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VOL. 61, NO. 73

THE VOICE OF THE ROCKY MOUNTAIN EMPIRE

# THE DENVER POST

5 CENTS

DENVER, COLO.—Climate Capital of the World—TUESDAY, OCT. 14, 1952

# Denverite, 'Saucer Scientist' charged in \$50,000 Fraud

# 'Magnetic Energy' Scheme to Find, Measure Oil Told

See story on page 1 also.

By CHARLES ROOS.  
Denver Post Staff Writer.

The scheme was to discover and measure oil deposits by magnetic energy, said Herman A. Flader, Denver manufacturer.

That scheme cost Flader \$50,000 in one series of investments and several times that amount altogether, he told District Attorney

Bert M. Keating. Here is Flader's story of his dealings with Silas M. Newton, Denver oil promoter, and Leo A. GeBauer, Phoenix, Ariz., businessman—dealings that resulted Tuesday in filing of a confidence game charge against Newton and GeBauer:

Flader met GeBauer early in 1949. GeBauer, using the title of "doctor," said he was a top re-

search scientist who had headed an ultra-secret government project seeking to locate submarines with magnetic devices in World War II.

(Such a project actually did exist, but a Denver Post investigation showed that GeBauer had no connection with it).

## CALLED FEDERAL DEVICES.

GeBauer advised Flader he was no longer working for the government, but said he had access to instruments from federal laboratories that could not only locate oil but also could determine the number of barrels underground.

Within two weeks of the GeBauer-Flader meeting, Newton introduced himself to Flader, claiming to be interested in certain electrical experiments Flader was conducting at his Denver manufacturing plant.

Flader then introduced Newton to GeBauer. According to Flader, they gave no indication they had met before.

When the conversation drifted around to "Doctor" GeBauer's oil locating devices, Newton hinted he had a similar machine of his own, a device he said was enormously

successful in discovering oil at Rangely, Colo. Newton said one of the world's leading physicists had developed his machine, at a cost of \$800,000.

Newton's machine, at first glance, looked much better than GeBauer's. It was encased in a handsome mahogany cabinet, fitted with rows of dials and meters. GeBauer's "doodlebug" was in a plain metal box, from which extended two whip antennas tipped with metal "beads."

## GE BAUER'S "WINS."

When the two machines were pitted against each other in a field test, GeBauer's device "proved" itself. Newton was forced to admit his \$800,000 beauty didn't compare with GeBauer's machine.

Then GeBauer revealed the true secret of his device. The metal beads on the antennas, he said in hushed tones, were really plutonium. GeBauer said he could obtain this rare metal from government stockpiles because of his outstanding war work.

Flader still wanted more proof of the machines' efficiency. GeBauer agreed to prove his on Flader's terms.

The crucial test took place on Flader's ranch near Denver, where GeBauer calculated the exact depth of five new water wells. (Flader now believes the information had been obtained from the drillers or the company that installed the pumps.)

Soon afterward, Newton told Flader that GeBauer had surveyed an oil lease near Mohave, Calif., owned by Newton's oil company, and had found large petroleum deposits. Flader bought a 12½ percent interest for \$50,000.

The California property failed to produce, however, and Flader's interest was diverted to other oil fields. The eventual cost was about \$300,000.

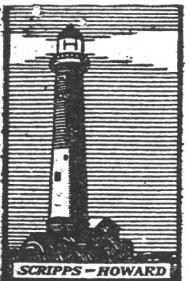
Recently, acting on a tip from The Denver Post, Flader took his troubles to Keating, along with two machines the "doctor" had left behind. He cautioned Flader not to open them or they might explode. Keating and his staff opened an immediate investigation. It was climaxed Tuesday by the filing of criminal charges.



Denver Post Photo.

LEO A. GE BAUER.

Named in oil exploration swindles charges.



# Rocky Mountain News

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DENVER, COLO., WEDNESDAY, OCT. 15, 1952.

SUNRISE  
EDITION  
★★★★★  
FORECAST—  
Fair.  
PRICE 5 CENTS  
80 PAGES

# FBI SEEKS DENVER 'FLYING DISC' MAN

—STORY ON PAGE 5

# Prosecutor and FBI Hunting 'Saucer Scientist' in Fraud

By AL NAKKULA and LEE TRAINOR

*Rocky Mountain News Writers*

Federal authorities yesterday joined local officers in a search for Silas M. Newton, Denver's "flying saucer" man, and a partner, both charged in an alleged \$50,000 swindle.

FBI agents were seeking Newton and a Phoenix, Ariz., man after U. S. District Attorney Charles S. Vigil filed federal charges against them.

Federal authorities jumped in right behind District Attorney Bert M. Keating, who earlier filed confidence game charges against Newton, a Denver oil promoter, and Leo A. GeBauer, a Phoenix radio parts merchant.

## \$50,000 SWINDLE CHARGED

Mr. Keating charged that Newton and GeBauer had swindled Herman A. Flader, owner of the Stayput Clamp and Coupling Co., 3975 York st., out of \$50,000.

The swindle allegedly involved oil well exploration tests using electronic "doodlebugs," one of which was represented as costing \$800,000.

Mr. Keating said examination of similar machines—war surplus items—showed their worth to be about \$3.50.

But no sooner had the Denver district attorney filed his charges than Mr. Vigil stepped in with new charges—charges that sent FBI agents out in search of the pair.

In a complaint filed with U. S. Commissioner Harold Oakes, Mr. Vigil charged Newton and GeBauer with knowingly transport-

**Newton's business associates shocked by charges. See story on Page 8.**

ing across state lines monies or securities which were gained by fraud.

## \$10,000 BOND URGED

Commissioner Oakes immediately signed warrants calling for the arrest of Newton and GeBauer.

Mr. Vigil recommended they be placed under \$10,000 bond each when arrested.

Such was the one-two punch against the man who made national headlines about "flying saucers from Venus."

Newton is the so-called "Mr. X" who broke his flying saucer story in a sensational lecture March 8, 1950, at Denver University.

He told students that three flying saucers, apparently from Venus, had been captured by U. S. military authorities. Found in these "saucers" were the bodies of 34 "little men," he said.

Newton said he was led to the saucers indirectly through research in magnetic oil detection.

## INVESTED IN OIL

It was this same "magnetic oil detection," however, that led to the rapid-fire filing of charges by both state and federal officials yesterday.



Assistant District Attorney Max Melville examines the Army Signal Corps surplus radio transmitter frequency changers which Herman A. Flader, wealthy Denver industrialist, claims were sold to him for \$32,000 by Silas Newton, Denver oilman, and Leo A. GeBauer, Phoenix radio parts dealer, in an alleged oil swindle. The surplus radio devices retail for \$3.50 each in Army surplus stores.

—Rocky Mountain News Photo by Bill Peety.

Mr. Keating said that Flader, in addition to the \$50,000, invested some \$250,000 in oil fields surveyed by Newton-GeBauer instruments.

Mr. Flader told Mr. Keating he paid the \$50,000 for a 12½ percent interest in an oil lease near Mo-

have, Calif., late in 1949.

The well was drilled, he said, but was converted into a water well in December, 1949—while he continued to pay installments on the \$50,000.

Newton is president of the Newton Oil Co. of Denver. GeBauer

heads the Western Radio and Engineering Co. in Phoenix.

The checks and money paid by Mr. Flader to Newton and GeBauer were the basis for the federal charges, too.

Mr. Vigil said both men are charged with transporting \$39,500 in these checks across state lines. In addition to these charges, both also are charged with conspiracy.

If convicted on both counts, Newton and GeBauer would be liable to a \$20,000 fine or 20 years in prison, or both.

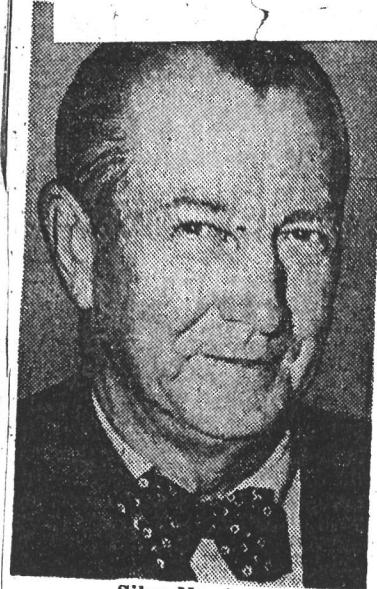
Authorities late last night still were trying to locate both men.

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ROCKY MOUNTAIN NEWS—Denver, Colo., Wednesday, Oct. 15, 1952



Herman A. Flader



Silas Newton



Denver Post Photo.

**WHICH IS WHICH?**—Howard Roberts of the University of Denver engineering staff holds a war surplus radio transmitter tuning unit he bought in a local store for \$1.50. Below it, on the desk, is a device turned over to District Attorney Bert M. Keating (right) by Herman Flader, alleged victim of a \$50,000 oil field swindle. Flader said Leo A. GeBauer, charged with confidence game, represented the bottom machine as capable of finding hidden oil fields and worth several thousand dollars. Roberts says both devices are essentially the same.

