

2 CENTS  
PER COPY

VOL. XXXII. NO. 267.

Published at Indianapolis, Ind., Daily Except Sunday. Entered as Second Class Matter, July 25, 1914, at Postoffice, Indianapolis, Ind., under act March 3, 1879.

INDIANAPOLIS, WEDNESDAY, MARCH 17, 1920.

Subscription Rates: By Carrier, Week, Indianapolis, 10c; Elsewhere, 12c. By Mail, 50c Per Month.

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EDITION

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# REDS BATTLE FOR RULE OF GERMANY

## SCHOOL DIRECTOR SPENDS THOUSANDS IN CASH ILLEGALLY

State Board of Accounts' Investigation to Show Hitt Violator of Rules in Handling of Funds in Various Building Improvements.

This is the first of a series of stories dealing with the manner in which the affairs of the school city of Indianapolis have been conducted. Other stories will appear from time to time.

When the state board of accounts completes its examination of the affairs of the city schools, it will, unless interfered with, report that George C. Hitt, business director, has expended thousands of dollars without authority, in direct violation of the rules of the school board and in some cases in direct violation of the laws of Indiana.

It will learn that although the school board has now and has had for many years a rule limiting the expenditures that can be made without specific contracts to \$2,500, there have been dozens of cases in which vastly greater sums have been spent by direction of the business director without contracts, without any authorization and in some cases without even the knowledge of the members of the school board.

This condition of affairs, which is responsible for the action of a school board member recently in introducing a resolution calling for the transaction of business in accordance with the rules hereafter, has been coming to light ever since last fall, when it was discovered that an authorization for the expenditure of \$2,500 on the repair of school No. 39 had been interpreted so as to result in the expenditure of \$17,292.18, according to a report made by Mr. Hitt.

### EXAMPLE PROVIDED BY SCHOOL NO. 39.

SCHOOL NO. 39 is the school operated in connection with the Indianapolis Orphans' home. The orphans' home is a privately conducted institution, but the city maintains a school for the children and supplies teachers. The city, however, does not own the ground on which the school is situated. Acting on such advice, the board once refused to make substantial improvements to the school building, preferring to make improvements on property actually owned by the school city. Mrs. Hitt is one of the directors of the orphans' home.

Previously to the time Mr. Hitt became business director of the schools an attempt was made to secure the remodeling of this school building at a heavy outlay. It failed. After Mr. Hitt became business director the project was taken up again and Mrs. Hitt is directly quoted by another member of the orphans' home board as having remarked that "now that Mr. Hitt is with the school board we can get something from it."

Whether the remark was made or not is immaterial in the light of developments.

The minutes of the school board show an authorization of the expenditure of \$2,500. The report of the business director shows that \$14,792.18 more than was authorized has been expended on this job alone, and there are some interesting details concerning some of these expenditures that will make another story of importance to the people of Indianapolis who foot the bills.

### ILLEGAL SUM SPENT ON SCHOOL NO. 4.

The second largest amount spent in violation of the rules of the board was spent at school No. 4. The cost of this improvement amounted to \$15,340.19. Mr. Hitt's report says, "This is \$12,940.18 in excess of the \$2,500 limit. There are two buildings at school No. 4. One of them is a very old building and the other is newer. The appropriation of the school board was such that no more work was done on the old building. Despite this fact, Mr. Hitt caused extensive improvements to be made there."

Board members say this was done without their knowledge and consent, and the board minutes do not show any authorization for it.

At school No. 23 a total of \$9,794.64 was spent without the issuance of a contract, Mr. Hitt admits. This amount is \$2,994.64 in excess of the \$2,500 limit. The following other excessive expenditures were made on grade schools without the issuance of a contract:

SCHOOL NO. 26, \$8,136.19; school No. 32, \$10,000.00; school No. 30, \$2,974.18.

Improvements were made at every school building in the city, according to Mr. Hitt's report. Contracts actually were let for improvements on eight grade school buildings, the report shows. In two cases these contracts were for amounts less than amounts spent on some of the buildings without the formality of contracts.

**EDUCATIONAL CONTRACTS LISTED IN REPORT.**

Contracts, according to the report, were let as follows: School No. 10, \$85,678; school No. 12, \$23,168; school No. 13, \$44,910; school No. 14, \$35,902.50; school No. 16, \$2,970; school No. 29, \$58,570; school No. 39, \$24,306; school No. 41, \$12,064.

