

This coin is worth  
\$7.6 million



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# The Mystery Of the Double Eagle

How did a Philadelphia family get hold of \$40 million in gold coins, and why has the Secret Service been chasing them for 70 years? By Susan Berfield





**T**he most valuable coin in the world sits in the lobby of the Federal Reserve Bank of New York in lower Manhattan. It's Exhibit 18E, secured in a bulletproof glass case with an alarm system and an armed guard nearby. The 1933 Double Eagle, considered one of the rarest and most beautiful coins in America, has a face value of \$20—and a market value of \$7.6 million. It was among the last batch of gold coins ever minted by the U.S. government. The coins were never issued; most of the nearly 500,000 cast were melted down to bullion in 1937.

Most, but not all. Some of the coins slipped out of the Philadelphia Mint before then. No one knows for sure exactly how they got out or even how many got out. The U.S. Secret Service, responsible for protecting the nation's currency, has been pursuing them for nearly 70 years, through 13 Administrations and 12 different directors. The investigation has spanned three continents and involved some of the most famous coin collectors in the world, a confidential informant, a playboy king, and a sting operation at the Waldorf Astoria in Manhattan. It has inspired two novels, two nonfiction books,

and a television documentary. And much of it has centered around a coin dealer, dead since 1990, whose shop is still open in South Philadelphia, run by his 82-year-old daughter.

"The 1933 Double Eagle is one of the most intriguing coins of all time," says Jay Brahin, an investment adviser who has been collecting coins since he was a kid in Philadelphia. "It's a freak. The coins shouldn't have been minted, but they were. They weren't meant to circulate, but some did. And why has the government pursued them so arduously? That's one of the mysteries."



The government  
confiscated these  
coins in 2005



**The story begins just after the inauguration of Franklin Roosevelt on Mar. 4, 1933, in the midst of the Great Depression.** Thousands of banks had already gone under as people panicked and withdrew their gold and other deposits. As the gold supply—much of it kept at the Federal Reserve Bank of New York—dwindled, the country faced possible insolvency. On Apr. 5, Roosevelt issued Executive Order 6102, which prohibited the hoarding of gold and required citizens to exchange their gold coins for paper currency.

It was Roosevelt's distant cousin, Theodore, who had commissioned the sculptor Augustus Saint-Gaudens to design a high-relief \$20 gold coin in the early 1900s. Teddy Roosevelt wanted an American coin that matched the beauty of the ancient Greek ones, and Saint-Gaudens completed the work just before his death from cancer in 1907. On one side is an image of Liberty, a figure reminiscent of a Greek goddess, hair flowing, olive branch in her left hand, torch in her right. On the other is an eagle in midflight, the sun rising behind it.

The Mint had produced the Saint-Gaudens Double Eagles almost every year since 1907, and 1933 was no different. By May, as the gold recall was under way, the Mint finished pressing 445,500 of the coins. None were issued. Instead the coins, weighing nearly 15 tons, were put into 1,780 canvas bags and sealed behind three steel doors in Philadelphia Mint

Vault F-Cage 1. Only two were thought to have been saved, and they were sent to the Smithsonian.

In January 1934, Congress passed the Gold Reserve Act, which allowed the President to nationalize, in effect, the gold held by the Federal Reserve and increase the price of an ounce. This in turn devalued the dollar, which was supposed to stimulate the troubled economy. The director of the Mint then ordered all the nation's gold coins to be melted into bars. The bars would be kept in the newly constructed Fort Knox. The task was enormous: It wasn't until early 1937 that the Philadelphia Mint sent its \$50 million worth of coins, including the 1933 Double Eagles, to the furnace.

Around this time, a 41-year-old Philadelphia jeweler named Israel Switt offered several 1933 Double Eagles to some of the most prominent coin dealers and collectors of the day, according to Secret Service documents since made public. Switt sold one, now Exhibit 18E, to a Texas dealer who then sold it to King Farouk of Egypt for \$1,575. A royal representative in the U.S. requested an export license for the coin and, unbeknownst to the Secret Service, the Secretary of the Treasury issued one on Feb. 29, 1944.

That same month, Stack's, the rare coin dealer in New York, announced an auction for another Double Eagle. It wasn't until early March, though, that the Secret Service heard about the sale and realized that some of the coins had been taken out of the Mint. King Farouk's Double Eagle had already been delivered to him in Cairo by diplomatic pouch. Agents confiscated the second coin before Stack's could sell it and launched the investigation that continues today. "The government has been fanatical about seizing and destroying these coins," says Robert W. Hoge, curator of North American coins and currency at the American Numismatic Society. "They're famous because the government has been seizing them since the 1940s."

