

“Greasy Thumb”—The Man Who Made the Chicago Mob

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ONE DAY IN MAY OF 1924, during the era of Prohibition, a local tough named Joe Howard entered Heinie Jacobs’s saloon at 2300 South Wabash in Chicago. He was in high spirits, having just hijacked a truckload of beer, and wanted to celebrate with his newfound wealth. What happened next was subject to various versions written after the events by people who were not there, but it appears that after indulging too much in a forbidden beverage, Howard did what all bullies do—he looked around for the weakest person he could find. His gaze fell on a short, chubby, otherwise ordinary man with a sad, droopy face that would never stand out in a crowd, much less be taken for anyone of importance. It may indeed have been his very undistinguished countenance that made him appear a helpless mark. Approaching, Howard slapped his unsuspecting victim across the face several times with his open hand, a gesture known to all as one of humiliation, then pelted him with his fists. Finished with this sport, as his victim stumbled away Howard turned to the stunned onlookers with a smirk, proud of his conquest.¹

Shortly after, Howard was enjoying another drink and selecting a cigar from Jacobs’s tobacco case. While he pondered his choice, two men walked in, one tall and muscular, the other shorter, more rounded. Turning his head, Howard recognized the shorter one. “Hi Al,” he offered, extending his hand in friendship. Before he could utter another word, the muscular man grabbed Howard’s coat, pulling it down so his arms would not move and pinning him to his seat. The short man pulled out a pistol, placed it next to Howard’s head, then pulled the trigger, splattering blood and brain matter several feet. Five more times he fired, then the two

walked casually out the door while what was left of Joe Howard still sat in his chair, the pool of blood about him slowly widening.²

The police arrived within a few minutes to find three witnesses: auto mechanic George Bilton, carpenter David Runelsbeck, and owner Jacobs. Runelsbeck told Detective Michael Hughes that Howard appeared to know his attacker and called him “Al.” Both he and Bilton said they could identify the attacker, while Jacobs also informed police that he was present and saw the entire episode unfold. But then a very strange thing happened. When the inquest convened the following day, Jacobs claimed he had been called to the telephone in the rear of his shop just before the altercation and only heard the shots without actually seeing what happened or who was responsible. Runelsbeck stated that he could not identify the person who shot Howard, and, although he lived next door to gangster Alphonse Capone’s headquarters in the Four Deuces saloon, named for its address at 2222 South Wabash, when pressed he claimed that he had never even heard the name Al Capone in his entire life. The third witness, Bilton, had disappeared altogether. Not convinced by the sudden change of testimony, Detective Hughes was certain that “Al” was “Big Al” Capone, head of the notorious South Side Gang of racketeers. However, with no witnesses who would testify, the coroner’s jury concluded that Howard had been killed by gunshots from “one or more unknown white male persons.” No one was ever indicted.³

The bully’s undistinguished looking victim had been revenged. But who would be important enough to bring forth personal retribution from Chicago’s most notorious gangster? In the criminal underworld, where nothing was exactly as it appeared to be on the surface, the mysteries surrounding the man Al Capone protected, most often known in popular literature as Jake Guzik, begin with his birth and even his name. Despite its reputation for investigation, as late as November 1952, just four years before Guzik died and after over three decades of investigation, the Federal Bureau of Investigation was still asserting that he was “allegedly born May 20, 1886, in Moscow, Russia. He was allegedly brought to the United States by his parents when he was a baby. His citizenship status is not known.”⁴

Guzik is most often referred to as “Jake,” “official” documents often list him as Jacob, and he is even occasionally recorded as John. Regardless of his given name at birth, there is ample evidence that he consistently

used the name "Jack," so I am following his preference here. His date of birth is almost always given as March 20, 1886, although his World War I draft registration form listed February 15 and at least one Jewish genealogy website lists him as "John" and his year of birth as 1887. The great bulk of evidence, including his family burial information, suggest that the correct date was March 20, 1886. Information on the place of birth is even more contradictory. Some authors assert Guzik was born in Russia, others specifically mention Moscow, while others cite Poland or even Austria. The situation is complicated by the fact that at the time of his birth Poland did not exist as an independent nation, having been partitioned between Austria, Germany, and Russia. Hence, if he was "Polish," he might well be listed as a native of any of the three occupying powers in official US documentation. The 1910 US census lists his nationality, along with his father Max and mother Mamie, as "Russ.Yiddish" and Max's declaration of intent to become a US citizen lists his "country of birth or allegiance" as Russia. These documents appear to support the idea that Jack was born in Russia. However, other documentation related to his death and burial lists his place of birth rather specifically as Miasto Kraków, Małopolskie, Poland, where Miasto Kraków refers to the city of Kraków in Małopolskie, a region in southern Poland along its border with Slovakia. At the time of his birth, this was within the Austrian partition.⁵

Regardless of the conflicting information on his birth, US immigration and naturalization documentation clearly indicate that his parents, Max Guzik and Mamie Zeitlin Guzik, migrated to America in 1892, settling in Chicago, where the 1910 census listed Max as the proprietor of a cigar store. Max obtained citizenship on November 5, 1898, which, by law, extended to his minor children as well. His son, then recorded as Jack, married Rose Lipschultz in Lake County, Indiana, on April 13, 1907, but by 1910 the couple still lived with Jack's parents, three brothers, three sisters, and Jack's own daughter Jeannette and son Charles in the same, seemingly very crowded house.⁶

Jack Guzik apparently had little formal education as a youth, and his early life remains enveloped in the mists of contradictory testimony and mythology. One story was that as a youth, he worked as a waiter in a restaurant owned by his uncle. The establishment specialized in fried chicken, and Guzik was said to have been given the nickname "greasy thumb" because of his habit of carrying plates of the oily repast with his

thumb planted squarely in the meal. Another version was that he acquired the nickname while working at a shabby saloon on 21st Street named McCarthy & Duvalls, where he apparently could not keep his thumb out of bowls of soup he delivered to the patrons. In truth, it appears that his brother Harry was the original owner of the nickname, but it was later inherited by Jack through circumstances that will soon become apparent.⁷

By 1910, older brother Harry and his wife Alma were involved in the Chicago underworld, eventually rising to manage the Roamer Inn, a brothel in the South Side Posen district of Chicago. The ground floor of the establishment contained a bar, while prostitutes plied their profession in the upstairs areas. As early as 1914, the *Chicago Tribune* reported that three groups controlled vice in the Levee District, linking Harry as a leader in one of these. An attempted crackdown on vice in 1914 convinced Harry and Alma to move their operation to a suburb where, in 1921, the couple was convicted “of selling a country girl into white slavery . . . under pretense of employing her as a maid, then taking her clothes away from her.” It is indicative of the strong connections the Guziks had that Governor Len Small granted a pardon.⁸ It is also suggestive that they had associations with other Chicago underworld operations.

Younger brothers Jack and Sam apparently worked for Harry initially before graduating into slot machines, with the youthful Jack running errands for the prostitutes. By age twenty, he was working as a bartender and solicitor for the girls upstairs, but he soon developed a fondness for numbers and ventured out into gambling operations in Chicago’s suburbs, making contact, or strengthening contacts already made, with gangland kingpin James “Big Jim” Colosimo and his political allies. At some point, Colosimo loaned Jack Guzik \$25,000 to purchase an interest in a small brewery at 2340 South Wabash Avenue, a block from the Four Deuces mob headquarters. Guzik made a profit selling his beer to suburban dives.⁹

When Colosimo succeeded in uniting much of Chicago’s South Side criminal interests in gambling, prostitution, and union activity into a single organization, Guzik allied with Colosimo as a small part of his new South Side crime empire. Colosimo’s success also attracted a number of younger men to Chicago eager to make a mark for themselves in the increasingly profitable criminal world. Among these were Johnny Torrio and Alphonse Capone, who sensed more opportunity for themselves

in Chicago than New York. With the passage of the Eighteenth Amendment, the new era of Prohibition offered especially lucrative promise in a city whose inhabitants largely ignored the new law. When Colosimo proved reluctant to move into this promising new line of business, he was replaced by Johnny "The Fox" Torrio, in the time-honored gangster tradition, when Torrio ordered Colosimo's assassination on May 11, 1920. In the wake of "Big Jim's" removal, Torrio not surprisingly emerged as the new kingpin.¹⁰

