

\$1,000,000 EMBEZZLEMENT IS CHARGED IN BANK REPORT TO JUDGE COX BY RUCKER

Prosecution of State Savings and Trust Officials Is Urged by Special Investigator for Circuit Court Head.

(Continued From Page One)

and to losses sustained before the depression was at its worst.

In urging civil suit to recover on the statutory bonds of the bank's officers and of the then banking superintendent, Mr. Rucker says that, without the money which may possibly be recovered on these bonds, there is no chance of a dividend to depositors.

Report Is Quoted

The bank closed with \$1,435,955.22 on deposit. The assets on closing were, according to Mr. Rucker, "NOTHING." (The capitals are his.)

Mr. Rucker quotes a report from the bank to the state bank commissioner in 1930 as listing the following officers and directors:

Officers: Scott R. Brewer, president; James A. Houck, vice-president and treasurer; G. F. Miller, secretary; Kathryn Holland, assistant secretary; Myron S. Harlan, vice-president; E. Kirk McKinney, vice-president; Don E. Brewer, bond department manager; Hiram D. Keehn, trust department manager; Joseph T. Brady, savings department manager; R. A. Franke, rental department manager; Thomas O. Caulkins, safe deposit department manager.

Directors: Mr. Brewer, Mr. Harlan, Mr. Houck, Mr. McKinney, Edgar Ashby, William A. Pickens, Clarence C. Wyson.

Makes "Urgent" Suggestion

One director is charged by Mr. Rucker with possibly inducing a depositor to deposit \$20,850 in the bank approximately ten days before it closed by telling him the bank was sound.

Mr. Rucker suggests that the director may have—or should have—known of the bank's alleged insolvency at that time.

His report contains an urgent suggestion that civil suits on the officers' bonds, and on the former bank commissioner's \$25,000 bond, and all criminal action be instituted as soon as possible, since, in several instances, the statute of limitations will intervene within a few months.

Mr. Rucker, who again criticizes Mr. Wilson as he did in earlier reports, suggests that the prosecutor's office may wish to have affidavits sworn out to avoid the delay of grand jury proceedings.

His criticism of the prosecutor's office in this report lies in the fact that it tried Melville S. Cohn, vice-president and director of the Meyer-Kiser bank, on embezzlement charges growing out of a transaction involving a subsidiary corporation rather than under the bank's embezzlement act.

Covered by Law

This law covers the receipt of deposits with knowledge that a bank is insolvent, and it is Mr. Rucker's contention that, while Mr. Cohn was convicted, the conviction would be safer under the bankers' embezzlement act.

"It would appear from the facts disclosed," writes Mr. Rucker, "that the bank commissioner has been grossly negligent and would be liable at the suit of the receiver and, to my view, of the losing depositors."

"The trust company should have been deprived of banking rights in 1924, or 1925, if the documents speak the truth."

The bank commissioner reported in December, 1929, that the subsidiary, the State Property Company, was then insolvent, the paper of which was the bank's major asset. He must have known the insolvency for years before the closing, or, at least a year before, when its own records showed the same."

Another portion of his report suggests the possibility of prosecuting some of the officers for perjury in the making of an alleged false report to the commission. This, he suggests, might be held in reserve in case of failure of a main prosecution of which he writes:

"It is fairest to the state, the defendants and depositors that the principal and actual trial indictment be under the bankers' embezzlement act. This act pertains especially to the banking offense."

Legislation Is Mentioned

"The latter are entitled to know how they lost their money; the facts, if ever portrayed publicly, would induce needed legislation making the banking department a useful institution, banks safer, confidence more secure and protection to the honest banker from wildcat competition."

"It appears that the entire sum of deposits held at the time of failure, namely \$1,435,955.22, was received by officers when, to their knowledge, the bank was insolvent."

Mr. Rucker, who acknowledges indebtedness to the depositors committee for the mass of facts set forth in his report, also goes into the fine detail of the procedure of prosecution he suggests.

"The evidence shows," he insists, "that it was not the depression, but bad banking and insolvency for years before the closing that wrecked the State Savings and Trust Company."

