

**The 1933 St. Gaudens' Double Eagle,**  
**a Saga**

**or**

**A tale of making heads or tails of a \$20 Gold Piece**

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**To The**

**Hopkinsville-Christian County**

**Athenaeum Society**

**May 5, 2016**

Did you ever wonder what happened to the gold that was mined in the California gold rush? Much of it was purchased by the United States government. Following one particular massive purchase of gold in 1850, the U.S. Mint in Philadelphia began production of \$20 gold coins. Earlier, \$10 gold coins had eagles on them, so because they were twice the value, the new \$20 coins were called "Double Eagles." (The name didn't mean the coin had eagles on both sides; there was an eagle on the back and a profile of Lady Liberty on the front.)

These \$20 Double Eagles were produced until 1907, when President Theodore Roosevelt, who felt that U.S. coins were among the ugliest in the world, commissioned artist Augustus St. Gaudens to redesign all of the nation's coins. One side of St. Gaudens' new Double Eagle depicted a full-length image of Lady Liberty holding an olive branch in one hand and a torch other. The other side featured a bald eagle soaring across a setting sun. Coin collectors cite St. Gaudens Double Eagle as one of the most beautiful coins ever made.

In 1932, at the height of the Great Depression, Franklin Roosevelt was elected president. As one of his first acts upon taking office in March 1933, Roosevelt moved quickly to protect the U.S. economy. One of his first measures was to retain the government's control over the circulation of gold by banning its export, ending the production of gold coins and making it illegal for regular citizens to own gold coins or gold bullion. Citizens could exchange their gold for paper currency.

A total of 445,500 Double Eagles were produced in early 1933, just a few days before Roosevelt's order to stop issuing gold coins came down. Here is what happened to them.

- 445,034 were sealed in at the vault at the Philadelphia Mint.
- 466 were sent away for testing, and 437 came back to the Mint, 29 were destroyed in the testing.
- Those 437 were locked in a safe in the office of the Mint cashier, which could only be opened with two keys, both of which were in the possession of the cashier, George McCann.
- Two of the 437 were sent to the American Coins Collection at the Smithsonian Institute in Washington D.C. Those were the only two 1933 Double Eagles ever to, supposedly, leave the Mint.

- After Roosevelt's order, the 445,034 coin in the vault and the 435 remaining in the cashier's safe were, according to Mint records, melted back down into bullion in March 1937.

In the 1930's, Philadelphia was a major gold-trading center. An entire district around the Mint was dedicated to gold, including the stores and offices of jewelers, coin dealers, and scrap gold merchants. One of the most prominent gold men was a jeweler named Israel Switt. He had lots of friends and business associates who worked at the Mint, including the cashier, George McCann. And Switt and McCann had something else in common: Both men had criminal records. In 1934 Switt had been arrested for trying to sell gold bullion. McCann was arrested and fired from his job at the Mint for trying to help steal \$10,000 in scrap gold.

But their biggest crime would go undetected for years. Sometime in the early 1930's, McCann stole a handful of 1933 gold Double Eagle coins. It was relatively easy, since he had access to the safe where they were kept. A few days before they were scheduled to be melted down, he smuggled some out and sold them to Switt, who in turn, sold five of the coins to a dealer named James MacAllister in 1937. Price: Three for \$300 each and two for \$350 each. (In today's dollars, that is about \$5,000 and \$5,800, respectively.) Switt sold four more Double Eagles to other coin dealers, who resold them to private collectors.

Officials at the U.S. Mint had no idea that any of the coins were missing – they thought all 1933 Double Eagles had been destroyed.