## Oil Promoter to Fight Charges Over Doodlebugs, Lawyer Says

By CHARLES ROOS.  
Denver Post Staff Writer.

The "doodlebug" issue in an alleged \$50,000 Denver oil field exploration swindle widened Saturday.

The attorney for Silas M. Newton, oil promoter charged with confidence game, declared that Newton will return to Denver to fight "every allegation" made against him.

The lawyer, Frank L. Ross, also stated that Herman A. Flader, wealthy Denverite who is the alleged victim of the swindle, was not bilked by electronic "doodlebugs" because he already had one of his own.

Flader sharply denied Ross' statement but said he does own a different type of electrical device which he believes has the beneficial effect of "cleaning the blood" of sufferers from such diseases as arthritis, asthma and diabetes.

### ENGINEER TESTS DEVICES.

Flader complained to District Attorney Bert M. Keating last week that Newton and Leo A. GeBauer, Phoenix, Ariz., radio parts dealer, defrauded him of \$50,000 in an oil field venture based on exploration by "doodlebugs"—electronic devices supposedly capable of finding and measuring underground oil deposits.

Two machines left with Flader

by GeBauer have been tested by Howard Roberts, an engineer on the staff of the University of Denver. Keating said Roberts found them to be war surplus radio transmitter tuning units—worth less than \$5 each.

Roberts bought an almost exact duplicate of one of the gadgets in a local surplus store for \$1.50. Keating said.

Ross said Newton will return to Denver from Los Angeles, Calif., where he is free on bond, to answer the two cases against him—a state charge of confidence game and a federal charge of transporting money obtained illegally across state lines. GeBauer, on bond in Phoenix, is a codefendant in both cases.

Ross was uncertain when and how Newton would return. Both Keating and Charles S. Vigil, United States attorney in Denver, are prepared to bring him back.

Newton's attorney conceded that Newton accepted money from Flader but said it was used in drilling operations in Wyoming and California. Ross described the criminal cases as "an attempt to collect a civil obligation through the criminal courts."

Newton, who is president of the Newton Oil company, gave a sensational lecture on flying saucers in 1950 at the University of Denver. He said three saucers and thirty-four little men from Venus had been impounded by military authorities.

*Dec 10<sup>th</sup> Post*

# Doodlebug Paid Him \$2 Million, *Denver Post* Oilman Testifies

*Dec 10/53*  
By BUCK WILSON

Denver Post Staff Writer

A Phoenix, Ariz., oil man testified in the \$250,000 "doodlebug" swindle trial in Denver District Court Thursday that the oil divining devices of Leo A. GeBauer made him more than \$2 million in oil profits in the first ten months of this year.

Horace Steele, who owns the El Tejon oil field 35 miles southeast of Bakersfield, Calif., testified as a defense witness under questioning by Attorneys Isaac and Gerald Mellman and Theodore Epstein that the doodlebugs "divined" 35 oil wells for him.

"Early this year I sold 89 pct. in one well for \$1,750,000," Steele

said, "and GeBauer spotted that well for me."

GeBauer, Phoenix and Denver radio parts dealer, and Silas M. Newton, Denver oil promoter, are charged with confidence game stemming from the sale of part interest in three doodlebugs to Herman A. Flader, Denver industrialist, for \$50,000. Flader invested an additional \$200,000 in oil properties owned by the defendants.

Steele, who was cross examined by District Attorney Bert M. Keating and Gregory Mueller, his chief

## GeBauer Sick Again

Leo A. GeBauer, defendant in the "doodlebug" swindle trial, became ill as court was adjourned at noon Thursday, and his physician, Dr. Harry S. was summoned by GeBauer's nurse and officers of the court.

Though advised by the nurse and defense attorneys that he return to the hospital for treatment of a stomach ailment which created hemorrhaging during a recent week-long recess, GeBauer said:

"I'll go ahead with this thing (the trial) if it kills me."

deputy, Thursday morning said he drilled two wells in the El Tejon field after GeBauer told him not to on the basis of doodlebug surveys and "both holes were dry."

The Phoenix oil man said he paid GeBauer \$10,000 for the survey which included 37 locations and that only 2 wells failed to produce commercially.

Bryce Morris, co-owner of the Sunny Valley Oil Co., testified earlier that GeBauer conducted a survey for him in the San Luis Valley in southwestern Colorado and that the three wells spotted by the doodlebugs "showed definite signs of oil in the earth samples taken."

## SECRETARY TESTIFIES

The trial, being heard by Judge Frank E. Hickey, is expected to continue into next week. It started Nov. 10 but Judge Hickey called a week-long recess Nov. 28 when GeBauer became ill and was hospitalized.

Donald Jacobsen of Dallas, Tex., secretary of the Sunny Valley Oil Co. and the Northern Petroleum Co. now operating in Adams county, was called to the witness stand following cross examination of Steele by Keating.

The oil company executive told the jury that he participated in several "doodlebug" surveys with GeBauer in Colorado, Wyoming and California and never were any machines used in the surveys similar to the two devices introduced by the state as "doodlebugs" they purchased in an army purchase store.

# No Income Tax Paid in 12 Years, Oilman Admits

Silas M. Newton, Denver oil promoter and co-defendant in the \$250,000 "doodlebug" swindle case, testified under cross-examination Wednesday that he didn't pay any income tax for 12 years, even though he was the president of an oil company worth \$2 million.

Newton, along with Leo A. GeBauer, Denver and Phoenix, Ariz., radio parts dealer, are charged with bilking Herman A. Flader, Denver industrialist, by selling him a part interest in three machines supposedly able to locate oil beneath the surface of the ground and through investments in oil properties owned by the defendants.

Newton was called to testify in his own defense Monday by Isaac and Gerald Mellman and Theodore Epstein, his attorneys. District Attorney Bert M. Keating and Edward Lehman, his deputy, began cross examination of the witness late Tuesday.

## HEATED EXCHANGES

Under questioning by Keating, Newton said he had not paid any income taxes from 1935 through 1950. He told the jury of eight men and four women that all money spent was marked off as "expense account."

The trial Wednesday was punctuated with heated exchanges between the district attorney and

Newton when the latter volunteered information which had not been asked of him.

GeBauer appeared in court in a wheelchair Wednesday after he was allowed to sign a waiver Monday for the trial to continue without him.

Newton denied ever having seen either one of the doodlebugs the district attorney's staff charges were purchased from an army surplus store for \$3.50. Keating has charged the machines GeBauer said could locate oil were only parts of surplus army radios.

The owner of the now defunct oil company did say, however, that the oil divining device of GeBauer was so good that it located a hole in Kern county, Calif., from one and a half miles away, told them there were two pieces of pipe in the hole and two feet of oil in the bottom of the hole.

Keating and Lehman were expected to continue the cross examination throughout the day.

The trial got underway Nov. 10 but was recessed by Judge Frank E. Hickey for one week Nov. 20 when GeBauer was hospitalized for hemorrhaging ulcers. Following Newton's cross examination, GeBauer will be called as the last witness by Defense Attorneys Isaac and Gerald Mellman and Theodore Epstein.



Denver Post Photo.

Leo A. GeBauer appears in district court in a wheelchair Wednesday during his trial, with Silas M. Newton (second from right), on confidence game charges. With them are defense attorneys Isaac Mellman (left) and Theodore Epstein.

# Collected Money For Wells He Didn't Own, Newton Says

Tue 15 Dec

Silas M. Newton, Denver oil promoter and co-defendant in the \$250,000 "doodlebug" swindle trial, testified Tuesday that he collected money for oil properties in Kern County, California, which was not owned or leased by either himself or Leo A. GeBauer, also on trial.

Newton and GeBauer are charged with bilking Herman A. Flader, Denver industrialist, through the purchase of part interest in three machines alleged to be able to locate oil beneath the surface of the ground and through investments in oil properties owned by the defendants.

Newton, testifying for the second day in his own defense, told the jury of eight men and four women that Flader told him GeBauer owned an oil well in the New Hall Field in California which was capable of producing 100 barrels of oil a day if developed. The Denver oil promoter said he collected \$1,500 from Flader and two other men to develop the well but when he arrived in California he found the property was leased to another company.

Under questioning by defense attorneys Theodore Epstein and Isaac and Gerald Mellman, Newton ad-

mitted he did not return Flader's money but "credited it to \$49,000 Flader was to invest in another California oil field."

Flader is alleged to have owed the Newton Oil Co. nearly \$50,000 for development of oil properties in the Mojave Desert Oil Field. Epstein presented to the jury a letter written by Newton to Flader which said Newton was crediting \$1,500 to Flader's debt and also requesting a check for an additional \$12,000 for the Mojave project.