Torrio quickly expanded his operation by acquiring breweries that were in financial difficulty due to Prohibition, using them to stock his speakeasies, gambling parlors, and brothels. Needing someone to oversee these operations, Torrio recognized Jack Guzik's talents with numbers and his apparent business acumen by appointing him chief accountant, a very important position that required not only financial expertise but exceptional loyalty on Guzik's part and trust on Torrio's. In this position, Guzik had access to all of Torrio's most important business secrets. Obviously, Torrio trusted Guzik, increasingly listening to his advice on business matters. In return, Guzik made his boss a very rich man by reorganizing his operations along the lines of a holding company in which Torrio held substantial interests in a variety of illegal activities, but without being identified as the business's owner. This stratagem distanced Torrio from day-to-day operations while maximizing his profits from a variety of diversified sources. In the process of making Torrio rich, Guzik also expanded his own enterprises into the Loop area, where he was active in prostitution and various gambling rackets, including purchasing for the Capone organization the Harlem Inn, which he placed in the name of his brother-in-law Louis Lipschultz. Another brothel he owned in the name of his sister-in-law Rose and yet another under sister-in-law Jeannette Keithly. This was not unusual for nothing was quite as it appeared in the environs of the Chicago underworld.¹¹

The combination of Torrio's strength and Guzik's business acumen worked well until January 24, 1925, when gunmen from the North Side Gang wounded Torrio in a botched assassination attempt. Fearing for his life, and rich beyond his needs, Torrio took an avenue seldom traveled by crime bosses when he voluntarily gave up power and left Chicago in March of the same year. Moving into the vacuum created by Torrio's exit was twenty-six-year-old Alphonse "Big Al" Capone. Guzik apparently

met Capone for the first time in 1922 when both worked for the Torrio organization. Gangland lore has it that around that time Guzik, who apparently did not know Capone well, overheard two thugs discussing a plan to murder him and passed the information along to Big Al, an act that won for the chubby financial whiz a fast friend who soon would be the most important crime figure in all of Chicago, and who would protect him against bullies like Joe Howard. Probably because of a combination of Capone's gratitude, Guzik's loyalty, and his financial expertise, Capone installed Guzik as his treasurer and business manager. The two quickly became such close associates that people who referred to Capone as "the Big Fellow" frequently branded Guzik "the Little Fellow."¹²

One of Guzik's responsibilities in the Outfit, the new name assumed by Capone's organization, was insuring that collections arrived on time and appropriate payoffs made their way to local politicians and police officials as security for the Outfit's business interests. Guzik set up operations two nights a week at a large round table just inside the entrance of the Old English Grill and Chop House at the St. Hubert Hotel at 316 South Federal Street in Cicero, where Capone established an office to avoid raids by the reform mayor of Chicago, William E. Dever. One night was reserved for collections, the other for payoffs. On the first night, as Guzik leisurely dined, runners would arrive from the Outfit's various businesses with the weekly collections. On the second night, a steady stream of police, aldermen, and other politicians, or their runners, arrived to collect their payoffs. It was undoubtedly Guzik's role in greasing the palms of Chicago's influential by rapidly peeling off large denomination paper currency from the huge wad he kept in his pocket that earned him the sobriquet "Greasy Thumb."¹³

But it would be wrong to conclude that Guzik's role in the Capone organization was simply that of an accountant and paymaster. As a trusted Capone confidant and a financial wizard, Guzik assumed the role of treasurer and business manager for the Outfit's entire operations, rising quickly to become the number three man in the crime organization. He accompanied Capone to major gangland meetings and was even trusted to attend meetings on Capone's behalf to represent the interests of the Outfit which was, in fact, a four-man partnership. Comprised of the Italians Al Capone, his brother Ralph, and their cousin Frank Nitti, along with the Polish Jew Jack Guzik, the popular image is that Capone

exercised dictatorial control over the Outfit, but Mark Haller, who conducted the first detailed and systematic examination of the Internal Revenue Service records, concluded that "Jack Guzik was the most intelligent, most influential of the four people."¹⁴ One of his contributions was to promote the decentralization of the new financial empire. Under his plan, the organization controlled various criminal enterprises through a web of partnerships that distanced them from the actual operations. As historian Haller explained it: "The group known to history as the Capone gang is best understood not as a hierarchy directed by Al Capone but as a complex set of partnerships" that "were not controlled bureaucratically. Each, instead, was a separate enterprise of small or relatively small scale. Most had managers who were also partners. Coordination was possible because the senior partners, with an interest in each of the enterprises, exerted influence across a range of activities."¹⁵ Under this distributed management system, the four partners could control multiple businesses while also insulating themselves from possible prosecution through the system of assigning to others legal ownership.

Among the umbrella of organization, one of the most important was the bookmaking operation centered on the Hawthorne Smoke Shop in Cicero. The partners tapped Frankie Pope to run this operation and Pete Penovich to manage other gambling operations, although in keeping with the overall management system each of the local operations was at least seemingly separate from the others. Guzik brought in his brother Sam to run slot machines in the western suburbs and his brother-in-law Louis Lipschultz to oversee beer deliveries in Chicago's suburbs. Partnering with Louis Consentino, the group purchased the Harlem Inn to expand its prostitution operations. One of their more intriguing undertakings was a dog racing operation known as the Hawthorne Kennel Club. Located in Burnham, a South Side suburb, the partner in this case was town mayor Johnny Patton. Another key player was Edward J. O'Hare who owned a patent for a new mechanical rabbit that the dogs would chase around the track. With each of the partners owning a minority percentage of the operation, it reputedly returned \$100,000 per year, although some estimates were much higher.¹⁶

Along with the criminal empire, the four partners also inherited the scrutiny of legal authorities. Unable to obtain solid evidence to connect Capone, the public face of the Outfit, to any of the many crimes

attributed to him, no doubt in part because of the corruption of Chicago's police and political leaders, US District Attorney George E. Q. Johnson, who considered Guzik "a very dangerous underworld character" who "is the conniver and the corrupter of this crowd," decided to try another approach. If he could follow the money trail to establish Capone's income, he could charge Big Al with income tax evasion.¹⁷ Even as Capone took control from Torrio, Johnson and his investigators aggressively followed leads hoping they might uncover evidence that could be used in court. On July 6, 1925, acting on a tip, police raided an office at 2146 South Michigan. The door's nameplate announced it as the workplace of "A. Brown, MD." Entering, the authorities found a waiting room equipped with chairs, magazines, and everything else one might find in such a facility. However, progressing beyond the waiting room into the "doctor's" office, appearances were not so routine. There the raiders found shelf after shelf of bottles, each carrying the labels of beer, ale, and liquor available for sale. Customers could sample the products before placing orders for cases to be delivered to their own establishments for retail sale to their customers. Beyond this sampling room, investigators found clerks who kept detailed records of customers, including some of Chicago's most prestigious hotels and restaurants, information on the sources of the alcohol, income and expense ledgers, and itemized payoff lists with the names of politicians, police, and prohibition agents who were receiving bribes from the illegal operation. Among the items seized in the raid was a ledger noting payments to "A," "R," and "J," which prosecutors hoped to establish stood for Al Capone, Ralph Capone, and Jack Guzik. Detective Edward Birmingham later stated that Johnny Patton offered him \$5,000 "to forget about the books," but they were nevertheless confiscated and taken to police headquarters for use as evidence. Once there, they mysteriously disappeared. No indictments were ever issued, but the experience caused Guzik to devise a code to frustrate any attempts to identify future transactions should any records ever land in police custody again.¹⁸

In addition to legal scrutiny, by 1924, the increasing profits to be made from illicit activities intensified the efforts of the various gangs to gain hegemony over Chicago's underworld. The most famous of these included the murder of Dion O'Banion, boss of the North Side Gang. In the wake of his death, gangland murders increased to an average of four

per month, including the brothers Angelo, Tony and Mike Genna, leaders of the *Unione Siciliana*. In revenge for O'Banion's murder, his successor, Hymie Weiss, along with Bugs Moran and Schemer Drucci, opened fire with Thompson submachine guns on the Hawthorne Inn, where Capone was dining, but somehow missed their target. Capone retaliated with the murder of Weiss. In a five-year period, the Windy City witnessed 136 gangland killings, only one of which ever resulted in a conviction.¹⁹

In the wake of the Weiss murder, a gangland meeting convened at the Hotel Sherman in October 1926. Although it is unclear whether the underworld kingpins met at Capone's invitation or that of Maxie Eisen, a sometime supporter of the North Siders, the purpose was to craft a peace to end the gangland wars. "We're making a shooting gallery of a great business. It's hard and dangerous work, aside from any hate at all, and when a fellow works hard at any line of business, he wants to go home and forget about it. He don't want to be afraid to sit near a window or open a door."²⁰ Bugs Moran and Schemer Drucci represented the North Siders, Antonio Lombardo the *Unione Siciliana*, Eddie "Dutch" Vogel the Cicero gang, and Maxie Eisen had the proxies of several small ethnic gangs and labor unions. Interestingly, two high-ranking police officers were reportedly present to ensure that the proceedings remained peaceful.²¹