One of Switt's coins was quietly sold to a Fort Worth, Texas coin dealer named B. Max Mehl. In 1944, Mehl sold the coin to a high profile buyer: King Farouk of Egypt. Farouk liked to collect very expensive things, including rare stamps, jewels, art, Faberge eggs, and especially, gold coins, of which he possessed more than 8,500. Despite the fact that he frequently dipped into Egypt's treasury to buy such collectables for himself, Farouk liked to keep his transactions legal. So when he found a 1933 Double Eagle in the United States, Farouk sent a delegation to Fort Worth to obtain the coin from Mehl, and in accordance with United States law, applied to the Treasury Department for an export license for the Double Eagle. Unaware that it was an incredibly rare, incredibly valuable, and incredibly illegal coin, a low level bureaucrat in the

Treasury approved is an export license on February 29, 1944. The coin returned with the delegation to King Farouk in Egypt.

Just a few days later in early March, *New York Herald Tribune* stamps and coins columnist Ernest Kehr was writing an article on the sale of a collection by Stack's, a rare-coin house in New York. The last item listed in the auction: a 1933 Double Eagle. "Excessively rare," read the listing, "the first one to ever come up in any public auction." To find out just how rare, Kehr wrote to a friend who would know: the acting director of the U.S Mint, Leland Howard. Howard did some digging and found out how rare the 1933 Double Eagle was: It was so rare that none were technically supposed to exist outside of the Smithsonian.

Howard immediately notified the Secret Service, which, like the Mint is a branch of the Treasury Department, and let them know that at least one 1933 Double Eagle was being illegally circulated. The Secret Service seized the coin from the Stack's auction, and the agent in charge of the investigation, Harry Strang, quickly assembled a team of agents to look into the possibility of there being more Double Eagles in circulation, and get them back. (Why did the government want the coin back so badly? It was a security issue – it was the middle of World War II, and the theft of coins pointed out a hole in United States security.)

Strang started poking around in both legitimate and underground coin dealing circles, and that quickly led him to jeweler Israel Switt and former cashier McCann. After discovering the old related criminal records of both men, Strang concluded McCann must have swiped multiple 1933 Double Eagles from the vault in his office and passed them on to Switt. Strang presented his case to the Department of Justice, expecting to get arrest warrants. But Strang couldn't arrest either man. Why? Eleven years had passed since the theft, and the statute of limitations on the crime had expired.

Strang and his field agents decided that there were a total of nine stolen 1933 Double Eagles in circulation. By the end of 1945, the Secret Service had found and seized three; four more were turned in. That left two: One was still unaccounted for, and the other was in the possession of King Farouk of Egypt.

Strang lobbied his bosses to try and get the Egyptian coin back to the United States, but Treasury lawyers decided that despite the tremendous effort to recover all the other Double Eagles, Farouk

owning one really didn't "present a problem." In other words, trying to get back a coin from the sovereign head of a foreign country was a potentially diplomatic nightmare and could create an international incident, an especially unsavory scenario in the middle of World War II. (In 1949-after the war was over, the Treasury Department changed its position to help them get the coin back via diplomatic channels. The State Department refused, calling the idea "politically unadvisable.")

The owner of the ninth coin, a collector named L. G. Barnard, came forward in late 1945. He had a Double Eagle ... but he refused to give it up. He bought the coin from a reputable dealer, he said, and neither he nor that dealer had known it was stolen. So what did the government do? They sued Barnard for it. And they won: In 1947 a federal judge ruled that the Double Eagle was still property of the government because it had left the Mint via theft. Later that year, with possession of the eight Double Eagles, the Treasury Department melted them down.

That was about the end of the story, eight Double Eagles had been located, seized and destroyed, and the last one was never going to leave King Farouk's palace. Except that Strang's investigation team had made a mistake: Israel Switt had stolen and resold 10 Double Eagles, not nine. The owner of the 10<sup>th</sup> coin, a collector named Louis Eliasberg, came forward out of the blue in 1952, three years after the case was closed, and surrendered the coin to the Treasury Department. It was immediately melted down.

But the Double Eagle saga still wasn't over. In 1952 the Egyptian army staged a coup, took over the country, and deposed King Farouk, in some part due to his frequent raiding the treasury to buy himself trinkets. Farouk had to leave behind many of his most expensive possessions, and so in 1954 the Egyptian government, under former general Nasser, announced that King Farouk's collection of more than 8,500 gold coins would be sold at auction. The event would be handled by the New York office of Sotheby's, who predicted the auction would "rival the great sales of the past and will take its place in the bibliographies of numismatics."

