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CONFIDENTIAL

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 UNITED STATES COAST GUARD INTELLIGENCE
 JACKSONVILLE BRANCH OFFICE
 P. O. BOX 719
 Jacksonville, Fla.

11 November, 1942

Subject: Salvage of M/S "LaPAZ".

Reference: (a) DCGIO memorandum 7 November, 1942, same subject.
 (b) 6ND card, same subject, dated November 4, 1942
 (c) NNI, 1/19 reported 6ND dated October 31, 1942.

Summary of Information:

References (b) and (c) were forwarded to this office for investigation of the rumor that the Coast Guard participated in stripping the M/S "LaPAZ", while the latter was beached off Cocoa Beach, Florida, after being torpedoed on May 1, 1942.

The vessel was torpedoed on May 1, 1942, at 0440 E.W.T., and was towed by the M/V WORDEN, Bahama Shipping Company to within one and a half miles of Cocoa Beach, Florida. The crew then remained on board for approximately two and a half days, at which time their pumps became clogged with caustic soda and it was decided to abandon ship. MR. WILLIAM L. LOVETT, owner of the M/V WORDEN, filed salvage claim in the U. S. District Court on May 22, 1942, and later purchased the ship at U. S. Marshal sale for ten thousand dollars. The records of the U. S. Marshal's office, Jacksonville, Florida, show that the vessel was attached on May 21, 1942, and that a custodian was placed aboard from that date until 23 July, 1942. The ship was abandoned for approximately three weeks, during which time considerable whiskey and other cargo was stolen by fishermen and others in and about Cocoa and Cape Canaveral. It is generally rumored about that area that the U. S. Coast Guard participated in stripping the ship. MR. WILLIAM L. LOVETT, who purchased the salvage rights at a Marshal's sale, stated that he had heard many rumors concerning the Coast Guard participating in the stripping of the ship, but did not have any definite information, stating that he did not even remember who had passed the rumors on to him. MR. LOVETT felt that the Coast Guard was probably being blamed for the acts of the neighboring fishermen whom he feels helped themselves generally from the cargo.

MRS. B. A. ROUSE, MR. LOVETT'S secretary, stated that she lived aboard the "LaPAZ" during salvage operations off Cocoa Beach. MRS. ROUSE stated that when she and MR. LOVETT arrived there on approximately the 20th of May, the vessel

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had already been stripped, all instruments had been taken from it, all the life boats were missing, all removeable furniture had been taken, and every lock and strong box had been broken, and the contents of all closets rifled. MRS. ROUSE stated that two motor launches were missing and that three machine guns which were listed on the ship's ordnance list were also missing. MRS. ROUSE stated that two anti-aircraft guns mounted on the flying bridge had been taken off by the U. S. Coast Guard for the account of the British Government. MRS. ROUSE further stated that the vessel's cargo contained 4400 cases of liquor, of which only 1794 were recovered by Mr. LOVETT. MRS. ROUSE stated that it is rumored about Cocoa and Canaveral that the Coast Guard got most of it. It is to be noted that all of this stripping took place before MRS. ROUSE came aboard the "LaPAZ" and that all of her information is hearsay. MRS. ROUSE stated that there were Coast Guard patrol craft, as well as Navy patrol craft, hovering about the vicinity at all times, but that she at no time saw any members of the crews take anything from the vessel. MRS. ROUSE also stated that it was also rumored that the U. S. Marshal placed in charge of the vessel, one FRANK DURRANCE, of Orlando, Florida, was involved in the stripping of the ship, in that he allowed one JOE SUMERALL to remove a life boat after he, DURRANCE, had been given the pumps from said life boat. MRS. ROUSE suggested that this officer contact one ROY WORLEY of CANAVERAL and one TELL WORLEY of Angel City, for further information. MRS. ROUSE told this officer that TELL WORLEY had stated to Captain BORDEN of the "TRUXTUN", that he had taken Coast Guardsmen out to the "LaPAZ", where the latter stripped the ship.

MR. RUSSELL F. BENATRE, agent for the Suwannee Fruit & Steamship Company, stated that it was generally rumored about Cocoa and Cape Canaveral that the Coast Guard had participated in the stripping of the ship, but that he knew nothing definite regarding the matter.

