



MY ADVENTURES WITH YOUR MONEY

**GEORGE GRAHAM RICE
AND THE GOLDEN AGE OF
THE CON ARTIST**

T.D. THORNTON

EDITOR'S NOTE

TDN news and feature writer T.D. Thornton, author of the critically acclaimed *Not By A Longshot* in 2007, is the author of a new book, *My Adventures with Your Money: George Graham Rice and the Golden Age of the Con Artist*, from St. Martin's Press. The book tells the story of one of the most imaginatively successful villains in American history. With only seven dollars to his name, Rice parlayed a chance horse racing tip into millions, lost it all to pride and ego, then won it back many times over. Vilified by securities regulators as the "Jackal of Wall Street," he sparked riots in Manhattan's financial district by perfecting the art of "bucket shop" trading with the sole purpose of bilking the public blind. From the lawless frontier of the Gold Rush to his lust for dizzying riches on Wall Street, GG's supreme knowledge of "sucker psychology" empowered him to orchestrate everything from street corner rip-offs for pocket change to elaborately scripted gambling hoaxes for hundreds of thousands of dollars, all while being vilified by old-guard profiteers like J.P. Morgan and befriended by gangsters like Arnold Rothstein. The TDN is pleased to offer our readers an exclusive preview of the book. We hope you enjoy it.



MY ADVENTURES WITH YOUR MONEY:

GEORGE GRAHAM RICE AND THE GOLDEN AGE OF THE CON ARTIST

by **T.D. THORNTON**

After six months of shifting and grifting between crooked card games, poolrooms, and horse tracks without a real job, George Graham Rice crisply aligned the brim of his derby with the top of his smart-looking spectacles and edged into the seven-story shadow of the Metropolitan Opera House, calmly but keenly observing New York's urban blur from the yellow-bricked street corner of Fortieth and Broadway. Maintaining a countenance of congeniality, Rice shrewdly scanned the slushy chaos of foot, trolley, and carriage traffic, sizing up faces with a feral inner cunning his thirty years had honed to a sharp tool of self-preservation. Because the \$7.30 tucked tightly into the pants pocket of his one good suit represented Rice's entire net worth on this first Tuesday of March 1901, George was instinctively—but with casual, cultured dignity—on the hustle for marks who looked ripe to be sickened.

Amid the swirl of strangers, Rice recognized an old racetrack chum. Although George was a man of many acquaintances, he steered clear of true friendships based on mutual trust. Rice could play the part of a witty, charming ringleader when he chose, but he valued his charismatic personality more as an asset that afforded him an edge in social manipulation.

As the man from the track approached, George clicked into intuitive overdrive, calculating the costs and benefits of extended conversation. Without missing a beat, Rice beamed a phosphorescent smile and reached out to heartily shake Dave Campbell's outstretched hand, even though he knew in his gut the gent's too-robust greeting belied the desperation of a struggling soul down on his luck.

"Buy me a drink?" Campbell rasped as soon as pleasantries were out of the way.

Rice didn't consider Campbell a sucker he'd fleece. But he was willing to speculate on the chance that Dave might be harboring some nugget of useful information worth extracting.

George wasn't much of a drinker—the occasional silver gin fizz or flute of fine champagne—but he did have a weakness for good cigars.

At a café table, Rice lit up a twenty-five-cent perfecto and set up Dave with a nickel beer. Over by the lunch counter, a regulation news ticker chattered away, spitting out a continuous tape of stock quotes and racetrack results.

"Still bet on the horses?" Campbell asked.

"No," Rice replied, exhaling a plume. His unflinching blue eyes squarely met Dave's. "Haven't had a bet down in more than a year."

This was an outright lie. Yet the man telling it possessed a most persuasive way of making even the most outlandish distortions of reality seem wholly convincing and plausible.