Capone used Guzik as his surrogate to present to the assembled leaders a proposal for peace and prosperity. As the skeptical crime bosses listened, Guzik offered a commonsense plan to divide the city into territories. Each gang could set retail prices for alcohol in its own territory and would be free to manufacture or purchase alcohol from whatever source it chose; but, each gang also pledged not to conduct any business outside its own territory. The same rules would apply to gambling and prostitution. Each gang would be responsible for enforcing the peace within its own territory, for protection within its territory, and payments to local police and politicians. Each gang would also contribute to a general fund from which payoffs would be made to City Hall, state politicians, and for retainers to attorneys and bondsmen to represent anyone needing their services. Further, to demonstrate his good will, Capone was willing to give up any claim to the southern and western areas traditionally run by ethnic gangs and to further limit his own territory. When Guzik finished his presentation, a brief silence ensued, followed by spontaneous applause. The costly gangland war that was decreasing profits and increasing public

sentiment against the gangs would be ended and profits maximized for everyone, and Guzik had played a key role.²²

Nor was the Hotel Sherman meeting the only crime conference where Guzik played a leading role. In May 1929, the first major national conference of key underworld leaders convened at the President Hotel in Atlantic City. More than thirty gangland representatives from around the country attended, with Chicago's delegation including Capone and his bodyguard Tony Accardo, Joe Saltis, Frank Nitti, Frankie Rio, Frank McErlane, and Guzik. Among the other notables on hand were New York representatives Frank Costello, Lucky Luciano, and Dutch Schultz; Philadelphia's Max "Boo Boo" Hoff, Sam Lazar, and Charles Schwartz; and Atlantic City's Enoch J. "Nucky" Johnson. The conference was especially important in establishing the framework for what would later be referred to as the "Mafia Commission," which controlled organized crime for decades. Guzik, in his role as Capone's financial manager and trusted advisor, was crucial in hammering out the final agreements.²³

All of these various activities did not go unnoticed. In 1930, when the Chicago Crime Commission issued a list of twenty-eight "public enemies," it ranked Guzik tenth, a status that *Chicago Tribune* reporter Jim Bowman concluded was an "underrating [of] his value to Capone."²⁴ Nor was the Commission the only organization interested in exposing the growing crime operation. While the Outfit worked to further organize crime activities, federal agents continued to search for a way to prosecute them. One of those pursuing a new approach was Frank J. Wilson, who was leading an effort to examine Capone's tax records. By this time it became apparent to him and others that if they could not incriminate Capone directly, they might be able to cripple his organization by going after his three chief associates. With this in mind, Wilson began sifting through records seized in raids over the previous several years.²⁵ Their big break came when they succeeded in locating bookkeeper Leslie Shumway and Frederick Reis, a one-time employee of a Capone gambling establishment and a former teller at the Pinkert State Bank in Cicero, who had handled money for Guzik in both of these positions. Under protection provided by the US attorney's office, Shumway provided identification for a number of coded accounts while Reis testified that he would take the profits from the gambling operation to the bank where he would purchase cashier's checks. Once the money was laundered in this fashion, he

would give the checks to Guzik. Reis's testimony clearly implicated Guzik in a money-laundering scheme designed to hide income, and thus avoid payment of taxes.²⁶

Based on the financial evidence, Guzik was arrested by federal agents on September 30, 1930, on charges of violating Section 1266, Title 26, of the Internal Revenue Laws—income tax evasion. He appeared before Federal Court Judge Charles E. Woodward for arraignment. Dressed immaculately in an expensive tailored suit, he sat quietly as bail bondsman Ike Roderick spoke on his behalf. "How much?" Roderick asked. "Fifty thousand dollars. Cash," responded the court clerk. Roderick produced a large roll of \$500 and \$1,000 bills from his pocket and counted off \$50,000 in currency, at that time the largest cash bond ever posted in Chicago. The transaction completed, Guzik rose to leave the courtroom, but was approached by Sergeant Jack Dalton who served him with another warrant for his arrest on charges of vagrancy. Roderick peeled off another \$10,000 in cash and "Greasy Thumb" left the building. Reportedly, the



Figure 1. Guzik in the late 1940s. Courtesy of <https://www.babyfacenelsonjournal.com/contact-us.html>.

only comment he made during the proceedings was a quiet aside to Rod-
erick: “I don’t know why they call me a hoodlum, I have never carried a
gun. I have never been convicted on any charge.”²⁷

Guzik’s trial on income tax evasion opened on November 12, 1930.
For the years 1927, 1928, and 1929, he had claimed on his tax returns
incomes of \$18,000, \$24,000, and \$18,000 respectively, a three-year total
of \$60,000 from gambling and other activities. The Bureau of Internal
Revenue claimed Guzik’s actual income was as follows:²⁸

1925	288,743.49
1926	159,413.11
1927	647,654.43
1928	331,657.92
Total	1,427,468.95

All of this was at a time when, during the 1920s, the average *annual* income
of a factory worker was \$1,267.42. Guzik’s total income for the years noted
above, in terms of 2019 dollars, would be a staggering \$20,928,407.77.²⁹

In support of the prosecution’s case, Fred Reis testified that the net
monthly profit from a gambling house was between \$25,000 and \$30,000.
He further swore that he had taken the cashier’s checks he purchased with
the gambling money and given them to Bobbie Burton, Guzik’s personal
chauffeur. As evidence, he produced \$149,000 in cashiers’ checks made
out to J. T. Dunbar, a Reis alias, that were subsequently endorsed by Guzik
and deposited in another bank. The defense claimed that even if the funds
in question were Guzik’s income, which it did not concede, it could not
be assumed to be his net income because he had incurred many business
expenses.³⁰

While this trial was in progress, Guzik’s trial on vagrancy charges
began on December 16. In his opening remarks, Assistant State Attor-
ney James A. Brown characterized Guzik as “a man who used lewd and
obscene language, who frequented speakeasies and brothels, an idler
with no lawful means of support.” Guzik, he explained to the jury, “may
have a million dollars, as was proved in Federal Court, but he is still a
vagrant because he made it all from gambling and other illegal opera-
tions.”³¹ Brown thus made the case that since Guzik’s income derived from
illegal sources, he had no *legal* income and was therefore by definition a
“vagrant.” To verify the illegal nature of Guzik’s income, Brown called

to the stand several witnesses who worked at gambling houses on Clark Street. Each one, when called to testify, either refused to do so, citing the Fifth Amendment protection against self-incrimination, or denied working for Guzik at all. While the witnesses were unproductively examined, Guzik took a large roll of currency and checks from his pocket and began quietly thumbing through them.³²

"What's wrong about me, anyway?" Guzik was overheard complaining. "There never was a man investigated as I have been in the last year. . . . I bet on the horses and so do a million others. I know some judges that do. I eat at Colosimo's. What of it? I owned part of the Frolics and got dividends from the dog races. Anything wrong about that? Where do they get this vagrant stuff? I could buy and sell half these guys."³³

The defense provided evidence that Guzik lived in a \$40,000 home, regularly paid his bills on time, enrolled his son in a university, sent his daughter to a finishing school, owned four automobiles, lived in a respectable neighborhood, and that he was a grandfather. While this information was being presented, Guzik took out a horse racing form to which he proceeded to give his undivided attention.³⁴

State's Attorney Brown responded to Guzik's defense with these words: "All this the state does not deny. But it does charge that Guzik made all his money from illegal means; the positive evidence is that he is a gambler and that he had no legal means of providing so lavishly for his family. Under the law, he is a vagrant."³⁵

When the court recessed to allow the jury time to deliberate, Guzik called in a bookie to place bets while awaiting the verdict. After only a brief break, the jury returned a decision of "not guilty," commenting that it did not consider someone who made a living by gambling a vagrant. Guzik shook hands with the jurors. To reporters, he offered only one comment: "I am glad that's over. I've been the most investigated man in town the last year. They've tried to pin everything on me and all they got was the income tax. I suppose now they'll be arresting me for spitting on the street."³⁶

Although he escaped the vagrancy charge, Guzik was not as fortunate with the tax evasion allegation. On December 30, 1930, he was found guilty, sentenced to five years in prison, at the time the longest prison term ever given for income tax violations, and fined \$17,500 in back taxes plus \$451.30 for violation of the tax laws. His attorneys

appealed, but the Appeals Court upheld the conviction on December 11, 1931. Guzik paid his fine in cash and surrendered to authorities to begin serving his sentence on April 5, 1932, on the assurance that he would not have to travel to the federal prison at Leavenworth, Kansas, with other common criminals. Instead, he reserved a drawing room on a train and paid the expenses for the federal marshals who accompanied him so that he could travel in style. Although the government attempted to attach Guzik's property to satisfy \$832,000 in back taxes that it claimed, his attorneys managed to get the tax bill reduced to \$378,533. With a credit of 480 days off for good behavior, Guzik became a free man on December 14, 1935.³⁷

