

IN THE DISTRICT COURT OF THE UNITED STATES OF AMERICA FOR THE WESTERN DISTRICT OF MISSOURI WESTERN DIVISION

United States of America, Plaintiff, v.

Matthew S. Murray, Defendant.

No. 14652

INDICTMENT COUNT I

The grand jurors of the United States of America, duly and legally chosen, selected, summoned and drawn from the body of the Western District of Missouri, and duly and legally empanelled, sworn and charged to inquire of and concerning crimes and offenses against the United States of America in the Western District of Missouri, upon their oaths present and charge that one Matthew S. Murray, late of the City of Kansas City, State of Missouri, sometimes hereinafter called the defendant, during the calendar year 1934 and until and including March 6, 1935, and at all times thereafter was an individual who was married and living with his wife and who had two dependent children throughout the aforesaid calendar year, each under eighteen years of age; that during all of the aforesaid time the defendant aforesaid maintained his legal residence and principal place of business in the City of Kansas City, State of Missouri, within the Sixth United States Internal Revenue Collection District of Missouri; that during the same time his regular accounting period was on the basis of a calendar year and not on the basis of a fiscal year; that for said calendar year 1934 the defendant had, derived and received a gross income of over \$5,000, computed in accordance with the "Revenue Act of 1934" (and exclusive of items which, under the provisions of said Revenue Act, shall not be included in gross income and shall be exempt from taxation, among which items was a salary- received from the City of Kansas City, Missouri), to wit; \$15,606.25 derived and computed as follows, that is to say:

Income received from John J. Pryor	\$3,800.00
Other income, the person or persons from whom received being to the grand jurors unknown.	11,806.25
Gross income	\$15,606.25

That during the said calendar year 1934 the said defendant was entitled to and allowed by said Revenue Act deductions (other than those deductions taken in computing gross income as aforesaid) the sum of \$1,091.78 and no more, on account of the following :

Taxes paid	\$260.20
Contributions.	300.00
Interest paid.	531.58
Total	\$1091.78

That, accordingly, the defendant had, derived and received for said calendar year a net income (the gross income less the deductions allowed by law) of \$14,514.47, upon which said net income, after the allowance of all credits to which he was entitled under the provisions of said Revenue Act, he owed to the United States of America an income tax of \$821.59; that, by reason of the foregoing facts the said defendant, after the close of the said calendar year, and on or before the 15th day of March 1935 was required to make under oath to the Collector of Internal Revenue of the Collection District aforesaid at Kansas City, County of Jackson, in the State of Missouri, within the Western District of Missouri, and within the jurisdiction of this court, a return for the said calendar year 1934, stating specifically the items of his gross income

and the deductions and credits allowed by the said Revenue Act, and the defendant aforesaid was further required on or before the 15th day of March 1935 to pay at least one-fourth of the amount of income tax so due and owing to the United States, as aforesaid, to the Collector of Internal Revenue aforesaid.

That the said defendant, Matthew S. Murray, well knowing all of the foregoing facts, did, on the 6th day of March 1935 at Kansas City, Jackson County, Missouri, in the Western Division of the Western District of Missouri, and within the jurisdiction of this court, wilfully, knowingly, unlawfully and feloniously attempt to evade and defeat all of said income tax upon his said net income for the said calendar year of 1934, said income tax amounting to and being \$821.59, and as a means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said income tax, did, on the 6th day of March 1935, at Kansas City, in the State and Judicial Division and District aforesaid make under oath to the Collector of Internal Revenue of the said Collection District an income tax return for the said calendar year of 1934, stating specifically therein the items of his gross income for the said calendar year 1934 to have been the sum of \$6,833.29, and no more, derived and computed as follows:

Salary from City of Kansas City, Missouri. \$6,833.29 and stating specifically the items of deduction (other than those taken in computing the amount of gross income aforesaid) allowed to him by said Revenue Act for said calendar year 1934 to have been the sum of \$516.04 on account of the following:

