



The Indianapolis Times

Unsettled tonight, with lowest temperatures from 30 to 35. Wednesday cloudy and somewhat colder.

HOME

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INDIANAPOLIS, TUESDAY, FEB. 28, 1928

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County 3 Cents

STEVE READY TO HURL BANK GRAFT BOMBS

Lifer to Face Grand Jury in
Kokomo, in Inquiry of
Financial Crash.

M'CRAY MAY BE CALLED

Sensational Disclosures to
Involve 20 Officials,
Prisoner-Hints.

BY CHARLES C. CARL

Times Staff Correspondent
KOKOMO, Ind., Feb. 28.—D. C. Stephenson, former Indiana Klan leader, came from the Indiana State Prison once again today to tell more of what he claims to know about various phases of Indiana political corruption.

Former Governor Warren T. McCray and Robert Bracken, Indianapolis, former State auditor, may be witnesses before the end of the week, it was reported.

This time Stephenson is to tell the Howard County grand jury an "amazing tale of banking intrigue," as part of the jury's probe into affairs of the defunct American Trust Company here.

Stephenson and his guards arrived early this afternoon. Prosecutor Homer Miller said he may not be interviewed until Wednesday. The prisoner will be kept in the Howard County jail.

Attorneys Wait Arrival

His local attorney, Olin R. Holt, also a Democratic candidate for Governor, and Lloyd O. Hill, his Indianapolis attorney, awaited his arrival at the city building, where the court sessions are being held while a new courthouse is being planned. A writ from the court of Judge John Marshall was served on prison officials and that is what brings Stephenson here.

Despite the orders of the court that no word shall get out about witnesses, the town is awaiting for Stephenson. There was a current belief that Stephenson might refuse to testify, as he did in the trial of Governor Ed Jackson at Indianapolis less than two weeks ago. Holt and Hill announced they are ready to confer with the former Klan leader and say they will tell him to "tell all."

Promises Startling Story

Visited at his cell several weeks ago by Howard County Prosecutor Homer R. Miller and Grover Bishop one of the trust company receivers. Stephenson said he would tell the names of at least twenty public officials who he said were implicated in State-wide banking corruption.

When Stephenson gets here, he will be rushed to the city building and into a six by fifteen library that is being used as the grand jury room. There he will be asked questions that may bring Howard County ahead of Marion as a probe center.

In the stuffy, book-lined room, the former Klan power will face the five men, one woman, the prosecutor and the official reporter. He will be placed with his back to a window facing the side of the Elks' Club and talk down the narrow table to the jurors. Miller will sit at the other end and fire questions.

Great Secrecy Maintained

While all this goes on, the jury door will be locked tight from the outside and Bailiff Jack Burrows will exercise care that no one violates the court order.

The American Trust Company failed here last September. It was a Klan bank and W. H. Arnold, former president, is now avoiding extradition in Florida.

Eleven persons, including Thomas D. Barr and Luther Symons, State banking commissioners, and Ora Davies, former State treasurer, have been indicted.

Barr and Symons are alleged to have known of the bank's condition and failed to report it, while Davies is alleged to have received one percent on State's funds deposited in the bank.

Stephenson entered the case when receivers found out that he had \$30,000 in cashiers' checks made out to him. Stephenson admitted in his cell that part of them were legitimate and the rest "graft."

Checks Payable to Barr

The receivers say they also learned that \$5,000 in checks were made payable to Thomas D. Barr Jr., whose mother, wife of the deputy bank examiner, was State organizer of the Klamath, Klan auxiliary.

The Klan still is considered a political power here and plenty of persons are waiting the chance to see the lifer. Several have expressed the desire to be informed, when he comes, because "we want a look at him."

Stephenson last appeared here when he addressed a local club on "Good Citizenship" a few weeks before he was arrested for the murder of Madge Oberholzer.

In July, 1923, he and Court Asher, former lieutenant, zoomed out of the skies in a gilded airplane before a crowd estimated at 100,000, composing the largest Klan meeting ever held.

At that time he was "crowned" grand dragon of the Indiana Klan and was garbed in purple robes.

Hourly Temperatures

6 a. m. .29 10 a. m. .38

7 a. m. .30 11 a. m. .41

8 a. m. .31 12 (noon) .44

9 a. m. .34 1 p. m. .45

'Sa Fact!

Texas Man Defense Toad
That Slept 31 Years,
Came Out for Hoover.

I'M FROM TEXAS! Meet the horned toad—

And Dr. H. B. Tanner of Eastland, Texas, the town that made the horned toad famous, shows under your nose a postcard photo of the horned toad.

"The toad," he declares with conviction, "that slept in a musty corner stone thirty-on years and then came out for Hoover—

"The toad," he continues with increasing fervor, "that rocked the world! That unwittingly brought aspersions of dishonesty and untruthfulness against a judge, three Methodist preachers and twenty or thirty of Eastland's 'best citizens' who saw the disinterment!"

DR. TANNER was in Indianapolis today to attend a reunion with four others of a graduating class of the old Indiana Medical College. Fifty years ago he and his classmates, never reunited until today, proudly received their sheepskins at graduation ceremonies in the old Dickson's Grand Opera House, where B. F. Keith's Theater now stands.

"Well, sir," said Dr. Tanner, under the skeptical jibes of his 70-year-old classmates, "I came back here to talk of old times, and I've talked of nothing but horned toads.

If horned toads is to be the subject of this half-century old memory clinic, then I'm prepared for my subject.

It makes me hot around the collar the way these skeptics scoff at that horned-toad resurrection. Now I was there. I wasn't, you might say, just standing over the box, but I was in sight of it.

"Judge Pritchard—and there ain't a more upstanding, moral man in Texas—took off the lid and lifted out the Bible first. Three Methodist preachers were looking over his shoulder. Preachers don't always tell the truth, but I believe these did. There was Mr. Toad, still sleeping soundly, but apparently Hale and hearty.

WERE you there when they sealed the toad up thirty-one years ago? some one dared to ask.

"Hell, no!" was the Texan's rejoinder. "I've only lived in Texas ten years and what's ten years to a horned toad?"

"We call upon the American people to repudiate all State and national party platforms that deal only in glittering generalities with law enforcement. We will oppose and vote against candidates in all parties whose promises are fair and dry, but whose official performances are wet."

DR. CLARENCE True Wilson of the Methodist temperance board launched what was regarded as a veiled attack against the candidacy of Al Smith, without mentioning Smith by name, because, he said, "to attack this man or any candidate openly might lead to greater support from the opposition."

"Dr. Tanner," some one interrupted, "I want you to meet—"

"Tanner's my name," the Eastlander resumed. "I'm from Texas! I was just speaking of that horned toad. Now there's a toad that—"

Autoized Frog

By United Press

MINNEAPOLIS, Feb. 28.—Steve S. Dawson, United States customs inspector, died today from gunshot wounds inflicted in a battle with Mexican rum smugglers.

Inspector Dies From Wounds

EL PASO, Texas, Feb. 28.—Steve S. Dawson, United States customs inspector, died today from gunshot wounds inflicted in a battle with Mexican rum smugglers.

Lawrence Rose Found Unconscious in Home Garage.

Lawrence Rose, 33, of 346 N. Noble St., was overcome by monoxide gas from the motor of his car left running in a closed garage at his home Monday night. Found unconscious by relatives, he was revived.

OVERCOME BY CAR GAS

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