

JOHN EDGAR HOOVER
DIRECTOR



Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

July 2, 1964

Honorable J. Lee Rankin
General Counsel
The President's Commission
200 Maryland Avenue, Northeast
Washington, D. C.

Dear Mr. Rankin:

I received your letter of June 29th requesting copies of documents dealing with the origin and establishment of the Federal Bureau of Investigation.

Enclosed is a copy of an Order dated July 26, 1908, signed by Attorney General Charles J. Bonaparte creating an investigative agency within his Department. Also enclosed is a copy of an Order dated March 16, 1909, signed by Attorney General George W. Wickersham relating to the establishment of the Bureau of Investigation of the Department of Justice. The name of the Bureau of Investigation was changed by Executive Order to Division of Investigation on June 10, 1933, which was approved by Congress. The title, Division of Investigation, was changed to Federal Bureau of Investigation in the FBI's appropriation bill for fiscal year 1936 which was passed on March 22, 1935, by Congress and this title became effective July 1, 1935.

For the purpose of providing additional background, I am enclosing pertinent pages from the Annual Report of the Attorney General for the year 1909 dealing with the establishment of the Bureau of Investigation.

I trust the above will be of help to you and if there are any additional questions on this subject, you may be assured of our desire to be of all possible assistance to you.

Sincerely yours,

Enclosures (3)

COMMISSION EXHIBIT No. 2551



Office of the Attorney General
Washington, D. C.

July 26, 1964.

ORDER

All matters relating to investigations under the Department, except those to be made by bank examiners, and in connection with the naturalization service, will be referred to the Chief Examiner for a memorandum as to whether any member of the force of special agents under his direction is available for the work to be performed. No authorization of expenditure for special examinations shall be made by any officer of the Department, without first ascertaining whether one of the regular force is available for the service desired, and, in case the service cannot be performed by the regular force of special agents of the Department, the matter will be specially called to the attention of the Attorney General, or Acting Attorney General, together with a statement from the Chief Examiner as to the reasons why a regular employee cannot be assigned to the work, before authorization shall be made for the expenditure of any money for this purpose.

CHARLES J. BONAPARTE,
Attorney General.

COMMISSION EXHIBIT No. 2551—Continued



Office of the Attorney General.
Washington, D. C.

March 16, 1909.

ORDER ESTABLISHING BUREAU OF INVESTIGATION OF THE
DEPARTMENT OF JUSTICE.

For the purpose of facilitating the investigation work under this Department, the office of the Chief Examiner shall hereafter be called the Bureau of Investigation, and the Chief Examiner is hereby authorized and designated to act as the Chief of the said Bureau, and as such shall have supervision over the work of all persons whose compensation or expenses are paid from the appropriation "Miscellaneous Expenses, United States Courts", or the appropriation "Detection and Prosecution of Crimes", and who are employed for the purpose of collecting evidence or of making investigations or examinations of any kind for this Department or the officers thereof..

A handwritten signature in cursive script, reading "Wm. McKensham".

Attorney General.

COMMISSION EXHIBIT No. 2551—Continued

U.S. Dept. of Justice
ANNUAL REPORT
OF
THE ATTORNEY-GENERAL
OF THE UNITED STATES

FOR THE YEAR
1909.



WASHINGTON
GOVERNMENT PRINTING OFFICE
1909

COMMISSION EXHIBIT No. 2551—Continued

for the Year 1909

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EMPLOYERS' LIABILITY CASES.

During the current year the department has adopted the policy of intervening in a number of cases arising in both state and federal courts throughout the country in which the constitutionality of the employers' liability act of 1908 (35 Stat., 65) has been questioned. The United States Circuit Court, Eastern District of Arkansas, in the case of *Watson v. St. Louis, Iron Mountain & Southern Railway Company*, upheld the constitutionality of the act. On the other hand, the Supreme Court of Connecticut, in the case of *Mondou v. New York, New Haven & Hartford Railroad Company*, decided it to be unconstitutional. The matter will be presented to the Supreme Court at an early date.

HOURS OF SERVICE ACT.

There is pending in the Supreme Court, in the case of *Baltimore & Ohio Railroad Company v. Interstate Commerce Commission*, the question of the validity of an order of the commission directing the making of monthly reports to the commission by railroad companies of violations of this law.

THE BUREAU OF INVESTIGATION. ✓

A few days before July 1, 1908, under the direction of my predecessor, the first active steps were taken toward the organization in this department of a comprehensive investigation service, for the purpose of collecting evidence for the use of the Government in cases pending or about to be commenced in the Federal courts, and also for the purpose of making such other examinations and investigations as the business of the department might require.