Taxes paid	\$ 216.04
Contributions.	300.00
Total	516.04

and stating therein no other item or items of deductions and stating his net income for the said calendar year 1934 to have been the sum of \$6,317.25, and no more, and showing no income tax whatever to have been due and payable by him for said calendar year 1934, and he, the said defendant, did not then nor did he thereafter pay to the Collector of Internal Revenue any income tax whatsoever for said calendar year 1934; and furthermore, and as a further means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said income tax, the said defendant thereafter failed utterly to make to the said Collector of Internal Revenue any other income tax return for the calendar year 1934, stating specifically the items of his gross income and the deduction and credits allowed by law, and thereafter failed utterly to make any payment or payments to said Collector of Internal Revenue or any other proper officer of the United States, of any sums of money on account of his said income tax debt for the said calendar year 1934;

Contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

#### COUNT II

The grand jurors aforesaid, upon their oaths aforesaid, do further present and charge that one Matthew S. Murray, late of the City of Kansas City, State of Missouri, sometimes hereinafter called the defendant, during the calendar year 1935 and until and including March 16, 1936, and at all times thereafter was an individual who was married and living with his wife and who had two dependent children throughout the aforesaid calendar year, each under eighteen years of age; that during all of the aforesaid time the defendant aforesaid maintained his legal residence and principal place of business in the City of Kansas City, State of Missouri,

within the Sixth United States Internal Revenue Collection District of Missouri; that during the same time his regular accounting period was on the basis of a calendar year and not on the basis of a fiscal year; that for said calendar year 1935 the defendant had, derived and received a gross income of over \$5,000, computed in accordance with the "Revenue Act of 1934" and as amended by the "Revenue Act of 1935" (and exclusive of items which, under the provisions of said Revenue Acts, shall not be included in gross income and shall be exempt from taxation, among which items was a salary received from the City of Kansas City, Missouri), to wit; \$15,340.15 derived and computed as follows, that is to say:

Salary from the United States of America	\$3,524.97
Stock transactions as shown by income tax return hereinafter mentioned	616.89
Other income, the person or persons from whom received being to the grand jurors unknown	11,198.29
Gross income	\$15,340.15

That during the said calendar year 1935 the said defendant was entitled to and allowed by said Revenue Acts deductions (other than those deductions taken in computing gross income as aforesaid) the sum of \$763.27, and no more, on account of the following:

Taxes paid	\$266.55
Contributions	204.00
Interest paid	292.72
Total	\$763.27

That, accordingly, the defendant had, derived and received for said calendar year a net income (the gross income less the deductions allowed by law) of \$14,576.88, upon which said net income, after the allowance of a 11 credits to which he was entitled under the provisions of said Revenue Acts, he owed to the United States of America an income tax of \$826.36; that, by reason of the foregoing facts the said defendant, after the close of the said calendar year, and on or before the 16th day of March 1936 was required to make under oath to the Collector of Internal Revenue of the Collection District aforesaid at Kansas City, County of Jackson, in the State of Missouri, within the Western District of Missouri, and within the jurisdiction of this court, a return for the said calendar year 1935, stating specifically the items of his gross income and the deductions and credits allowed by the said Revenue Acts, and the defendant aforesaid was further required on or before the 16th day of March 1936 to pay at least one-fourth of the amount of income tax so due and owing to the United States, as aforesaid, to the Collector of Internal Revenue aforesaid.

That the said defendant, Matthew S. Murray, well knowing all of the foregoing facts, did, on the 14th day of March 1936 at Kansas City, Jackson County, Missouri, in the Western Division of the Western District of Missouri, and within the jurisdiction of this court, wilfully, knowingly, unlawfully and feloniously attempt to evade and defeat all of said income tax upon his said net income for the said calendar year of 1935, said income tax amounting to and being \$826.36, and as a means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said income tax, did, on the 16th day of March 1936, at Kansas City, in the State and Judicial Division and District aforesaid make under oath to the Collector of Internal Revenue of the said Collection District an income tax return for the said calendar year of 1935, stating specifically therein the items of his gross income for the said calendar year 1935 to have been

the sum of \$4,141.86, and no more, derived and computed as follows:

Salary from United States Government	\$ 3,524.97
Stock transactions	616.89
Total gross income	4,141.86

and stating specifically the items of deduction (other than those taken in computing the amount of gross income aforesaid) allowed to him by said Revenue Acts for said calendar year 1935 to have been the sum of \$641.01 on account of the following:

Taxes paid	\$ 209.69
Contributions	204.00
Interest	227.52
Total	\$ 641.01

and stating therein no other item or items of deductions and stating his net income for the said calendar year 1935 to have been the sum of \$3,500.85, and no more, and showing no income tax whatever to have been due and payable by him for said calendar year 1935, and he, the said defendant, did not then nor did he thereafter pay to the Collector of Internal Revenue any income tax whatsoever for said calendar year 1935; and furthermore, and as a further means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said large part of said income tax, the said defendant thereafter failed utterly to make the said Collector of Internal Revenue any other income tax return for the calendar year 1935, stating specifically the items of his gross income and the deductions and credits allowed by law, and thereafter failed utterly to make any payment or payments to said Collector of Internal Revenue or any other proper officer of the United States, of any sums of money on account of his said income tax debt for the said calendar year 1935;

Contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

### COUNT III

The Grand Jurors aforesaid, upon their oaths aforesaid, do further present and charge that one MATTHEW S. MURRAY, late of the city of Kansas City, state of Missouri, sometimes hereinafter called the defendant, during the calendar year 1936 and until and including March 8, 1937, and at all times thereafter, was an individual who was married and living with his wife and who had two dependent children, throughout the aforesaid calendar year, each under eighteen years of age; that during all of the aforesaid time the defendant aforesaid maintained his legal residence and principal place of business in the city of Kansas City, state of Missouri, within the Sixth United States Internal Revenue Collection District of Missouri; that during the same time his regular accounting period was on the basis of a calendar year and not on the basis of a fiscal year; that for said calendar year 1936 the defendant had, derived and received a gross income of over \$5,000.00, computed in accordance with the "Revenue Act of 1936", (and exclusive of items which, under the provisions of said Revenue Act shall not be included in gross income and shall be exempt from taxation, among which items was a salary received from the city of Kansas City, Missouri), to-wit: \$13,634.30, derived and computed as follows, that is to say:

Salary from the United States of America,	\$ 6,500.00
Dividends,	340.00

Income from sale of stock rights as shown by income tax return hereinafter mentioned  
609.62

Other income, the person or persons from whom received being to the grand jurors unknown,  
6,184.68

Gross income, \$13,634.30

That during the said calendar year 1936 the said defendant was entitled to and allowed by said Revenue Act, deductions (other than those deductions taken in computing gross income as aforesaid) the sum of \$983.78, and no more, on account of the following:

Interest paid, \$ 480.57

Taxes paid, 299.21

Contributions, 204.00

Total, \$ 983.78

That, accordingly, the defendant had, derived and received for said calendar year a net income (the gross income less the deductions allowed by law) of \$12,650.52, upon which said net income, after the allowance of all credits to which he was entitled under the provisions of said Revenue Act, he owed to the United States of America an income tax of \$605.05; that, by reason of the foregoing facts the said defendant, after the close of the said calendar year, and on or before the 15th day of March, 1937, was required to make under oath to the Collector of Internal Revenue of the Collection District aforesaid at Kansas City, County of Jackson, in the State of Missouri, within the Western District of Missouri, and within the jurisdiction of this court, a return for the said calendar year 1936, stating specifically the items of his gross income and the deductions and credits allowed by the said Revenue Act, and the defendant aforesaid was further required on or before the 15th day of March, 1937, to pay at least one-fourth of the amount of income tax so due and owing to the United States, as aforesaid, to the Collector of Internal Revenue aforesaid.