The jury also heard Newton describe a contract drawn up between his company and Flader which would allow Flader to deepen an old well in Dutton Creek field in Wyoming.

Under terms of the contract, if Flader located oil below 4,900 feet, which was the well's original depth, Flader was to receive 25 pct. of production.

#### WELL CLOSED DOWN

Newton admitted, however, that the well, described as "No. 31," had been closed down and was no longer producing for his company.

Judge Frank E. Hickey cautioned Newton several times for giving improper answers and for "volunteering information."

District Attorney Bert M. Keating along with Edward Lehman, one of his deputies, objected several times as Newton attempted to tell the jury of conversations and trips in which Flader participated when Newton was not present.

GeBauer was excused from court early this week after he signed a waiver of his constitutional right to face his accuser. He was hospitalized Nov. 20 when he suffered several hemorrhages due to a stomach ailment. Judge Hickey recessed the trial for one week when GeBauer became ill.

#### SUFFERED RELAPSE

The ailing GeBauer suffered a relapse early this week.

In Tuesday's testimony, Newton described a second contract, between Flader and the Newton Oil Co., which gave Newton 50 pct. of a Kern county well which GeBauer was alleged to own.

The second contract also gave Flader and two other investors 30 pct., according to Newton's testimony, for \$4,500. GeBauer was to retain 20 pct. of the well. The Newton Co. was to get the larger share, to operate the well once it was in production.

Newton also said that when he inspected the California property in which Flader had invested on GeBauer's advice he found drilling equipment but no well. That was the property alleged to be capable of producing 100 barrels per day.

The trial, which got under way Nov. 10, is expected to continue through next week, defense attorneys said. GeBauer remained as the only defense witness to be called after the state is allowed cross-examine Newton.

Friday, Dec. 11, 1953, Denver, Colo.

## Sick GeBauer Collapses in Court at Trial

Leo GeBauer, defendant in the \$50,000 "doodlebug" confidence game trial, collapsed Thursday in Denver District Court.

The 50-year-old radio and electronics specialist suffered a relapse from stomach ulcers which already have caused one trial recess.

Despite his illness, however, GeBauer insisted the trial continue and signed a release to that effect.

The release stipulated the trial could continue without his presence.

If his physical condition permits, he will return for further cross-examination by Dist. Atty. Bert Keating.

### CON GAME CHARGE

GeBauer is co-defendant with Silas M. Newton, Denver oil promoter. They are charged with confidence game for allegedly bilking Herman A. Flader, Denver manufacturer and landowner, of \$50,000 by using bogus oil-divining machines.

The gadgets are referred to in the oil industry as "doodlebugs."

Earlier this week, GeBauer made brief appearances on the stand to testify on his own behalf. His testimony was interrupted frequently to permit a private nurse to administer medicine to him.

He came to court from a hospital bed after suffering an attack which caused internal bleeding.

During a recess Thursday, GeBauer was stricken ill in District Judge Frank Hickey's chambers. A doctor was called and GeBauer was confined to his bed at the Shirley-Savoy Hotel.

### TEXAN TESTIFIES

Testimony Thursday was devoted to questioning of Donald C. Jacobson, Dallas oilman. Jacobson told of an oil-exploration partnership formed by Flader, GeBauer, Newton and himself.

He told of five wells developed near the Mojave Desert in California as a result of GeBauer's oil surveys. He described one as "quite successful."

Flader had previously told of investing \$49,000 in a California well. He said he never received any money in return for the investment.

Jacobson accused Flader of "losing" another potential oil well in the Dutton Creek area of Wyoming because of "his own negligence" in permitting the well casing to collapse.

bill would:

## D. A. Will Prosecute Two Cases

Pon X 3/15-53

Two prominent district court criminal cases—one set for April 28, the other expected to be set for May—will be prosecuted by the district attorney himself, it was disclosed Thursday.

District Attorney Bert M. Keating will personally seek the convictions of Silas M. Newton and Leo A. GeBauer in the alleged \$50,000 oil swindle of Herman A. Flader, Denver industrialist, and of James C. Fletcher, 43, self-styled Denver "promoter," in the first confidence game case resulting from "short checks" filed by Keating.

Keating's court appearances were announced as he appeared in justice court to oppose new motions for dismissal of the charges against Newton, former Denver oil man, and GeBauer, Arizona businessman, presented by Isaac Mellman, defense attorney.

Mellman requested David W. Oyler, presiding in justice court, to either set a preliminary hearing or dismiss the confidence game charges filed last Oct. 10 in his court.

### GOING TO ANYWAY.

Keating immediately informed the court that he had planned dismissing the charges anyway. Written reasons for dismissal were given to the court Thursday and Oyler granted the request.

Keating pointed out that it is customary to dismiss justice court charges after they are filed in district court.

The matter in question in the Newton-GeBauer case is if the statute of limitations had run out when charges were filed. Mellman claims it has, as the district court information was filed Nov. 25, 1952, over three years after the alleged offense on Oct. 27, 1949.

Keating claims he filed against the two men seventeen days before the deadline—on Oct. 10, 1952. Between that time and the district court filing Newton and GeBauer were "fugitives at large" and the statute of limitations was automatically prolonged, he said.

He explained that he filed first in justice court to get a warrant for the arrest and subsequent extradition of Newton and GeBauer. The district court case supersedes the justice court information, he said.

### MAY DATE POSSIBLE.

Keating said all motions for dismissal will be submitted to District Judge Frank E. Hickey by March 16. If the motions are overruled, the case is expected to be set for trial in May.

The Fletcher case is the first of its kind for the Denver district attorney's office since the supreme court's "McBride decision" last year holding that if bad checks are issued with the intent to defraud, the offense is confidence game rather than the lesser count of "short checks."

Fletcher is specifically charged with swindling E. J. Smythe of Lakewood of \$160. However, Keating said, Fletcher's total bad checks approach \$6,000. He had been sought for two years before his arrest last December in San Francisco, Calif.

## Swindle Charges Shock Oilman's Denver Friends

# Newton Known as Golfer and Civic Leader

The federal and state charges filed yesterday against Silas Newton, Denver oilman, sportsman and civic leader, came as a shock to his business associates.

The opinion was expressed that Mr. Newton will surrender as soon as he hears about the charges.

Since coming to Denver 14 years ago, his name has been often mentioned on newspaper sports pages for golfing achievements, or on other pages of the newspapers for his civic activities.

In more recent years, he made newspaper headlines for his theories regarding flying saucers. His latest and most sensational publicity was received on his "disclosure" that this earth was visited by "little people from Venus."

A NATIVE of Texas, Newton came to Denver in early 1938 and the following year established the Newton Oil Co., with offices in the Equitable Bldg., 730 17th st.

Among oilmen, Mr. Newton's firm was known as a "small capital investment business," dealing in oil well leases in Colorado, Wyoming and California. One of the biggest deals undertaken by the firm was the drilling of several oil-wells on the fringe of the Rangeley oil field.

Mr. Newton had great success in Western golfing circles. He at one time held the Colorado amateur championship and once served as president of the Colorado Golf Assn.

He was active in the fund drive campaigns for construction of the Rocky Mountain Osteopathic Hospital more than a year ago. A director of the hospital, he pledged \$15,000 toward its construction.

His most sensational saucer story was told in an address before a science class at Denver University March 8, 1950.

HE RELATED that three flying saucers had landed on earth, but the saucers and the passengers they contained—3 little men about three feet tall—were taken into custody by the military. He advanced theory that the saucers came this planet on magnetic pull from Venus.

In a subsequent interview with Rocky Mountain Writer Pasquale Marranzino, Newton maintained the "aliens" story was true and they were being studied by a group of magnetic scientists whom he had met.

When asked by Mr. Marranzino, "Did you see the men in the saucers?" the oilman replied,

"Don't ask me that question. For a reason I can't explain, I can't say."

Mr. Newton's magnetic pull theories are the crux of charges filed against him yesterday in a complaint made by Herman A. Flader, well-known Denver industrialist, who

cuses him and Leo A. GeBauer, radio parts dealer in Phoenix, of bilking him of \$50,000.

\* \* \*

MR. FLADER, who heads the Flader Land Co. and the Stay-put Clamp and Coupling Co., accuses the pair of foisting on him three "magnetic oil detection devices" for approximately \$32,000.

District Attorney Bert Keating described the machines as Army Signal Corps radio devices

used to change the frequencies on radio transmitters and which are sold at Army surplus stores for \$3.50 each. What were described to Mr. Flader as "plutonium tipped" divining rods on the transmitters are merely nickel-plated antennas, Mr. Keating said.

Informed of the charges against Mr. Newton, Harry L. Jewell, secretary-treasurer of the Newton Oil Co., expressed surprise and shock and was

convinced that Mr. Newton would surrender to answer the charges.

"I talked with Mr. Newton Sunday night and he mentioned nothing about the matter," Mr. Jewell said. "Nor has anybody been around the office inquiring about him."

