



LIBRARY OF CONGRESS

CHAPTER ONE

From Private Eyes to Philanthropy

THE SAGA OF THE PINKERTONS began in Chicago around 1850 when Allan Pinkerton, a native of Glasgow, Scotland and Robert Pinkerton's great-grandfather, launched what was to become Pinkerton's National Detective Agency. Pinkerton, whose father was a police sergeant in Glasgow, served briefly as a Chicago detective. (He was, by most accounts, Chicago's first police detective.) In launching the firm, Allan partnered with his brother, Robert, who worked as a railroad contractor—an enterprise that put him in the business of supplying guards and detectives to the railroad.

One reason for Allan starting his own agency was to be free of the political influence rampant in the police force. Pinkerton's Detective Agency aspired to set the standard for the field and for what Allan Pinkerton thought of as a most worthy profession. According to many historians, the term private eye originated from the Pinkerton logo: an unblinking eye with a heavy black brow and a large black pupil adorned with the words, "We Never Sleep."

In his book, *Thirty Years a Detective*, Pinkerton makes his attitude clear: "The profession of the detective is, at once, an honorable and highly useful one. For practical benefits, few professions excel it." His agency pledged to "accept no bribes, never compromise with criminals, partner with local law enforcement agencies, turn down reward money, and apprise clients on an ongoing basis."

Pinkerton's firm is generally considered America's first detective agency. It prospered, in large part, due to its commitment to professionalism and self-promotion. Under the leadership of Allan Pinkerton, an abolitionist who saw himself

Allan Pinkerton (left) with Abraham Lincoln and Major General John A. McClernand. Pinkerton served as President Lincoln's security adviser and helped to create and run the Secret Service.

as a force for good, the agency endeavored to be larger than life. It did not limit its hires to white men. The agency hired its first female detective in 1856 and its first black agent in 1861.

The agency boasted of foiling an 1861 assassination plot against president-elect Abraham Lincoln, who relied on Pinkerton agents to get him safely to his inauguration. The episode is recalled in a tribute to Pinkerton in editions of *Thirty Years a Detective* published after his death. "In the hour of the nation's peril," recalls the epitaph, Pinkerton "conducted Abraham Lincoln safely through the ranks of treason."

Pinkerton later organized the Secret Service under Lincoln and his agency essentially became the precursor and template for the FBI, especially when it came to the pursuit of high-profile criminals.

Some historians question whether there was, in fact, a plot at the time to assassinate Lincoln—who was ridiculed by many caricaturists of the era for hiding in disguise as his train rolled through Baltimore; but the story became a big part of Pinkerton lore. And it was only one of many colorful stories the agency generated, including tales detailing the pursuit of Jesse James and the capture of bank robber Willie Sutton and other notorious villains.

ROBERT PINKERTON DIED IN 1868 and his brother Allan was substantially impaired by a stroke shortly thereafter, leading their respective sons to assume a larger role in the business. When Allan died in 1884, his sons, William and Robert took control. The generational change came with a shift in priority and focus. Indeed, the most embarrassing incident of Pinkerton's history did not involve the pursuit of notorious criminals or the protection of a president, but the agency's role as muscle for so-called robber barons of the era—particularly the role it played with Andrew Carnegie.

In 1892, some 300 Pinkerton agents showed up in Homestead, Pennsylvania to protect strikebreakers brought in by the Carnegie Steel Company. The result was a shootout with Carnegie employees and sympathizers that ended in the deaths of several agents and townspeople. The Pinkerton agents were outgunned, overwhelmed and ultimately forced to surrender and run a gauntlet, during which scores of them were seriously injured. In the aftermath, Congress passed the so-called Anti-Pinkerton Act, which specifically targeted Pinkerton, stating, "An individual employed by the Pinkerton Detective Agency, or similar organization, may not be employed by the Government of the United States or the government of the District of Columbia."

Nonetheless, the Pinkerton agency thrived. And in 1930, when Robert Pinkerton II took over the family business upon his father's sudden death at the age of 54, it had evolved into a firm focused increasingly on corporate security and was, by far, the most prominent detective agency in the world.

At the time, Robert was on the verge of turning 26 and 11 days away from marrying his wife-to-be, Louise. After graduating from Harvard University he steered clear of the family business and chose to be a stockbroker. But his father's death left Robert, the only heir, with a difficult decision. He opted to take his father's place.

"He was a very kindly person who took on the role as chief executive officer of the company because it was expected of him. I think he saw it as his duty to do so," observed Joan Colello, who became Pinkerton's assistant years after the succession.

