

METROPOLITAN

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Delco man, 40, guilty of counterfeiting SEPTA passes

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An unemployed truck driver who bought a car and a suburban home with cash and made large cash investments last year was convicted yesterday of counterfeiting and mail fraud for a scheme involving bogus SEPTA Transpasses.

James Dagney, 40, of the 1100 block of Cornell Avenue, Drexel Hill, Delaware County, was found guilty by a U.S. District Court jury in Philadelphia after a three-week trial.

Dagney and an accomplice, George B. Capewell, 42, of the 9300 block of Annapolis Road, Northeast Philadelphia, were arrested in November by FBI agents. Capewell pleaded guilty before the trial began and testified against Dagney.

Capewell, owner of GBC Printing Co. in Northeast Philadelphia, testified that Dagney approached him in January 1980 and asked if he would print counterfeit Transpasses. He said Dagney gave him \$10,000 to buy the necessary equipment.

Capewell told the jury that Dagney paid him \$1 for each bogus pass sold, which he said averaged out to about 1,000 a month.

Transpasses sold by SEPTA cost \$32 each and entitle the purchaser to unlimited use of city buses, trolleys and subways for a month.

Witnesses said the counterfeit passes were sold for \$15 to \$20 each. There was no evidence presented during the trial explaining how or where the passes were sold or how much money Dagney made from the scheme.

Dagney, who was a trolley operator for SEPTA in the early 1960s, was receiving welfare payments and food stamps early in 1980, according to trial testimony.

The jury was told that Dagney bought his Drexel Hill home for \$72,500 in early 1980. He made a \$6,000 cash down payment and came to the settlement meeting carrying \$66,000 in small bills, the jury was told. He also bought a \$10,000 Oldsmobile with cash last year and purchased two \$10,000 certificates of deposit from Girard Bank, witnesses said.

On several occasions, Dagney brought \$3,000 to \$5,000 in small bills to banks to be exchanged for \$100 bills, witnesses said.

SEPTA officials testified that before Dagney and Capewell were arrested, about 20 percent of the 25,000 monthly Transpasses in circulation in the city were counterfeit, but that since the arrest about 8 percent are believed to be phony.

FBI agents became involved in the investigation because SEPTA receives federal money.

The agents had SEPTA print the Transpasses on a type of paper that was specially prepared for the investigation and available from only one source. Agents then monitored the sales of the paper and found that Dagney and Capewell were the only buyers other than SEPTA, according to testimony.

Capewell testified that he also made counterfeit postage stamps and Pennsylvania auto inspection stickers for Dagney to sell.

The mail fraud charges stem from the mailing of bills for the printing equipment used in the scheme.

Capewell is to be sentenced June 24 by Chief Judge Joseph S. Lord 3d of the Eastern District of Pennsylvania.

No sentencing date was set for Dagney. He was allowed to remain free on \$102,000 bail.

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