Other members of the Newton Oil Co. are Max P. Zall, Denver attorney, and Paul Beam, both vice presidents.

# Newton and GeBauer Face Both Federal, State Charges



District Attorney Bert M. Keating, right, and Howard Roberts, research engineer at Denver University's Industrial Research Institute, examine a "doodlebug," or magnetic oil detector, involved in an alleged \$50,000 oil fraud. Mr. Keating charges that Silas M. Newton, Denver oil producer, and Leo A. GeBauer of Phoenix sold this "doodlebug" to a Denver man for \$6250. Mr. Roberts said the machine actually is worth \$3. —Rocky Mountain News Photo.

Federal and state authorities yesterday readied a one-two punch for Silas M. Newton, Denver oil producer, and his partner, Leo A. GeBauer, Phoenix, Ariz., businessman, charged in an alleged \$50,000 oil well fraud.

In a joint announcement, Denver District Attorney Bert M. Keating and U. S. District Attorney Charles S. Vigil said it is "very possible" that both federal and state charges will be pressed against the two men.

They said that federal authorities, instead of state, will attempt to return Mr. Newton and Mr. GeBauer to Denver.

Mr. Vigil said, too, he will present the federal case to the U. S. grand jury here. This action, however, is routine. It is taken in case the men refuse to waive an indictment.

#### BOTH FREE ON BOND

Mr. Newton and Mr. GeBauer both were free under state and federal bonds yesterday in Los Angeles and Phoenix, respectively.

Each faces state charges of confidence game and federal charges of transporting monies and securities gained by fraud across state lines.

Mr. Newton and Mr. GeBauer are charged with bilking Herman A. Flader, wealthy Denver industrialist, out of \$50,000. Mr. Flader charged they collected money from him for a Mojave, Calif., oil well which actually was a water well.

They allegedly sold him a "doodlebug" or magnetic oil detector

worth \$3 for \$6250—or a half interest in the machine, Mr. Keating said.

Mr. Keating conferred yesterday with Mr. Flader and Howard Roberts, 35, research engineer for the Denver University Industrial Research Institute.

#### MACHINE WORTH \$3

Mr. Roberts told the district attorney that the machine allegedly sold to Mr. Flader actually was worth only \$3. Mr. Flader appeared to identify the machine.

Mr. Keating said that his office is preparing extradition papers to send to Los Angeles and Phoenix in case attempts to bring the men back to Denver on federal charges run into a delay.

Mr. Newton is head of the Newton Oil Co. and gained notoriety for his sensational lecture at DU in 1950 on flying saucers from Venus, which he said U. S. military authorities had captured.

# 'Doodle-Bugged' by Smart Pair, He Claims Faith in Fellow-Man Cost Flader Thousands of Dollars, He Says

By AL NAKKULA

*Rocky Mountain News Writer*

"Faith in my fellow man and a curiosity in things scientific resulted in my unfortunate business venture with GeBauer and Newton."

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him of \$50,-  
in a "doodle-  
oil-hunting  
me.

e recounted  
all his life  
had "been  
ing with my  
ls and have  
interested in  
gs mechan-  
' He told of  
ng to this  
try in 1905  
his native  
nerania in  
ern Ger-  
y as a penni-  
s immigrant  
).

e worked as  
echanic for  
months until  
aved enough  
ey to open  
own welding  
machine shop. He sold the  
ness in 1912 and came to Den-  
to start the International  
Co.



Herman A. Flader  
*—Rocky Mountain News Photo*

As early as 1913, Mr. Flader had developed a special type clamp to use on welding hoses, which he used in his own business. When

depression affected his business in 1929, he took to the road, selling the clamp which he had now patented.

The clamp business developed rapidly with big contracts from the government and private industry. Mr. Flader founded the Stayput Clamp and Coupling Co. of 3975 York st. Later he established the Flader Land Co., which operates 47,000 acres of land 42 miles east of Denver on which the businessman raises cattle and wheat.

Mr. Flader, who will be 67 Nov. 8, took up flying when he was 60. His interest in flying led him to buy the Intermountain Aviation Co.

#### DEVIL TO FIND WATER

"My interest in trying to find water to develop my dryland holdings led me to the association with GeBauer and later Newton," Mr. Flader said.

"On April, 1949, GeBauer entered my office and introduced himself as a geophysicist who had a machine that could locate water.

"Newton entered my office several weeks later with a similar machine. I introduced the two because of the similar interests. They claimed to be total strangers."

(District Attorney Bert Keating said he has conclusive evidence that GeBauer and Newton had known each other prior to this time.)

"Research and tests for water on my dryland acreage with the divining machines soon led to the men discussing the possibilities of

(Concluded on Page 11)

## Faith in Man Cost Flader a Fortune

(Continued from Page 5)

locating oil with the machines."

#### THEY GOT HIS—\$34,000

"The activities finally culminated in my purchasing three of the of the 'doodlebugs' from Ge-  
Baur for \$34,000."

(Mr. Keating said the machines—U. S. Signal Corps radio equipment—are worth \$3.50 each.)

"I kept two of the machines while a third was installed in a panel truck, which I purchased and GeBaur took on a western tour for oil exploration. That's the last I have seen of the truck.

"In addition to the \$50,000 I gave the two men for oil explora-  
tion in California on a well—  
which turned out to be water—  
I have doled out approximately  
\$250,000 to the pair for oil re-  
search activities and operations  
throughout California, Colorado  
and Wyoming.

# Silas Newton's Son Sure Father Is Innocent

Continued from Page 5)

ney Charles S. Vigil. The federal charge alleged he and Leo A. GeBauer, Phoenix businessman, transported across state lines "monies or securities obtained by fraud."

#### OIL FIRM IN COURT

This money allegedly is the money paid to both men by Herman A. Flader, Denver businessman, who charges he lost \$50,000 to the two men in a swindle.

Secondly, the Newton Oil Co. faced a contempt hearing in the court of District Judge Clifford H. Darrow in Glenwood Springs.

On Oct. 24, the oil firm must show cause why it shouldn't be cited for contempt in a case concerning oil and gas leases in the Rangely oil field.

Court records show the Newton firm took over leases from several holders in August 1942. It agreed

Mr. Keating said it was actually worth \$3.50.

They also are charged with continuing to collect payments on a \$50,000 interest in a Mojave, Calif., oil well from Mr. Flader after it was turned into a water well.

Mr. Newton, a famous figure in Eastern financial circles during the 1930s, hit the front pages when he told a DU science class the U. S. Government had seized three flying saucers. He said there were the bodies of 34 little men in them and that they apparently came from Venus.



Fred D. Newton

—Rocky Mountain News Photo

to pay them a total of \$250,000 out of the sale of oil and gas.

These holders allege the firm collected \$67,317 from the oil producers but failed to pass it on to its clients.

If found guilty, the firm could be fined.

#### SENDS FUGITIVE WARRANT

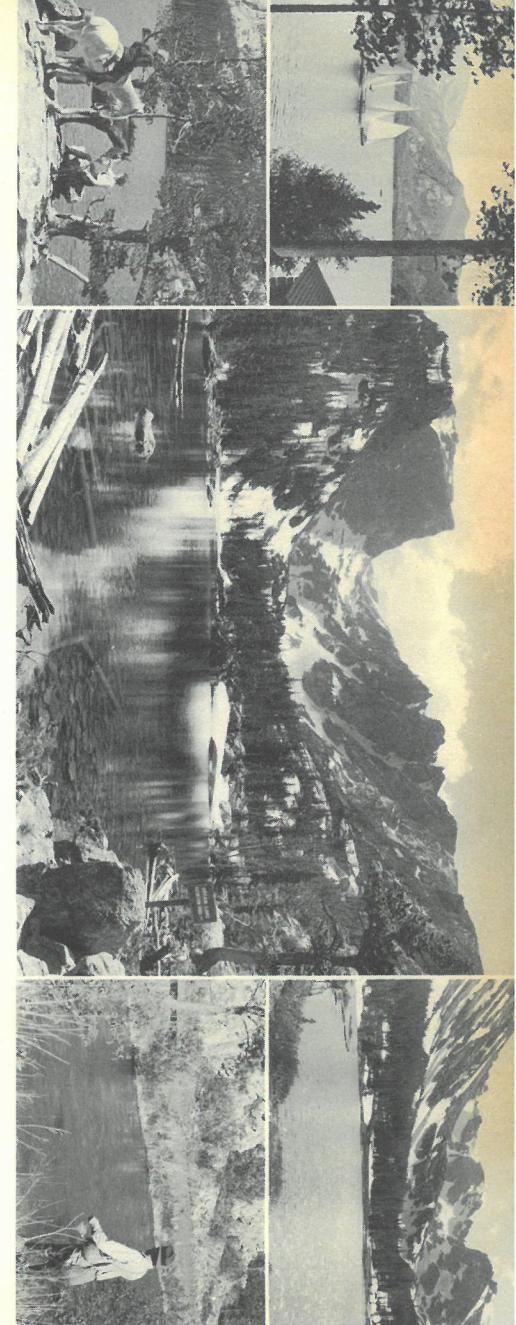
Mr. Keating said he has forwarded a fugitive warrant to Los Angeles for Mr. Newton, with a recommendation that the Denver oil man post \$15,000 bond. This is in addition to his other two \$5000 bonds.

