

One of Country's Last Great Confidence Men Languishing in Jail

(Editor's note: Time was when countless confidence men roamed the land, their "take" from gullible suckers largely limited only by their own persuasiveness and ingenuity. But the FBI, the postal inspector

and the SEC investigator, aided by modern laws and police methods, proved the undoing of most of them. One of the last is Patrick H. Lennon, the subject of the following dispatch.

By JOHN G. WARNER

Washington—UPI—Patrick H. Lennon was many things to many people, most of whom never laid eyes on him.

To Dr. Helen Reid, 61, a university administrator, he was the personable Harry Hicks Hornblower, professor emeritus of geology.

To an industrialist in Rochester, N.Y., he was good old Harry Hoffman, a boy who could spot a sharp angle.

To untold others, he's a man who worked hard on a deal to make them money, but it never did come through.

To U.S. postal inspectors, he's Packy Lennon, a one-eyed wizard they call the last of the great confidence men.

Packy, 61, is passing time now in a Washington jail, awaiting trial for the latest of his schemes that began 30 years ago.

Long ago, before the 1929 market crash, Patrick Lennon was the boy wonder of Wall Street, perhaps the youngest man ever to have a seat on the New York Stock Exchange.

He was much admired. He had pulled himself up from the Bowery, where he peddled newspapers to Diamond Jim Brady and Lillian Russell, to become a financial whiz who lived in the best hotels and raced his own horses at the Belmont Track.

Gets in Trouble
When the market crashed, Lennon got in trouble. A newspaper ran a series of exposes on some of the "broiler-room" stock salesmen whose sharp practices had left their customers flat. Lennon was one of them.

He joined some renegade stock salesmen who peddled their stock over the telephone, and became so adept at charming money out of investors without ever seeing them that his friends called him "Packy," because of the way he could "pack in the moechers."

But Packy soon felt there were more fertile fields than selling stock, and started selling his own personality. He got caught time and again, and served years in prison. But his successes were fantastic.

One of the reasons he took to working over the telephone was that he had to have his left eye removed. The surgeon who removed it charged Packy \$1,900 for the operation. Packy promptly swindled him out of about \$5,000.

Packy lived high. He didn't just make a big strike and live on it until the money ran out. He kept many irons in the fire, and it enabled him to live high in midtown New York, London and Havana. But he apparently never fleeced anyone but domestic marks.

Never Forgets
His biggest score was in 1951. Packy never forgot a name. Reading a newspaper one day, he came across the name of an industrial magnate in Rochester that rang a bell.

Back in the 1920s, Packy had sold some stock to the industrialist in a semi-legitimate speculative venture. The firm involved, a wireless telegraphy outfit, fell flat and the industrialist lost over \$100,000. It gave Packy an idea.

He got a friend to go to the industrialist with a copy of a will purporting to be that of an old inventor who had worked for the wireless company. It was a fake, of course.

In the will, the inventor said he had spent many happy years with the firm and felt bad about it having gone broke. So, it said, he was going to will some patents to the three largest investors.

One of these, of course, was the industrialist. The second was Harry Hoffman. There didn't have to be a third.

Packy Phones
While the industrialist was mulling over the will, Packy phoned, identified himself as Harry Hoffman, and said he had been checking on the patents that had been willed to them.

Lo and behold, Hoffman reported, the movie industry had been infringing on these patents all these years. He figured they could force Hollywood to settle for millions of dollars.

But, he said, all the little investors who had kept their stock would get excited when they heard about it and demand a share. So what they had better do, Hoffman suggested, was go around quietly and buy up all the remaining stock.

That seemed, to the industrialist, to be a pretty sharp idea. He put up some money and Hoffman ventured into the hinterlands to find the stockholders. He found more stockholders than he knew what to do with, and every so often he had to ask the industrialist to pony up some more cash to rake in more shares.

More and More
The months went by. Hoffman kept flushing stockholders and calling for more money, and finally the industrialist found that he was out \$423,000. Musing over the odd fact that he had never actually seen Hoffman, he called the authorities.

Packy spent a few years in jail for that one. But while he was behind bars, investigators turned up four or five more pigeons who had donated money to another scheme, involving oil leases. They hadn't heard from Packy in a long time, but they weren't worried.

Lennon's fertile imagination would not allow him to skin a sucker in a simple way. His schemes were all as elaborate as the one that bilked the Rochester industrialist, but most of them involved oil leases.

His last scheme involved posing as three different persons. He somehow happened to find out that the 61-year-old Dr. Reid, of George Washington University, was interested in a particular religious charity.

Poses As Professor
Packy called the noted educator and told her he was Mr. Hornblower, professor emeritus at Kentucky University. He didn't teach classes, he added, and therefore couldn't be reached through the university.

Actually, Packy had no more than a New York public school education. But it turned out that he, too, was interested in that religious charity, and had hit upon a way to further it. He and some other donors had come across some oil leases

in New Mexico that could be had for a song.