"During all this time, in violation of another express statute, the executive officers kept open their doors and received hundreds of thousands of dollars in deposits, knowing that they never would be returned."

Talks of "Humanities"

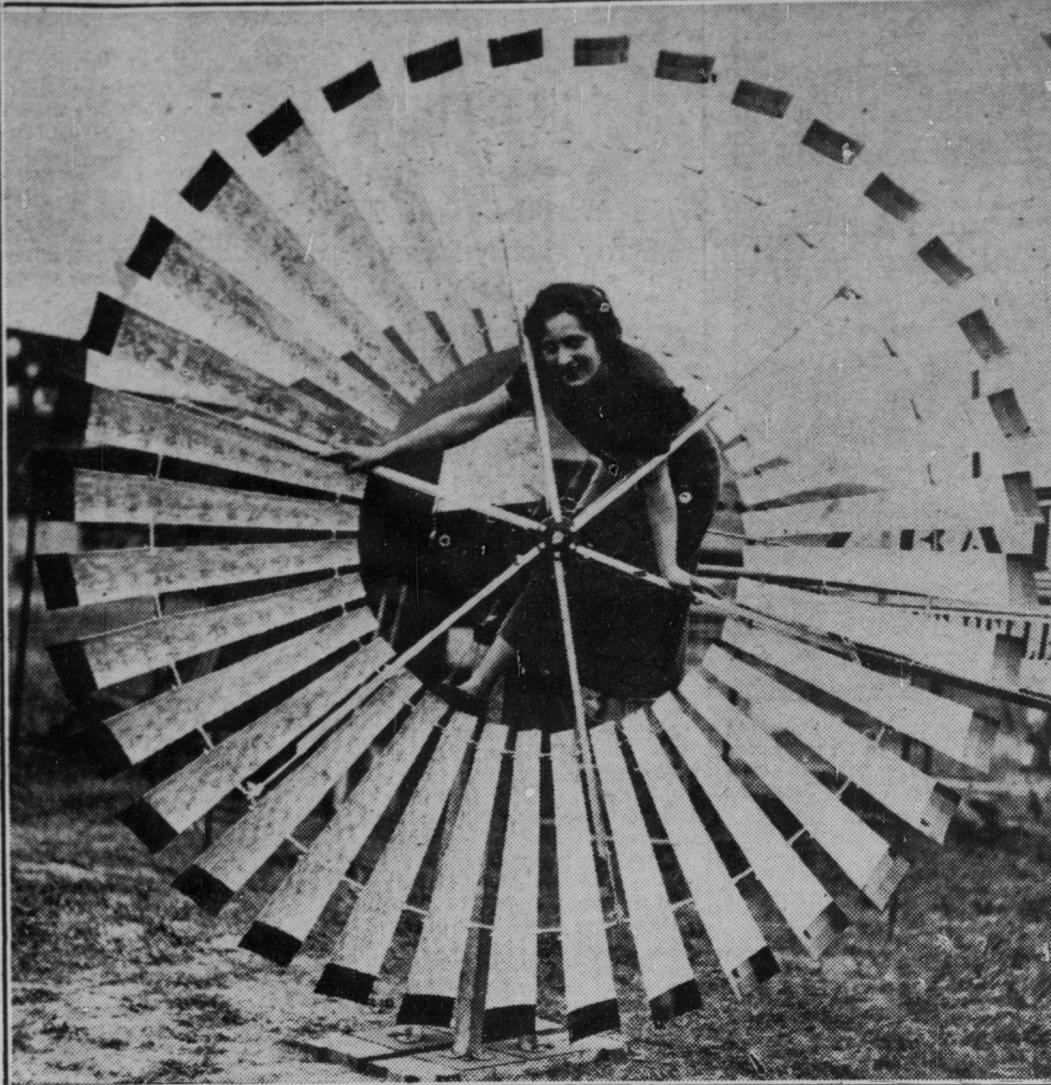
"Not only did the executive officers actually know of the insolvency, but their very duties imperatively required them to know it."

Of the feasibility of embezzlement proceedings, Mr. Rucker writes:

"The state as well as the defense has the right to invoke in proper case the 'humanities.' This it may do... by showing the loss of \$1,500,000 of the small man's deposits; it may show gross insolvency and ultimate and final disaster, as distinguished from the evidential rights of the state in other forms of charging."