Mr. Keating and Mr. Vigil will meet at the latter's office at 11:30 a. m. today to discuss jurisdiction in the case. Earlier, both had tentatively agreed that Mr. Keating would take jurisdiction, but Mr. Vigil might step in if Mr. Newton and Mr. GeBauer refuse to waive extradition.

Mr. GeBauer was arrested by FBI agents in Phoenix. He posted two \$10,000 bonds—one each for the federal and state charges—and was released.

The assets of two firms owned by him in Phoenix have been put under a conservator by court order because Mr. GeBauer allegedly failed to register securities with the Arizona Securities Commission.

Mr. Newton, now 64, and Mr. GeBauer are charged with selling Mr. Flader a magnetic oil detector allegedly worth \$800,000.



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

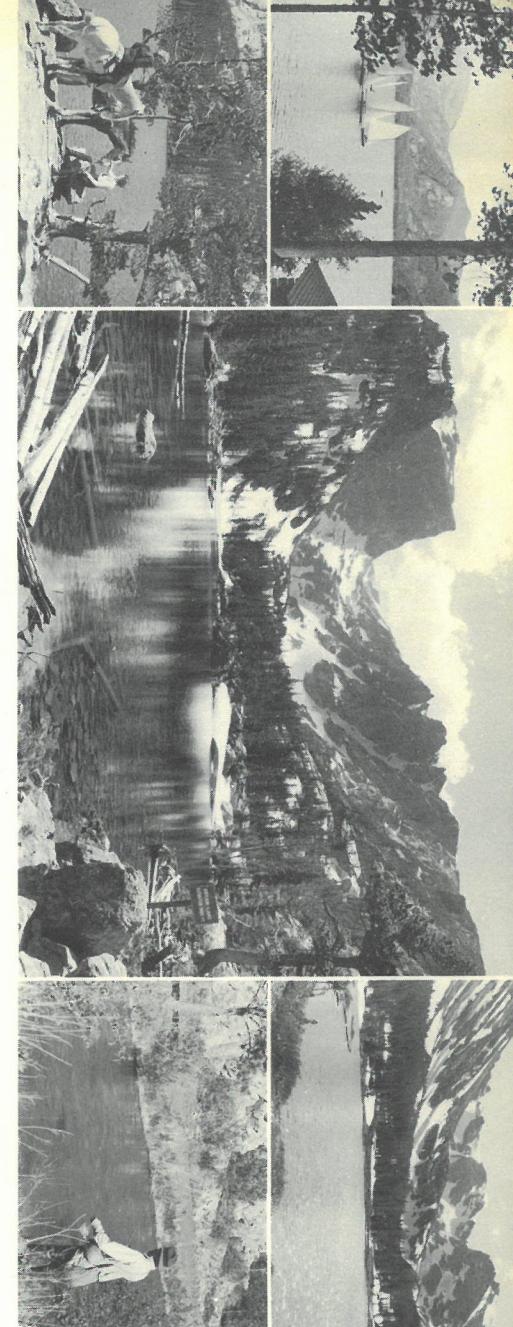
Monday Jan 11, 1934

Dear Frank -

On my return this morning, I receive  
letter news on my father - since already  
knew its contents it neednt repeat -  
I had already written you a bit  
of this and that and I'm sorry I  
haven't your time because photo which  
I took of your read it all -

Haven't written off the state of Alaska  
at all. I have press on to Chicago - I  
hadn't got to Chicago as of do not have  
any money - at the rest of the reasons  
fall by the wayside - its evident  
Gordon had some body calling him  
to the public in Chicago and elsewhere -  
that I don't know -

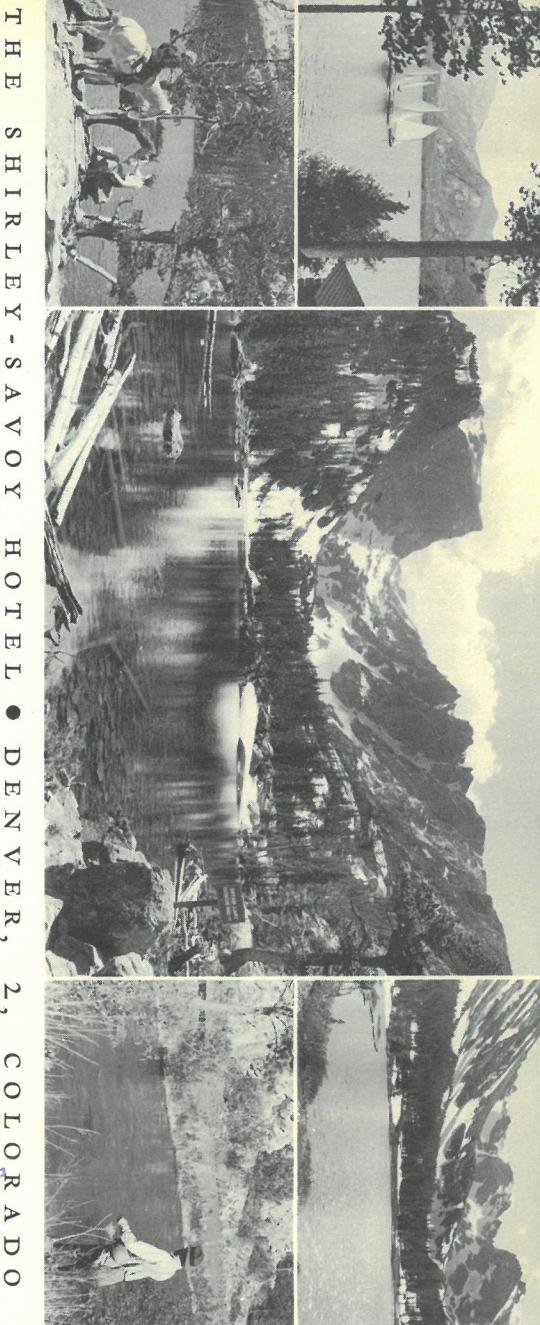
I can't put on a show here because  
I do not have the film - think that  
I could get the last few and publicity  
by photos or three private showings so



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

About a dozen people - and then with  
their horses etc I could pack any  
kind of a house - & might have some  
hostlers but they would be easy to  
humble - I don't know the place so  
hot such pleasure -

I'm working at my business  
but that means 60 to 90 days before  
I can realize money in and  
out mostly while - and without  
real money I am lost here -  
17 days from now most of us have  
to be paid - that means in 10 days  
I have to raise the thousands to  
get that job done or no money -  
and die here be born and February  
will see me at Canon City for the  
balance of my life -



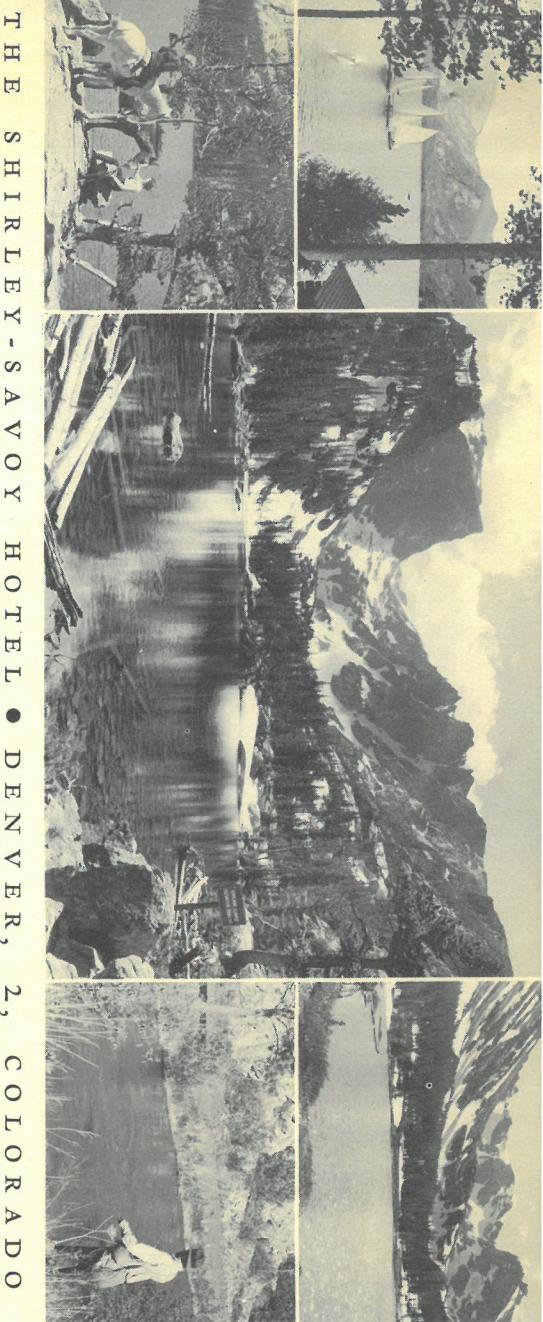
THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

