

HUMAN CASH REGISTER

How MONEY OF U.S. TREASURY IS HANDLED.

During Past Year Record for Honesty was Established—Yet no Employee was Subjected to Espionage—Record of Interesting Treasury Thefts of Past Years—How One Clerk Stole \$47,000 from Cash Room.

BY JOHN ELFRETH WATKINS.
WASHINGTON, Aug. 8.—All records for honesty have been broken by the hundreds of subordinates of Lee McClung, Treasurer of the United States. During the fiscal year lately closed they have handled the unprecedented sum of \$6,601,731.02 without the shortage of a single penny.

Out of this enormous sum every man, woman and child in the United States could be given \$72. Or, if it were equally divided among all the people of Peoria, Savannah or Erie, each would be independently fixed for life with a fortune of \$100,000.

No other office or institution in America or probably in the world ever handled nearly so much money in a single year. In the Treasury it passed through thousands of fingers, to none of which it stuck, yet none of these fingers did its work under the argus eyes of Government spotters, such as spy through peep-holes at our postal employees.

A Nerve-Wrecking Office.

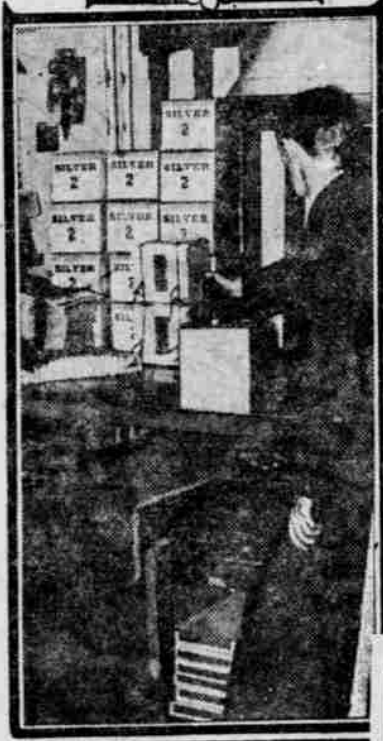
Were Treasurer McClung not blessed with cast-iron nerves he might, during this record year, have spent many a sleepless night reflecting upon the possibility of being reduced to poverty by some dishonest subordinate trusted with part of the handling of such a fortune, for he would have been personally responsible for any peculation therefrom—responsible, at least, to the sum of \$150,000. This is the amount of the bond which he had to give Uncle Sam before taking hold of that gentleman's purse strings. Indeed, the responsibilities of the Federal Treasurer's office are so great that few men have sought it in the past.

The bond demanded is perpetual. If a shortage discovered in the treasury vaults 100 years hence should be traced back to this period of Mr. McClung's custodianship, the heirs of his bondsmen could be held responsible for it. And yet Congress cannot see fit to require a bond, in any amount, of even the most responsible of its subordinates entrusted with the handling of \$2,000,000 each working day of the year. Had any clerk or messenger stolen \$150,000 of this sum and succeeded in securing it beyond the reach of secret service men, Mr. McClung would have had to make good the full amount, and only a special act of Congress could have relieved him of the obligation.

Vast Human Cash Register.

The only safeguard which the Treasury has long held over its vast stores of money handlers is a cleverly coordinated system wherein each employee serves as a check upon his own co-worker who hands him money and his other co-worker to whom he passes it. Each employee is the cogwheel of a great, complicated cash register and when one cogwheel goes wrong the whole machine stops until the cause of the error has been determined. After devoting years to the development of this system, Treasury officials appear to have perfected it to the point where no thief from within can steal a dollar of Uncle Sam's treasure and escape exposure unless a considerable group of his fellow-employees enter into the conspiracy with him; and here lies the secret of the system's safety.

Thefts by Uncle Sam's money handlers are now very rare, and for really dramatic instances of such dishonesty the Treasury officials have to go back a generation or more to the days before



Sealing Money Packages U.S. Treasury.

the present system of checks and balances had been perfected.

One of the most famous cases in which the Treasury was robbed by one of its own trusted employees occurred in 1875, when Benjamin Hallock, a clerk in the cashroom, took \$47,000 in Treasury notes of \$500 each. They were not new notes, otherwise their numbers would have been consecutive, and it would have been an easy matter to identify and trace them.

