

# THE BEGINNING OF THE END FOR THE LAND FRAUD THIEVES

## The Government's Prosecution Finally Checks the Career of John A. Benson—Thirty Years of Fraud, Thievery and Corruption.

By OSCAR KING DAVIS.

**T**HE telegraph dispatch that early last week brought from San Francisco the news of the sentencing of John A. Benson to jail for frauds against the United States in the obtaining of public lands illegally, was the announcement of the beginning of the end for this king of the land grafters.

It is a finger that points, at last, ominously to the fact that justice is finally overtaking the man who, for more than thirty years, has been piling up his thousands and tens of thousands of dollars by means of fraud, thievery, and corruption.

The dispatch told also of the sentencing of Perrin, whom it called "one of his partners." "Too" would have been the better word, for Perrin was more the agent and the dupe than the partner of Benson.

Hyde is the partner. Hyde, the immaculate, the cold, proud, austere business man, correct in manner and appearance, scrupulous in his business dealings with other men, but without conscience or care in his transactions with the Government. Hyde's fate is yet before him. But the moving finger will have been inscribed for both Benson and Hyde, and the final check will have been put upon the most gigantic swindle that has ever been perpetrated against the United States. The monarchs of all the land grafters will have been brought to book, and the system invented and installed by them, which had grown to such proportions before it was discovered that its workings had become bywords throughout the public land States of the West, will have been destroyed.

And yet, in a certain sense, the Government has lost nothing through their fraudulent transactions. The popular cry that land has been "stolen" from the Government is a mistake. The law has set a price upon the public lands, as well as prescribed the manner in which it may be purchased. And this price has been paid, dollar for dollar, on every acre which has helped to swell the fraudulent fortunes of the grafter kings. The Government has received just as much, in money, as it would have had if the lands had been sold to individual purchasers in full accord with the strictest requirements of the law. It is in the manner in which Hyde and Benson have operated to get possession of thousands of acres and transfer their holdings to innocent purchasers that is criminal, and it is the men and women who have bought from them who have been swindled, more than the Government. These are the real, and helpless, victims of the frauds. For the grafter kings have sold to them titles which were not theirs to sell, and the Government, which has received its money, is now in position to cancel the fraudulent titles and reclaim possession of its land.

### Benson and Hyde Are of Widely Divergent Types.

Both Benson and Hyde are hardened sinners, but they are entirely different in personal characteristics. Both are well along in years, Benson being near 70, and Hyde well over 60. Benson is a huge bulk of a man, genial, jovial, slouchy, and unpretentious, a man who wears a \$100 suit as if it were a \$10 "hand-me-down." He is always good-natured, quick to make friends, ready to lend the last cent he has in his pocket to any friend who appeals for help, but never willing to pay an honest debt until he has exhausted all means of avoiding it, and not even willing under compulsion. He will lend his creditor anything, but never pay until forced.

Hyde is just the reverse: very punctilious regarding his bills, and exact in his dealings with men. He is a man of position in San Francisco, or was before his business in graft became openly known, and still belongs to the "best" club in the city. He is the Sunday School superintendent sort of thief, who helps boys and girls to grow up honest and unsuspecting, in order that he may rob them with greater impunity.

Hyde is an aristocrat, and that was the main cause of his downfall, for it was his inopportune neglect to see the outstretched hand of the man who knew more than anybody else about his frauds that prompted that man to write the letter which finally forced the investigation in the Department of the Interior which uncovered the vast system of fraud and graft, and started the hunt for the grafters which is now nearing the finish.

So far as the Government is concerned, there is no evidence that Hyde was engaged in fraudulent transactions before the present series of rascalities began, soon after the passage of what is known as the "Lieu-land act," in June, 1897. But Benson has been in the fraud books of the Government for thirty years. He was chased out of Washington not so very long after the war for being mixed up in some kind of shady financial transactions. After a while he turned up in California, where he opened an office as a surveyor. There is one part of the surveying business that Benson had down pat, and he has always made the most of it. He was an expert draftsman, and he knew how to make the prettiest and cleanest plat of a survey that the Land Office here has ever seen.