To look back down the years, I've tried to do good as live lived - like helped lots of people - I did it because I like to help people - I never expected any reward - Or it stands more now of all these people have learned of and said "I don't do you need fair wages fight for unionization - Is this what I can do?" Some want keep - to keep it I do not expect any one to keep me - I have been caught in a horrible mesh of intrigue, fallacies, vicious hints kept see destruction, and I was unarmored to fight - I had the record and the strength on the line, and it meant nothing - So, I'm on my way - See give the next steckdays all that I can give it to solve the problem, but I do not see one faint



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

Very busy - but like keeping the old  
habits off tends up obscurer anyway.  
The situation hurts me most as to my  
boy and there - and naturally I wanted  
to help his mother, but there isn't  
any thing more I see I can do - It's  
all hurtful & contemplate  
any way to open my list, it's easy  
to criticize but hard to construct.  
Try to forget your ever recent a  
crossing Gray like Morris Kelley  
etc



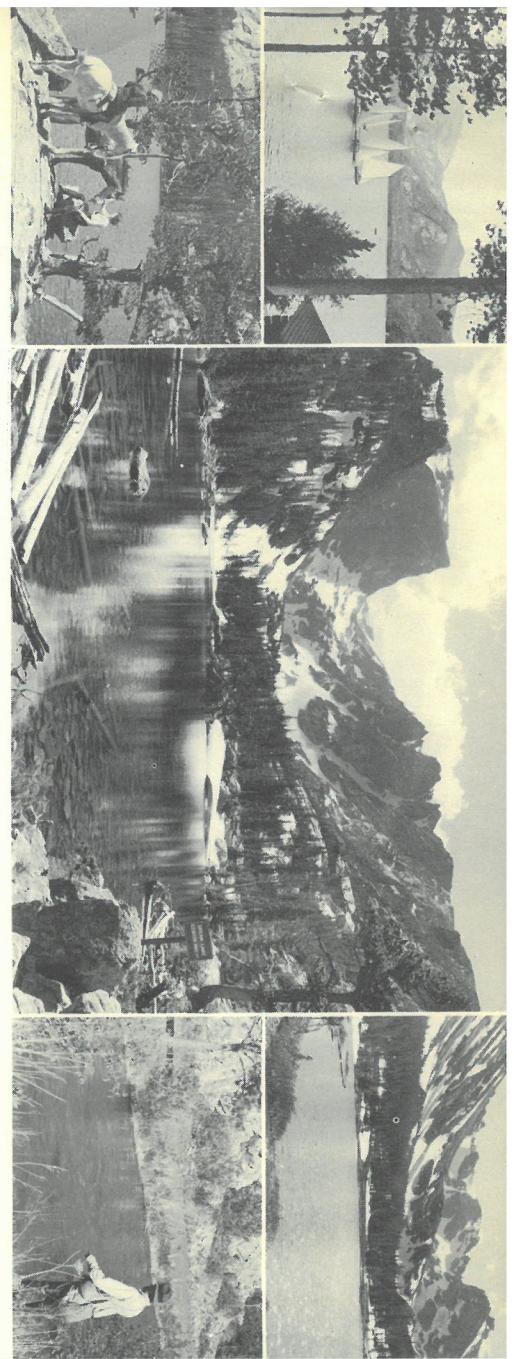
THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

Thursday P.M.

Dear Frank:-

I have already written you about my idea to  
use the idea that there was a plan  
in part for me to come out here  
to make a talk and spend money  
to do it. Subject my case here or  
therever -

I have tried to explain by letter  
no answer to Johnson letter letter, Next  
the idea was under discussion. Solely  
on the proposition that I would be  
paid the gate less the expense and  
it might be required, and  
that it was assumed as to all  
arrangements I wanted these 2 other  
should get out and do the shows  
and Hesky have some money for



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

her urgent needs and my absolute  
needs for my fight here -

in the light of her comments and  
apparent misunderstanding I inform  
ed her that unless of big up some  
real money in the next 21 days  
she is down to Canon City  
next month for 10 to 20 years -  
no money to the Atty and no  
money or appeals - the record  
in this case alone of it goes  
up in appeal until ~~at least~~  
this ~~extreme~~ almost ~~of~~ ~~imprudent~~  
standing and misinformative  
will clear away where I give  
up a name for a number -  
I suggested she contact you  
for the facts, as she wouldn't



THE SHIRLEY-SAVOY HOTEL • DENVER, COLORADO

believe my statements that my  
only purpose in planning to  
come there was for money

I'm sorry that the matter  
was brought to her attention in  
the absence of a completed arrange-  
ment - but that's like the trial  
heats first history.

Sincerely  
AS

THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

Thursday 5 P.M.

Sharon dear:

This has been a mean laugh day - at 8<sup>30</sup> this am I talked to altho and they said go about your business the next hour from the Denver a few days and went west but ge to take day for arrangements - about 10<sup>30</sup> the thunder began rolling from Little & Da to once front. an unprecedented shower, and we sat in our well known its his until he observed it. It sure be candlelit figure. What it was about Judge does not want to speak hardly said it and right now, "I agree" words said where all his agree these motions. D.L. said "I know" even seen them "Hellman fisher sent a copy and said "Cost at his"



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO



2  
Mr. Dr. said "I will see you here  
yester evening of many want to submit  
William Weston's aspect." Judge  
said how about my mess, all  
alms said - No the sand get ready  
the house comes. Dr. said I have  
very cases - These things took offing  
of all of us - and Judge was finally  
settled, he to March rock finally  
got to March 22 - as being 1st  
day all could agree on, so that  
was the date set - Every body  
walked out, Mrs. Judge and family  
continued - Oct 2nd Dr. & William  
& Elsie all said unless the matter  
with that Dr. & So - Nobody knew  
but here is the paper White hand set



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

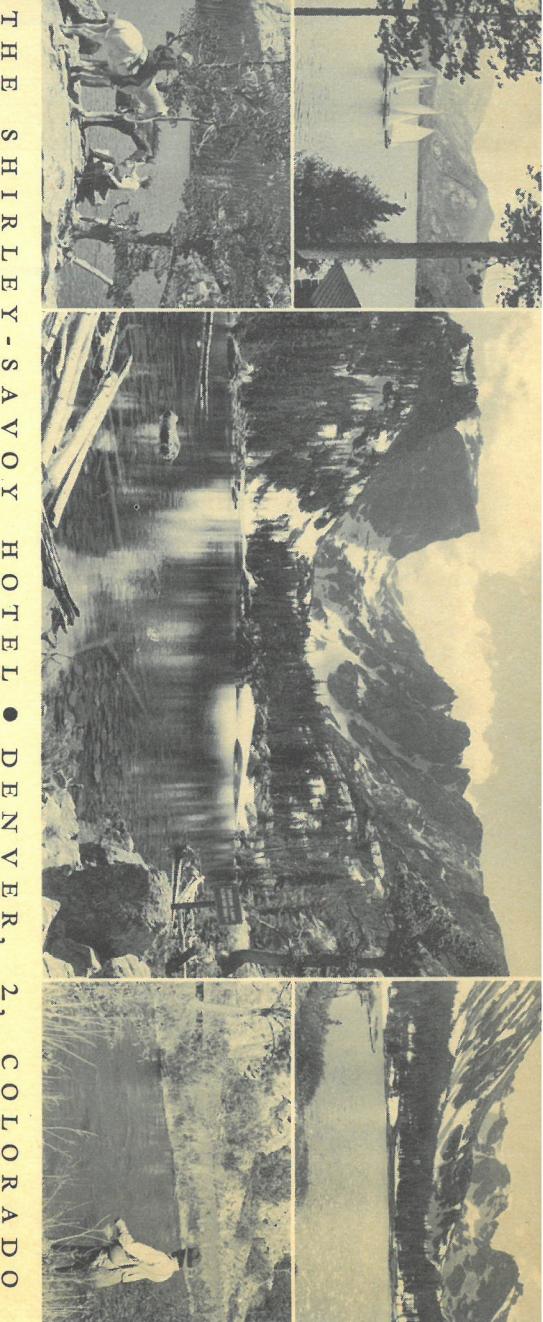
The Stevens went this to the first  
Mardi Gras had no place that  
ever pretended to give us a