CAPTAIN E. W. BORDEN of the M/V "TRUXTUN", was placed in charge of salvage operations and lived aboard subject vessel from the beginning of June until the vessel was taken to the Municipal Docks in Jacksonville, Florida, on 7 October, 1942. CAPTAIN BORDEN stated that while he was there many reports had been made to him regarding the stripping of the cargo, but that he had never been able to find any basis for any of them. CAPTAIN BORDEN stated that he had heard the rumor regarding the participation of the Coast Guard in the stripping of the ship, but that he knew nothing definite. CAPTAIN BORDEN stated that while he was on board, the Coast Guard removed two anti-aircraft gun emplacements from the flying bridge. CAPTAIN BORDEN stated that his permission was asked before this was done and that he gave it. The anti-aircraft guns had been removed previously, and CAPTAIN BORDEN does not know when or by whom.

LIEUT. COMDR. JAMES H. COPPEDGE, owner of the J. M. Coppedge & Company, and at present on duty in the office of the Port Director, Jacksonville, Fla., stated that he visited the "LaPAZ" approximately 10 days after she was brought to Cocoa Beach, and that at that time he noticed that the two guns on the bridge were gone. COMDR. COPPEDGE stated that the fishermen in that vicinity

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stated that some men from the Navy or the Coast Guard had removed the guns. COMDR. COPPEDGE stated that at that time most of the stripping had already been done.

MR. LEO MACK, Chief Deputy U. S. Marshal, in Jacksonville, stated that following a claim filed by MR. LOVETT in the District Court, the ship was attached by the U. S. Marshal on May 21, and that the vessel was placed in the care of U. S. Marshal JACK DURRANCE of Orlando. MR. MACK'S records show that custodians were aboard the vessel from the 21st of May until July 23, 1942. MR. MACK'S records did not reveal any information concerning the participation of the Coast Guard in the stripping of the vessel, and MR. MACK suggested that valuable information might be obtained from MR. DURRANCE in Orlando.

MR. K. R. BOBBITT, Deputy Collector of Customs, Jacksonville, was contacted to obtain information regarding the participation of the U. S. Customs in the salvaging of the "LaPAZ". MR. BOBBITT stated that the Jacksonville office was contacted in regard to the landing of 1794 cases of liquor by Mr. LOVETT, and that said liquor is now in protective custody of the Customs at Jacksonville. MR. BOBBITT stated that although he had heard rumors regarding the participation of the Coast Guard in the stripping of the vessel, he had no definite information regarding the matter, and suggested that this officer contact Mr. H. E. WEST of the Miami Customs office, who was sent to Cocoa and Cape Canaveral as an undercover agent to work on the case. MR. BOBBITT stated that MR. WEST was detailed to investigate the illegal landing of liquor from said vessel and might be in a position to give some valuable information.

The Strachan Shipping Company, agents for the vessel from the time it was brought to the Municipal Docks in Jacksonville until the vessel was requisitioned by the War Shipping Administration on 14 October, 1942, was contacted to ascertain whether they knew anything regarding the rumors in question. MR. HANCOCK, in charge of the local office, stated that he had heard of such rumors, but had no definite information. MR. HANCOCK stated that on approximately 10 October, Lieut. WARREN, British Officer in Charge of Defensive Equipment for merchant ships, came to Jacksonville for the purpose of removing the four inch gun from the stern of this vessel. While here, Lieut. WARREN told Mr. HANCOCK that someone had advised him to apply to the Coast Guard in regard to the return of the small arms, because the Coast Guard was supposed to have taken them off. It is MR. HANCOCK'S understanding that MR. ROBB, British Consul in Miami, supervised the transfer of the crew from Cocoa to New York, and that MR. ROBB might be in a position to advise this officer whether the crew had removed any of the instruments from the vessel.

It is the opinion of this officer that the cargo, instruments and furniture taken from the "LaPAZ" were probably quite generally distributed along the Cocoa and Cape Canaveral coast, and that a proper investigation of the rumor that the Coast Guard participated in the stripping of the vessel "LaPAZ" could only be accomplished by an officer on the scene of the action.

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