

XCI.

GIFT SWINDLES AND LOTTERY
ENTERPRISES.

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THEIR EXTENT.

THERE are over two thousand of these swindling establishments in New York. There are about thirty heavy concerns, which do the principal business. These change their location and their names often. By a flourishing concern, the number of letters received daily is from two hundred to five hundred. These letters come mainly from the country, — many from the West, more from the South. The swindles are based upon some pretended benevolent scheme, such as the "Asylum for Sick and Wounded Soldiers;" or, "Union Jewellers' Society;" or, "Sailors' and Soldiers' Home;" or, "Orphans' Institute." Sometimes these concerns run a newspaper, and offer a gift to every subscriber. The "Dollar Stores," with a prize to every purchaser, belong to the same class of swindles. Thou-

sands of letters are received at the headquarters of the police from victims asking redress; sending for the prizes; exposing imposition; pointing out the locality where the swindlers do their business, and asking the police to break up the den of sharpers. Why the police do not do it, and put an end to this robbery, will be seen in another place. Three out of the five letters received at the police headquarters are from victims who have been swindled out of amounts varying from ten to two hundred dollars.

It is estimated that the season, and it is a short one usually, during which one of these gift enterprises runs, from one hundred thousand dollars to half a million of money is received. There is scarcely a city or town in the Union to which circulars are not sent, and from which victims are not secured.

PLAN OF OPERATION.

From some den in the city, or from some store fitted up for the occasion, a scheme is got up in aid of the "Orphans' Institute." By the aid of directories, post-office lists, and other means, the names of hundreds of thousands of persons are obtained from all parts of the country. Circulars are sent to each of these persons, containing a list of prizes to be drawn, the numbers, and all the paraphernalia of a lottery. Each party is made an agent. Each party is guaranteed a prize. Each is to sell tickets. Each is to keep quiet, as a knowledge of the promised prize to one party would create dissatisfaction among the rest. But in every case ten dollars must be mailed before the prize can be sent on. The party is enjoined to

state whether the prize shall be sent on in a draft or in "greenbacks." Ten or fifteen days, at the most, are allowed, to respond. As the prize is supposed to be worth from one hundred to five hundred dollars, the party catches at the bait, sends on the ten dollars, and of course that is the last of it. As a specimen of these circulars, the minute instructions in regard to the prizes, sending the money, &c., to prevent the party from coming or sending, the following circular, received by the authorities from a victim, will be interesting:—

* * * * *

Your present will be sent promptly in ten days after the reception of the percentage. Don't send for us to ship your present and you pay on delivery. We cannot do it, as we should have to employ more help than you would want to pay, and thus lessen the profits to the ticket holders. Also avoid sending to your friends to call and get your presents; it not only gives them trouble, but it is a great annoyance; they are always sure to call when we have the most business on hand, and they insist upon being waited on first, &c., &c. To accommodate them we have to run through the immense amount of names, and many times we have two of the same name; then we have to refer to our register containing the name, town, and state, to get the correct one. Then, again, if you send by them, or should come yourself, you incur expense, for you know what you have drawn by your notice, and you see by a vote of your committee you cannot collect at sight. No article is delivered under ten days' notice, so you or your friends would have to wait ten days before being able to obtain what is against your name. We have made this rule and must adhere to it, for those that send us their percentage we feel in duty bound to wait on first; therefore we ask, as a great personal favor, that upon the receipt of your notification, if there is a percentage of a few dollars to be paid, send it by mail, then you will not only have done us a great favor and saved us much unnecessary trouble, but you will, at the same time, have kept the matter in a straight, business-like manner, so that it will avoid all mistakes by our employees, and you will be sure to get your present at the time specified.

Those that will be notified that they have drawn presents valued at \$10, upwards to \$25, and there are many, they have no percentage. We have passed a vote not to deliver any article from the office, but must in all cases be sent by mail or express at their expense, from the fact that we should be so overrun by those living near that we should have to neglect our friends at a distance, so remember to send us word how you want it sent. Write name and town plainly, so any one that reads can read and have no mistake.