Mr. Rucker denounces as false the bank's business sheet for the

A LITTLE TOUCH OF DUTCH IN THE STATE FAIR ATMOSPHERE



Blue-ribbon pigs, cows, chickens, dogs and horses are not the only attraction at the Indiana state fair, as Miss Rose Marich will testify. Attending the fair for the first time, Miss Marich enjoyed the windmill, through which she is shown peering, together with all the other farm implements.

30-CENT TAX RATE APPROVED

Objections to Age Pension Appropriations Are Rejected.

Rejecting objections to appropriations for old age pensions and bond refunding, Marion county council today adopted the 1935 budget.

The 1935 county tax rate is 30 cents, one of the lowest in county history, according to Auditor Charles A. Grossart, whose recommendations for budget slashes were adopted by the council.

At the same time, the council adopted ordinances providing for the issue of \$352,800 county refunding bonds to meet 1935 maturities and for which no funds are made available in the new budget.

Mr. Grossart said the only thing which will curb the spread of the disease is cold weather.

'PEEPING TOM' GIVEN 90 DAYS, FINE OF \$10

Negro Is Convicted, Sent to State Farm by Judge.

Caught peeping into the windows of a nurses' home at 1232 West Michigan street, Otto Lovelace, Negro, 1049 Holburn street, was convicted in police court yesterday and given a sentence of ninety days on the Indiana state farm and fined \$10 and costs by Municipal Judge Dewey Meyers.

Lovelace was identified by a detective as the same man who was convicted in 1932 on the same charge, under the name of Robert Price.

PARKED CARS LOOTED

Clothing Valued at \$70 Taken from Woman's Auto.

Clothing valued at \$70 was stolen from the automobile of Mrs. Harold Powell, 5335 Broadway, parked near the Riverside golf course last night, according to police reports.

Other thefts from parked cars last night were those of articles valued at \$45 from Bertie Anderson, 219 Hampton drive; articles valued at \$20 from Mrs. Cecil Morris, 2630 College avenue, and clothing valued at \$29 from Ora A. Thomas, 339 West Thirtieth street.

ASKS \$10,000 DAMAGE

Suit Is Filed by Woman Against Street Railway Company.

Claim for \$10,000 damages was filed in superior court yesterday by Mrs. Bertha McCalister, 3908 East Washington street, against Indianapolis Railways Inc.

The suit alleges Mrs. McCalister was injured when her husband's auto and a company bus collided at Delaware and Thirtieth streets on Jan. 14.

LIQUOR MEN TO MEET

Federal Officials to Address Wholesalers at Conference.

John E. O'Neill, Joseph de Ganahl and A. L. Lacy, federal alcohol control administration officials, will address liquor wholesalers from all over the state at 8 tomorrow night in the Claypool. The discussion will be concerned with liquor code problems.

SCHOOL BUS WRECKED

Twenty-One Children Bruised as Carrier Hits Pole.

By United Press

ALBION, Ind., Sept. 5.—A school bus left the road south of Skinner Lake yesterday, injuring one girl and bruising thirty other children.

Virginia Waites, 17, suffered leg injuries. Forrest Hoffman, 30, was driving the bus.

Adventurer's Diary Found

ST. JOHNS, Newfoundland, Sept. 5.—A tin can, containing the diary, a chart, and the pilot book of John Smith, who set out two months ago from Peterboro, Ont., to cross the ocean in a canoe, was picked up today in St. John's Bay. The canoe itself was found, floating near the northwest coast, ten days ago.

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You need Vitamin "D", rarely found in every-day foods, to fight tooth decay. Children need it for strong bones. Get Vitamin "D" in this new delicious way. 5c a package everywhere.

SACRED HEART CHURCH TO STAGE CARNIVAL

Three-Day Fair to Be Held Tomorrow, Friday and Saturday.

Sacred Heart Catholic church will sponsor a three-day carnival tomorrow, Friday and Saturday at Union and Palmer streets to obtain funds for improvements on parochial schools.