In those days the Government was making its survey of the land it owned in the Western States, dividing it up into townships and sections and running the quarter section lines. The

work was done under the direction of a Federal Surveyor General for each State, who let it out on contract to the men who made the actual surveys. Benson got a contract. At first he did some work, but before long he hit upon a much easier and more profitable method, which was simply to run a line or two, enough to familiarize himself with the general appearance of the country. Then he sat down in his office and made the most beautiful plats the Land Office had ever seen. He had a brilliant and fecund imagination, and his field notes never lacked for description of landmarks. He was not hampered by facts. Little things like streams and hills bothered him not at all. He chuckled in what he wanted when and where he wanted it, and the Land Office was none the wiser.

But, like the left-handed murderer of Gaboriau, he was too accurate. He had not taken the trouble to give himself sufficient experience in the Government survey work he had contracted to do, to know that there was always a lot of trouble in making the work come out right at the end of the township. It was seldom that the lines of one township would jibe with those of the next. There is always a difference, however, due to the earth's curvature, and the surveyors took care of it by creating what they call a "fraction," which for convenience is always put on the north and west sides of a township. The experienced men take care of their errors in these fractions. But Benson had no errors to look out for. His work having been done only in his office, was always mathematically exact and perfect.

And it was this perfection which was his undoing.

### Accuracy of Benson Caused Government to Investigate.

The Land Office people in Washington finally became suspicious of it. Benson was too perfect, so to speak. He was the only man doing survey work who made no mistakes. Every other surveyor had errors to account for and take. Not Benson. He had contracts for surveying township after township. They called for the payment of hundreds of thousands of dollars to him. He collected, in fact, above a quarter of a million from the Government. And there wasn't an error in the whole job. So the Land Office people went out to investigate this phenomenal surveyor, and found him just a clever thief, who sat in his office and made his maps, and then collected the pay for the work he hadn't done.