They planned to buy the leases and turn them into a tidy \$1 million profit for the charity. Dr. Reid thought that was dandy and wanted to get in on it, too.

Prof. Hornblower was very grateful. But he told her that the other donors wished to remain anonymous and make

the big donation a surprise, so Dr. Reid should keep it a secret.

'Agent' Collects
Time went by, and more and more leases had to be bought to round out the holdings. Every so often, Prof. Hornblower would send around his agent, Charles Chalk, to pick up Dr. Reid's cash.

Dr. Reid was unimpressed by Chalk, a rather seedy looking, droopy-eyed fellow, and she told the professor about it over the telephone.

The professor must have had a good laugh at that, because not only was Packy the professor, he was Charles Chalk, too.

He also was Judge Joseph

Murphy of New York, to whom Dr. Reid occasionally sent checks.

Dr. Reid was very anxious to meet the professor, and often they made appointments to see each other, but for one reason or another the professor always had to beg off.

By the time she was in the tune of \$36,000 Dr. Reid figured immediately that Packy was their boy, and arrested him promptly.

Can't Raise Bond
He's in jail now, because his money's a little low and he can't meet the \$10,000 bond. He's not getting any younger, either, and his high-living, hard-drinking life shows harshly on his face.

If Packy goes back to federal prison for this one, it may be his last job. But maybe it won't be too bad, because Packy's got a lot of friends in stir.

In one federal prison where he resided for a time, he became so popular that the inmates had him organize the Christmas shows every year.

It went over so big that after he was paroled he came back three consecutive years to put on the Christmas pageant for the boys he left behind.

Postal inspectors, reminiscing about the time Packy flim-flammed a man on a deal to tear up an abandoned railway line and sell the steel, sounded like they might miss him.

"He's a wonderful fellow to sit over a bar with," they said. "He's got a world of stories."

Your Money's Worth

By SYLVIA PORTER
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'PROFILE' OF THE NEW STOCKHOLDER

When I bought my first few shares of stock, I was still in my teens. That was a long time ago, and in my years in the stock market since, I've been both wiped and whipped, I've made big money and also lost it, I've sold some stocks with ideal timing, on others taken sickening "round trips" (meaning I've ridden them way up, then ridden them right down to my purchase prices and below).

Overall, I'm way ahead, and in the meantime I've learned emotionally as well as intellectually such basic Wall Street guides as: Don't try for the last eighth; there's room for bulls and bears, but not for pigs and hogs; know your aim in investing and never lose sight of it; ignore the hot tips and buy values, but if you're proved wrong, cut your losses short; never freeze to a point of view; you have to be wrong to be right (translation, buy before the crowd, sell before the crowd).

As much as an informed outsider can be, I think I'm a pro, and thus, when a stock market crackup of the magnitude we've seen in 1962 occurs and erases most of the stock gains of the past four years, I can weigh what's happening against the background of previous slumps, be philosophical about "giving some of it back."

But what about the 4,500,000 men and women who have entered the stock market for the first time since 1959 and who, unless they have been extraordinarily nimble and lucky, are now either sitting with paper losses or already have taken a licking? How might these millions and the millions more directly affected as members of their families react, and what might this mean to the economy of the United States?

A study of the "profile" of the new investor since 1959, released this week as part of the New York Stock Exchange's fourth census of the shareholder population of the U.S., indicates the answers to these questions might be disturbing. Here are the dominant characteristics of these new investors and their possible implications.

Finding: The average annual household income of the new stockholder is \$8,000. Most significantly, 10 per cent of them are in the two highest income brackets—\$15,000-\$25,000 and \$25,000-and-over, compared with 5 per cent in these income groups who were classified as new shareholders in 1959. The percentage of new shareholders in the lowest income brackets, who would be mostly retired people—is nominal.

Implication: Many of these new shareholders are in brackets where they have discretion over how they spend and how much. If they are disturbed, they can decide to draw back on spending for big-ticket items particularly. If they do so, they could put a drag on our economy at a time when what we need is precisely the opposite.

Finding: The average age of the new stockholder is 39 against an average age for the entire shareholder population of 48. More than half of the neophytes are between 35 and 54.

Implication: These are the ages when family responsibilities are heavy and when a nestleg in stocks has a pressing purpose—such as education of the children. A blow in the pocketbook could seriously hurt these families. When a youngster loses—as I did at the start—it's different. They have years in which to make it up.

Finding: A majority—55 per cent—of the new shareholders are women and a large percentage of them received their first shares through inheritance.

Implication: These women well may depend on these nestlegs for support—and if they are not reassured about the economy and the market's solidity, they might actively start pinching pennies.

Finding: While four out of five of new shareholders since 1959 are high school graduates, only 25 per cent are college graduates. Among new shareowners, the education level actually has been falling.

Implication: Many of these are economic illiterates, not capable of grasping economic fundamentals, too easily misled into believing much of the nonsense being spread about the causes for the market's break, and thus candidates for the "lack of confidence" camp.