Although it was technically true there had been recent periods when George did not set foot in any gambling establishment, that's only because those abstentions coincided with stints behind bars for stealing. For two and a half years at Elmira Reformatory, Rice was known as inmate No. 4018. Serving a six-and-a-half-year forgery sentence at Sing Sing, George was prisoner B-516. Prior to incarceration, he had abandoned his birth name, Jacob Simon Herzig, in favor of multiple aliases, trying out and discarding names—Abram Herzog, Joseph Hart, Jack Hornaday—as they suited his convenience. Rice's current nom de plume—liberated from a deceased reform school inmate—had been his preferred moniker since he first tried to use it to win a short story contest. Around the gritty Tenderloin district, they knew him as GG. In racetrack betting rings, bookies dubbed him Ricecakes. His first wife called him Jock. His second bride probably had a nickname for him too, although Rice took great pains to ensure neither spouse became aware of the other's existence.

As the twentieth century opened, Rice had not yet settled into the nebulously mysterious role of con artist. But he had tried it out, just like the various aliases, and would have bristled at the notion that anyone considered him a thief because of the series of—as he preferred to term them—“youthful indiscretions” that landed him in jail. George cultivated a literary style while incarcerated, reading voraciously, improving his manners, and earning early release. Now, back on the street, he could pass for a college graduate. Except his education took the form of the dark, nuanced art of swindling.

After Sing Sing, Rice hooked on as a newspaperman with the New Orleans Times-Democrat. He happened to be in Galveston, Texas, on September 8, 1900, in the hurricane eye of America's most deadly natural disaster. His firsthand stories of carnage and courage made headlines nationwide, but conflicting accounts arose over whether Rice's writing was more fiction than fact: One self-styled tale had George stealing a horse to escape the flood before heroically meeting a supply train to lead the relief expedition. A separate version asserted he was run out of town by colleagues for selling stories to rival papers and double billing expenses.

Yet another contended the military ordered Rice out of Texas for spreading false panic. Now, back in New York, the only certainty about George was that whatever sensational tale he spun, it was bound to be brimming with the allure of tantalizing possibility. He didn't care that he was broke and jobless; Galveston had sparked a brainstorm about the sensational selling power of a well-crafted story.

Campbell was cagey enough to know you didn't get something for nothing from GG, not even a five-cent mug of suds. He followed his opening gambit about the racetrack by producing correspondence from a notorious horse hustler, the only item of value Dave had in his possession.

“Here's a letter I just received from Frank Mead at New Orleans,” Campbell said, sliding a folded slip across the table. “It ought to make you some money.”

Mead wrote a racing column for the New Orleans States-Item under the pen name Foxy Grandpa and recorded bets as a sheet writer for a Crescent City bookmaking firm known as the Big Store. He also moonlighted as a night-shift croupier at a clandestine casino, and his unique combination of quasi-legal gambling gigs meant Mead frequently brushed up against inside information in horse racing's premier winter betting market. The letter told Campbell to keep an eye out for a precocious colt named Silver Coin: Held back by his jockey the last few races to make the fast horse appear talentless, Silver Coin would be unleashed to run to his true potential next time out. Those in the know would bet big, presumably burning bookies at odds as high as ten to one.

Rice was quick to compute how to best leverage this edge. If he bet his last \$7, it would net him \$70 if Silver Coin won at ten to one—a decent return, but not the huge, breakthrough score GG was gunning for. If he was going to risk every last cent in his pocket, George wanted a gamble that paid off in life-altering terms.

Lost in a swirl of cigar wisps, he began sketching the outline of a scheme on a scrap of paper.

The ticker awoke with a clatter. Campbell idly went to unravel the jumble, then exclaimed when he read the tape: Silver Coin was entered to race the very next afternoon in New Orleans.

Rice sparked into action.