He Turned State's Evidence.

In this theft Hallock had two accomplices, a saloonkeeper named Ottman and a sporting character known as "Fog-leg" Brown. They fell under suspicion, and directly afterward the Secret Service officers began to shadow Hallock, who, upon being arrested, turned state's evidence and escaped punishment, as did his two accomplices, through a disagreement of the jury. And a scandal was later raised by the discovery that \$4,500 found on deposit in Alexandria, Va., to the credit of the saloonkeeper, Ottman, and which was supposed to be part of the stolen money, had been turned over to the counsel for the accused men.

Indeed, the Government seems to have gotten very little satisfaction from its prosecutions of these early cases of theft by trusted Treasury employees. About this same time that Hallock and his pals escaped punishment a young clerk in the redemption division of the Treasury's office—the branch where soiled and worn-out money is redeemed with new notes—stole an amount somewhat less than \$100, and although the theft was traced to him, he had "influence" behind him and escaped trial.

Dirty Money Most Tempting.

The redemption division offered the chief temptations of these times as worn and soiled money was not so liable to be missed as new currency packed in bundles and consecutively marked. When the redemption office was first established, in 1874, a trusted Treasury clerk, with a 30-year record for honesty, was transferred to it. The temptation to steal a small fortune in



U.S. Treasurer Lee McClung.

Money in U.S. Treasury Vault.

filthy lucre soon became too strong for him and after he had taken some \$1200 the theft was revealed by the state of his books, which he had falsified to conceal the peculations. This man also got off scot-free. After influential friends outside the Treasury had made good \$1000 of the shortage and his fellow clerks had contributed the remaining \$200, the officials agreed not to prosecute.

There was one famous theft in the Treasury's office, however, which was punished during these early times. Early in 1877 a valuable money sack was consigned by Treasurer Wyman to the First National Bank of Chicago. It was supposed to contain \$12,000 in \$100 notes, numbered consecutively, but when opened in Chicago nothing was found in it but tissue paper, cut in the exact size of the missing money. To all outward appearances the packages were as it should have been and the envelope, seal and sealing wax were such as to apparently indicate its genuine character. Treasurer Wyman put the matter at once in the hands of J. J. Brooks, then chief of the Secret Service, who placed under rigid surveillance all who handled the package in either Washington or Chicago.

An Innocent's Guilty Symptoms.

In the cash room of the Treasury's office the package, according to the regular routine, had passed through the hands of four men in different cages. The first three had been responsible for counting, approving and tying up the notes and the fourth with addressing it. These four men were examined separately as to all they knew about the package, and the one man against whom there was not the slightest suspicion, who, indeed, proved innocent at the end of the investigation, showed more symptoms of guilt than any of the others. When questioned he turned pale and trembled like the proverbial aspen leaf.

Having passed the counter, the prover and the sealer, Chief Brooks finally came to the addresser, named Winslow. He was a tall, handsome man, with sharp black eyes and a magnetic manner. Brooks placed the package on Winslow's desk and proceeded to question him, first about the handwriting of the address. Then the Secret Service chief suddenly turned his back to the suspect, as if to speak to

some one else, but took care to watch him out of the tail of his eye. Quick as a flash Winslow turned back the flap of the package to see the contents, and his motion at once aroused the suspicions of the detective, who, to disguise them, confidently asked Winslow to help him watch the other three men. Winslow jumped at the chance and the same afternoon came to Brooks' room three times to relate his suspicions of the others.

Clever Detective Work.

But when he left the Treasury that afternoon Winslow was under a close shadow. What he spent that afternoon and during the days following was recorded by the sleuth who followed him. His mail was also examined and it was discovered that he had begun to pay off some heavy debts owed in Maryland. In one letter he spoke of his wife having come into some property which was found to be untrue. The fact was that the suspect's only legitimate source of funds was his salary of \$100 per month, out of which he was supporting a family. Everything he did was reported to Brooks.