Prior to that time the department was employing and paying a large number of persons for investigation work of various kinds, which force consisted substantially of the following:

(a) From 10 to 20 persons, who were borrowed from the office of the Comptroller of the Currency from time to time, as occasion required, for the purpose of collecting evidence in cases involving violations of the national banking laws, and who were paid from \$15 to \$25 per day and actual expenses of travel and subsistence.

(b) From 2 to 20 or more persons, who were borrowed from time to time from the Secret Service division of the Treasury Department for the purpose of collecting evidence for use in various cases pending or about to be commenced in the Federal courts, who were paid from \$3 to \$6 per day and a per diem of \$4 in lieu of subsistence, together with actual expenses of travel, etc.

(c) About 50 persons, who were employed by this department for the purpose of making investigations of various kinds in naturaliza-

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tion cases, and who were paid from \$300 to \$2,500 per annum and expenses.

(d) Six men, who were permanently employed by the department for the purpose of collecting evidence in matters involving violations of the peonage laws, and who received \$1 per day and \$3 in lieu of subsistence, together with actual expenses of travel, etc.

(e) Seven men, who were permanently employed by the department in investigations in connection with land-fraud cases in the West, and who received from \$3 to \$5 per day and \$3 per day in lieu of subsistence, and also actual expenses of travel, etc.

(f) Twelve examiners holding statutory positions at salaries of from \$1,800 to \$2,500 per annum, and receiving actual expenses of travel and subsistence, and who were charged with the duty of investigating the official acts, records, accounts, etc., of United States attorneys, United States marshals, clerks of United States courts, and United States commissioners.

While all of the persons above mentioned were employed and paid by this department, there was, prior to July 1, 1908, no general organization or systematic cooperation between the different forces. Moreover, there was, with a single exception (the examiners' force, to which reference will be made hereafter), an absence of any permanent, convenient record at the department showing the nature, extent, or cost of the work performed by these persons. Furthermore, the force of departmental examiners which was in charge of the chief examiner was at that time the only investigation force of the department having a definite organization, an officer in charge at Washington, and complete records showing the nature and extent of the work performed by it.

I am advised that about two years prior to July 1, 1908, the question of organizing an investigation service along the lines of the present bureau of investigation was seriously considered by this department, but it appears that no active measures were taken to this end until after the passage of the sundry civil act of May 27, 1908, which prohibited the continuation of the above-mentioned practice of borrowing secret-service operatives from the Treasury Department.

On or about July 1, 1908, under the direction of my predecessor, and by reason of the provision of law above mentioned, and also, as it appears, for the purpose of systematizing the investigation work of the department, 9 men, who had prior to that time been connected with the Secret Service Division of the Treasury Department were appointed as special agents of this department; and these men, together with the thirteen above mentioned (who had for some time previously been employed by this department for the purpose of collecting evidence in matters involving violations of the peonage and land-fraud statutes) and the 12 statutory examiners of this

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department, were organized into a general investigation service under the designation of "Bureau of Investigation," and the chief examiner was placed in immediate charge of their work.

Of the 35 men above mentioned, all are still connected with the department (with the exception of 5 of the 9 men who were originally secured from the Secret Service). By reason of certain very important cases which required the work of a number of special agents, and on account of the large number of cases throughout the entire country in which it was found that special agents could be used to great advantage in collecting evidence for the Government, and also by reason of the fact that it was found necessary to make some systematic effort to locate and apprehend fugitives from justice who previously had been able to escape arrest in a large number of cases by simply leaving the district in which they were being prosecuted and proceeding to some other part of the United States, a number of additional agents have been secured from time to time, as occasion required.

Upon consideration of the advantages accruing from the organization of the investigation service, as above set forth, and in view of the statements contained in my predecessor's report for the fiscal year ended June 30, 1908, to the effect that, unless such action were prohibited by Congress the department would seriously consider the proposition of organizing its own force of bank accountants for the purpose of collecting and preparing evidence in cases involving criminal violations of the national banking laws, which work was previously done by bank examiners borrowed from the office of the Comptroller of the Currency, as above set forth, a small force of bank accountants has been organized as a part of the bureau of investigation, with compensations of from \$1,800 to \$2,200, and in one instance of \$2,700, per annum, besides actual expenses, or a small, fixed per diem allowance in lieu of subsistence.

As a result of the changes above set forth, all of the investigation work of the department, which was formerly performed by the various forces of men above mentioned (with the exception of the naturalization work, which is now under the Department of Commerce and Labor, and of a few cases in which it is still necessary to employ bank examiners for brief periods, owing to the fact that the force of bank accountants is not as yet entirely complete) is now performed by persons connected with the bureau of investigation, and the department has secured the services of a thoroughly organized and generally efficient force of investigators at a minimum cost, and has available for reference at all times convenient, complete, and permanent records, showing the nature, extent, and result or status, and the cost of all such investigations.