Pinkerton had a lot of catching up to do. As author Katherine Unterman noted in *Uncle Sam's Policemen*, Pinkerton freely admitted that he "started from scratch." He had no experience as a detective; he had never taken part in an investigation. All he knew about the family business was "what I heard my father discuss at home." Nonetheless, Pinkerton more than rose to the task.

At the time of the founder's death, a *New York Times* obituary speculated that Allan Pinkerton was worth about \$100,000. Under his great grandson, Pinkerton's agency became an empire. In its listing of American Business Leaders of the 20th Century, Harvard Business School recounts his accomplishments: "Pinkerton grew [the] private investigating firm into a large security services company, providing such new services as event security, jewel thief investigation, and industrial building security. Such expansion allowed the company's revenues to grow from \$2 to \$71 million during Pinkerton's tenure."

Such spectacular growth meant Robert Pinkerton had a substantial fortune to manage. To help, he called in an attorney who specialized in estate planning: George J. Gillespie, III, a partner at the prestigious New York firm of Cravath, Swaine & Moore.

When Gillespie visited Pinkerton in the mid-1960s, he recalled, "I think I had known Robert Pinkerton for less than a year . . . Mr. Pinkerton wanted a lawyer to draw a new will." Discussions soon led to talk about a foundation. "He was interested in charitable gifts, and one of the things we talk about when a client of some wealth has that interest is a foundation or a charitable trust. He chose the foundation," said Gillespie.

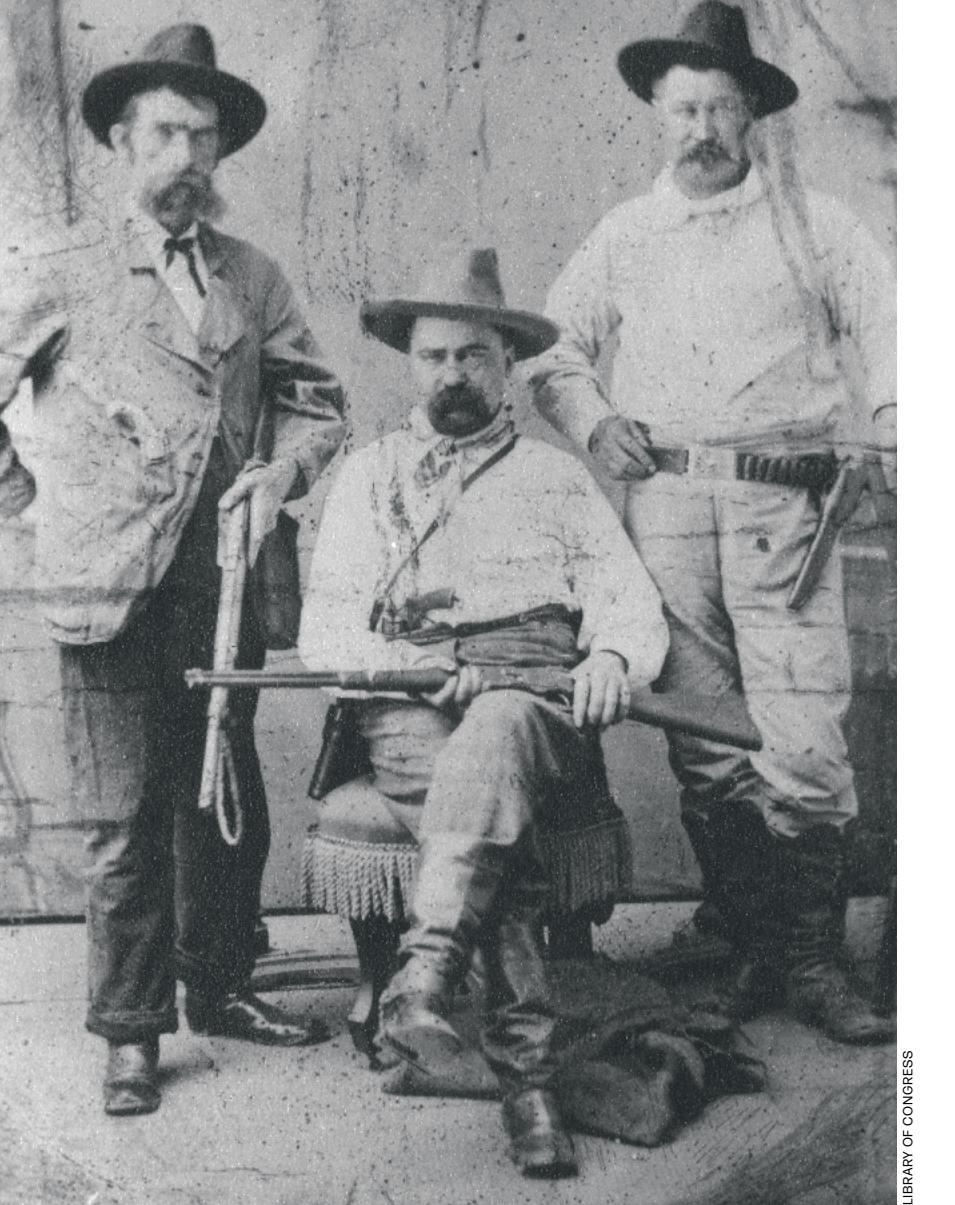
The Foundation's first meeting was convened in July 1966. At the time, America's cities were in flames. Earlier that month, the governor of Ohio called out the National Guard to quell a race riot in Cleveland. Chicago's West Side also erupted in riots. Little more than a week after the board met, Martin Luther King Jr. was stoned while leading an open housing march in Chicago's Southwest Side Gage Park neighborhood.