In 1930, before Guzik's incarceration and while Al Capone was himself facing investigation and possible conviction, the crime boss established what amounted to a board of directors to manage his widespread operations should he be incarcerated. Capone selected Guzik as the overall administrator of his interests, a sure sign of the preeminent status the portly partner enjoyed in the organization. Capone also gave Guzik direct oversight over racetrack wagering, while Charlie Fischetti managed nightclubs and gambling casinos, Joe Fusco supervised legal liquor distribution, Eddie Vogel administered coin-operated apparatuses (such as slots, cigarette machines, jukeboxes, and vending machines), Hymie Levine handled race wire interests, and Murray Humphries controlled what were considered the "legitimate rackets," operations such as labor unions, cleaning plants, and laundries. By using these "legitimate rackets," Guzik was able to influence illegal activities. For example, by controlling the unions he was able to prevent any jukebox competitors from obtaining a union label from the electrical workers' union.³⁸

Shortly after Guzik underwent imprisonment, Al Capone suffered a similar fate, being convicted of income tax evasion in October 1931. He was sent to the federal penitentiary in Atlanta in May 1932. In Capone's absence, Frank Nitti assumed leadership of the Outfit, but times were changing. The imminent end of prohibition eliminated its major source of bootlegging income. Thus, by the time Guzik left prison on December 16, 1935, the Outfit was in a transition phase trying to reorient itself to make up for lost revenue at the same time that declining income led to internal divisions within the Outfit itself and increased legal scrutiny made previous operations more dangerous. As a crisis loomed, Guzik

reappeared. Together with Murray Humphries, he engineered an expansion of the Outfit's interests in labor racketeering, horse racing, and other forms of gambling such as casinos and slot machines. By 1931, Al and Ralph Capone, Nitti, and Guzik had been clearing about \$30,000 per month from their gambling activities in Cicero. With the end of Prohibition, Guzik, as Nitti's underboss for gambling, assumed responsibility for "granting permission for new operators to open banking casinos on a percentage commission and providing protection services" for the new operations. He used this authority to expand operations in Chicago and its suburbs, and began spreading outside the immediate area to Rockford and Springfield in Illinois, Milwaukee and Madison in Wisconsin, Kansas City, and later even Los Angeles. Under his leadership, gambling income became the single largest source of income for the Outfit.³⁹ William F. Roemer, Jr., special consultant on organized crime for the Chicago Crime Commission, concluded: "Guzik became, under Nitti, a mastermind who showed the mob how to invest the millions garnered from prohibition and trickling in from gambling. Gambling became the lifeblood of the outfit, but investments in legitimate businesses primarily through front men not only multiplied the profits but gave the mobsters a method by which they could evade the efforts of the government to do with them what they did with Capone."⁴⁰

In 1936, Guzik, Nitti and Ralph Capone met with New York crime boss Charles "Lucky" Luciano to discuss establishing a loan shark operation in Chicago along the lines of the successful one overseen by Luciano in New York. In addition to managing these business expansions, Guzik also served as Nitti's treasurer. It was during this period that Guzik unveiled his new financial strategy when he began laundering the mob's profits into quasi-legitimate and legitimate businesses, a stratagem that proved so successful that most of the mob's investments could never be traced.⁴¹ With the assistance of Chicago Democratic Alderman Michael "Hinky Dink" Kenna, a relationship going back to the era of Colosimo and Torrio, Guzik also forged an alliance with William Dawson, an African American ward chairman who later served eighteen years in the House of Representatives and acted as vice-chair of the Democratic National Committee. This partnership brought gambling rackets in the African American wards under the mob's control in return for payoffs to local Democratic politicians and police officials.⁴²

By the end of the 1930s, Guzik was the acknowledged “brains” of the Outfit and rose to a top ten position on the federal government’s “Public Enemies List.”⁴³ Al Capone left prison in 1939 suffering from increasingly severe symptoms of syphilis that affected his mental functions. When reporters asked Guzik whether Big Al would resume leadership of the organization, Guzik, who rarely offered any comment to newsmen, looked surprised and snapped, “Al is as nutty as a cuckoo.” Only Guzik could have uttered such a comment and remained in good health. But Guzik’s loyalty to Capone and to the crime organization, and his worth, was of such longstanding that he was largely above reproach. Although Capone’s health steadily deteriorated, Guzik made sure that Big Al and his family were always provided for whatever their needs might be.⁴⁴

With Capone on the sidelines, Guzik paired with Frank Nitti to control operations, but when Nitti committed suicide in 1943, Paul Ricca, also known as Paul “The Waiter” DeLucia, took his place. Then, when Ricca went to prison for involvement in a Hollywood extortion case, Anthony “Tony” Accardo replaced him. Working closely with Guzik and his protégé Murray Humphreys, longtime acquaintances of Accardo, the organization increased in size and income rose from additional gambling expansion aided greatly by a move to gain control of the crucial wire service that carried racetrack information and results. At the time, the Continental Press wire service group owned by James Ragen dominated the industry. Its importance was that whoever controlled it could profit from charging access fees to bookies and others who needed the information it carried to conduct their own business operations. There were also later accusations that information from the wire was first transmitted to gambling establishments affiliated with the Outfit. Given their control of bookmaking in Chicago and its environs, Guzik and Humphreys wanted to acquire a controlling interest in the business, but Ragen refused. The pair then established the Trans-American Publishing & News Service with the intent of using their control of bookmaking to drive Ragen out of business. The rivalry ended in a form of “hostile takeover” when Ragen died from a gunshot wound in June 1946.⁴⁵

In 1943, the *Chicago Daily Tribune* estimated that the “mob” was paying out \$300,000 a year in bribes to politicians, police, and other public officials in Cook County from operations that yielded approximately \$2.7 million a year.⁴⁶ Although Accardo became the public heir

to Capone-Nitti-Ricca, Guzik remained key to all the Outfit's business activities. During the 1940s and early 1950s, he was the primary liaison between the Outfit and the "Big Six" crime families, traveling frequently, along with Tony Accardo, to represent Chicago interests at meetings with East Coast crime bosses Frank Costello, Joe Adonis, Meyer Lansky and Longy Zwillman. Aside from his roles as chief financial officer and business manager, Guzik had authority to negotiate deals with the other bosses on behalf of the Chicago gang and was generally seen as the brains behind the midwestern operations. Throughout the many changes in leadership, the Capone organization underwent following his demise, Guzik maintained his position of trust and influence under the regimes of Frank Nitti, Paul Ricca, Tony Accardo, and later Sam Giancana and Sam Battaglia: a sure sign of Guzik's acknowledged importance and loyalty to the organization.⁴⁷

After 1943, when the government began a serious crackdown on some of the Accardo-Guzik schemes, Guzik responded by focusing efforts more on gambling and the wire rackets because they provided means to "legitimize" or "launder" profits through legal businesses. Profits rose when Guzik dispatched Johnny Patton to take over gambling operations in Florida, and in 1946, Guzik dispatched Pat Manno to Dallas to secure control over gambling operations in Texas. This partnership model followed the traditional means that predated even Guzik's rise to a leadership position.⁴⁸

Law enforcement had been after Guzik for so long that by the 1940s he appears to have taken a self-satisfied pleasure in taunting them. In one famous incident in 1946, Guzik was apprehended and brought to police headquarters for a lie detector test by Sergeant William Drury. "I'll be out of jail in 30 minutes," he was quoted as quipping to the sergeant, "and you'll be off the force in two hours." As the examination was about to begin, Guzik is said to have announced in a loud voice: "If I were to talk some of Chicago's best citizens would go jumping out of windows." Police Commissioner John Prendergast, on the take from the mob, quickly intervened. Guzik was released while Sergeant Drury and his supervisor, Capt. Thomas E. Connelly, were fired.⁴⁹ In his later years he delighted in using the legal system for his own ends, or, as one Chicago newspaper commented, "In his old age, Guzik started amusing himself by suing the police who arrested him."⁵⁰ When newspapers referred to him as a

“gangster,” he filed suit, reasoning that since he never carried a gun he could not be called a gangster. Questioned about his legal action, he is supposed to have responded: “I’m paying these judges. Why shouldn’t I use ‘em?”⁵¹ Once again, Guzik escaped.

In another instance, when Guzik found himself shadowed by surveillance, he creatively enlisted the support of the American Civil Liberties Union to file a \$50,000 suit on his behalf against the city for harassment and infringement of his civil liberties.⁵² Among several other actions he filed was a stockholders’ suit against the Arlington racetrack and its executive director, Benjamin F. Lindheimer, whom he accused of illegally investing \$500,000 of track funds into a “West Coast professional football team.” In another, he filed a libel action against the Hearst Publishing Company, claiming he had been “maliciously defamed” with terms such as “pot-bellied toughy,” “chief panderer,” and a reference to him as “Dean Jake of old Scarface U.”⁵³

Having fun at the expense of law enforcement even extended to federal authorities. In 1951, Guzik was one of the accused organized crime leaders summoned before the United States Senate Special Committee to Investigate Crime in Interstate Commerce, better known as the Kefauver Committee after its chair, Senator Estes Kefauver. As he waited to be called before the senators, a reporter for the *Chicago Daily News* managed a few moments with him. “The city’s cleaner now than it’s ever been—cleaner than in my whole life. There’s not much sense to this committee stuff. They find a poker game when they should be looking for a murderer. There are millions of poker games all over the country. Concentrate on cleaning up murders, not on gambling.”⁵⁴ He was less eloquent before the committee.