The first phase of the Secret Service investigation would trace 10 1933 Double Eagles to Switt, a reclusive jeweler and coin dealer who, like so many in this story, believed the coins possessed talismanic powers. His only child, Joan Langbord, who worked with him until his death in 1990 at age 95, told the *Philadelphia Inquirer* that her father "could be obnoxious or irascible. If he didn't like you,

he'd throw you out." His business philosophy, she said, was that "the customer was never right; he was always right."

"You must understand the Philadelphia thing," says Brahlin. "I'm from there, so I can say this: The dealers were crafty, they would do anything to get an edge. If you don't know that, you don't have the right amount of cynicism to analyze the story."

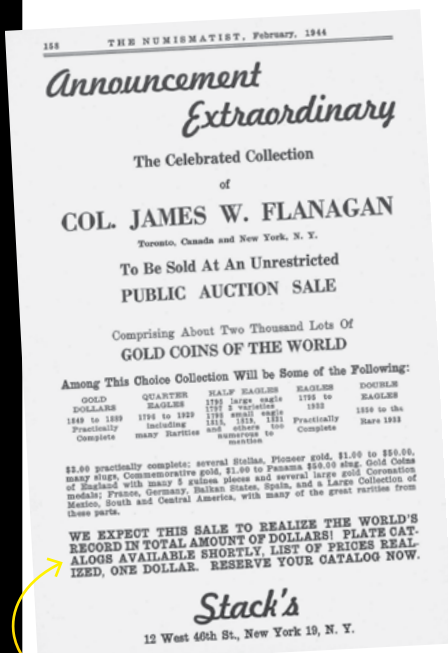
In Switt's statement to the agents, his only official pronouncement about the coins, he said that he didn't have any records of where, when, or how he had obtained the Double Eagles. But he claimed that he did not buy them from any employees of the Mint.

Nonetheless, after a 10-month investigation, the Secret Service concluded that it was more likely than not that Switt was the fence for a corrupt Mint cashier. In 1945, the Justice Dept. wanted to press charges, but by then the statute of limitations had run out.

Seven years later, in 1952, King Farouk was deposed and sent into exile in Monaco. The generals leading the new Republic of Egypt decided to auction off his belongings, including his renowned gold coin collection. It contained 8,500 pieces; one was the 1933 Double Eagle. Sotheby's won the right to hold the auction in Cairo in February 1954. As soon as U.S. Treasury officials saw the catalog for the Palace Collection of Egypt, as it was called, they asked the Egyptians to pull the coin from the auction and return it to Washington. At the last minute, the Double Eagle in Lot 185 was withdrawn. Then it disappeared.

Four decades later, Stephen Fenton, the chairman of the British Numismatic Trade Assn. and a coin dealer himself, says he got hold of the 1933 Double Eagle by way of an Egyptian jeweler whose client had ties to the military. "I was buying quite a few coins out of the Farouk collection," Fenton says by phone from his London auction house, St. James. "This came along, and it was quite nice. It did have an aura."

Fenton bought the Double Eagle for \$210,000 and arranged to sell it to an American dealer named Jasper Parrino for \$850,000. On Feb. 7, 1996, Fenton flew from London to New York on the Concorde and checked into the Hilton. The next morning, he recalls, he tucked the coin into a plastic envelope, put it in his shirt pocket, pulled on a new black



This advertisement led to a 70-year search for other Double Eagles





After Roosevelt banned individuals from owning gold coins, some \$30 million worth was exchanged in one day

cashmere sweater, and hopped into a taxi to the Waldorf Astoria. "It was a routine deal," he says.

He went up to a corner suite on the 22nd floor and presented the coin to Parrino, who had already arranged to sell it to Jack Moore, a dealer from Texas, for \$1.65 million. Moore had brought along a coin expert of his own. As this expert examined the coin, Fenton began to suspect trouble. "His hands were shaking quite a lot," says Fenton. "I thought he might try to steal it. I was afraid someone was going to come bursting into the room with guns. Well, they did."

Moore had contacted the Secret Service and helped them set up an undercover operation. Fenton and Parrino were thrown to the floor by gun-wielding agents who had been waiting in the room next door. "I had an out-of-body experience," says Fenton. "I felt like I was on top of the wardrobe watching. It was like a movie. Then the coin just vanished."

