fourth avenue, Brooklyn, N. Y., as told to him by Assistant Superintendent of Charities Alex Morrissey in the Welfare building this morning.

"Yesterday morning," said Bondi, "my wife and I left Beacon Falls, where we have been living for the past two weeks, and where I was employed as a rubber worker in one of the factories. We arrived in Bridgeport about noon, stopping off here so that we could beat the high cost of Railroad travelling and take the night boat to New York, going from there to Brooklyn, where my wife lies sick in bed. After reaching Bridgeport we went to Poli's to see the show. I got separated from my wife after we got inside the theatre but did not worry at the time, believing that I would meet her outside after the show was over. I waited in the lobby after the performance was over but she did not come out. Before we went into the place I gave her all the money I had, amounting to about \$35, and I haven't seen her since."

Continuing his story with tears in his eyes Bondi said: "After hunting around for a time I reported the matter to the police and they put me up at the station house for the night as I was broke and this morning, as I told you to come up here to see you. I want to get car fare back to Beacon Falls."

Genial Alex refused to listen to the man's plea for the fare to Beacon Falls but gained sympathy for him on the next train out after wishing him luck in the search for his better half. Bondi told Mr. Morrissey that he was married to Mrs. Bondy by a justice of the peace in Brooklyn in 1919 and had the marriage ceremony repeated by a priest of the Catholic church on May 11 of this year. Bondy was dressed in an outfit costume and sported a pair of white shoes.

"I have changed my mind," not because I think the zone system is a failure, but because the public wouldn't use it. The only solution for the Connecticut company is the zone system but the public will not use it."

The present application of the Connecticut company is for a seven cent flat fare in the city limits which usually amounts to three miles with an other three mile zone which is ridden through on transfers. It is the purpose of the Connecticut company if the increase is granted to petition the right to decrease the zone immediately following from the 2.5 named in the petition to 2.2, which would give the company a revenue of three cents a mile outside the six mile limit.

President Storrs then stated that this was the season of the year which usually provided the money to run the company in the winter months when the riding was not so heavy. Things had been getting worse since last January and which the revenue for February showed an increase of 16 per cent, over February of last year. June showed a decrease of 2.4 per cent, over June of 1919.

This decrease he attributed to several factors, the jitney competition, the zone fare system, and the failure to use open cars. The people have been accustomed to use the open cars for long pleasure trips in the summer season. These cars were not used this summer because they were not adapted to the zone system.

Storrs continued, "The jitneys have been taking the patronage at the rush hours, and it is at these periods of (Continued on Page Eight.)

Company Representatives Also Say That If The Seven Cent Fare is Allowed and Does Not Give Proper Financial Returns the Company Will Ask a 10 Cent Flat Fare—Declare That the Jitneys Must Be Regulated.

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