The meeting, however, did not focus on the drama unfolding in America's streets but on the procedural business of getting a foundation off the ground. And the initial philanthropic thrust was very close to home. Certain causes in Pinkerton's Long Island community were dear to him, among them the South Side Hospital, St. Mark's Episcopal Church, and the Hewlett School, a private school started in 1915 by Mrs. John Jacob Astor and other aristocratic women as a finishing school for their daughters. Each of those early students, as reported by the *New York Times*, "brought her own maid and horse." Pinkerton directed that each of those institutions receive a small grant—\$10,000 to the hospital, \$2,000 to the school, \$5,000 to the church—with increases the next year for the hospital and church. There was also a six week summer program for poor children from the Port Chester area.

Robert Pinkerton also started a corporate foundation (the ARW Foun-



Robert Pinkerton II created the Foundation and led the detective agency into the modern age.



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William A. Pinkerton (center) pursued Jesse James and his gang with Pat Connell (left) and Sam Finley, special agents of the Southern Express Co.

dation) for the benefit of his employees. The decision stemmed from a sense of gratitude to his employees and a desire to see their children educated. Pinkerton was the kind of man, recalled Joan Colello, who “would notice some poor girl in the office at Christmastime [to whom] no one was paying attention and he would say ‘We should give her some candy, too.’” The corporate foundation was an extension of that impulse. “He felt these employees were the lifeline of the organization . . . and he just wanted to give back,” said Colello, who remembers the foundation making grants to employees who suffered tragic losses—a home destroyed by fire, for example—but also to parents who lacked tuition for their kids. In one instance, said Colello, “the son of a gardener went to MIT and graduated.”

He brought those same characteristics—a desire to help those less fortunate but also to create tangible results—to the Pinkerton Foundation; but he did not imbue it with a specific and overarching mission—perhaps because he was struggling, at that point, just to stay alive.

“He was very frail, very thin. It was that summer that he got the diagnosis. He had cancer, which we didn’t know,” recalled Colello. “He had a stroke at the end, but before that he was dragging himself around, coming in on the Long Island Railroad from East Islip, taking the subway from Penn Station.” As his condition worsened, the family purchased a small apartment in Manhattan so Pinkerton could avoid the long commute.

PINKERTON DIED ON October 11, 1967 at the age of 62. His then-35-year-old daughter and only child, Ann, was developmentally disabled and incapable of taking over the business. For the first time ever, a non-family member, Edward Bednarz, Robert Pinkerton’s chosen successor, was Pinkerton’s leader. Bednarz, a Navy veteran and Pinkerton’s former executive vice president and general manager, was named chairman of the agency a few months before Robert Pinkerton died. In January 1968, Bednarz also became chairman of the Foundation.

At the time, Robert Pinkerton’s assets held in trust (mostly shares in the company) were valued at \$37 million. But the Foundation was much smaller. It had funds on hand of \$450,000 and projected income between \$50,000 and \$75,000. Nonetheless, the Foundation’s search for a larger purpose was beginning.

In January 1968, at the first Foundation meeting following Pinkerton’s death, Bednarz suggested that the board consider larger projects. The board agreed and a committee was charged with exploring whether the Foundation should help South Side Hospital to expand. Another board committee was named to brainstorm with school principals, guidance counselors, clergymen and police officials and come up with something worthy of Foundation funds. The board also voted to continue to support the summer camp for disadvantaged boys and girls in the Port Chester area and also to fund several other programs for underprivileged children operated by the Suffolk County Patrolmen’s Benevolent Association, the Nassau County Police Boys Club, and the Suffolk County chapter of the National Association for Retarded Children.