On Jan. 12, 1920, Mr. Hitt, at the orders of the school board, submitted a report of expenditures made in the improvement of school buildings. This report, according to best information obtainable, was unique in that never before have the school boards of this city prepared such a document.

With the completion of the report, the fact that work amounting to thousands of dollars was being done and had been done in direct violation of the rules of the school board as to contracts and authorization, was brought to public attention.

Mr. Hitt's report covering the last six months of 1919 shows that improvements of more than \$2,500 were made at each of six school buildings without the formality of the contract required in the rules of the board.

There is no record on the minutes of the board to show that the rule re-

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**Haugh's Demurrer Up to Judge Moll**

Judge T. J. Moll of superior court, room No. 1, today was considering a motion to sustain the demurrer of J. G. Haugh, who was sued for \$25,000 damages by his divorced wife, Mrs. Margaret Haugh, for alleged injuries sustained when Haugh is said to have struck her with a snow shovel on Jan. 15, 1918.

Arguments on the demurrer closed yesterday and prior to that Haugh dismissed his motion for a change of venue from Judge Moll.

## \$300,000 BLAZE RAZES FACTORY ON SOUTH SIDE

Cigaret Stub Believed to Have Started Fire Which Guts Chapman-Price Plant.

### WORKERS IN CLOSE CALL

Fire destroyed the plant of the Chapman-Price Steel Company, South Madison avenue and the Belt railroad, this morning. Officials of the company said the loss may reach \$300,000.

Fire was discovered in the paint shop in the east end of the plant by Guy Arnold, foreman of the paint shop. He and other workmen made a desperate effort to put out the flames, but they reached two barrels of paint and the fire then spread rapidly.

In one hour after the first alarm was sounded the roof of the plant collapsed. Guy Arnold, foreman of the paint shop and an explosion followed. Officials of the company said there was no order against smoking in the paint shop.

### PLANT BUILDING 325 FEET LONG.

The manufacturing plant consisted of one enormous building 325 feet long and 200 feet wide. Its structure was heavy timbers and a metal roofing. The building is as tall as an ordinary two-story building, but there was but one door to it. The company employed 150 men.

The office building, which was not damaged, is 150 feet from the main plant.

Fanned by a strong wind from the northwest, the fire endangered many other buildings in the neighborhood. When the fire fell in embers shot into the air, sparks dropped on several houses south of the plant.

When firemen first arrived there were roof fires in twenty houses south of the plant. The flames were quickly extinguished. Only the fact that these houses were 150 feet from the burning building saved them from destruction.

### CORDAGE PLANT ESCAPES FLAMES.

One of the big plant of the Indianapolis Cordage Company, Madison street and the Belt, about the steel factory, but the wind carried the flames past this building. The cordage company suffered heavy fire losses several months ago.

The Chapman-Price company manufacturing plants, including steel washing machines, steel tanks, galvanized troughs and roofing. Officers of the company are Niles Chapman, president; J. Howard Little, secretary; L. H. Price, treasurer, and R. H. Lewis and George Hepler, vice presidents.

Mr. Price and other officials inspected the ruins after the flames were under control.

"It doesn't seem possible that a building of that type could be so completely destroyed," said Mr. Price. "The building was erected nine years ago and a new wing 200x50 feet had just been com-

(Continued on Page Two.)

## All Right, Shoot! Says President

WASHINGTON, March 17.—President Wilson submitted to the photographers today for the first time since his illness.

The president went for an automobile ride and agreed to allow photographers to take his picture as he drove from the whitehouse grounds. Police officers have driven photographers away from the entrances of the grounds when the president was leaving herefore.

The president's chauffeur was ordered to drive slowly for the benefit of the photographers.

A battery of photographers went into action when the president left the whitehouse and the chief executive smiled and waved in recognition to the men, lifting his cap and turning from right to left so all of the camera men might get a fair chance to picture him. Dr. Grayson and Mrs. Wilson accompanied the president.

Whether the remark was made or not is immaterial in the light of developments.

The minutes of the school board show an authorization of the expenditure of \$2,500. The report of the business director shows that \$14,792.18 more than was authorized has been expended on this job alone, and there are some interesting details concerning some of these expenditures that will make another story of importance to the people of Indianapolis who foot the bills.

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