

Limes
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CITY SIFTING BUND; KUHN SUBPOENAED

Herlands Calls It a 'Routine'
Inquiry Into Relief Tax Status
of Four Organizations

BUT WIDER QUEST IS SEEN

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All Membership and Subscrip-
tion Lists and Bank
Records Demanded

An inquiry that promises to expose the internal affairs of the German-American Bund and three allied organizations is being made by the office of William B. Herlands, Commissioner of Investigation, it was revealed yesterday. Action was started last Monday under the emergency relief taxation laws.

Fritz Kuhn, national Nazi leader and president of the four groups, who could not be found by a pair of plainclothes men in the last four days, was finally served with a subpoena late yesterday afternoon. He will be questioned today in the office of City Treasurer Almerino Portfollo, together with any of the nine other members of his staff who may get subpoenas before then.

In all, ten subpoenas were issued for persons connected with the Bund, the A. V. Publishing Corporation, which puts out the weekly Deutscher Wacker und Beobachter, organ of the Bund, the German-American Business League, Inc., and the German-American Front, Inc.

Only One Paid Relief Taxes

Investigators established that only the A. V. Publishing Corporation paid the emergency taxes. The aim of the inquiry is to determine

whether any of the four groups evaded the sales and business taxes or failed to pay all it collected. Such evasion is a misdemeanor.

Although Mayor I. A. Guardia and other interested officials said the investigation was routine, the scope of the subpoenas indicated that many collateral matters other than taxes might be revealed. The orders called for all membership lists, subscription lists, bank accounts, bank statements and canceled checks.

These records are sought to help trace the sales of books, propaganda and other pamphlets, uniforms, boots, belts, flags, decorations and emblems. Thus, the make-up of the Bund's Ordnungsdienst, or Storm Trooper corps, may be made public.

It was this corps, reputed to have numbered up to 2,000 booted and Sam Brown-belted men, that patrolled the bund's Washington Birthday rally in Madison Square Garden on Feb. 20 while city policemen coped with demonstrators' outside.

Extent of Sales Not Known

Whether the bund or the other organizations are in the business of selling uniforms and accoutrements was not learned yesterday. Contracts to supply such equipment are given to outside concerns by some organizations. Certain officials said, however, that books and other publications were sold in large numbers by the German groups.

Such activities as the exposition arranged by the German-American Business League at Grand Central Palace in December will come under Mr. Herlands' scrutiny. The bund and the publishing company had separate booths at that show.

The questioning of witnesses will be done in Mr. Portfollo's office in his capacity of collector of the normal per cent sales tax and of the tax on one tenth of 1 per cent on any business with an income of \$10,000 or more annually.

The inquiry got off to a brusque start on Monday when Mr. Herlands, detectives and plainclothesmen visited the headquarters of the four groups at 178 East Eighty-fifth Street. They did not find any

of the business records wanted, however.

Books Reported Downtown

Subsequently the officials learned that the books were being kept in an office in the financial district the location of which was not revealed. Some one in the bund office said they were being examined by auditors. No official would say whether these records had been obtained or were awaiting legal process.

Nevertheless the police served a subpoena on James Wheeler-Hill, national secretary of the bund, and he was questioned by Mr. Herlands in Mr. Portfollo's office on Tuesday and yesterday. The examination was not highly productive. Mr. Wheeler-Hill, it was learned, gave yes-and-no answers or no answers at all to certain questions. He said Mr. Kuhn had the books and records with him and that Mr. Kuhn was in Washington.

Two plainclothes men looked high and low for Mr. Kuhn on Monday in Yorkville and at his home in Astoria without luck. He appeared at the bund office at 4 P. M. yesterday and got the subpoena.

News of the inquiry leaked out before officials were ready to make it public and Mr. Herlands would make no comment on the progress made. He is being assisted by Abraham Bloch, a legal aide.

"This is a routine investigation conducted in cooperation with City Treasurer Portfollo for tax purposes," Mr. Herlands said.

Seven of those named in the subpoena are officials of the four groups and three are employees.