Money can be sent at our risk by mail. The surest way is, put your money in a letter and pay twenty cents to have it registered, if a large amount; but where it is only a few dollars, put it in a letter so it will look small, and then three cents will answer. We seldom miss letters; and when a bill of a large denomination is placed in a letter it does not show that it contains anything, and if it looks so it is sure to arrive safe, and thus you would save seventeen cents; and as a penny saved is as good as two earned, you can take your choice.

When you receive your present be kind enough to inform us of the fact, so we can file away as delivered. In case you do not receive it at the expiration of ten days, be prompt in giving us word, so we can look it up. On any business enclose stamp for return answer.

The books will be closed after fifteen days from the date of your notification, as it must be closed as soon as possible in order to relieve the committee, and as it will give all ample time to remit or send their order how the present must be sent.

We think we have given you all the information required, thus saving you the trouble of writing for information.

All letters should be addressed, per order of the managers, to

READ & Co., *Bankers*, No. 6 Clinton Hall, Astor Place,

Successors to GEO. A. COOKE & Co.

New York City.

THE TICKET SWINDLE.

Not one in fifty who receive tickets ever buys them. Almost all the victims are partners to the fraud. They receive notice from the managers in New York that the ticket purchased by them has drawn the prize. Any number is put in that the managers please. The prize is a gold watch, worth two hundred dollars, or a diamond, or some other thing worth that amount. Perhaps from ten thousand to fifty thousand persons receive the same notice. The parties have bought no such ticket. They hold no such ticket. They think the letter directed to them is a mistake—intended for somebody else. They catch at the bait. For ten dollars they can get two hundred. The man has only ten days in which to make the return. He sends his money, gets swindled in common with ten thousand others, and

then lodges his complaint with the New York police. The managers understand this arrangement very well. They know the victim will not dare prosecute, for he is a party to the swindle. The establishment pockets two hundred thousand dollars for three months' experiment, removes to another part of the city, takes a new name, and commences the same swindle over again. Here is one of the tickets with which a St. Louis man was swindled out of his five per cent. He sent the card to the New York police.

MR. _____,
St. Louis, Mo.

DEAR SIR: You are hereby notified that ticket No. 137 has drawn gold watch valued at \$200. Five per cent. on the valuation is \$10. The percentage must be paid or forwarded within twelve days from the date of this notice.

Those receiving prizes in the preliminary drawing receive them with this understanding, that they will either buy tickets in our grand distribution that takes place in November, or use their influence in every way possible to sell tickets. Any parties receiving this notice, who are not willing to assist us in our grand enterprise, will please return the ticket and notice as soon as received. All communications and money must be sent to

HALLETT, MOORE & Co., *Bankers and Financial Managers*,
575 Broadway, New York.

By order of the
NEW YORK JEWELLERS' COÖPERATIVE UNION.

N. B. No prizes will be shipped until the percentage is received. We will be ready in fifteen days to fill orders for tickets in the grand distribution of five million dollars' worth of goods, the drawing of which is to take place in the building of the New York Jewellers' Coöperative Union, November 16, 1868.

By order of the BOARD OF DIRECTORS.

MODES OF OPERATING.

The great concerts promised, the public drawings and distribution of prizes, never come off. Names are used without the knowledge or consent of the important gentlemen who are made parties to the fraud.

Soldiers are enlisted in the work of selling tickets, and are guaranteed invariably a personal prize from fifteen to five hundred dollars. Soldiers who have been in the field are especially guaranteed.

PRIZE TICKET.

Ticket in the Preliminary Drawing of the New York Jewellers' Coöperative Union.

[No. 137.]

The person receiving the prize drawn by this ticket receives it with the understanding that he will use his influence and do all in his power to forward the sale of tickets in our grand drawing, to take place the 16th day of November next. All money and orders for tickets in the November drawing should be sent to

HALLETT, MOORE & Co., *Bankers*,
575 Broadway, New York.