Fenton faced criminal charges of "conspiring to convert to his own use and attempt to sell property of the United States." He hired a trial lawyer, Barry H. Berke of Kramer Levin Naftalis & Frankel, who was able to get those charges dropped fairly quickly. "Then it was a straight fight for the coin," says Fenton. "I thought: The government has two of them [in the Smithsonian]. Why do they want mine? The only people who think the pursuit of these coins is worthwhile is the government. Everyone else thinks the government should have better things to do with its time and money."

After five years of legal wrangling and just four days before the case was scheduled to go to trial in the U.S. District Court in Manhattan, Fenton and the Justice Dept. came to an unusual agreement: The coin would be auctioned off and the proceeds split between them. That was in late January 2001. The coin was taken from the Treasury vault at 7 World Trade Center and put in Fort Knox. Then came the terrorist attacks on September 11. "If the coin had been



left where it was, it would have been destroyed," says Fenton.

In February 2002, the Mint announced the auction of the "fabled and elusive 1933 Double Eagle twenty dollar coin" at Sotheby's on July 30. "The storied coin has been the center of international numismatic intrigue for more than 70 years," said Mint Director Henrietta Holsman Fore in the press release. Afterward the coin would become the only 1933 Double Eagle "now or ever authorized for private ownership."

Then the publicity campaign began. Matt Lauer wore white cotton gloves to hold the coin on the *Today* show. The *New York Times* ran a large photo of it. Sotheby's, working with Stack's, produced a 56-page catalog titled *The Golden Disk of 1933: Only One*.

The Only One was displayed at the Long Beach Coin, Stamp & Collectibles Expo, the Federal Reserve Bank of New York, and Sotheby's. "The Mint police and New York City police escorted it back and forth every day to a depository at West Point in an armored car," says David N. Redden, the auctioneer for Sotheby's. "It was fantastic. That made it look wildly important. The government treated it as a national treasure, which it is, in a way. It wasn't going to disappear on their watch. It had already disappeared once."

The auction took place at 6 p.m. in front of a standing-room-only crowd. The coin was in a bulletproof glass case to

the right of the auctioneer. The Mint director was there. So were Fenton, Berke, and the assistant U.S. attorney. Redden opened the bidding at \$2.5 million. Six minutes later his hammer went down: An anonymous buyer had purchased the 1933 Double Eagle for \$6.6 million (a 15 percent buyer's premium brought the price to \$7.59 million). It was nearly twice as much as anyone had ever paid for a coin.

Immediately afterward, Mint Director Fore held a ceremony on the auction floor to make the Double Eagle legal tender. "In order to monetize it, somebody had to pay \$20," says Redden. "So I stepped down from the podium and gave her \$20. The Mint makes a big distinction between coins that are monetized and those that are not. Two Double Eagles are in the Smithsonian, but they're not monetized. To the government, they're curiosities, not currency."

The buyer, who according to Redden is an American interested in no other coins but this one, never brought the Double Eagle home. He lent it to the American Numismatic Society, which has displayed the coin at the Federal Reserve Bank of New York ever since.

"I wanted to end with everybody happy, and everybody was. One of these coins is in the marketplace, and that's very important," says Fenton. "I was absolutely thrilled—and exhausted. It felt strange that it was all over."

Except it wasn't.

**Sotheby's produced  
a 56-page catalog  
titled *The Golden Disk  
of 1933: Only One***

Roosevelt's decision  
meant the 1933 coins  
would never be released



Two years after the auction, Joan Langbord and her son, Roy, an entertainment executive in Manhattan, called Berke, who had represented Fenton and the Farouk coin, with startling news: They said they had found 10 1933 Double Eagles. The coins had been wrapped in tissue and plastic, put in a gray paper bag from the department store John Wanamaker—which closed in 1995—and placed at the bottom of safe deposit box No. 442 at a Wachovia Bank in Philadelphia. Langbord had inherited the safe deposit box from her mother and said she had thought it contained only jewelry. No one in the family, she later testified, knew how the coins had gotten there. The Langbords, through Berke, declined to comment for this story, citing ongoing litigation.

According to legal documents, the Langbords, hoping they could make a deal similar to Fenton's, asked Berke to contact the Mint. On Sept. 15, 2004, Berke met with Mint attorneys at the Secret Service offices in Brooklyn to discuss the situation. A week later, Roy Langbord, accompanied by Berke, opened the safe deposit box and handed over the Double Eagles to the government for authentication. The coins did not come back.