Creek =

To return I got loose at 3pm -  
I was so exhausted. Came over here  
and out there - The morning Congress  
no in session, and the place is  
locked. All someone will be  
allowed to sit down to get all of

them about -

Our young and now and they  
do fit some money to send you  
here & back  
Tell most Howard and Bob to look  
after us, and when you come for  
sure - Yours etc



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

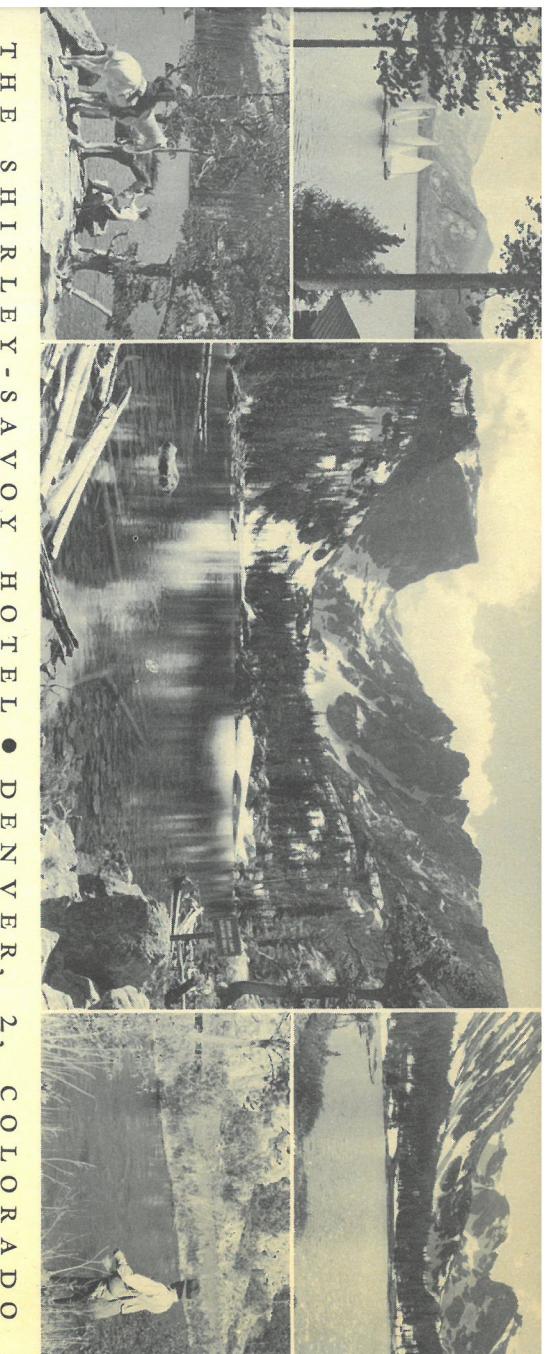
Dear Grandie:

Had to call you two days ago, but  
found you out of town.

Talked to Bruce, audience trying to get  
the radio into his hands - if I do, I think  
it is not a phony, because one more than  
no about the kind of what I can state -  
The nurse we saw since this past week

burnt Sharon - she fell, broke her arm  
and they took skin off in the chin - thinks  
all is gone, where has, what I do  
not know of hope when you send out  
you can let me know. Its her right  
arm so she can't write. This is about  
the limit of things that can happen  
of our more than living here. Running  
at terrific speed, as have made a killing  
deal and have to get all the horses blocked  
out and in stable, so we will soon  
be started. Thank God its north and purple

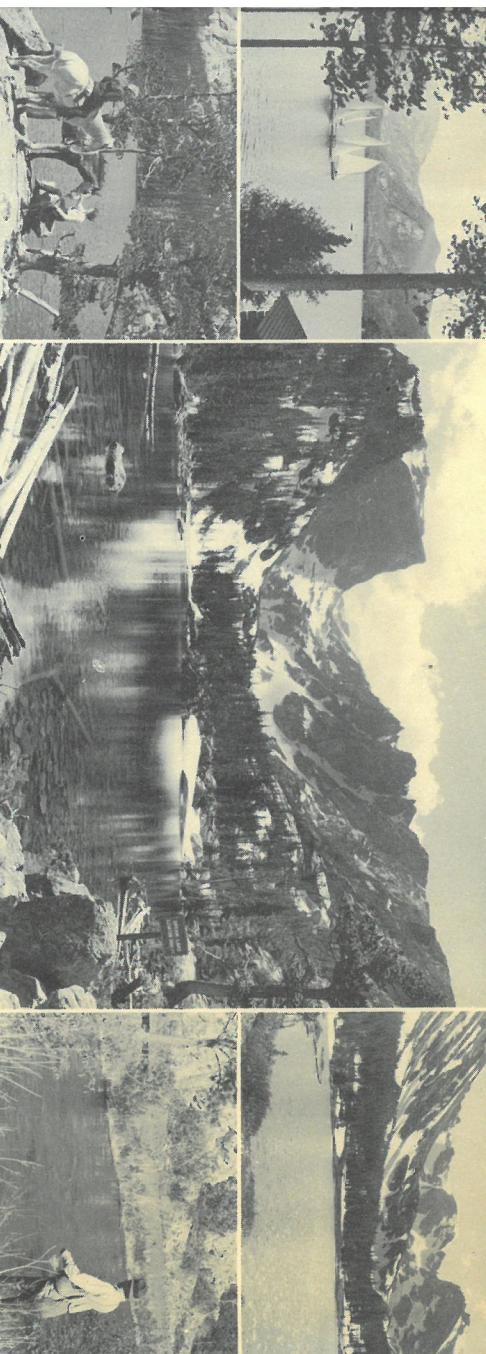
Sunday night.



THE SHIRLEY-SAVOY HOTEL • DENVER, CO., COLORADO

and I won't have to be tired and bad-tempered by some stupid Cuban of it a dry hole.  
he all think it makes good - its in a good  
area and looks fine on geological, and  
all the magnetic work looks good - I  
asked him to get my gripper back at many  
place and express it to me. I hope it arrives  
tomorrow - I went to see how it checks  
with my instruments for my financial  
information - of its a mess. So he backed  
my feet in a short start time. On the  
monotone isn't really suffering and will  
Sharon's blues no worse, but things will  
work out -

The enclosed gives you the local press  
current in P.S. business - we had one  
fruits made by Magella of the Denver  
Glima so we have that record - Half  
dozen different frames - they look good  
Half things are ok with you and  
yours. No work from open so you must



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

We busy'd had our meeting about a dozen. Mr. Horwitz was to be there but held up by a dinner speech and missed us. He didn't know what it was about,

I am hoping to get in shape typew. Ind. 22 to add some legal help of the lawyers we have in the preparation of the argument on our motions. Horwitz has copy of some of your care to see it.

I see where the floods are about to wash the town away. Summer hubo-70 every day for past 8 weeks

have all yours

Ph.

THE SHIRLEY-SAVOY HOTEL • DENVER, COLO.  
RICOH

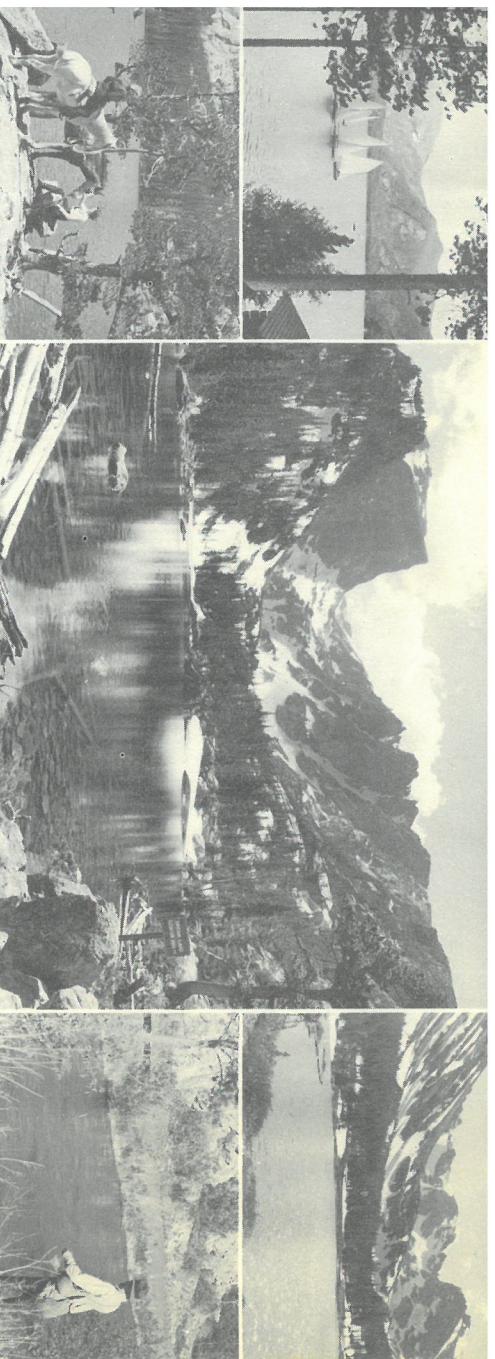
Wed- 20<sup>th</sup>

Dear Friends -

Pose, I'm sure meant well  
in his information about the State  
paying for transcript of the record.  
That is not the case here, and I doubt  
it being true in Calif - It could be  
done by signing a恙pensate - and  
it might be done in a number case  
and still all the officials are the same  
I have suggested several steps including  
my own, and they all say what is not  
the law -