The vanity of persons is appealed to. Out of the thousands addressed, each one supposes himself the privileged and favored party. Each one goes to work to sell tickets. Thousands of letters come in weekly to the New York house, each containing sums varying from ten to twenty, fifty, and one hundred dollars. The circular below was received by a soldier in aid of the "Sailors' and Soldiers' Refuge." He sent on one hundred dollars for tickets sold, and ten dollars to pay the percentage on his own prize—which of course he never received. Long before he could reach New York the concern had disappeared.

CIRCULAR.

GENERAL AGENCY FOR THE UNITED STATES, }
NEW YORK. }

DEAR SIR: As we are determined to send a good prize in your neighborhood, and with this resolution we have been looking around for an opening in which, by presenting some discreet reliable person with a prize of a few

hundred dollars, it would have the desired effect to increase the number of our customers. We accidentally met with your address, and the idea occurred to us at once that you were just the person to aid us in our enterprise. We therefore make to you a proposition that must strike you as being no less novel than it is liberal, and that you may not suppose that there is any deception in it we inform you that the prize money does not come out of our pocket, but out of the pocket of the *lottery managers*, and we shall not lose by sending a few hundred dollars in *prize money*, but shall gain by it in the increased amount of business we shall expect from your neighborhood when you show the "greenbacks," and make it generally known that they are the proceeds of a prize drawn at our office. We make this offer to you in strict confidence — the proposal is plain. We are to send a certificate for a chance to draw a prize of a few hundred dollars. *You are to show the money.* The result will be that hundreds of dollars will be sent to us for tickets. You may be the gainer of a few hundred dollars. We shall be gainers by our sales, and the parties who send for tickets may be gainers by drawing prizes. Every one that sends will of course expect to draw a prize, not knowing the offer we made privately to you, which is as follows: Send us \$10 to *pay the managers*, and we will send to you, securely sealed, a *certificate* of a package of tickets in the enclosed scheme; and to set at rest any doubt you may have of our sincerity, we hereby bind ourselves to send you a *second* certificate in any of our brilliant extra lotteries, *for nothing*, if the first we send you does not draw you, *clear of all expenses*, twelve hundred dollars; and mark this fact, to send you twelve hundred dollars out of the managers' pocket will cost us nothing, but to send you an extra certificate will take money out of our pocket. We mention this merely to show you that it is *our interest* to send you a prize. We hand you an envelope with our address. Enclose to us \$10, and state in your letter whether we shall send you a draft on your nearest bank, or shall we send you the amount in "greenbacks" by mail, which last perhaps will suit you better. Please let us have your order by return mail, as we shall have to order the certificate from the managers for you, and believe us,

Yours, respectfully,

C. A. TAYLOR & Co.

P. S. In remitting, please send post office order or by express, or register the letter, to insure safe delivery to us.

MEDICAL SWINDLE.

Another favorite mode of swindling is carried on by men whose "sands of life have almost run out." The party represents himself as a retired clergyman; one who had suffered long from the asthma, or from a bron-

chial affection, or one nearly dead with the dyspepsia, or wasting away with consumption. Through a recipe from an old doctor, or an old nurse, or an Indian, the party obtained relief. Out of gratitude for the recovery, the healed clergyman or individual gives notice that he will send the recipe "without charge" to any sufferer who may desire it. Circulars by the thousand are sent to the address of persons in all parts of the country. Each person is required to put a postage stamp in his letter, for the transmission of the recipe. Thousands of letters come back in response. The recipe is sent, attached to which is the notice that great care must be taken in securing the right kind of medicine. Not one apothecary in a hundred in the country has the medicine named. The benevolent holder of the recipe adds to other things, that should the party not be able to get the medicine, if he will enclose three or five dollars, as the case may be, the New York party will make the purchase and send it on by express. Dreaming of no fraud, the money is sent as directed. If the medicine is sent on at all, it costs about fifty cents to the buyer, and a handsome business is done. If the swindle takes, the party will pocket from twenty thousand to fifty thousand dollars, break up the concern, and be out of the way before the victim can visit New York.

THE LETTERS.