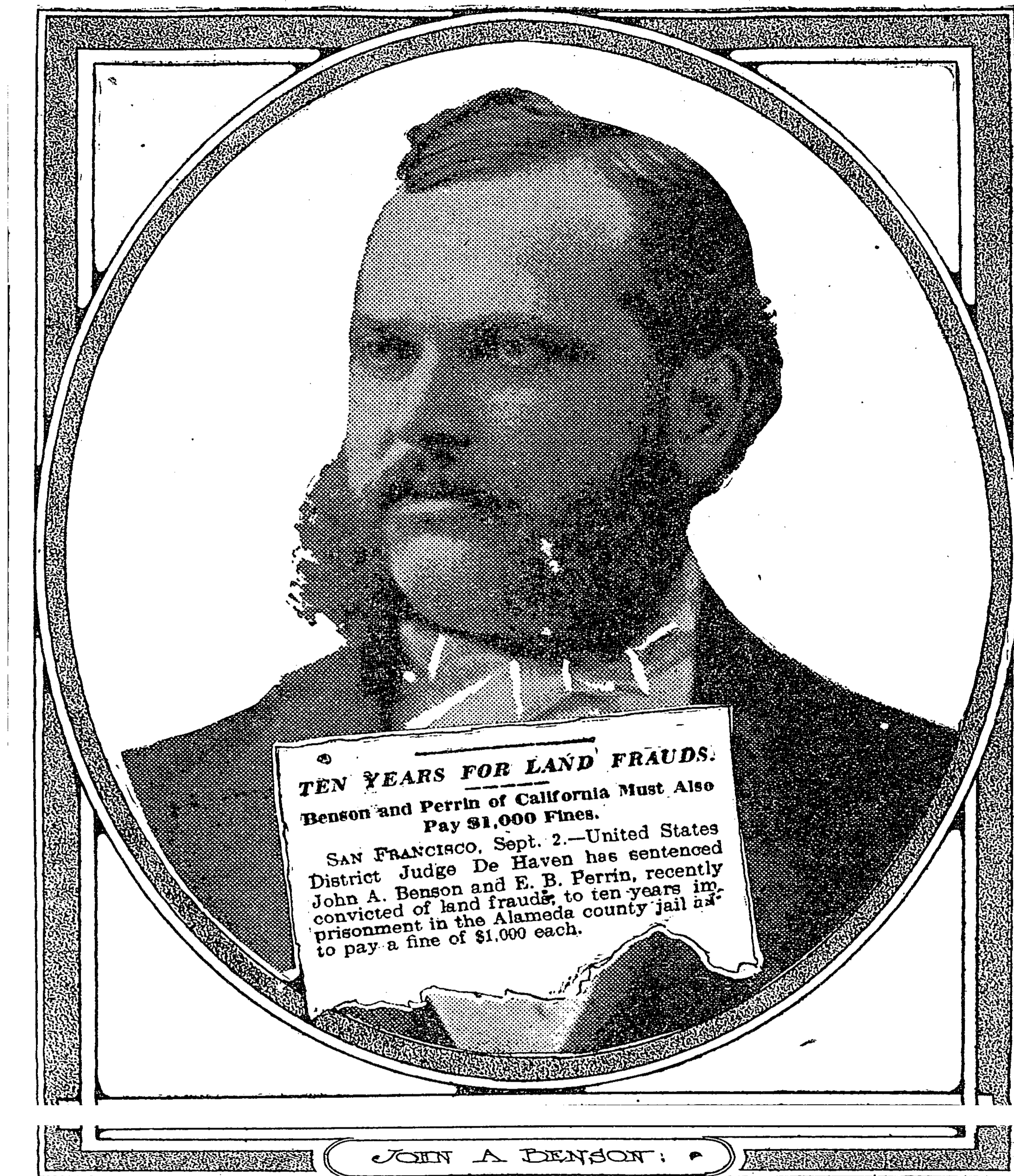
They indicted Benson thirty-two times for that ingenious fraud, and he fled to Europe. He got clear away, and lived in peace and quiet and security for five or six years, enjoying the dollars he had not earned from Uncle Sam. "The place of his general abode," as the legal phraseology has it, was The Hague. The hue and cry for the fugitive had died away, and he lived his life openly, unmolested by troublesome officers of the outraged law. But one day he went down to his accustomed haunts along the wharves, to watch the shipping and the sailormen at work, and there he fell foul of a stevedore or a sailor, and there was a row. Benson punched the Dutchman, and the row developed into a fight. Of course, there was but one outcome to that sort of a fracas. Other Dutchmen ran to the assistance of their compatriot, and Benson was arrested.

Immediately another of Benson's habits got him into trouble. He has always had a fad for accuracy in documents that concerned him. He has had more certified copies of official papers made than any other man who has ever dealt with the Land Office here. It has long been a mystery and a source of amusement to the officials, who have wondered what on earth he wanted of them. The experience at The Hague showed that Benson had the fad then. Arrested as a common brawler on the streets, the Dutch police made search of Benson's trunk, and there they found certified copies of those thirty-two indictments, duly found in the Federal Court in California.

Great Scott! What a sensation that created in The Hague! This blood-thirsty American was undoubtedly the most dangerous and deadly criminal in all the world. A mad rush began to communicate with American officers of the law. The wires hummed and the messages flew, and Benson was committed to the deepest, dampest, darkest donjon keep in all the realm, pending the arrival of the proper and competent authorities to remove his contaminating carcass from Dutch soil. There Benson disported himself on bread and water and other choice morsels of Dutch provender until in due time he was haled back to California and put on trial on the thirty-two indictments.