One Sunday morning Winslow was seen by the Secret Service men to enter an F-street office. One sleuth followed him home and the other covered the man on whom he called. This man shortly afterward walked to the I-street residence of Treasurer Wyman. There was no one about but the detective, who took care to keep out of sight, but who saw the man toss a package into the Treasurer's vestibule. Then, a few minutes later, the man cast back, rang the doorbell and stated that while passing he had changed to see the package on the step. This package when opened contained all of the stolen money except about \$1000.

Fatal Lack of Cleverness.

But, despite his cleverness, Winslow neglected to destroy the most damaging evidence against him. When arrested in his home that Sunday morning he wore a dressing gown. In one pocket were found the trimmings of the paper he had used to manufacture the counterfeit envelope in which the package was expressed to Chicago and in the other pocket were some pieces of the sealing wax used. In his waistcoat pocket were two \$100 notes bearing numbers consigned to the Treasury by Treasurer Wyman's vestibule.

Winslow broke down, confessed, was

sent to the penitentiary for 18 months, and after his release went altogether to the bad. Investigation showed that he had served a sentence for forgery before political influence had gained him a place of trust in the Treasury's office. That was before the days when the Civil Service Commission commenced to look into the past records of trusted Government employees.

The only case in which a woman employee ever robbed the Treasury occurred some 20 years ago. She was a counter of worn money, who had a record of about 25 years in the department. In fact, her appointment had been made through the direct influence of a President of the United States. She was considered an excellent counter and up to the time when Albert Relyea took charge of the redemption division had never been suspected.

Betrayed by Her Vanity.

But love of display eventually proved her undoing. One day as the Treasurer of the United States, Mr. Hyatt, and Chief Relyea were walking to the department, neither being able to afford a vehicle, they were surprised to see their trusted subordinate pass them in her private turnout, with liveried coachman. Surprised that she could afford such service on a salary of \$1000 a year, they immediately commenced an investigation. This resulted in the discovery that she maintained an establishment not only in Washington, but in the country, and that she had sent her son to Europe to be educated. Further inquiry developed also that in her social career she lived under a name distinct from which she was known in the Treasury.

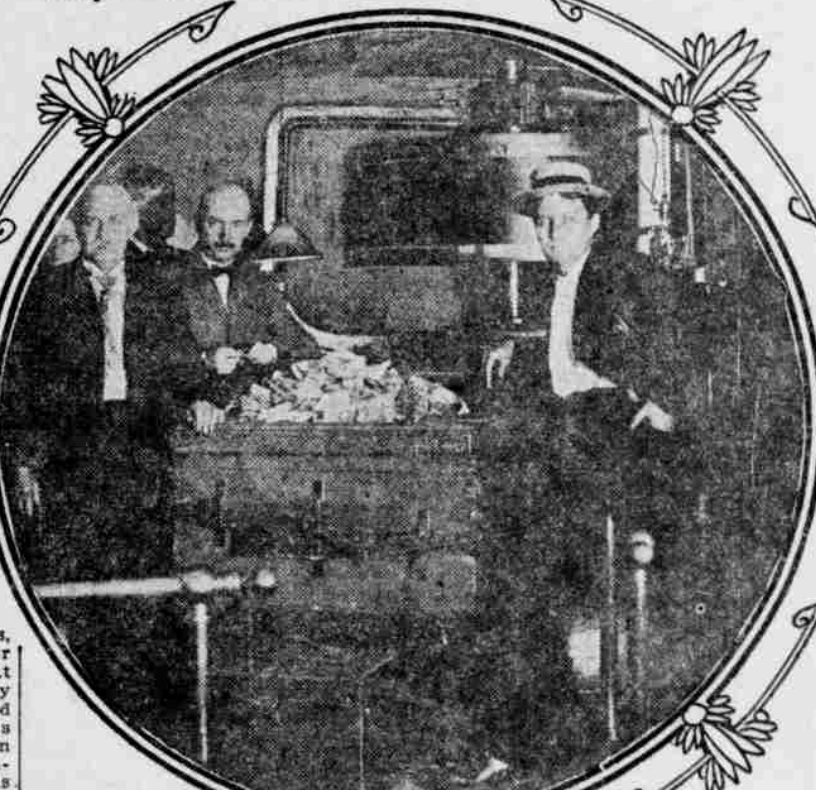
At last, after keeping her under careful scrutiny, the two officials traced her to a small apartment in the city. Investigation disclosed that in three days she had stolen \$940 in old money, which she should have sent to the macerator, to be ground into pulp. It was estimated that she had probably been stealing at this rate over \$300 a day for a long period.