And by the way recall Brigham  
Stoddard about a host of Prohibition - Well  
that cannot be done here once such a line  
is carried he, but not now -

I spent 3 hrs yesterday with the  
attp going over 1st draft of motion  
for new trial - They set aside 68 pages all  
errors, including of course the statute



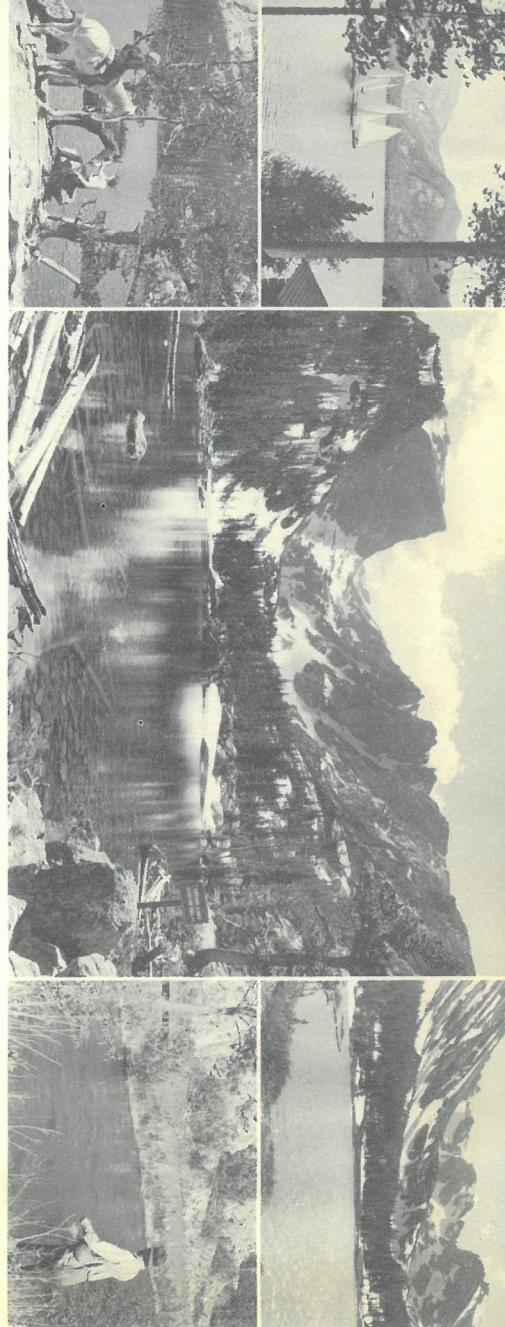


THE SHIRLEY-SAVOY HOTEL • DENVER, COLO.  
of distribution, - and the fact that the case

must over two terms before it comes  
to trial - we never asked for continuance

The motions must be filed the 28<sup>th</sup> &  
and our attorneys say they are scheduled  
now or soon for a full month, so I  
trust the arguments will be so well  
made - the Judge will of course  
deny the motions, and then there  
is 30 days to understand to prepare the  
appeal - by this no time need be lost  
to the higher court in April '54.

That's about it see legal side - the  
prosecuting and defending with a hard road  
both my old masters and the miners  
matters are moving - the suspense  
of getting them in final shape now  
as I think can borrow funds to  
help with, even though these



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

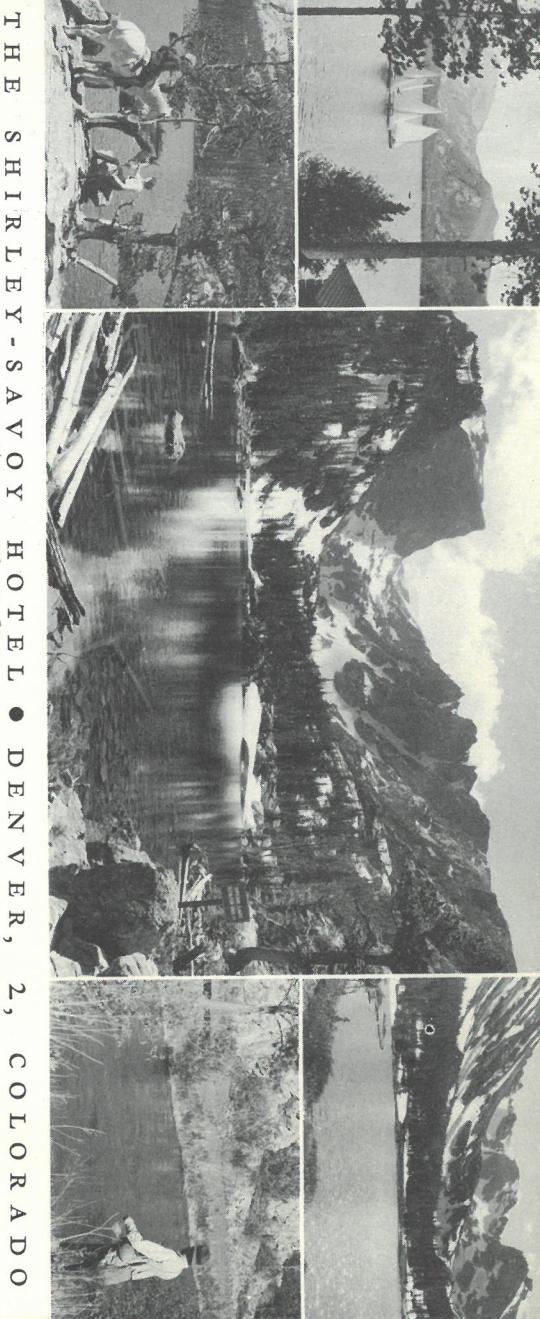
Matters seem produce me any money  
for at least 60 days -

My big problem is this weeks bad  
business - or all my cake isгорячим

Best regards Dr.

#  
Rose seems to be making headway  
but I meant to see more than one  
this time -

Well as the back end of an autumn  
in the dead of winter in Norway  
here today - Snow -



THE

SHIRLEY-SAVOY

HOTEL • DENVER, 2, COLORADO

Dec. 18, 1953

Saturday Eve

Dear Sharon  
You had a long day with my Atty  
going over my ~~testimony~~ - Monday  
morning & go over the stand and may  
be one or two days. It may take a while  
day you strict ~~testimony~~ as there  
will be ~~crossing~~ by the attorney  
and sessions begin the Judge in  
Chancery -

Then when the St. titles run  
the ~~cross~~ will begin. The Judge  
has already by ruling after ruling  
prevented our attorneys from  
~~presenting~~ all kinds of testimony  
and then lets the other go no far  
yield as he desires - In addition  
to all this the St. will try  
every kind of approach to

THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO



Attack me personally - and then  
he will parade the Meath in  
Conyicut and all its troubleless  
before the jury and the Judge  
will give him every latitude  
even tho' the Conyicut is nowhere  
a part of this case - it will be  
a mess and no gooding - My  
problem is to present all  
the facts to the Jury and let  
the little story cover. Fossils let  
of clear thinking to do this -  
I can get the truth in  
simple direct words to the Jury  
well and good -

As masters man stand and



THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

Assuming Bob will be out of bed and back in about 6 weeks the middle or latter part of week he will there go on. Just had to say we'll encourage by law to bring him back in to prevent position is a mystery. Knoblock being has not at any time followed any legal pattern anyone knows about - It looks now the going will get the case around 21st or 22nd

skin according to you the train for our boy - There are times off night when I lie awake and cry unashamed at all

THE SHIRLEY-SAVOY HOTEL • DENVER, COLO. R. 2, COLORADO

This tragedy that has hit us  
this past year, somehow, somehow  
there's a salvation - I'm so hungry  
to see that boy who always longs  
and the dance goes for Pao - And  
that won't any idea of any thing  
but telling you the truth I want  
to see you - And what more  
important than anything else  
in my life is to ease all this  
burden of lack of friends and  
misery - Surely there's a way of  
out do this far worse and harder  
So this end is really meant the dance  
use this horrible case as run -  
there's some money - It's not what  
I want to send but as of drag  
from day to day it dry every





THE SHIRLEY-SAVOY HOTEL • DENVER, 2, COLORADO

May I can to work ways to  
get money far you - I'll have  
to leave this house in a few  
days as Fred's mother has  
decided to come now that she  
knows I'm here - I'll manage  
some way -

I'll try to get the train off  
Monday Eve -

Love to all  
Yours etc

\$20<sup>00</sup>