But so much time had elapsed since the frauds had been discovered that witnesses had disappeared or died, the crimes were almost forgotten, and in the end Benson got free on all the charges. He still had a good share of the money left, however, and with that he went into the business of grafting land from the State, in a small way, compared with his later developments, but still in a familiar way. He was thus engaged when he first began to deal with Hyde.

F. A. Hyde was a lawyer in San Francisco, who had an eye out to the main chance, and was a master hand at certain forms of business. He never associated with the Benson type of man, except in a business way, but he was shrewd enough to recognize at once the force and ingenuity of the big grafter, and began to deal with him.



They had not done very much before the passage of the "lieu land" act, which was signed by President McKinley on June 4, 1897. This was the act under which the great land frauds have been committed—frauds which have become so common that in many parts of the West the people had come to look upon them as matter-of-fact transactions not at all fraudulent.

In truth, there are many sections of the West where good, honest, law-abiding, church-going, God-fearing men and women have violated the law openly, knowingly and deliberately, without a thought that they were really committing a crime. It was the common thing. Everybody did it. Even the respected judges of the local courts have entered public lands with which they never had any other intention than speculating. And these people are the most surprised in all the country to find themselves caught in the meshes of the legal dragnet spread by the Government officials when the land fraud investigations and prosecutions finally began.

The lieu land act was a simple proposition, and on its face only an act of justice to many honest settlers upon the public domain, who otherwise would have been stripped of their honestly

acquired homes and left without a cent in return. It was an outgrowth of the forest reserve policy, which sought, by the withdrawal of timbered public land from entry, to conserve the forests and the water supply at the same time, to the undoubtedly tremendous ultimate good of all the country.

### Methods Employed to Obtain Possession of State Lands.

In the creation of forest reserves three kinds of land upon which the Government had no claim were almost always involved. These were the lands reserved for sale for the benefit of the schools of the States in which they lay, lands granted by the Federal Government to the States, and lands granted by Congress to railroads in aid of their construction. The school lands were sections 16 and 36 in every township. The State and railroad lands were usually in alternate sections, the Government retaining alternate sections. But when a forest reserve is to be created it must embrace all the land within its limits. So the lieu land act provided that any settler within a contemplated forest reserve, or any railroad which had received a grant of part of the proposed reserve land, or any State

which had such holdings, might exchange their lands for similar amounts of other public lands without the limits of any proposed or established forest reserve. Thus the Government would acquire title again to all the land within the reserves, and would dispose of an equal amount which had not, theretofore been taken up by settlers or other entrymen.

The avowed purpose of the lieu land act was honest. Its real purpose may have been so, but under its operation tremendous frauds have been committed, so great and widespread frauds as to suggest very strongly that some influence was behind its enactment by Congress which aimed at the concentration in the hands of certain corporations or a certain few individuals of the enormous tracts, especially of timber lands, which the strict compliance with the old land laws had either rendered impossible as original transactions or made impossible because of the expense of extensive purchases.

It was Benson who first saw the possibilities of the lieu land act. For years he had been on a working basis with the office of the State Surveyor General, and so had Hyde. They could not have carried on their local trans-

## The Methods of Benson and His Partner, Hyde, So Perfect That They Finally Resulted in Their Undoing.

actions otherwise. Now Benson suggested the scheme of gathering in all the school lands in the California forest reserves and converting it into what has become known as "scrip," although it is not scrip; that is, into rights of selection of public land elsewhere. Then, by hustling out over the public lands not included in the forest reserves, and making selection of the most valuable everywhere, they created at once a market for their scrip, which they sold at great profit, especially when it covered timber lands desired by the big lumber companies, which were devoting their energies to securing in advance all the timber they could obtain, in order to have it when the time comes to saw it up into lumber.

The first method employed by Benson and Hyde in getting hold of these school and State lands was the use of dummies as entrymen. And that is a crime, although the State or the Government receives the full price of the land secured by the dummy. The law provides that the public land shall not be taken up by any person except for his own use; that it shall not be taken for the purpose of speculation; that the entryman must not be procured to take it up for another; and that the entryman must not receive an advance of money from another in order to complete his bargain with the Government. Benson and Hyde violated all the provisions, and that, in fact, is the basis of nearly all the frauds against the Government in the land graft cases throughout the West.