Officials at the Treasury Department, who had been keeping tabs on all high-end coin auctions since the sudden surrender of the Eliasberg Double Eagle, obtained a catalog for the Farouk auction. Sure enough, one lot interested them: Lot 185 - it consisted solely of a 1933 Double Eagle. The Treasury Department contacted the Egyptian Government and requested that lot 185

be removed from the auction and immediately returned to the United States. Egyptian officials complied with the first part of request but not the latter, and the coin, the only remaining 1933 Double Eagle at large, had disappeared. Or had it?

Stephen Fenton was the owner of Knightsbridge Coins, a London coin dealer. In 1994 Fenton and his business partner, Andre de Clermont, began buying rare coins from an Egyptian jeweler. The Egyptian wished to remain anonymous, saying only that he had access to many valuable coins because he was a family friend of a colonel in the ruling Egyptian army of the 1950s. That colonel, it turned out, had “acquired” a number of items from the 1954 Farouk coin auction, and when the colonel died; his family had sold it to this jeweler. Fenton and de Clermont bought several items from him and compared them to the 1954 auction catalog. The coins matched the ones from the Farouk’s collection.

A year later, de Clermont met with the Egyptian at his hotel room to view another coin he was offering for sale. He presented de Clermont with a worn Sotheby’s envelope from 1954. Inside was Farouk’s 1933 Double Eagle. The Egyptian wanted \$325,000 for it, but de Clermont consulted with Fenton and they talked the Egyptian into selling the coin for \$220,000. Fenton and de Clermont agreed to split the profits when they resold it.

Fenton started looking for a buyer and through a Kansas dealer named Jasper Parrino, he found Jack Moore, who was a high-end coin collector . . . and a government informant on stolen coins. When Parrino offered Moore a chance to buy a 1933 Double Eagle, Moore told Parrino he was interested, then immediately called the Treasury Department – he knew the entire story of the coin and that if one ever showed up, it was stolen.

Unfortunately, and unlike Moore, Stephen Fenton didn’t know the whole story of the 1933 Double Eagle. Specifically, he didn’t know the part about that coin being stolen federal property that had been missing for more than four decades.

The Treasury and the Secret Service talked Moore into helping to stage a sting operation to retrieve the Double Eagle from Fenton. Through Parrino (who was unaware of the sting), Moore told Fenton that he would buy the Double Eagle for \$1.5 million via wire transfer, but he would like to receive the coin in person the Waldorf-Astoria Hotel in New York City. The meeting

took place in February 1996. Moore brought two people with him: a “co-buyer” and a “coin expert” . . . both of whom were actually undercover Secret Service agents.

As Fenton handed the coin to Moore, Secret Service agents rushed into the room, seized the coin, and threw Fenton to the ground. Fenton was arrested and taken into custody at the Manhattan Secret Service offices, where he was charged with conspiring to embezzle and convert to his own use property of the United States. The coin was moved to the Treasury Department vault at the World Trade Center.

The public defender’s office gave Fenton a list of local attorneys, and from it he selected a man named Barry Berke. Berke managed to get Fenton released from custody on the condition that he would not leave the city. By April, Berke had convinced a federal judge that Fenton wasn’t a criminal and that he had no idea that he had tried to sell stolen federal property. Fenton was cleared of all criminal charges.

Next to be decided was the issue of ownership of the coin. Berke had to find some way to prove that his client rightfully owned the coin. But the 1947 Barnard case had established a precedent that the government owned all the 1933 Double Eagles because they had been stolen from the Mint. In order for Fenton to keep the disputed Double Eagle, Berke would have to prove that this coin was somehow different from Barnard’s.

And he did!