Grabbing the sketch, he hustled two blocks north to the classified office of The Morning Telegraph at 140 West Forty-Second Street. He pushed his entire bankroll across the counter to the cashier. Seven dollars bought a sliver of advertising space, a four-inch, one-column next-day placement in the nation's most widely circulated horse-racing paper that read:

Bet Your Last Dollar On

SILVER COIN

To-Day

At New Orleans

He Will Win At 10 to 1

In fine print, the ad explained that this sure thing was the first and last free horse from a bold new “turf advisory bureau.” After Silver Coin proved the accuracy and veracity of the inside information, anyone who wanted the bureau's best bets would have to subscribe to a \$5 daily tipping service.

Rice christened his newly minted firm Maxim & Gay after glimpsing the regal-sounding stallion name St. Maxim on a racing sheet and coupling it with sporty-sounding “gay” for a euphonic pairing. George then leased a closet-sized walk-up at 1410 Broadway, secured secondhand furniture, and had tin signs painted to advertise Maxim & Gay—all, of course, on credit.

Campbell tagged along but didn't really understand what Ricecakes was up to.

The next afternoon, March 6, 1901, Rice and Campbell went to the Gallagher & Collins poolroom on Sands Street in Brooklyn to learn the results of the second race at New Orleans. At the turn of the twentieth century, “poolrooms” in America had nothing to do with billiards. They were openly illegal gambling establishments where bookmakers offered wagering pools on horse races. The nation was zany over horse betting, and big-city poolrooms like Gallagher & Collins were equipped with cutting-edge technology that catered to the craze. Because it was imperative for bookies to have access to the order of finish before anyone else—lest they risk being “past-posted” by bettors who attempted to wager with advance knowledge of race results—top-notch poolrooms utilized clandestine telegraphy to receive cipher wired from racetrack spies. After being decoded in a back office, the results were chalked on a board in the gamblers' lounge for all to see. An eager mob always hovered around the blackboards because the poolroom payouts were quicker than the “official” transmissions that went out on delay to the general public.

Waiting for the race to go off, George riffled through his Telegraph for the umpteenth time to check his ad. Buried at the bottom of a back page, its fifty-six agate lines disappointed him. “It looked puny,” he thought. “Would people notice it?”

At higher-class poolrooms, races were re-created by a back-room announcer narrating the running order off a ticker tape, embellishing the call with theatrical flourishes. If Silver Coin's race was one of those performed aloud, the announcer had plenty of drama to work with: Careening into the turn, Silver Coin got cut off by a rival. Nearly whipsawed off the horse's back, the jockey had no choice but to yank Silver Coin back to last and try to circle the field. Rallying from far behind, the colt stormed down the stretch and lunged ahead in the shadow of the winning post, nailing the favorite, Sarilla, to prevail by a nose.

When the prices were chalked up, the cheering was more boisterous than Rice and Campbell expected, considering the favorite had lost. By the time they crossed the East River back to Manhattan, the Tenderloin was abuzz with how bookies had been burned by some mystery horse out of New Orleans. Silver Coin had gone off at eight to one at the track in Louisiana, but an unexpected swell of action was so heavy in New York that the best price you could find in any East Coast poolroom was six to one.

Even though he hadn't backed the horse himself, George got to feeling euphoric. He told Dave with an opportunistic glint that Silver Coin's win was sure to snare Maxim & Gay at least ten solid subscribers to get the venture off and running.

The next morning, Campbell woke Rice with news of another telegram from Mead. This one advised to bet a hot horse named Annie Laretta in Friday's first race. The betting line in New Orleans was an astronomical forty to one.

When Rice and Campbell arrived on Broadway, they were confounded by a throng in the street, with half a dozen policemen attempting to corral the herd into some sort of line.

"What theater has a sale on seats today?" Dave wondered aloud.

George didn't know. But when he turned the corner to climb the rickety stairs of their office building, he was startled to see the line traced straight up to the locked front door of Maxim & Gay.

Keeping their mouths shut, Rice and Campbell marched up the narrow stairway past an impatient file of customers. George turned the key, the two stepped in, and Rice re-bolted the door, bracing it with his back.

"What have we done?" he gasped.

