

Case No. 16,558. UNITED STATES V. TWENTY BARRELS OF DISTILLED SPIRITS.
[9 Int. Rev. Rec. 4.]

District Court, S. D. New York.

Dec. 28, 1868.

INTERNAL REVENUE—ILLICIT DISTILLING—FORFEITURES—INNOCENT MORTGAGEE.

[Forfeitures for fraudulent distilling extend to the interest of a mortgagee, even if ignorant of the frauds.]

In the case of the United States against twenty barrels of spirits found at a distillery in Fortieth street, between First, and Second avenues, the government witness, Revenue Inspector Craig, testified that on the 20th of April last, he was the inspector of the district in which the distillery was located, and early in the morning of that day he went to the distillery and discovered that the superintendent and workman employed on the premises had by some means effected an entrance into the receiving-room and were drawing off spirits from that room into a secret receiving-tub that was concealed under ground. Upon investigation he found that they had drawn off 580 gallons, and immediately seized the premises. On which the government rested.

It was argued, on the part of the claimant, that he was the mortgagee of the property, and that before the time of the seizure he had in good faith lent money to the owner of the property, and taken a chattel mortgage thereof, upon which there still remains \$3,000 due him. That he never had any complicity in or knowledge of the fraud.

Mr. Rollins, Asst. U. S. Dist. Atty.

A. B. Dyett, for claimant.

THE COURT [BLATCHFORD, District Judge] charged the jury that the property became forfeited, if at all, whoever owned it, and that the mortgagee had no other rights than the owner.

Verdict for the government after short absence of the jury.