Features of the carnival are the carnival queen contest, the winner of which will receive a trip to the world's fair, exhibition boxing matches Friday night and dancing each night.

FLOWER MISSION TO SEEK \$54,228 FUND

Goal Is Set for Hospital Unit Drive.

A goal of \$54,228 has been set in the Indianapolis Flower Mission's campaign for funds for a tuberculosis unit at city hospital, it was announced today by Frank B. Flanner, campaign chairman.

The refunding policy will equalize sinking fund tax levies for the next five years, Mr. Biemer declared.

The policy drew the objection of Virgil Shepard, chamber of commerce research bureau director, who said the refunding of bonds was unnecessary because tax reduction could be accomplished without omitting sinking fund items.

Harry Miesse, Indiana Taxpayers' Association secretary, complimented the county council and Mr. Grossart for their work in reducing the tax burden.

His only objection to the levy, he said, was the inclusion of items for financing delinquent taxes.

The 1935 levy is 26 cents lower than 1934 on each \$100 of taxable values.

MASKED BANDIT GETS \$260 LOOT IN HOME

Robber, Surprised at Work, Holds Man at Revolver Point.

Police today are searching for the masked bandit who ransacked the home of John J. Gilchrist, 4428 Guilford avenue, last night and held Mr. Gilchrist at the point of a revolver when he surprised the bandit at work.

The bandit escaped with articles and cash totalling \$260. Mr. Gilchrist walked in the door and was met by the burglar, who ordered him to place his money on the table. While Mr. Gilchrist was doing this the bandit became frightened and fled.

The bandit was identified by a detective as the same man who was convicted in 1932 on the same charge, under the name of Robert Price.

SENATOR PITTMAN IS VICTORIOUS IN NEVADA

Roosevelt Aid Easy Winner in Democratic Primary.

By United Press

RENO, Nev., Sept. 5.—Senator Key Pittman of Nevada today was assured of the Democratic senatorial nomination after easily outdistancing two opponents in the Nevada primary yesterday.

With more than half the state's 247 precincts reported, Senator Pittman had 5,946 votes to 2,331 for H. R. Cooke, Reno attorney, and 1,006 for Bob Moore, Las Vegas attorney.

Senator Pittman has represented Nevada in the senate for twenty-two years and is recognized as one of President Roosevelt's "right-hand men."

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INDIANA RAILROAD SYSTEM

Travel by INTERURBAN

FEDERAL LOAN REPORT MADE

\$7,000,000 Let Out by U. S. to Save Homes and Business.

By United Press

WASHINGTON, Sept. 5—Government has loaned more than \$7,000,000 to save businesses and homes from depression ruin.

Donald R. Richberg reported today to President Roosevelt in a summary of New Deal efforts to relieve financial pressure.

Mr. Richberg is secretary of the executive council. He reported that:

1. RFC actually has disbursed \$5,853,000,000.

2. The Home Owners' Loan Corporation has advanced \$1,299,455,000, ending a real estate panic and saving the homes of 432,000 families from foreclosure.

3. Five banks insured by the FDIC have failed.

4. Federal Home Loan bank systems are far below capacity because of faults now being corrected.

Today's report was the fourth of

3 KILLED, GIRL HURT CRITICALLY IN CRASH

Three Cars Collide; Recent Bride Is Near Death.

By United Press

SOUTH BEND, Ind., Sept. 5.—Three persons were killed and a 20-year-old bride of seven weeks was injured critically late yesterday in an automobile collision involving three automobiles on Michigan Street 62, just across the Indiana line.

The dead were: Richard Burke, 27, South Bend; Howard Reece, 25, South Bend; Morton East, 55, Vandalia, Mich.; Mrs. Joan Lane, 20, sister of Burke, was taken to a hospital at Cassopolis, Mich., suffering internal injuries and a brain concussion. Little hope was held for her recovery.

ITALIAN STUDENTS TO VISIT

ROME, Sept. 5.—A group of Italian students will leave Rome Saturday for New York, where they will visit a number of American colleges and universities, and present to President Roosevelt a 400-page volume describing in English, the history of the organization of Italian universities.

Father Bastnagel is a native of Evansville and will visit relatives there before returning to Washington.

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