### Benson Procured the Dummies and Hyde Did the Rest.

Hyde and Benson began by actually sending out dummies to enter the lands for them, under contract to turn it over to them as soon as the titles had been perfected. Benson procured the dummies, getting most of them from the notorious Barbary Coast, of San Francisco, ignorant negroes for the most part, who could neither read nor write, thus enabling him to handle them as he pleased, and by helping them to make their marks, secure their signatures to whatever papers he liked. Of course, that involved perjury on the part of the entrymen, and subornation of perjury on the part of Hyde and Benson. That did not bother the big grafters at all, but the method soon proved too slow and cumbersome, as well as too expensive.

It took a lot of capital to operate on a large scale, but Hyde had money and Benson was not bankrupt, and they were able to put up the money necessary to secure title to immense tracts of school and State lands, and to get their lieu land scrip for it. The State required the immediate payment of only 25 cents an acre, instead of the full price of \$1.25, permitting the balance to run for a year or more.

Quick shifts often enabled the grafters to turn over their capital two or three times within the year, and so to roll up their profits. As the business grew and required more capital, they took in a banker to furnish the ready money. He was a queer sort of customer, who insisted on having his own skirts kept clear all the time, and took great care to see that he was never directly involved in anything shady, but who seems nevertheless to have been fully aware of what was going on, and willing to take his share of the profits.

When the dummy scheme became unsatisfactory, because too slow and cumbersome, Hyde and Benson progressed from mere subornation of perjury to straight forgery. The experience of Benson in his earlier frauds, when he merely made maps instead of surveys, was of decided value now. He saw that it was much easier and simpler, as well as faster and less expensive, to run a forgery mill than to bother with dummies. So they began to manufacture all their papers. At first they took pains to have the forged papers look entirely natural and honest. But that, too, soon became too bothersome. It took too much labor and thought to provide names for all the fictitious entrymen whose affidavits and deeds they were forging.

So Benson devised a scheme for getting names. He advertised for help of all kinds, workmen on all sorts of jobs, and in that way obtained a great number of honest names. For a while they took the trouble to mix these names up, using the first part of one with the last part of another. When that got to be excessive labor they used the honest names straight. And finally they ceased to bother with changing names, and used the same ones over and over again. But by that time they had bought their way into the Land Office in Washington, and no longer had need to exercise caution.

The business grew tremendously. They worked fast, and devised ways to go still faster. They bought up the State officials essential to their schemes, and so always got first whack at the State and school lands about to be incorporated in a forest reserve. When a bona fide entryman came along and managed to get in ahead of them, the State officials held up his entry until the swindlers could be notified and get a false claim filed. In that way Hyde and Benson monopolized the business in lieu land scrip in all California, and, branching out, went into other States. Of course, they prospered enormously. They had their men out picking out the good land open to lieu selection everywhere, and they sold their scrip as fast as they could find purchasers, which was by no means slow.

It had become necessary to get into

the General Land Office in Washington for a double purpose. When a lieu land selection was made it might be on land that had not yet been surveyed. In that case the selection holds good, and when the survey is finally made the patent issues as if it had been surveyed before the selection was made. It was necessary, therefore, to have a means of facilitating the approval of lieu land selections, in order that sales of scrip might not be interrupted. That was arranged by the purchase of the Land Office official who had charge of that work. He got ten cents an acre for his assistance, a figure apparently small, but often really large, as, when a selection ran up to four or five thousand acres, his share was \$400 or \$500.

