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# U.S. v. Albert Bailin, Violation of Section 215, Criminal Code

by C.J. Scully

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*Report Made By:*  
C.J. Scully.

*Title and Character of Case:*

**US vs. ALBERT BAILIN:  
Violation Section 215, Criminal Code.**

*Facts Developed:*

This is to advise you that Mr. THOMAS COONEY, Assistant Superintendent of the THIEL SERVICE, was examined in New York today by Assistant United States Attorney BENJAMIN MATTHEWS, in the present of Post Office Inspectors Doran and Honverry, and Agent Scully of this office, during which examination Cooney was interrogated as to the activities of BAILIN while in the employ of the Thiel Agency as an "undercover" operative. Cooney admitted that practically all of the information that he had ever received concerning the organization known as the "KNIGHTS OF THE RED STAR," was given him by Bailin, and that he could not recall having received any information whatsoever from any other source, except that he though the Chicago Office of the Bureau had also received some information on this organization, but he was unable to state as to the source of same.

At this point, your attention is called to the fact that Agent in Charge [James] Rooney of Chicago

wrote this office on July 9th [1920], in reply to a letter sent him requesting a copy of the manifesto of the "KNIGHTS OF THE RED STAR." Mr. Rooney in forwarding the manifesto set forth in the letter that the original manifesto was never in the possession of his office. However, he quoted an excerpt from a report of a former "undercover employee," whose services were dispensed with due to sensational reports on said organization, and for which reports he, the informant, could base no foundation. These reports no doubt were submitted by Bailin during his employment as Confidential Employee by the Bureau, and a letter is being forwarded to Agent in Charge Rooney today, requesting him to furnish this office with the name of said Confidential Employee, together with copies of such data that he might possess concerning the "KNIGHTS OF THE RED STAR."

In my personal opinion, the aforementioned organization is a myth, and exists solely in the imagination of Bailin, for it appears that wherever Bailin has worked — in the Bureau, with the Thiel Agency, and later with the Burns Agency — his principle subject for investigation is this organization, and an investigation made by this office from time to time has failed to show the existence of same anywhere in this district, nor have our "undercover" men been enabled to secure any information concerning same.

In the case of Bailin, the evidence to be submitted will be purely circumstantial, inasmuch as there was no eyewitness to the writing of the threatening letter to the Postmaster. We can prove, however, that Bailin was in the New York Office of the Thiel Agency on or about October 19, 1920, at which time he approached a Miss TUNNEY, and requested that he be granted permission to use the typewriter; that he then

and there asked Miss Tunney for paper and envelopes, and receive two or three blank pieces of paper, all of which bore the watermark reading "HIAWATHA BOND," and that one of the envelopes he received was a long manila envelope, the other a small white one; that on that date there was mailed at the Hudson Terminal Station, a letter to Director FLYNN, which letter was enclosed in a small white envelope, and that the threatening letter was mailed to the Postmaster in a large manila envelope.

Efforts will probably be made by the United States Attorney to introduce into evidence the many anonymous letters received by the State Attorneys in Chicago, all of which appear to have been written on the same typewriter as was used by Bailin on October 19th, and the envelopes in which anonymous letters were sent to Chicago, bear New York postmarks at a time when Bailin was in this city.

At the present time the US Attorney has secured the services of a handwriting expert who is at present engaged in making a careful examination of the threatening letters, and whose report will be submitted within the course of a few days.

Sometime ago an anonymous report was received by this office, the caption on said report reading "In Re: Shooting on State's Attorney Hoyne, Chicago, Illinois." This letter sets forth that SAM MALLIS, a prominent member of the Cigar Makers Union, was implicated in the Post Office Bomb Explosion at Chicago, in August 1918; that he was closely associated with WAGENKNECHT and RUTHENBERG, and that he was acquainted with certain plans now being formulated to kill certain officials. This letter was sent to this office by Division Superintendent Brennan on April 27, 1920, and on June 5th of this year Division Superintendent Brennan forwarded a second anonymous letter concerning MALLIS, which he had receive from United States Attorney Charles F. Clyne, of the Northern District of Illinois.

Your attention is respectfully called to reports made by Agent [M.J.] Davis for dates of August 24th to 27th, 1920, inclusive; also reports made by Agent

[Joseph] Barbara for September 13, 1920, in which it now appears that Bailin, who was involved in some financial transaction with Mallis, and who is said to owe Bailin the sum of \$175, was the writer of the anonymous letter, the spelling of which corresponds with the spelling used in the threatening letters to the Postmaster of this city, and to the State Attorneys in Chicago.

Bailin will probably be placed on trial within the course of 2 or 3 weeks, he having succeeded in having his bail bond reduced to \$1,500, and in producing that amount.

The United States Attorney will probably produce during Bailin's trial sufficient information to show that there is no such organization known as the "KNIGHTS OF THE RED STAR," and that Bailin was the only person reporting on same.

It is called to your attention in the correspondence secured by this office, between COONEY and Bailin, it appears as if former Agency FRANK SEIB was negotiating for the services of a detective agency for his "clients," which "clients" he claims to be prominent bankers of this city. This phase of the investigation, however, shows that former Agent Seib reported to former Agent [Raymond] FINCH, (who is engaged on private investigating work), that he could possibly secure for him the services of an informant, having in mind Albert Bailin, whom he had never men but whom he had heard of through Cooney. However, Seib in his letters to Cooney left the latter to believe that he was formulating a plan for investigative work among the radicals here. Seib in one of his letters to Cooney set forth that he is seeking further information for his department, (Internal Revenue Intelligence Division), and for the "D of J." However, Seib has never received any commission whatsoever to secure information for this office since he terminated his employment here on or about September 1, 1920.

*C.J. Scully,*  
Special Agent.

*Edited by Tim Davenport.*

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