In June 2005, Berke was summoned to meet the Mint's attorneys in Washington. There they informed him that the 1933 Double Eagles were indeed authentic. But this time the Mint refused to offer any monetary settlement. Instead, the lawyers said the government was keeping the coins, and that they were already in Fort Knox. Berke protested, unsuccessfully. In August 2005 the Mint issued a press release announcing it had "recovered" 10 more 1933 Double Eagles.

"I was surprised," says Sotheby's Redden. "It was a little awkward. The Double Eagle had been billed by the Mint as unique." And not just by the Mint but by Sotheby's, too. "I called the buyer, who said: 'Do I have to buy those, too?'"

He hasn't had the chance. For months the Langbords sought the return of the coins, compensation from the government of \$40 million, or the initiation of forfeiture proceedings. The government insisted it was not required to do anything. In December 2006 the Langbords took the matter to the courts. Three years later, Judge Legrome Davis of the Federal District Court of Philadelphia ruled that the government had to show it had a right to keep the coins.

This July, eight years after the Langbords say they found the coins, the trial to get them back began at a Philadelphia courthouse, just blocks from the family store on Jewelers Row.

Joan Langbord, dressed simply in a tan pantsuit and costume jewelry, took the stand the morning of July 19. She was occasionally teary. She was also sharp-minded, plain-spoken, and slightly irritated. Describing the store, she said: "It looks like a junk shop. But expensive junk. It looks the way it did when my father ran it. His chair is still in the store." Only the first floor of the four-story building is open to those who walk in off the street.

Records introduced at the trial show she had visited the safe deposit box many times between 1996 and her discovery of the coins in 2003—including the day before the Sotheby's auction. She said she made the visits to select pieces of her mother's jewelry to sell to a longtime customer and that she never noticed the Wanamaker bag at the bottom. It was only when the box warped and had to be drilled open, she said, that she realized the coins were there. The safe deposit box was shown at the trial: It was about the size of a violin case.

After Langbord testified, the judge called for a lunch break, and she and her other son, David, went to the store. It's still called I. Switt & Ed Silver, though her name and that of her business partner are also in gold letters on the front door. She walked in briskly and got right on the phone about a business matter, pointedly ignoring visitors. The old wood and glass counters were filled with jewelry, silver candlesticks, watches, figurines. A cash register from the 1930s sat on another counter. Yellowing family photos hung askew on the wall next to a 2009 *Philadelphia Inquirer* article about the gold coins.

On day five of the trial, U.S. Mint of-

**Ten 1933 Double Eagles  
had been wrapped in  
tissue and plastic and  
placed at the bottom of  
a safe deposit box**

ficers brought the 10 Double Eagles into the courtroom. They had been hand carried by Mint police on a flight from Kentucky to Philadelphia and stored in a vault at the Philadelphia Mint overnight. The coins, spread out against a blue velvet background in a secured glass case, were placed in front of the jury. They walked slowly past the coins. Fifteen minutes later the Double Eagles were on their way back to Fort Knox.

Assistant U.S. Attorney Jacqueline Romero argued that documents from the Philadelphia Mint and the Secret Service investigation of the 1940s showed that no 1933 Double Eagles legally left the Mint. And, she said, every single coin that had been found could be traced to Israel Switt. She also discussed the government's long pursuit of the coins: "Why do we care? We auctioned one off. You saw the certificate of monetization. We know how Fenton got his coin. He's not Israel Switt. The coins and bills you have in your wallets carry the full faith and credit of the U.S. government. It means something. The government protects its money from thieves and swindlers. We have to care on principle. If we don't, we are done. We are absolutely done."

Berke countered that the Mint records are nearly 80 years old and ill-kept, and all the witnesses interviewed by the Secret Service are dead. He also said that in the confused first weeks after Roosevelt asked people to return their gold, it was still possible to exchange bullion for coin at the Philadelphia Mint. This "window of opportunity" in the spring of 1933, he argued, could well have been how Switt obtained the Double Eagles. "The government desperately wants these coins," he said. "But the government can't always get what it wants."

After eight days of testimony, the jury found otherwise. The Langbords are expected to appeal the verdict. Meanwhile, more 1933 Double Eagle gold coins may still be hidden away. "There has always been talk of others," says Armen Vartian, the lawyer for the Professional Numismatists Guild. Hoge, the U.S. coin expert, says: "It's not impossible that more are out there. I haven't seen them. But it wouldn't surprise me." **B**