Some of the officials of the Land Office, whose work did not throw them regularly in connection with the papers in the cases, grew a little suspicious sometimes, but there was really nothing on which they could lay their hands to bear them out, and it never got further than suspicion. There was enough, and more, in one single feature of the papers to make any honest man who had to do with them a great deal more than suspicious. The trouble was that no honest man dealt with them. This feature was the constant recurrence of the name of F. A. Hyde as the purchaser of the rights of the dummy or entirely fictitious entrymen. Thousands of cases came into the Land Office bearing his name, without exciting any comment, until the crime was uncovered in another way.

It was Hyde himself who finally pulled down the pillars of his temple, and he did it by a single act of snobishness. One of his principal factotums in California, the man whose business it was to watch the office of the State Surveyor General, Joast R. Schneider, gave the graft away. He had worked for Hyde for years, but Hyde, being an aristocrat and a snob, never had any association with the Dutchman except on business. At length the time came when Schneider was to leave Hyde's employ. Five thousand dollars was coming to him. He went to Hyde's office, and Hyde counted out the money. He always paid his bills.

Schneider took the cash, pocketed it, and held out his hand to shake hands with Hyde and say goodby. But Hyde did not see the proffered hand, and Schneider went out of the office without the farewell clasp, and with the affront ranking in his heart. He went down to Arizona, and from Tucson after a while he wrote to the department. Now it happened that the man who had pigeon-holed many other reports of similar nature was temporarily away, and his subordinate was not a part of the Hyde-Benson system. The subordinate got Schneider's letter and ordered an investigation, detailing for the job a special agent, who also was not part of the gang. The superior returned to his desk, learned what had been done, and by telegraph sent the special agent to Montana instead of to Arizona. But the agent did not forget. It was several months before he got around to it, but ultimately he saw and talked with Schneider, who told him all the sordid story. It was the report of that special agent, which went finally to Secretary Hitchcock, that blew off the lid and opened up the whole miserable work.

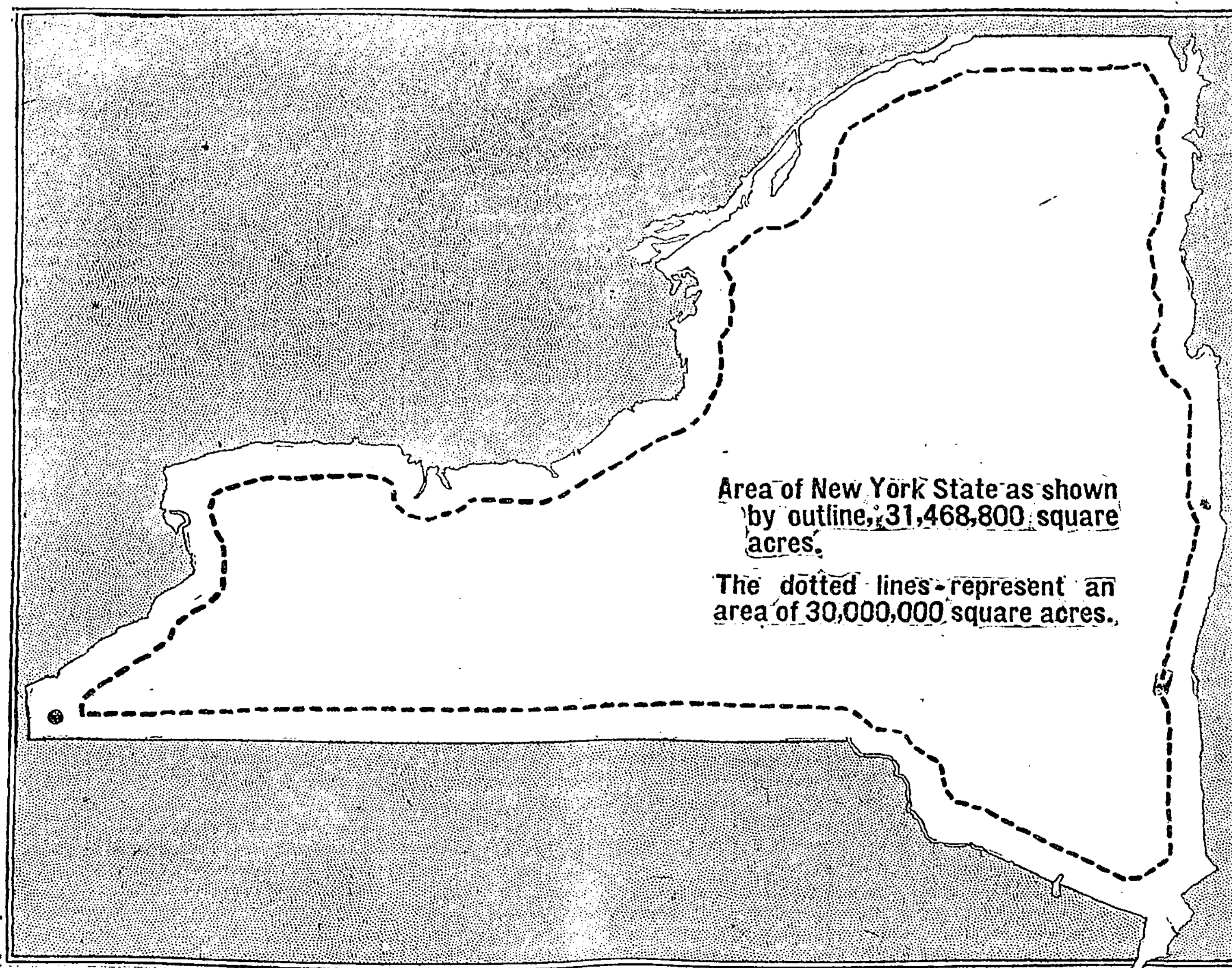
### Arrested and Brought to Trial Both Fought to the Last.