That the said defendant, Matthew S. Murray, well knowing all of the foregoing facts, did, on the 8th day of March, 1937, at Kansas City, Jackson County, Missouri, in the Western Division of the Western District of Missouri, and within the jurisdiction of this court, wilfully, knowingly, unlawfully and feloniously attempt to evade and defeat a large part of said income tax upon his said net income for the said calendar year of 1936, said large part of said income tax amounting to and being \$502.16, and as a means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said large part of said income tax, did, on the 10th day of March, 1937, at Kansas City, in the State and Judicial Division and District aforesaid, make under oath to the Collector of Internal Revenue of the said Collection District an income tax return for the said calendar year of 1936, stating specifically therein the items of his gross income for the said calendar year 1936, to have been the sum of \$7,449.62, and no more, derived and computed as follows:

Salary from United States Government, \$ 6,500.00

Dividends, 340.00

Other income (sale of stock rights) 609.62

Total Gross Income..... \$ 7,449.62

and stating specifically the items of deduction (other than those taken in computing the amount of gross income aforesaid) allowed to him by said Revenue Act for said calendar year 1936, to have been the sum of \$927.38, on account of the following:

Interest paid,.	\$424.17
Taxes paid,	299.21
Contributions,	204.00
Total,	\$927.38

and stating therein no other item or items of deductions and stating his net income for the said calendar year 1936 to have been the sum of \$6,522.24, and no more, and showing the total income tax due and payable by him for said calendar year 1936 to have been the sum of \$102.89, and no more; and he, the said defendant, did then and there pay to the said Collector of Internal Revenue the sum of \$102.89, and no more, as and for his income tax for said calendar year 1936; and furthermore, and as a further means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said large part of said income tax, the said defendant thereafter failed utterly to make the said Collector of Internal Revenue any other income tax return for the calendar year 1936, stating specifically the items of his gross income and the deduction of credits allowed by law,, and thereafter failed utterly to make any other payment or payments to said Collector of Internal Revenue or any other proper officer of the United States, of any sums of money on account of his said income tax debt for the said calendar year 1936.

Contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

#### COUNT IV

The grand jurors aforesaid, upon their oaths aforesaid, do further present and charge that one Matthew S. Murray, late of the City of Kansas City, State of Missouri, sometimes hereinafter called the defendant, during the calendar year 1937 and until and including March 15, 1938, and at all times thereafter, was an individual who was married and living with his wife and who had one dependent child throughout the aforesaid calendar year, under eighteen years of age and one dependent child, for one-twelfth of said calendar year; that during all of the aforesaid time the defendant aforesaid maintained his legal residence and principal place of business in the City of Kansas City, State of Missouri, within the Sixth United States Internal Revenue Collection District of Missouri; that during the same time his regular accounting period was on the basis of a calendar year and not on the basis of a fiscal year; that for said calendar year 1937 the defendant had, derived and received a gross income of over \$5,000, computed in accordance with the "Revenue Act of 1936" (and exclusive of items which under the provisions of said Revenue Act, shall not be included in gross income and shall be exempt from taxation, among which items was a salary received from the City of Kansas City, Missouri), towit: \$21,787.36, derived and computed as follows, that is to say:

Salary from United States of America	\$6500.00
Income received from John J. Pryor	4000.00
Dividends	499.44
Interest received from Standard Federal Savings and Loan Assn.	405.89
Taxable interest on Government obligations	8.63

Other income, the person or persons from whom received being to the grand jurors unknown  
12373.40

Total	\$23787.36
Loss from sale or exchange of property	2000.00
Total Gross Income	21787.36

That during the said calendar year 1937 the said defendant was entitled to and allowed by said Revenue Act deductions (other than those deductions taken in computing gross income as aforesaid) the sum of \$1122.09 and no more, on account of the following:

Taxes paid	\$289.81
Contributions	204.00
Interest paid	628.28
Total	\$1122.09

That, accordingly, the defendant had, derived and received for said calendar year a net income (the gross income less the deductions allowed by law) of \$20,665.27, upon which said net income, after the allowance of all credits to which he was entitled under the provisions of said Revenue Act, he owed to the United States of America an Income tax of \$1,653.44; that, by reason of the foregoing facts the said defendant, after the close of the said calendar year, and on or before the 15th day of March, 1938, was required to make under oath to the Collector of Internal Revenue of the Collection District aforesaid at Kansas City, County of Jackson, in the State of Missouri, within the Western District of Missouri, and within the jurisdiction of this court, a return for the said calendar year 1937, stating specifically the items of his gross income and the deductions and credits allowed by the said Revenue Act, and the defendant aforesaid was further required on or before the 15th day of March, 1938 to pay at least one-fourth of the amount of income tax so due and owing to the United States, as aforesaid, to the Collector of Internal Revenue aforesaid.