The first order of business was deciding what to do about Friday's best bet. Even GG was unsure about the audacity of selling a tip on a forty-to-one long shot. But the vision of all those \$5 bills thrust at him by racemad disciples assuaged any such concerns. The next dilemma was how to convey this hot horse into merchantable form. George sent for a typist from the Hotel Marlborough across the way.

The girl probably thought it was a peculiar assignment to be asked to strike the name "Annie Laretta" hundreds of times on small slips of paper while Rice and Campbell sealed them in tall stacks of envelopes.

Keep typing, George urged the girl between tastes of envelope glue. Dave craned his neck out the window and saw the line snaked down Broadway for a block and a half.

They made the transactions as efficient as possible, with Dave handing out envelopes as each man handed George five bucks. Rice stuffed the cash into the right-hand drawer of his desk. When it became clogged, he crammed it into the left drawer. "Finally, the money came so thick and fast that I picked up the waste-paper basket from the floor, lifted it to the top of the desk and asked the buyers to throw their money into the receptacle," George would later reminisce. "When a man wanted change, I let him help himself."

The procession moved steadily for two and a half hours. By the time the race was about to go off, Maxim & Gay had sold 551 tips on Annie Laretta, raking in \$2,755—roughly \$75,000 in 2015 dollars.

Rice and Campbell didn't have time to make it to a poolroom, so they scurried to a neighborhood spa where a news ticker would discharge the New Orleans results thirty minutes after the race became official. The wait was excruciating.

Ticka, ticka, ticka . . . NEW ORLEANS . . . FIRST RACE . . . Ticka, ticka, ticka . . . WEATHER CLEAR . . . TRACK FAST . . . Ticka, ticka, ticka . . . Finally, here it came.

Ticka, ticka, ticka . . .

The first letter was F.

Instantly, they knew their horse had lost. It was Free Hand. Free Hand won the race.

“Grim silence” was how George described it. He didn’t bother to watch the rest of the result sputter out of the machine.

Ticka, ticka, ticka . . .

“Here she is!” bellowed Campbell.

Annie Laurretta had just missed, finishing second at huge odds.

Any customer who had backed up win wagers with “across the board” place and show bets for finishing second or third was about to be rewarded with a twenty-to-one return. From a pure publicity perspective, GG knew giving out a narrowly defeated long shot would prove many times more profitable than if Maxim & Gay had tipped the actual winner of the race at much shorter odds.

George now had more cash in his pocket than he was accustomed to earning in a year.

Ricecakes asked his pal how much it might cost to keep him in beer money while helping to run Maxim & Gay. Campbell proposed a \$10 daily salary. GG stripped a sawbuck off his wad and slapped it into his partner’s palm. Dave laughed that it was more money than he had touched in a month.

George hopped aboard a streetcar and rode down to the stately marble Stewart Building at Broadway and Chambers. He peeled off more bills and rented an office suite of “sober magnificence” commensurate with the status he wanted to project upon Maxim & Gay. Then he hightailed it back to The Telegraph and ordered a “flaring full-page ad” that unabashedly called attention to the bookie-busting success with Silver Coin and Annie Laurretta while announcing the firm was open for business at a swank new address.

After a sumptuous dinner—George relished the three-finger steaks and clubby “no women allowed” atmosphere at Browne’s Chop House—he wired Mead, empowering his man in New Orleans to spare no expense in setting up the best staff of “clockers, figurators and toxicologists” money could buy. In return for a sizable salary, Mead was to distill his racetrack intelligence into the form of a single wagering proposition each day, which he would then wire to the home office so George could trumpet the horse’s name nationwide as Maxim & Gay’s “One Best Bet.”

By the end of the spring season, New York’s most sought-after horse advisory bureau would be soaring toward its first million in profits. Yet George Graham Rice did not make a dime of this money by selling winners to gamblers.

Instead, he got rich peddling confidence to suckers.



Excerpted from *My Adventures with Your Money: George Graham Rice and the Golden Age of the Con Artist*.
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