The group held meetings in fourteen cities, many of them being broadcast on the new medium of television. Guzik’s performance, one newspaper report concluded, “was outstanding because he managed to say so little.” As an example, the beginning of his interrogation went as follows:

Senator O’Conor. Will you stand and be sworn, please? Do you solemnly swear that the testimony you shall give shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Guzik. I do.

Senator O’Conor. Will you give us your full name?

Mr. Guzik. Jacob Guzik.

Senator O'Connor. Now, we are going to ask the newspapermen—do you have objection to being photographed now and having it over with?

Mr. Guzik. I don't believe my eyes can stand all this.

Senator O'Connor. How about without bulbs? One of the newspapermen has asked if you would object if they took pictures without flashlight bulbs. Is it agreeable to you to have pictures taken?

Mr. Guzik. Well, everything put together makes it too hot here.

Senator O'Connor. Well, if the photographers will take their pictures now and have that finished, please, that would help matters.

Mr. Guzik. This has been going on for 20 minutes. I don't mind having my pictures taken, but this has been going on for 20 minutes.

Senator O'Connor. All right. The committee will ask the photographers to kindly take their pictures now so that we can proceed with the examination.

Mr. Robinson. Mr. Guzik, what is your first name? I did not quite catch it.

Mr. Guzik. Jacob.

Mr. Robinson. Jacob?

Mr. Guzik. Yes.

Mr. Robinson. Do you have a brother named Harry?

Mr. Guzik. Well, I am going to make a statement, a short statement, if I may.

Mr. Robinson. Could you answer that question, first?

Mr. Guzik. No, I

Senator O'Connor. Do you want to make a statement first?

Mr. Guzik. A short statement

Senator O'Connor. All right, go ahead.

Mr. Guzik. I am going to refuse to answer any questions whatever on the ground of incrimination, and I am going to stand on my constitutional rights.

Senator O'Connor. Well, of course, any objection that you have must be made to a particular question or questions which have been directed to you.

Mr. Guzik. That is right.

Senator O'Connor. So a question will be asked of you and then if you have any objection you can register such objection, and the committee then will pass upon the question of whether or not it is a proper question.

Mr. Guzik. I think the same answer will go for all questions.

Senator O'Connor. In other words, your attitude is, are we to understand, that you are not going to answer anything, regardless of what it may be?

Mr. Guzik. No, because it may incriminate me or tend to incriminate me or lead to incriminate me by some devious way.

Senator O'Connor. Even though you don't know what the questions are?

Mr. Guzik. That is right. They may lead to it.

Senator O'Connor. I see. In other words, any kind of a question about any subject you are going to refuse to answer?

Mr. Guzik. That is right.

Senator O'Connor. And it does not matter what the nature of the question is or what it relates to, is that correct?

Mr. Guzik. That is right.

Senator O'Connor. All right, Mr. Robinson, you may proceed.

Mr. Robinson. How old are you, Mr. Guzik?

Mr. Guzik. I refuse to answer.

Mr. Robinson. You refuse to answer how old you are?

Mr. Guzik. Yes.

Senator O'Connor. The committee directs you to answer the question. Do you still refuse?

Mr. Guzik. Yes, sir.

Senator O'Connor. All right, counsel, you may propound another question. Now, kindly be in order, in order to avoid the necessary repeating of the same statement by the committee member. A number of questions will be asked of you and it is the intention of the committee to direct that you answer those questions and you understand that you are being directed and will be directed to answer each one of them, do you not?

Mr. Guzik. Yes, sir.

Senator O'Connor. And then, of course, you can make any statement you desire to concerning any or all of them.

Mr. Guzik. I still make a statement that any question that will incriminate me or tend to incriminate me or lead by some devious ways to incrimination, I will refuse to answer.

Senator O'Conob. Counsel, kindly proceed.

Mr. Guzik. I stand on my constitutional rights under the fifth amendment on all questions.

Senator O'Connor. Counsel, propound your question.

Mr. Robinson. Mr. Guzik, how did you get here today?

Mr. Guzik. I refuse to answer on the same grounds. Do I have to state the grounds each time?

Senator O'Connor. No, no; it is understood.

Mr. Guzik. I refuse to answer. Well, I have a high regard for the committee, and I have a high regard for their right to ask me questions. I also have my own rights.⁵⁵

Once again, Guzik escaped conviction. Dividing his time between Chicago and Florida, he continued to be deeply involved in organized crime activities while maintaining a relatively low profile in the early 1950s. On February 21, 1956, Guzik went to his old haunt at St. Hubert's Old English Grill, where he took a table in the Chop House and ordered broiled lamb chops and a glass of Mosel wine. Later that evening he retired to an apartment he kept at 5492 Everett Avenue under the name of "Jack Arnold" little aware that his end was imminent. That night he suffered a massive heart attack that claimed his life. Some 400 people were reported to have attended his funeral, including his associates in crime Tony Accardo and Murray Humphreys, politicians, and local businessmen. Just like in the movie *The Godfather*, FBI agents copied down the license plate numbers to identify who attended the services at 2921 South Harlem in Berwyn and the burial in Oak Woods Cemetery at 67th Street and Cottage Grove. Rabbi Noah Ganze eulogized him as a good husband and father, continuing: "Jacob Guzik never lost faith in his God. Hundreds benefitted by his kindness and generosity. His charities were performed quietly. He made frequent and vast donations to my congregation."⁵⁶

An exasperated *Daily News* reporter wrote: "Identified publicly for years as a gangster, gambling boss, 'syndicate' operator, and so forth, he was never convicted of a felony in the courts of Cook County. If he was ever convicted in this jurisdiction of even a misdemeanor, it has escaped our notice. This is a wonderful commentary on the incompetence or worse of a long succession of Cook County state's attorneys."⁵⁷ Yet even in death his pugnacious legacy of battling the authorities continued when his wife Rose filed suit for \$25,000 against the Chicago Police Department, claiming that it had harassed Guzik by forcing him to "walk up several flights of stairs at the police department's Scotland Yard office" following his arrest on January 13, 1956. This, she contended, contributed directly to his death. Additionally, she claimed that his estate was valued at only \$11,000, forcing an investigation into the actual value and tax liability of the estate.⁵⁸

A quiet man who dressed in expensive suits, but was otherwise unassuming, Guzik did not play the role of the stereotypical gangland criminal. He was reserved rather than boastful, walked with a halting, measured gait rather than adopting the usual gangland swagger, and, according to one writer, “never carried a weapon more deadly than a fountain pen.”⁵⁹ Although not fitting the profile of the typical gangster, George Murray, author of *The Legacy of Al Capone*, concluded that Guzik was not just a chief accountant and astute business manager but “was generally recognized throughout the underworld as a shrewd diplomat” responsible for shaping many of the important agreements that prevented continuing gangland wars and forged a national crime organization.⁶⁰ Mark Haller concluded that in spite of his low profile, “he may nevertheless have been the most significant criminal leader in Chicago during the twentieth century. . . . From the time that he and Capone became partners in 1926 until his death in Chicago—a full thirty years—Guzik remained at the center of those criminal entrepreneurs who exercised extensive influence on Chicago politics, steadily expanded their hold on the underworld of the city, and extended their interests into Florida, Las Vegas, and other locations.”⁶¹

Following his death, Nehemiah Persoff played Guzik in three episodes of the very popular ABC crime drama *The Untouchables* in 1959–63, Joe Turkel portrayed him in the 1967 film *The St. Valentine's Day Massacre*, and Joe Caniano revived the character in the 2010 HBO miniseries *Boardwalk Empire*. It was Guzik's business acumen that led to the rapid expansion of organized crime in Chicago, it was largely his influence that changed the focus of criminal activities following the end of Prohibition, it was his creative business insight that devised means of hiding the mob's assets in virtually untraceable investments, and he was the generally recognized brains behind the business activities of the mob over four decades until his death in 1956. According to Capone biographer John Kobler, Big Al once said that Guzik was “the only friend I can really trust.”⁶² His longevity in the deadly world of crime bosses is proof positive that others held the same opinion.

Notes

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Acting Section Chief, Record/Information, FBI, and David M. Hardy, Section Chief, Record/Information, FBI; Tab Lewis at the National Archives facility in College Park, Maryland (Archives II); and Anthony Burke at the Internal Revenue Service Media Relations Office.