George Gillespie, Pinkerton’s lawyer and a newly named member of the Pinkerton board, had a particularly delicate role to play. He was charged not only with ensuring that the Foundation’s money was wisely invested, but with translating Robert Pinkerton’s philanthropic instincts into a working board philosophy. “George was really adamant that he didn’t want this to become like many of the other foundations that we know that deal mainly in policy. He wanted something much closer to the ground and to the people,” recalled Colello.

“George kept the focus on the youngsters, as he calls them... and recruited board members who favored programs that delivered tangible and immediate benefits to New York City’s kids. His principles were: keep investment fees low, investment



As chairman and executive director, respectively, of the Foundation, George J. Gillespie III and Joan Colello served as executors, interpreters and guardians of Robert Pinkerton’s philanthropic vision.



results high, let others focus on research and advocacy, and stay away, as much as possible, from entanglements with the city bureaucracies,” said Rick Smith.

Pinkerton’s widow Louise agreed with the approach that prioritized poor young people over wealthy institutions. She “didn’t want to fund museums that served rich people,” said Laurie Dien, the Foundation’s vice president for programs and the architect of many of its key initiatives. In time, the Foundation did fund museums but that was only after “we figured out how to bring in young, low-income people through high-school career internships,” recalled Dien.

THE FOCUS ON DISADVANTAGED young people and police programs was not arbitrary. As Colello, who later became executive director of the Foundation, observed, “I think there was a sense that the company had made its money on quote ‘fighting crime’ and there was this feeling of trying to prevent crime.” In line with that thinking, the Foundation funded programs for people in and out of prison, for the training of police executives and for scores of organizations delivering direct services to at-risk youths. A particular favorite was the Madison Square Boys Club (later the Madison Square Boys & Girls Club), which was founded to help young men avoid entanglements in gangs and other unsavory activities. Occasionally, the Foundation funded projects that did not directly provide a service but were nonetheless connected to the anti-delinquency mission—including a local public television program on juvenile justice and a grant to the National Council on Crime and Delinquency to develop guidelines for organizations seeking federal funds to prevent juvenile delinquency.

In the decade or two following Pinkerton’s death, the Foundation did not aspire to be a major cultural force. Nor could it afford to be. As George Gillespie puts it, Pinkerton “was a very small foundation, and there was no reason to look beyond relatively small projects in New York. For Pinkerton, a major grant during that era was in the neighborhood of \$40,000—the size of the development grant given to the South Side Hospital in Bay Shore in 1969.”

For all the effort directed into defining the Foundation’s mission, it was not

the central focus of Louise Pinkerton’s life. Her daughter, Ann, had to be cared for. The family sent her to a New York University program open to students with developmental challenges, and Ann found work as teacher’s aide at a private progressive nursery school to which the family later donated money.

Five years after Robert Pinkerton’s death, Louise married businessman John H. Marshall and settled into a comfortable yet unassuming life largely revolving around her home and local activities in Boca Grande, Florida. After her death in May 1983 at the age of 76, she was remembered in the local Boca Beacon as having been active in the Woman’s Club, the Health Clinic, and the Gasparilla Island Conservation and Improvement Association. Her death did not have a profound impact on the Foundation’s direction but, when the estate was settled, it had a significant impact on the Foundation’s resources. The Foundation started out in the mid-1960s giving out well under \$100,000 a year. By 1988, after absorbing the ARW Foundation, it was projecting dispensing between \$1.2 million and \$1.4 million a year. And the growth was just beginning.

In June 1988, board member Michael S. Joyce, executive vice president of the John M. Olin Foundation, pointed out that once Ann (the sole Pinkerton heir) died, the Foundation’s assets would increase dramatically. He urged his colleagues to keep that in mind as they looked toward the future. So they pondered: Should the Foundation focus on a few major program areas? Should it fund big capital projects? Should it seed projects that others would take over? Should it give money for research? Should it focus on the disabled or those with intellectual disabilities? Should it stop supporting hospitals, law enforcement education and prison reform?

Following that discussion, the Foundation decided, among other things, that it no longer had much interest in funding law enforcement education. More importantly, that meeting marked an acknowledgement that the Foundation of the future would be significantly different—or at least grander in scale—than the Foundation of the past. And because those discussions took place during an era when the city was in extreme crisis, they foreshadowed a period of intense engagement in New York City public affairs and, particularly, in the emerging field of youth development. ♦

WHAT WE BELIEVE

We believe that all young people have the capacity to live fulfilling, productive lives and make positive contributions to their communities.



Urban Dove. Preparing teens for college while employing them as coaches



Green City Force. Young adults helping the environment while preparing for sustainable careers

Mouse. Empowering students to use technology for social good