The thirty large gift establishments receive about five hundred letters a day. Full three fifths of these letters contain money. Some of the letters detained by the authorities were found to contain sums as high

as three hundred dollars. Directed to different parties, they are taken out by the same persons. The medicine swindle, the dollar fraud, advertising for partners, dollar stores, and gift enterprises are run by the same parties. This advertising for partners is worthy of especial notice. A man with a capital of from one hundred to five hundred dollars is wanted. Great inducements are held out to him. He can make one hundred dollars a day and run no risk. The victim appears. He has a little money, or his wife has some, or he has a little place he can mortgage. The gift swindle is open to him. The basket of letters is opened in his presence. He is offered a share in the dazzling scheme. He pays his money, helps open the letters for a day or two, and then the scheme dissolves in the night. Almost all these large swindles have smaller ones that go along with them.

WHY DO NOT THE POLICE BREAK UP THIS SWINDLING?

The names of the parties who are carrying on these gigantic swindles are well known to our police. The managers have been arrested a dozen times. Broken up in one place, under a new name they open again. Thousands of letters are sent to the police headquarters from victims asking for redress. But not one of these letters is a complaint. Without a complaint the police are powerless. The victims belong to the country. Most of them have a respectable standing. They knew the thing was illegal when it was presented to them. It was a lottery, and nothing more. When they sent their ten dollars to secure the prize, they knew it was a cheat on their part, for they had bought

no ticket, and if there was a prize they were not entitled to it. They dare not commence a suit against these parties, and come to New York and prosecute it. The swindlers understand this perfectly well, and defy the authorities. If gentlemen from the rural districts love to be swindled, and will be parties to the cheat, refuse to make a complaint, or back up the complaint in the courts, they must take the consequences.

THE PARTIES WHO CARRY ON THE SWINDLE.

In almost every case gift enterprises are carried on under an assumed name, and when arrested, the parties prove that they are not the men who carry on the business. When goods are seized, an owner appears not before named to replevin the stock. A. A. Kelly seems to have been the originator of this method of swindling. He began in Chicago with the Skating Rink. He then came to New York and began the gift enterprise and the dollar lottery scheme. He got up a Mock Turtle Oil Stock Company. He swindled a man in Erie county, who had him indicted. He was arrested by the police on a bench warrant, sent to Erie county to be tried, and is now serving the state in prison. Reade & Co., Clinton Hall, now doing the largest gift lottery business in the city, cannot be found, though the police have arrested the subordinates a dozen times.

One of the great firms in New York was run by Clarke, Webster, & Co. The police came down on the establishment and took away six truck-loads of books, circulars, and goods. They found directories for every town and city in the country. What were not printed were written. No such individuals as Clarke, Webster,

& Co. existed. A man known as William M. Elias appeared as the owner of the goods, and demanded them on a writ of replevin. The police refused to give them up, and gave bonds. The goods still remain at the headquarters.

Many victims who receive notice that their ticket, which they never bought, has drawn a prize, and who are requested to send on the ten dollars to pay expenses and percentage, try to do a sharp thing. They send the ten dollars on to General Kennedy, the Superintendent of the Police, with the request that he will pay it and take the present if it is all right. Such parties generally get a sharp answer from the official, informing them that gambling is unlawful; that the business they are engaged in is gambling; that the whole concern is a swindle, and that they had better put their money in their pockets and mind their business.

DOLLAR STORES.

These establishments are a part of the gift swindle, and are run by the same men under a different name. Their establishment is well calculated to attract and deceive. They offer you gold watches apparently worth three hundred dollars, which an unpractised eye could not detect from a valuable timepiece, for the sum of ten dollars. Gold brooches, diamond pins, silver pitchers, silver tea-sets, valued at from ten to one hundred dollars apparently, and all for the low sum of from one to ten dollars. These articles are all manufactured for the purpose, and on each of them the proprietor makes a profit. Hundreds of these establishments are broken

up every year. But as long as parties are willing to pay their money for a swindle,—as long as they will submit to be duped, and enrich parties who cheat them, persons will be found willing to enrich themselves with gift swindles and gambling operations.