1. Robert M. Lombardo, *Organized Crime in Chicago: Beyond the Mafia* (Urbana: University of Illinois Press, 2012), 93; Jonathan Eig, *Get Capone* (New York: Simon and Schuster, 2010), 30–31; Robert J. Schoenberg, *Mr. Capone: The Real—and Complete—Story of Al Capone* (New York: Perennial, 1992), 102; George Murray, *The Legacy of Al Capone* (New York: G. P. Putnam's Sons, 1975), 22, 120.

2. Lombardo, *Organized Crime*, 93; William J. Helmer and Arthur J. Bilek, *The St. Valentine's Day Massacre: The Untold Story of the Gangland Bloodbath That Brought Down Al Capone* (Nashville, TN: Cumberland House, 2004), 262; Murray, *Legacy of Al Capone*, 120–21. The date of the confrontation was May 8, 1924.

3. Eig, *Get Capone*, 30–31; Murray, *Legacy of Al Capone*, 121–22; John Kobler, *Capone: The Life and World of Al Capone* (New York: Da Capo Press, 1992), 119–20.

4. See Memo, Lester G. Davis, November 3, 1952, FBI file 62-74655-6.

5. James S. Pula, ed., *The Polish American Encyclopedia* (Jefferson, NC: McFarland, 2011), 163; Ancestry, https://www.ancestry.com/search/?name=Jack_Guzik&birth=1886&death=1956_Chicago-Illinois-USA; Thirteenth Census of the United States, 1910, National Archives and Records Administration, Records Group 29, microfilm publication T624; *Investigation of Organized Crime in Interstate Commerce. Hearings Before the Special Committee to Investigate Organized Crime in Interstate Commerce United States Senate Eighty-First Congress Second Session and Eighty-Second Congress First Session* (Washington, DC: US Government Printing Office, 1951), Pt. 2, 139 (hereafter *Investigation of Organized Crime*); JewishGen at <https://www.jewishgen.org/gedcom/ftjpform.php>; Geni (MyHeritage) at <https://www.geni.com/people/Jake-Guzik/6000000029958493184>; Ancestry at https://www.ancestry.com/search/?name=Jack_Guzik&birth=1886&death=1956_Chicago-Illinois-USA.

6. Pula, *Polish American Encyclopedia*, 163; Ancestry, https://www.ancestry.com/search/?name=Jack_Guzik&birth=1886&death=1956_Chicago-Illinois-USA; Thirteenth Census of the United States, 1910; *Investigation of Organized Crime*, Pt. 2, 139.

7. W. T. Brannon, "The Modest Mr. Guzik," *True Detective*, April 1946, 28; "How Hood Became a 'Greasy Thumb,'" *Daily News*, July 10, 1958, newspaper clipping, file 65-100, Chicago Crime Commission Archives (hereafter CCCA); Don Fielding, *Untouchable Chicago: A Ride Through Prohibition* (Chicago: Untouchable Times and Tours, 2008), 42; Ronald D. Humble, *Frank Nitti: The True Story of Chicago's Notorious "Enforcer"* (Fort Lee, NJ: Barricade Books, 2007), 47; Carl

Sifakis, *The Mafia Encyclopedia* (New York: Facts on File, 2005), 212; “Accardo, Guzik Long Leaders of Capone Mob,” *Chicago Daily Tribune*, December 19, 1950, 6.

8. James O'Donnell Bennett, *Chicago Gang Land: The True Story of Chicago Crime* (Chicago: Chicago Tribune, 1929), 30; John Landesco, *Organized Crime in Chicago* (Chicago: Illinois Association for Criminal Justice, 1929), 847, 861–62, 912, 1066, 1069; Mark Haller, “Guzik, Jack,” American National Biography, <https://www.anb.org/view/10.1093/anb/9780198606697.001.0001/anb-9780198606697-e-2000426>. Lee Mortimer argued that Guzik's brothel activities led directly to passage of the Mann Act of 1910 prohibiting the transportation of women and girls across state lines for immoral purposes, and indirectly to coining the phrase “white slavery.” See Lee Mortimer, “New York Confidential,” undated newspaper clipping in FBI file 62-74655-19.

9. Kobler, *Capone*, 76; Haller, “Guzik, Jack”; Brannon, “The Modest Mr. Guzik,” 28; “Jack Guzik Now is No. 1 Man of Gang Overlords: Here Are the Records,” *Chicago Daily Tribune*, October 25, 1941, 3; Murray, *Legacy of Al Capone*, 122. Murray concludes that Guzik used money he had saved to buy into the brewery and then sold the product to Torrio (p. 122). He also states that it was through this association that he first met Al Capone. Murray further contends that Jack required all of his employees to register and vote, thereby gaining some political clout as well (p. 342). An interesting study by Christina Smith found that Al Capone had “316 distinct criminal ties to 316 criminal associates” in Chicago organized crime. Second only to Capone were Johnny Torrio and Jack Guzik who were tied with sixty-eight criminal linkages. Christina M. Smith, “The Shifting Structure of Chicago's Organized Crime Network and the Women It Left Behind” (PhD diss., University of Massachusetts, 2015), 113, 116, 127, 169.

10. John J. Binder, *The Chicago Outfit* (Chicago: Arcadia, 2003), 9; Mark H. Haller, “Organized Crime in Urban Society: Chicago in the Twentieth Century,” *Journal of Social History* 5, no. 2 (Winter, 1971–72): 219; Fielding, *Untouchable Chicago*, 32; letter, W. C. Hodgins, Jacque L. Westrich, and H. N. Clagett, Internal Revenue Agents, to Agent in Charge, Chicago, July 8, 1931, Intelligence Unit files, Internal Revenue Service, Department of the Treasury (hereafter letter, Hodgins, et al., to Chicago Agent).

11. Haller, “Guzik, Jack”; “Jack Guzik Now is No. 1 Man of Gang Overlords”; Schoenberg, *Mr. Capone*, 61, 88–89; Marc Mappen, *Prohibition Gangsters: The Rise and Fall of a Bad Generation* (New Brunswick, NJ: Rutgers University Press, 2013), 12–14; letter, Frank J. Wilson to Chief, Intelligence Unit, Bureau of Internal Revenue, December 21, 1933, SI-7085-F (hereafter letter, Wilson to Chief), Intelligence Unit files, Internal Revenue Service, Department of the Treasury; Murray, *Legacy of Al Capone*, 122, 341; letter, Name Deleted, to J. Edgar Hoover, June 13, 1967, Chicago FBI file 62-371287; Guy T. Helvering, “Intelligence Unit Bureau of

Internal Revenue Treasury Department. Organization, Functions and Activities. A Narrative Briefly Descriptive of the Period 1919 to 1936," unpublished report, Intelligence Unit files, Bureau of Internal Revenue (hereafter Helvering, "Narrative"); Binder, *The Chicago Outfit*, 27; Kobler, *Capone*, 119–21; Murray, *Legacy of Al Capone*, 122. Murray states that Torrio sold his business interests to Capone for \$5 million. A "holding company" is a business whose purpose is to acquire shares in other companies with the purpose of controlling them.

12. Gus Russo, *The Outfit: The Role of Chicago's Underworld in the Shaping of Modern America* (New York: Bloomsbury, 2001), 66–67; Kobler, *Capone*, 142; Brannon, "The Modest Mr. Guzik," 28; Fielding, *Untouchable Chicago*, 19; letter, Name Deleted, to J. Edgar Hoover, June 13, 1967, Chicago FBI file 62-371287; letter, Hodgins, et al., to Chicago Agent.

13. Memo, SAC Chicago to Director FBI, Sept. 30, 1955, FBI file 62-74655-13; Sifakis, *Mafia Encyclopedia*, 213; Lombardo, *Organized Crime*, 81, 85; Murray, *Legacy of Al Capone*, 141; Kobler, *Capone*, 112; Russo, *The Outfit*, 67. Russo maintains that Guzik owned the St. Hubert, using Tommy Kelly to front as the owner to keep his interest quiet.

14. Kobler, *Capone*, 142; Haller, "Organized Crime," 218–19; letter, Wilson to Chief; Mark H. Haller, "The Changing Structure of American Gambling in the Twentieth Century," *Journal of Social Issues* 35, no. 3 (1979): 103; Matthew G. Yeager, "Fifty Years of Research on Illegal Enterprise: An Interview with Mark Haller," *Trends in Organized Crime* 15 (2012): 7; Helvering, "Narrative."

15. Michael Woodiwiss, *Double Crossed: The Failure of Organized Crime Control* (London: Pluto, 2017), 36.

16. Haller, in Yeager, "Fifty Years of Research," 219–21; *Investigation of Organized Crime*, Pt. 2, 128; Steven A. Riess, "When Chicago Went to the Dogs: Al Capone and Greyhound Racing in the Windy City, 1927–1933," *Journal of the Illinois State Historical Society* 112, no. 3 (Fall 2019): 272; *The Kefauver Committee Report on Organized Crime* (New York: Didier, 1951), 31. According to letter, Hodgins, et al., to Chicago Agent, the gambling at the Hawthorne Smoke Shop began May 1, 1924, and showed a "net profit" of about \$117,000 in 1925 rising to \$170,000 in the first four months of 1926.