Her Method Was Clever.

She had invented an ingenious



Expert Money Counters U.S. Treasury.



Macerating Worn Money U.S. Treasury.

method for concealing these thefts. After taking ten worn bills she would, by a system of tearing and pasting, so manipulate them that she could make ten torn bills out of nine almost whole ones. This having been done, she would put the tenth—a fairly good bill—in her pocket, and pass the others out to the macerator. It was never discovered whether her deft fingers did this work at home or at her desk. She had a lover—a married man—who was suspected as her confederate. It was disclosed that she had loaned him some of the stolen money, and that she had property made good this amount. Soon afterward she was stricken with cancer and died without having faced a jury.

All Treasurers of the United States have had to make good any money stolen by their subordinates unless the guilty parties or their friends have covered the shortage. During Treasurer Morgan's term, in the second Cleveland Administration, sheets of bills to the value of \$200 disappeared and Mr. Morgan gave the Treasury his check for the amount. Again, in 1894, \$510 in silver was traced from one of the vaults by an employee, but as the latter's relatives reimbursed the Government for this amount, the Treasurer had to pay nothing.

Substituted Lead Disks.

His luck seemed to pursue Treasurer

Morgan. When his term expired, in 1897, a count of all the billions in the Treasury was made, that he might obtain a receipt for the exact amount. During the count a trusted employee, assisting in the handling of the money, gained access to the bags while the official counters were not looking, and stole 500 silver dollars, for which he substituted disks of lead of equal weight. The man was sent to the penitentiary, and the retiring treasurer had to pay the \$500 back to Uncle Sam.

It has been the invariable rule of Congress to reimburse treasurers of the United States for thus covering shortages. Two years ago there was discovered in the redemption division a mysterious leak through which \$1,000.40 had passed into unknown hands. The unsuspected weakness in the Treasury's great cash register, with its human cogs, was at once repaired beyond possibility of repetition, and Congress made good the shortage.

A young Treasury clerk is now in trouble for raising notes which he disposed of in Baltimore during the Democratic convention. But he is not connected with the treasurer's office, and is not engaged in the handling of Uncle Sam's board. His criminal status is that of any outsider who may risk his liberty and reputation to engage in the perilous occupation of counterfeiting, and the treasurer of the United States will not have to square the account.

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The Day Which Never Existed. A TALE OF THE SEA.

AFTER you have read a few thrilling South Sea yarns of raging typhoons and the attendant horror of being cast up on a desert island, it may seem stretching a point to affirm that, granted a seaworthy vessel intelligently navigated, ocean risks fall considerably below those on land. To prove it there are statistics. In an afternoon walk a score of accidents may happen from which you are entirely secure on shipboard. Against this must be set dangers particularly appropriate to the old saying regarding a Forked-Tail Individual and unemployed hands. For example, he who goes into the smoking-room would do well to take heed of the official notice that, if not Satan himself, some of his followers may be lurking there. This is usually written in such plain language that there was really no excuse for Barker. None at all.

When the City of Seattle set forth westward bound across the Pacific, almost anyone could have informed Barker that the two pleasant fellows he foregathered with were morally no better than ocean sharks. But he was so absurdly unsophisticated, was that little man Barker. He told all about his affairs, of how an uncle had left him a pile, and that \$15,000 of it was deposited with the purser, Messrs. Flint and Needham, the two agreeable fellows aforesaid, became deeply interested and stimulated further particulars. Barker was apparently eager to confide. He was going to buy a mine in Australia, though he knew nothing about mining, but he trusted implicitly the man on the other side. A point which he did not think it worth while to disclose was that he had made the round trip across the Pacific before. Now, it can easily be understood how

two sincere sharpers felt in honor bound to do their best for the man on the other side. Barker. That would have been culpable negligence on their part, a disgrace for which they might have been liable to a court-martial. Therefore they proceeded after their usual method to land him in a game, having previously verified his statement that he longed to see how the game they proposed was played; then, if it would be possible for him to learn, so that he might not make an exhibition of himself. A new hope was born in the conspirators of the green cloth. Great was the encouragement given, earnest the instruction, and most flattering the comments on the skill Barker displayed. For a beginner, gee whizz! it was astonishing! Considering that aces and kings were shuffled into his hands, it is not surprising he did fairly well. In a perfectly natural transition of opinion he became quite enthusiastic, and in that spirit early one morning made a rather curious proposal.