Now a curious thing happened. It was not understood by the honest men in the Land Office at first that Schneider accused Hyde and Benson of going further than procuring dummies to make entries of land for them. And under the construction of the law made by most of the law officers of the department, that did not constitute a fraud. And they had a decision of a Federal Judge in Nevada to fortify their opinion. But the Assistant Attorney General assigned by the Department of Justice to the Interior Department, Arthur B. Pugh, held a different view. He believed that it was a violation of the law, and the Supreme Court has since upheld his view.

Pugh's work was in outline. Then came the task of getting the details and securing the evidence on which to obtain convictions. That fell to William J. Burns, the detective, who was lent to the Interior Department by Chief Wilkie of the Secret Service. Burns followed the trails that Pugh had blazed and turned it into a high road. He established an office in the building with the Land Office, and there he interviewed the clerks and others whom Hyde and Benson had bought. And one by one they confessed. Every man but that high official who had pigeon-holed so many reports gave up the details of all his connection with the system.

Then Burns went to California. There he dug up more evidence, and when he returned he had made his case. Hyde, Benson, and several others, including the once loquacious but now silent Schneider, were indicted. Benson had come to Washington to patch up his fences. He was arrested here, jumped his bail, and was retaken in New York. Judge Lacombe overruled the Commissioner who held him, and was in turn overruled by the Supreme Court. Hyde was held in San Francisco. Both fought to the last court their removal to Washington for trial, and both lost. Then both fought to the last court their demurrer to the indictment, and both lost. Now they are facing trial at the October term of court.

### Acreage Held by One Man Compared with New York State.



America is a big country; there can be no doubt about it. It is so big that a person can come into possession of 30,000,000 acres of its timber lands, and in the vastnesses of this big country conceal his identity beyond detection. And this, despite the fact that in the near future the possession of 30,000,000 acres of wooded land may mean a fortune greater than that of any of the money kings of the present day.

The location of the land is shrouded in as much mystery as is the identity of the untraveled owner. There may be some to think that it might be found on the same chart with New Atlantis. Don't you believe it. Secretary Wilson of the Agricultural Bureau says that he knows of the man, and that he has an eye on him. But the Secretary will not tell who he is.