17. Frank Tannenbaum, *Crime and the Community* (New York: Columbia University Press, 1957), 112. Johnson's approach received a significant boost the following year, 1926, in the case of *Sullivan v. United States* when an appellate court found that Congress intended the income tax law to apply equally to income derived from legal and illegal sources. See Boris I. Bittker, "Taxing Income from Unlawful Activities," *Case Western Reserve Law Review* 25, no. 1 (Fall 1974): 131–32.

18. Brannon, "The Modest Mr. Guzik," 28–31, 55; Schoenberg, *Mr. Capone*, 122; Kobler, *Capone*, 119–21; Russo, *The Outfit*, 66–67. Russo contends that the raid

was illegal since the police, operating under orders from Mayor Dever, had not obtained the required search warrant.

19. Russo, *The Outfit*, 30–36.

20. Schoenberg, *Mr. Capone*, 167.

21. Murray, *Legacy of Al Capone*, 129–31; Schoenberg, *Mr. Capone*, 167; Kobler, *Capone*, 192.

22. Murray, *Legacy of Al Capone*, 131–33; Schoenberg, *Mr. Capone*, 167; Kobler, *Capone*, 192; Lombardo, *Organized Crime*, 81.

23. Humble, *Frank Nitti*, 144–45; Kobler, *Capone*, 258.

24. Jim Bowman, “The Way We Were: ‘Greasy Thumb’ Guzik: From Brothel to Bookkeeper for Al Capone’s Gang,” *Chicago Tribune*, March 6, 1983, G10.

25. Joseph Gregory Deleeuw, “Alphonse Capone: The Man Behind the Legend,” in *Crimes and Trials of the Century*, ed. Steven Chermak and Frankie Y. Bailey (Westport, CT: Greenwood Press, 2007), 1:47; Smith, “Shifting Structure,” 113; Mappen, *Prohibition Gangsters*, 133.

26. Robert G. Folsom, *The Money Trail: How Elmer Irey and His T-Men Brought Down America’s Criminal Elite* (Washington, DC: Potomac Books 2010), 88; Tannenbaum, *Crime and the Community*, 114; Deleeuw, “Alphonse Capone,” 47; Kobler, *Capone*, 275–76; Mappen, *Prohibition Gangsters*, 136; letter, Hodgins, et al., to Chicago Agent; letter, Wilson to Chief.

27. Guzik Arrest Record, FBI file 561-475; “\$50,000 in Cash Frees Guzik: Capone Chief Seized Twice; Out Both Times,” *Chicago Daily Tribune*, October 1, 1930, 1; Brannon, “The Modest Mr. Guzik,” 28, 55; Kobler, *Capone*, 275–76; Helmer and Bilek, *St. Valentine’s Day Massacre*, 275. Arrest records listed Guzik as 5’1½” tall, 140 pounds, with hazel eyes, a “sallow” complexion, and hair that was a mixture of dark chestnut and gray.

28. *Investigation of Organized Crime*, Pt. 2, 139; letter, Hodgins, et al., to Chicago Agent; letter, Wilson to Chief. The latter source gave Ralph Capone’s income over the same years as \$1,536,531.27, Frank Nitti’s as \$673,273.61, and Sam Guzik’s for 1927 and 1928 only as \$285,164.37.

29. “Gross Hours and Earnings of Production Workers in Manufacturing,” *Employment and Earnings Including the Monthly Report of the Labor Force* 7, no. 2 (August 1960), <https://fraser.stlouisfed.org/title/60/item/20153/toc/340949>; “US Inflation Calculator,” <https://www.usinflationcalculator.com/>.

30. Tannenbaum, *Crime and the Community*, 114–15; “Guzik Defense Ends; Jury May Get Case Today: Jack Kept Off Stand in Tax Dodging Trial,” *Chicago Daily Tribune*, November 19, 1930, 4; “Monthly ‘Take’ of \$30,000 Told at Guzik Trial: Witness Names the Capone Big Shots,” *Chicago Daily Tribune*, November 15, 1930, 1; Kobler, *Capone*, 275–76; Brannon, “The Modest Mr. Guzik,” 55; Folsom, *Money Trail*, 89; Schoenberg, *Mr. Capone*, 246–48, 256; Deleeuw, “Alphonse Capone,” 47; *New York Times*, April 3, 1932, 1, 18.

31. Brannon, "The Modest Mr. Guzik," 56; "CRIME: When is a Criminal?" *Time*, December 29, 1930.

32. Brannon, "The Modest Mr. Guzik," 56; Philip Kinsley, "State Pictures Guzik a Vagrant Though Wealthy: Offers Evidence of His Life," *Chicago Daily Tribune*, December 18, 1930, 4; "Crime Breeds in Gambling Dens," undated newspaper clipping, CCCA; "Guzik Vagrancy Case to be Put to Jury Today: Arguments for State Are Begun," *Chicago Daily Tribune*, December 19, 1930, 4; "Case to be Put to Jury Today," undated newspaper clipping, CCCA; "Guzik's Fate Given to Jury," *American*, December 19, 1930, CCCA; Philip Kinsley, "Guzik, Wealthy Hoodlum, Put on Trial as 'Vag,'" undated newspaper clipping, file 65-100, CCCA.

33. "Guzik Vagrancy Case to be Put to Jury," 4.

34. Brannon, "The Modest Mr. Guzik," 56; Kinsley, "State Pictures Guzik a Vagrant," 4; "Guzik Vagrancy Case to be Put to Jury," 4; "Case to be Put to Jury Today"; "Guzik's Fate Given to Jury"; Kinsley, "Guzik, Wealthy Hoodlum."

35. Brannon, "The Modest Mr. Guzik," 56; Kinsley, "State Pictures Guzik a Vagrant," 4; "Guzik Vagrancy Case to be Put to Jury," 4; "Case to be Put to Jury Today"; "Guzik's Fate Given to Jury"; Kinsley, "Guzik, Wealthy Hoodlum."

36. Brannon, "The Modest Mr. Guzik," 56; Kinsley, "State Pictures Guzik a Vagrant," 4; "Guzik Vagrancy Case to be Put to Jury," 4; "Case to be Put to Jury Today"; "Guzik's Fate Given to Jury"; Kinsley, "Guzik, Wealthy Hoodlum."

37. Guzik Arrest Record, FBI file 561-475; *Investigation of Organized Crime*, Pt. 2, 139; unidentified internal memo, FBI file 62-74655-7; "Guzik, Capone Chief, Guilty: Faces 15 Years in Prison for US Tax Fraud," *Chicago Daily Tribune*, November 20, 1930, 1; "Another Capone Gangster Begins U.S. Prison Term: Jack Guzik Says Farewell to City for Five Years," *Chicago Daily Tribune*, April 8, 1932, 7; "U.S. Witnesses Link Guzik to \$1,000,000 Bank Deposits," *Chicago Daily Tribune*, November 14, 1930, 2; Philip Warden, "U.S. Tax Deals with Capone and Pendergast Gangs Told: Guzik Settles \$892,283 Bill for \$100,000," *Chicago Daily Tribune*, August 29, 1952, 1; "Capone 'Manager' Freed from Federal Prison," *New York Herald*, December 16, 1935; "Al Capone Not to See Cell for 2 Years," *Washington Times* (DC), October 22, 1931; Brannon, "The Modest Mr. Guzik," 56-57; "Jack Guzik Gets 5 Years in Cell and \$17,500 Fine: Judge Sentences Gangster for U.S. Tax Evasion," undated newspaper clipping, CCCA; Murray, *Legacy of Al Capone*, 154. Murray contends that Guzik went to jail on April 8, 1932, and was freed on December 16, 1935. Guzik and Capone were convicted using a new accounting device called "net-worth." Unable to prove specific sources of income, the government compared the accused's net worth with the reported income to prove a disparity that indicated tax fraud. See Linda S. Eads, "From Capone to Boesky: Tax Evasion, Insider Trading, and Problems of Proof," *California Law Review* 79, no. 6 (December 1991): 1426-27. Guzik's FBI Arrest Record indicates he arrived at Leavenworth on April 8, 1932.

38. Memo, SAC Chicago to Director FBI, September 30, 1955, FBI file 62-74655-13; Humble, *Frank Nitti*, 54; Schoenberg, *Mr. Capone*, 198; Russo, *The Outfit*, 66–67; *Investigation of Organized Crime*, Pt. 2, 148.