"I would like to play quite a long game," he suggested. "Just to see if my luck holds good, with a time limit fixed ahead, say—tonight at lights out."

"All right," eagerly agreed Flint. "We're willing."

"I say lights out tonight," explained Barker, "because I have a habit of squaring my accounts once a month, on the 27th, and this is the 26th. I

invariably pay all debts due on that date—the anniversary of my lamented uncle's death—and expect others to settle any sums which may be owing to me. That enables me to start another month with a clean sheet.

"Good idea!" exclaimed Needham, with a side wink at his companion. "That's the way to keep things straight. We settle on that day and no other—Thursday the 27th. You see, I make a rule never to draw money except on that date, and the purser has instructions not to break the seal of my packet until then."



"Sure" Responded the Mate "Of Course this is Friday the 28th."

"In this case," went on Barker, "I feel rather particular about it, because I might, of course, lose a few dollars and—"

"Hardly think it likely from the way you've been doing," put in Flint. "Look as if we'd have to pay up."

"Well, in case I should be so fortunate," argued Barker, "it is understood we settle on that day and no other—Thursday the 27th. You see, I make a rule never to draw money except on that date, and the purser has instructions not to break the seal of my packet until then."

"Oh, all right, if it suits you," agreed Flint, while Needham nodded. "It's usual to put up the money as we go along, but I guess we can make an exception in your case."

They thought they had sized up their man, and that timidity of conscience would impel him to pay without a murmur, according to his regular schedule. Thursday, the 27th, then, is settlement day," repeated Barker, with a smile. "It's just as well to have a matter like this clearly decided, because if the ship should happen to be wrecked on the 28th, I should feel very badly if I went to the bottom of the sea owing any one money."

"So would we," laughed the other men in chorus, Flint adding in a jovial mood: "Don't let a little thing like that worry you. If you owe us money on the 27th, and we don't see you pay up on that date, we'll call the debt off. Will that comfort you?"

"Perfectly," responded Barker. "That is exactly what I mean. Now I am ready to chance my luck." That mental concentration could be better exerted in private, it was greed to play out the game in Flint and Needham's stateroom, to the exclusion of which place the three adjourned, where they substituted a steamer trunk for a table and sat upon stateroom stools. Then the game was opened, proceeding cautiously at first on the part of the conspirators, so that their simple-minded victim might not be alarmed by too sudden losses. But what surprised Barker was the indifference displayed by Barker. When the lunch hour came, and the steward was summoned to bring in a bite, Barker merely smiled when informed that luck had gone against him to the extent of \$540.

"Oh, well, I can't expect to have luck on my side all the time, can I?" he asked innocently. They agreed with him that such had been their own unhappy experience in times past, and made renewed efforts to land that \$15,000 in the purser's

safes. Thus, while the City of Seattle sailed along on an even keel, Flint and Needham piled up their gains by fifties and hundreds, and all the time Barker sat on his stool with as much ease as if peanuts and not dollars were slipping from him. In this way they played through the dinner hour, and on until the four bells at 10 P. M. were struck, being also the signal for lights out.

"Well, I'll be hanged!" exclaimed Flint, reckoning up the final score. "I'll be switched if I ever saw a man have such a run of hard luck! You are out \$3752, Barker, but remember it was you who proposed the game."

"I don't mind," returned Barker cheerfully, rubbing his hands together, which were a bit stiff from handling the cards so long. "I'm willing to lose a little money, for I thoroughly enjoyed the game. As my uncle used to say, real pleasure cannot be measured by price, therefore he must have been wrong about games of chance being profitless. As agreed, I shall settle with you, gentlemen, on the 27th."

"All right," agreed both in the most friendly manner. Then Barker walked away, and Flint stared at Needham.

"What do you think of him?" questioned Flint.

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