That the said defendant, Matthew S. Murray, well knowing all of the foregoing facts, did, on the 15th day of March, 1938, at Kansas City, Jackson County, Missouri, in the Western Division of the Western District of Missouri, and within the jurisdiction of this court, wilfully, knowingly, unlawfully and feloniously attempt to evade and defeat a large part of said income tax upon his said net income for the said calendar year of 1937, said large part of said income tax amounting to and being \$1,628.58, and as a means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said large part of said income tax, did, on the 15th day of March, 1938, at Kansas City, in the State and Judicial Division and District aforesaid make under oath to the Collector of Internal Revenue of the said Collection District, an income tax return for the said calendar year of 1937, stating specifically therein the items of his gross income for the said calendar year 1937 to have been the sum of \$5624.47 and no more, derived and computed as follows:

Salaries	\$6710.51
Dividends	499.44
Taxable interest on government obligations	414.52
Total	\$7624.47
Loss from sale or exchange of property	2000.00
Total gross income.	\$5624.47

and stating specifically the items of deduction (other than those taken in computing the amount of gross income aforesaid) allowed to him by said Revenue Act for said calendar year 1937 to have been the sum of \$1251.20 on account of the following:

Taxes paid	\$289.81
Interest	546.88
Contributions	204.00
Other deductions	210.51
Total	\$1251.20

and stating therein no other item or items of deductions and stating his net income for the said calendar year 1937 to have been the sum of \$4373.27, and no more, and showing the total income tax due and payable by him for said calendar year 1937 to have been the sum of \$24.86, and no more; and he, the said defendant did then and there pay to the said Collector of Internal Revenue the sum of \$24.86, and no more, as and for his income tax for said calendar year 1937; and furthermore, and as a further means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said large part of said income tax, the said defendant thereafter failed utterly to to make/the said Collector of Internal Revenue any other income tax return for the calendar year 1957, stating specifically the items of his gross income and the deductions of credits allowed by law, and thereafter failed utterly to make any other payment or payments to said Collector of Internal Revenue or any other proper officer of the United States, of any sums of money on account of his said income tax debt for the said calendar year 1937.

Contrary to the form of the statute in such cases made and provided and against the peace and dignity of the United States of America.

#### COUNT V

The grand jurors aforesaid, upon their oaths aforesaid do further present and charge that one Matthew 3. Murray, late of the City of Kansas City, State of Missouri, sometimes hereinafter called the defendant, during the calendar year 1938 and until and including March 11, 1939, and at all times thereafter, was an individual who was married and living with his wife and who had one dependent child throughout the aforesaid calendar year, under eighteen years of age; that during all of the aforesaid time the defendant aforesaid maintained his legal residence and principal place of business in the City of Kansas City, State of Missouri, within the Sixth United States Internal Revenue Collection District of Missouri; that during the same time his regular accounting period was on the basis of a calendar year and not on the basis of a fiscal year; that for said calendar year 1938 the defendant had, derived and received a gross income of over \$5,000, computed in accordance with the "Revenue Act of 1938" (and exclusive of items which, under the provisions of said Revenue Act, shall not be included in gross income and shall be exempt from taxation, among which items was a salary received from the City of Kansas City, Missouri), to wit; \$28,357.97 derived and computed as follows, that is to say:

Salary from United States	\$ 6,500.00
Dividends	158.75
Interest received from Bramur Oil Co.	112.53
Taxable interest on government obligations.	169.67
Income from partnership, Murphy Gas and Oil Co	428.10
Rents received from E. A. Matthews, Agent.	314.68
Other income, the person or persons from whom received being to the grand jurors unknown.	20,223.48



Net short-term gain from sale or exchange of capital assets	450.76
Total gross income	\$28,357.97