39. Woodiwiss, *Double Crossed*, 82; Guzik Arrest Record, FBI file 561-475; Binder, *The Chicago Outfit*, 55; Humble, *Frank Nitti*, 69, 87, 114; Lombardo, *Organized Crime*, 90; Kefauver Committee Report, 31; “Johnson Bares Capone ‘Deal’ in Income Case: Defends Wilkerson at Hearing,” *Chicago Daily Tribune*, April 3, 1932, 1; Philip Kinsley, “Drama in Court as U.S. Closes Case on Capone: Defense Loses Plea for 2 Day Delay,” *Chicago Daily Tribune*, October 14, 1931, 1. Murray Humphreys stated that Guzik was the “mastermind” behind the Outfit’s move into gambling and labor racketeering.

40. *Organized Crime in Chicago: Hearing Before the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, United States Senate, Ninety-eighth Congress, First Session* (Washington, DC: US Government Printing Office, 1983), 161–62.

41. Humble, *Frank Nitti*, 46–47, 115, 136; “Inquiry Shown: Questions Parried on His Activities,” *Chicago Tribune*, September 10, 1947.

42. Russo, *The Outfit*, 188–89, 198; Haller, “Changing Structure,” 96; Haller, “Guzik, Jack.” Haller noted that the two were so close that in the late 1930s Guzik received his mail at Kenna’s office in city hall. For Guzik receiving payoffs from Dawson, see Memo, SAC Chicago, to Director FBI, March 16, 1954, 3, FBI file 62-74655-8; Memo, [deleted] to Mr. Rosen, January 4, 1955, FBI file 63-614-7; Memo, Warren Olney III to Director FBI, December 1954, FBI file 63-619-6.

43. Humble, *Frank Nitti*, 136; FBI report 92-348 from the Chicago office dated June 10, 1958, described Guzik as “the financial wizard for the old Capone gang.”

44. “Ragen a Framer, Capone ‘Nutty,’ Says Jack Guzik,” *Chicago Daily Tribune*, July 3, 1946, 4; Sifakis, *Mafia Encyclopedia*, 213.

45. Roemer statement, quoted in Lombardo, *Organized Crime*, 161–63; Lombardo, *Organized Crime*, 96, 99; Memo, A. B. Belmont to W. C. Sullivan, July 9, 1958, FBI file 100-42303-330; *Gambling and Organized Crime. Hearings Before the Permanent Subcommittee on Investigations of the Committee on Government Operations, United States Senate, Eighty-seventh Congress, First Session* (Washington, DC: US Government Printing Office, 1961), Pt. 2, Testimony of Downey Rice, 372; *Investigation of Organized Crime*, Pt. 2, 151, 134, 189 and Pt. 5, 1387; Edward Joseph Allen, *Merchants of Menace: The Mafia; A Study of Organized Crime* (Springfield, IL: Thomas, 1962), 220; Haller, “Changing Structure,” 102; Haller, “Guzik, Jacob”; Daniel Bell, “Crime as an American Way of Life [Part 1],” *Antioch Review* 74, no. 3 (Summer 2016): 582. The *Chicago American* reported that by 1941 he reached “No. 1 on the public enemies list.” See “Saga of Guzik, ‘Al’s Boy,”” *Chicago American*, February 22, 1956, 4.

46. Lombardo, *Organized Crime*, 96, 99.

47. Sifakis, *Mafia Encyclopedia*, 170, 213.
48. Haller, in Yeager, "Fifty Years of Research," 222; *Investigation of Organized Crime*, Pt. 2, 169; Daniel Bell, "Crime as an American Way of Life [Part 2]," *Antioch Review* 69, no. 2 (Spring 2011): 361.
49. Lee Mortimer, "New York Confidential," undated newspaper clipping in FBI file 62-74655-19; Russo, *The Outfit*, 209; *Investigation of Organized Crime*, Pt. 5, 464-65.
50. "Guzik Reminds Us," *Daily News*, February 23, 1956.
51. Lion Koppman and Steve Koppman, *A Treasury of American-Jewish Folklore* (Lanham, MD: Jason Aronson, 1998), 171.
52. Memo, SAC Chicago to Director FBI, April 2, 1956, FBI file 62-74655-15; "Guzik Suit Naming 7 Police Reinstated," *Chicago American*, March 20, 1956, 3; Russo, *The Outfit*, 311; George Bliss, "Guzik Death May Not Halt His Law Suits: Gangster's Fights Up to Estate," *Chicago Daily Tribune*, February 23, 1956, 10; *Milwaukee Journal*, February 22, 1956, 4.
53. Memo, SAC Chicago to Director FBI, September 1954, FBI file 62-74655-11; "Guzik Threatens Law Suit if Arlington Park Bars Him," *Chicago Daily Tribune*, July 24, 1954, 16; "Guzik Accuses Lindheimer in \$455,000 Suit: Asserts Stockholders of Tracks Defrauded," *Chicago Daily Tribune*, October 5, 1955, 18; Clay Gowran, "Guzik Quizzed Two Hours by Track Lawyer: Dodges Queries About Gangland Role," *Chicago Daily Tribune*, October 6, 1955, C10; Bliss, "Guzik Death," 10; "Judge Continues Guzik Suit Against Race Track Here," newspaper clipping, March 6, 1956, CCCA; Elgar Brown, "Court Tosses Out Guzik Suit," *Herald-American*, March 9, 1956, CCCA; "Guzik Reminds Us," *Daily News*, February 23, 1956; "Heart Attack Kills Former Capone Aid," *Tribune*, February 22, 1956; Clay Gowran, "Guzik Quizzed Two Hours by Track Lawyer," *Tribune*, October 6, 1955, CCCA. Guzik had status to sue the racetrack since he owned shares of stock in the enterprise. These, and others, were still pending when he died.
54. "Crime? Chicago's Clean, Says Booster—Guzik. Syndicate Man Sees No Sense in 'This Committee Stuff,'" *Chicago Daily News*, September 22, 1955, 3.
55. "Proceedings Against Jacob Guzik for Contempt of the Senate," 82nd Cong., 1st Sess., Senate Report No. 198, 2-6; William Moore, "Guzik Defies Crime Quiz; Seized and Placed Under Bond: Mobster Cited for Contempt; \$10,000 Bail," *Chicago Daily Tribune*, March 23, 1951, 1; *Milwaukee Journal*, February 22, 1956, 4. Guzik brought was before the committee on March 22, 1951.
56. Memo, SAC Chicago to Director FBI, April 2, 1956, FBI file 62-74655-15; "Gang Chief Guzik Dies: Suffers Fatal Heart Attack in Bed at 69," *Chicago Daily Tribune*, February 22, 1956, 1; "400 Mourners Pass Gangster Guzik's Body," undated newspaper clipping, CCCA; "Guzik is Buried as 'a Loyal Man' The Mob Attends Including Accardo with 10 Bodyguards," *Chicago Daily News*, February 24, 1956, 14, CCCA; Eugene V. Moran, "Jake Guzik Reached End of the Line:

Crime Syndicate Leader Dies of Heart Attack Here,” *Chicago Daily News*, February 22, 1956, 36; “Guzik Dies,” *Chicago Sun-Times*, February 26, 1956, 1; Edgar Brown, “Guzik’s Last Bow,” *Chicago American*, February 4, 1965, 3

57. Sifakis, *Mafia Encyclopedia*, 213; letter, Charles F. Carpentier, Illinois Secretary of State, to Virgil W. Peterson, Chicago Crime Commission, April 9, 1956, CCCA; letter, Virgil W. Peterson to Warren Olney III, March 19, 1956, CCCA; letter, Warren Olney III to V. W. Peterson, Chicago Crime Commission, March 22, 1956, CCCA; George Bliss, “Gangster’s Fights Up to Estate,” undated newspaper clipping, CCCA; “Guzik Reminds Us,” *Daily News*, February 23, 1956. The cause of death was listed as “Myocardial Infarction,” <https://www.geni.com/people/Jake-Guzik/6000000029958493184>.

58. “Guzik Widow Sues for \$25,000,” *Chicago Daily News*, September 12, 1956, 25, clipping in FBI file 62-74655-18; “Jury Hears Guzik Suit,” *Chicago American*, June 10, 1959, 10, clipping in FBI file 62-74655-A; “Act to Quiz 7 Cops on Guzik ‘Harassment,’” undated newspaper clipping, CCCA; “Guzik’s Assets Below \$11,000 Widow Reports,” undated newspaper clipping, CCCA; “Guzik, Always Loaded, Left No Visible Estate,” *Chicago American*, February 26, 1956, 3; letter, Warren Olney III to V. W. Peterson, Chicago Crime Commission, March 22, 1956, CCCA; “Damage Suit Filed by Guzik is Reinstated,” undated newspaper clipping, CCCA. The Scotland Yard office was on Canalport Street.

59. Brannon, “The Modest Mr. Guzik,” 55; Russo, *The Outfit*, 311.

60. Murray, *Legacy of Al Capone*, 129–30.

61. Haller, “Guzik, Jack.”

62. Kobler, *Capone*, 118.