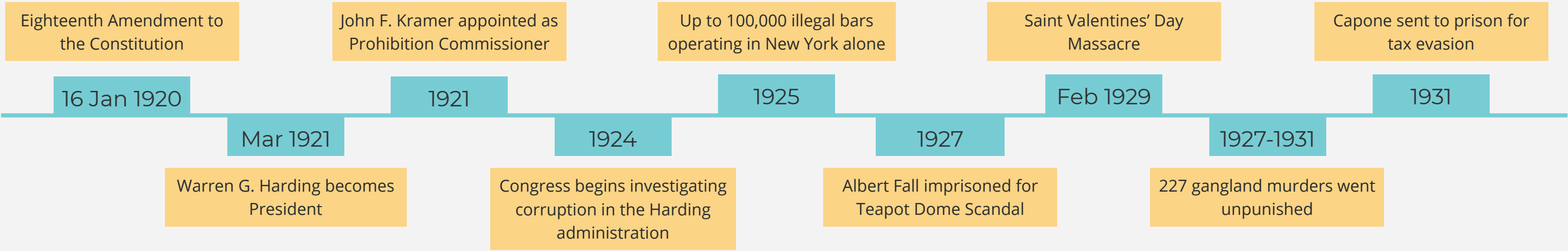


Key Question 3 : Was the 1920s a decade of organised crime and corruption?

Timeline of events



Key words	
Prohibition	period of American history where selling alcohol was outlawed
Anti-Saloon League	organisation that pressured for prohibition
Speakeasies	illegal bars
Bootleggers	people who continued to distribute alcohol
Moonshine	homemade, illegal alcohol
Organised crime	organised illegal activities
Corruption	dishonest or fraudulent conduct by those in power, typically involving bribery
Teapot Dome	this was the biggest scandal during Harding's term, politicians leased the government's land to oil companies for money.

Government Corruption

- In 1920 Warren Harding was elected President of the USA. He gained a reputation as a weak manager for giving important and influential posts to friends and peers who were members of his cabinet. The Ohio Gang was a group of politicians who were in positions of power during Harding’s administration. They betrayed the public’s trust in several scandals.
- At the beginning of 1924, soon after Harding’s death, Congress began investigating reports of corruption and bribery during Harding’s administration. Several members of the Gang were charged and imprisoned for corruption.
- Charles R. Forbes was found guilty of fraud, conspiracy and bribery in the **Veterans’ Bureau**.
- In 1927 Albert B. Fall, who Harding had appointed secretary of the interior, was found guilty, fined \$100,000 and imprisoned for his part in the **Teapot Dome scandal** and the **Elk-Hills oil** fund scandal.
- Harry M. Daugherty, who had been Attorney General, was found guilty of selling alcohol illegally and giving licences and pardons to offenders.

Organised Crime

- In every city, gangsters would try to control the supply of alcohol. Groups would fight each other for control of specific areas.
- Dion O’Bannion** controlled the bootleg business in the south of Chicago and **John Torrio** in the north. **Al Capone** was originally part of Torrio’s gang before he took over.
- The mayor of Chicago, ‘Big’ **Bill Thompson**, was under the influence of Torrio’s gang and encouraged others to turn a blind eye.
- Although Chicago was most notorious, **Dutch Schultz** was in control in New York and **Chester La Mare** controlled Detroit.
- The **Saint Valentine’s Day Massacre** of 1929 was the climax of the gangster wars between Bugs Moran and Al Capone. Capone’s men murdered 7 of Bugs Moran’s gang while dressed as police officers. It seemed like things had gone too far.
- The authorities could not find enough evidence to convict Al Capone. He was eventually found guilty of tax evasion in 1931 and sent to prison.

Important concept

Behind the glamour and wealth of the 1920s lay an underbelly of corruption. Had the laissez-faire approach towards the economy seeped into a laissez-faire attitude to other aspects of society? Certainly corruption was not dealt with efficiently during this period, especially when it was generating huge sums of money.

Key Question 3 : Was the 1920s a decade of organised crime and corruption?

The Age of Prohibition

- A number of organisations, collectively known as 'the dries', for example, the **Anti-Saloon League** and the **Women's Christian Temperance Union**, and some religious groups such as the Methodists and the Baptists put pressure on the government to prohibit the production and sale of alcohol. They claimed that alcohol was the work of the devil and that it disobeyed Christianity. They said it increased crime, days off work, wife-beating and child abuse.
- They were successful as on 16 January 1920 the **Eighteenth Amendment** to the Constitution came into force, making it illegal to sell alcohol in the USA.
- The purpose of the **Volstead Act** of 1919 was to implement the Eighteenth Amendment and to set punishments for breaking the new law.
- However, it was difficult to enforce the Volstead Act. Demand for alcohol remained high so gangsters sold it illegally and made significant money from doing so. As a result, gangs fought to control this, and other trades, such as protection rackets and gambling dens. As gangsters started selling alcohol, **organised crime** started.
- The people who sold alcohol were called **Bootleggers**, e.g. Al Capone.
- **Rum-runners** smuggled alcohol into the USA from Canada and Mexico.
- **Moonshiners** distilled their own alcohol at home.
- Illegal drinking bars called **speakeasies** opened and by 1925 there were over 100,000 of these in New York alone.
- There was more corruption as gangsters bribed police officers, judges and politicians to turn a blind eye to their illegal activities.
- The legal system could not cope and so the government tried to solve the problem by appointing a Prohibition Commissioner, John F. Kramer, in 1921. Before long he established a cohort of 3,000 agents.
- In 1924 the Investigation Bureau (later called the FBI) was established under J. Edgar Hoover. His men had tougher methods.
- Attempts to try to enforce the Prohibition Act failed. There were not enough agents and they were on low salaries and easy to bribe. It was impossible to persuade drinkers to change a habit of a lifetime.

Government Corruption

- In 1920 Warren Harding was elected President of the USA. He gained a reputation as a weak manager for giving important and influential posts to friends and peers who were members of his cabinet. The Ohio Gang was a group of politicians who were in positions of power during Harding's administration. They betrayed the public's trust in several scandals.
- At the beginning of 1924, soon after Harding's death, Congress began investigating reports of corruption and bribery during Harding's administration. Several members of the Gang were charged and imprisoned for corruption.
- Charles R. Forbes was found guilty of fraud, conspiracy and bribery in the **Veterans' Bureau**.
- In 1927 Albert B. Fall, who Harding had appointed secretary of the interior, was found guilty, fined \$100,000 and imprisoned for his part in the **Teapot Dome** scandal and the **Elk-Hills oil** fund scandal.
- Harry M. Daugherty, who had been Attorney General, was found guilty of selling alcohol illegally and giving licences and pardons to offenders.