At a 2000 hearing, Berke argued that since the coin had been purchased through legal channels by Farouk and its export completely cleared by the Treasury Department in 1944, the U.S. government had forfeited its claim to that coin. In July 2001 a federal judge ruled that both Fenton and the government had rights to the coin. The judge’s solution: The government would retain ownership of the Farouk 1933 Double Eagle, but it would be sold at auction, and the proceeds would be split 50-50 between the Treasury Department and Fenton.

If not for lucky timing, the auction may never have happened at all. In July 2001 the 1933 Double Eagle was removed from the vault World Trade Center and transported to Fort Knox. Less than two months later, the World Trade Center was destroyed in the September 11 terrorist attacks.

On July 30, 2002, the world's only 1933 Double Eagle (other than the two in the Smithsonian) was put up for sale at an auction conducted by Sotheby's in conjunction with Stack's coin house. In order to participate, potential buyers had to produce bank records to show they had the ability to pay for the coin, bidding for which would begin at \$2.5 million. Coin experts predicted that the final sale price would probably reach the neighborhood of \$4.5 million.

Twelve people qualified to take part in the auction, including two phone bidders. Sotheby's vice-chairman, David Redden, conducted the auction, which began at exactly 6:00 p.m. Within three minutes, bidding topped \$4 million. At that point, all but two bidders had dropped out: an anonymous man standing in the back of the room, and a phone bidder for whom a Sotheby's employee acted as a proxy.

When the price reached \$6.6 million, the man at the back of the room bowed out. It was all over in nine minutes. The man or woman on the phone had purchased the 1933 Double Eagle for \$6.6 million, plus a 15% seller's premium and a \$20 fee to the Treasury to "monetize" the coin in order to make it legal currency. Total price: \$7,590,020. As agreed, Fenton got half and the Treasury got half plus the \$20. The identity of the buyer remains secret to this day.

However, we all know that the only constant is change. (Get it? Coin/change.)

In 2005, Israel Switt, the Philadelphia jeweler, whose illegal activities began the Double Eagle saga, died. That August his daughter, Joan Langbord was going through his Philadelphia store and made a startling discovery: Those other three coins weren't the only ones in the world after all. In the store's safe were 10 gold 1933 Double Eagle coins. They had never been sold and had been sitting there for nearly 70 years. And what's more startling is that despite having worked in her father's store for more than 50 years, Langbord had no idea of the significance of the coins . . . until she tried to get them appraised by another coin dealer and found out exactly what these 10 coins were.

The coin dealer had to notify the Secret Service, who then brokered a deal with Langbord. She would turn the coins over to them (she had no choice, they were, after all, stolen property) and they would give her a large cash settlement. How much would she get? No one knows. But as of mid 2008 Langbord had not receive a dime. So she got a lawyer, Barry Berke who had handled the King Farouk coin settlement.



In October 2010, a United States District Court judge released a 20-page decision, which led to a trial in July 2011. After a 10-day trial, the jury ruled unanimously in favor of the United States government concerning ownership of the ten additional double eagles. The court concluded that the circumstantial evidence proved that Israel Switt had illegally obtained the coins from the United States government, and that they are thus still government property.

From 2003, the ten double eagles were stored at Fort Knox. They were shown to jurors in Philadelphia during the 2011 trial, but were then returned to Fort Knox, where they were to remain until a decision regarding their disposition was made. In April 2015 a 3 judge federal appeals court ordered the coins should be returned to the Langbord family because the original asset seizure was conducted improperly, as the government failed to file a judicial civil forfeiture complaint within 90 days of the family's seized asset claim. This order was reversed in July 2015, and in October 2015 the 13-judge Third Circuit Court of Appeals heard oral argument in the ongoing appeal. A decision is expected in the spring of 2016.

**Uncle John's Unsinkable Bathroom Reader** Bathroom Readers' Press – 2008, “The Last Double Eagles,” Parts I & II.

[https://en.wikipedia.org/wiki/1933\\_double\\_eagle](https://en.wikipedia.org/wiki/1933_double_eagle)

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