That during the said calendar year 1938 the said defendant was entitled to and allowed by said Revenue Act deductions (other than those deductions taken in computing gross income as aforesaid) the sum of \$1,036.69, and no more, on account of the following:

Taxes paid	\$208.73
Contributions.	204.00
Interest paid	623.96
Total	\$1,036.69

That, accordingly, the defendant had, derived and received for said calendar year a net income (the gross income less the deductions allowed by law) of \$27,321.28, upon which said net income, after the allowance of all credits to which he was entitled under the provisions of said Revenue Act, he owed to the United States of America an income tax of \$2,919.08; that, by reason of the foregoing facts the said defendant, after the close of the said calendar year, and on or before the 15th day of March 1939 was required to make under oath to the Collector of Internal Revenue of the Collection District aforesaid at Kansas City, County of Jackson, in the State of Missouri, within the Western District of Missouri, and within the jurisdiction of this court, a return for the said calendar year 1938, stating specifically the items of his gross income and the deductions and credits allowed by the said Revenue Act, and the defendant aforesaid was further required on or before the 15th day of March 1939 to pay at least one-fourth of the amount of income tax so due and owing to the United States, as aforesaid, to the Collector of Internal Revenue aforesaid.

That the said defendant, Matthew S. Murray, well knowing all of the foregoing facts, did, on the 11th day of March 1939 at Kansas City, Jackson County, Missouri, in the Western Division of the Western District of Missouri, and within the jurisdiction of this court, wilfully, knowingly, unlawfully and feloniously attempt to evade and defeat a large part of said income tax upon his said net income for the said calendar year of 1938, said large part of said income tax amounting to and being \$2,798.59, and as a means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said large part of said. Income tax, did, on the 15th day of March 1959, at Kansas City, in the State and Judicial Division and District aforesaid make under oath to the Collector of Internal Revenue of the said Collection District, an income tax return for the said calendar year of 1938, stating specifically therein the items of his gross income for the said calendar year 1938 to have been the sum of \$7,707.28, and no more, derived and computed as follows;

Salary	\$ 6,500.00
Dividends	158.75
Taxable interest on government obligations	169.67
Income from partnership, Murphy Gas and Oil Co	428.10
Net short-term gain from sale or exchange of capital assets	450.76
Total gross income	\$7,707.28

and stating specifically the items of deduction (other than those taken in computing the

amount of gross income aforesaid) allowed to him by said Revenue Act for said calendar year 1938 to have been the sum of \$975.24 on account of the following:

Taxes paid	\$ 208.73
Interest	562.51
Contributions	204.00
Total	\$ 975.24

and stating therein no other item or items of deductions and stating his net income for the said calendar year 1938 to have been the sum of \$6,732.04, and no more, and showing the total income tax due and payable by him for said calendar year 1938 to have been the sum of \$120.49, and no more, and he, the said defendant, did then and there pay to the said Collector of Internal Revenue the sum of \$120.49, and no more, as and for his income tax for said calendar year 1938; and further more, and as a further means of so wilfully, unlawfully, knowingly and feloniously attempting to evade and defeat said large part of said income tax, the said defendant thereafter failed utterly to make the said Collector of Internal Revenue any other income tax return for the calendar year 1958, stating specifically the items of his gross income and the deduction of credits allowed by law, and thereafter failed utterly to make any other payment or payments to said Collector of Internal Revenue or any other proper officer of the United States, of any sums of money on account of his said income tax debt for the said calendar year 1938;

Contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

Thomas A. Cortolow, Assistant U.S. Attorney

A TRUE BILL:

Max B Schrier, Foreman of the grand jury

Form No. 195

No. 14652

UNITED STATES DISTRICT COURT Western District of Missouri Western Division

THE UNITED STATES OF AMERICA vs.

Matthew S. Murray

INDICTMENT

Vio: Sec. 145b, T.26

Filed in open court this day of, A.D. 19

Clerk

Bail, \$

FILED OCT 26 1939

A. L. ARNOLD, Clerk,

By W. W. Caster, Deputy