Pros don't worry about pros. When a pro gets taken to the cleaners, he sets his chin, starts trying to get back and rebuild. The neophytes are the ones who bother me and they should be bothering leaders of government, business and labor, too.

Patrolman Assigned To Detective Division

Two changes were made in the Medford police department personnel this week, according to Chief of Police Charles P. Champlin.

Robert Allen, who has been with the detective division for the past year, requested to be returned to patrol duty. Assigned to the detective division has been Milton Hanson, who was transferred from patrol duty. He has been with the department since January, 1955.

SOME ADVICE

Tampa, Fla. —UPI—The following Independence Day safety motto is displayed in the window of a local liquor store: "Be safe on the 4th — Stay home with a fifth."

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This Week's Ranch and Modern Home

By HIAWATHA ESTES

For such a small and modestly priced home, this design contains all the luxuries of modern planning and zoning. From the covered front landing, a door leads to the entry from which there is direct access to all sections of the house. A guest closet opens to the entry while a wide linen closet is in the hall.

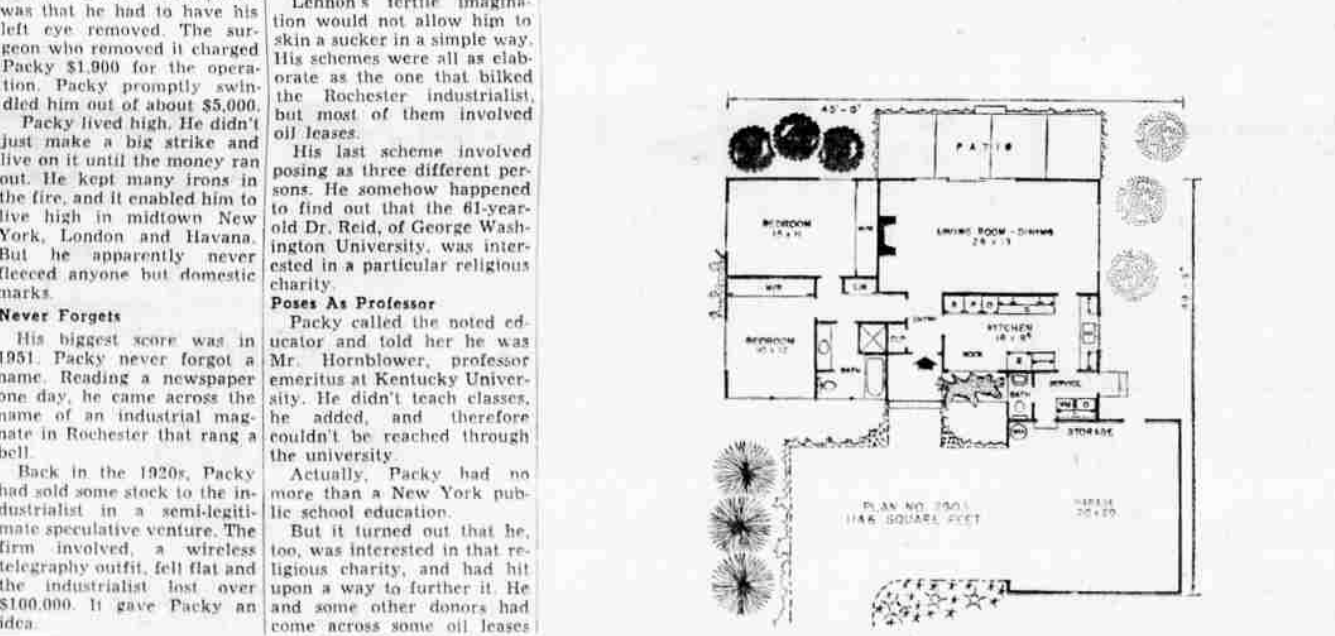
The bedroom wing is completely isolated from the living and work areas of the house. Both bedrooms have cross ventilation while high windows on the side wall offer privacy and facilitate the arranging of furniture. Eleven feet of wardrobe separate the master bedroom from the living room while ten feet of wardrobe separate the two bedrooms.

Reached from Entry
The kitchen at the front of the house can be reached from the entry, dining area and service. An extra wide picture window in the spacious nook area looks out over a planting area to the street. A broom closet, pantry and oven have been located together since they all project out from the wall the same distance. Doors

cealed water-closet. The living room and dining area have been combined into one huge room with no offsets. A handsome fireplace is located at one end of the room. Sliding glass doors open to the rear patio where outdoor living can be enjoyed all year around.

There is a lesson in economy to be learned here that applies to all homes but especially small homes. A well planned and accessible outdoor living space is one of the least expensive ways to enlarge a house.

Complete working drawings for this plan can be purchased at a cost of \$7.50 for the first set and \$5.00 for each additional set when ordered at the same time. This plan will be available at these prices until Oct. 24. Please allow two or three weeks for delivery. If the above home does not meet with your approval, a new home plan book, Ranch and Modern Homes, can be purchased for \$2. Send all orders for either plans or books to: Hiawatha Estes, post-office box 404-T, Northridge, Calif.



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