

Mrs. Kaup. It is very good to what it was.

The Chairman. When did it begin to improve?

Mrs. Kaup. Since last September about.

The Chairman. It is very much better now than it was up to last September?

Mrs. Kaup. Yes.

The Chairman. What is the cause of that improvement? Do you know?

Mrs. Kaup. No, I could not tell, unless they have made stricter rules.

The Chairman. How does the discipline compare under Mr. Friedman's administration with that of other administrations you have known here?

969

Mrs. Kaup. I came here just shortly before Mr. Friedman came. Well, I think it was — I know it was better before.

TESTIMONY OF WILLIAM H. MILLER.

The witness was duly sworn by the Chairman.

The Chairman. What employment have you now, Mr. Miller?

Mr. Miller. My official position is that of financial clerk.

The Chairman. At the Carlisle school?

Mr. Miller. Yes, sir.

The Chairman. As such clerk do you keep the records of the athletic association?

Mr. Miller. I do.

The Chairman. What is that association? Is it a corporation?

Mr. Miller. Yes, sir; it is a corporation, consisting of the employees and the pupils who are entitled to wear the

"C".

The Chairman. How many of them are there?

Mr. Miller. I do not know. I do not know what the requirements are.

The Chairman. Do you know any pupils who are members of the corporation?

Mr. Miller. Practically all the players, I think, are.

The Chairman. Who are the officers of the corporation?

Mr. Miller. The officers are Mr. Warner, President; myself, as Secretary and Treasurer; we two together with Mr. Friedman compose the executive committee.

The Chairman. The athletic association is kept separate and apart from the school, I believe, in a way?

Mr. Miller. Yes, sir; that is, the accounts.

The Chairman. That is what I mean.

Mr. Miller. Yes, sir.

The Chairman. How are the accounts kept, and what records do you keep?

Mr. Miller. I keep them in regular ledger form. This is the ledger.

The Chairman. How long have you been keeping this account?

Mr. Miller. Since February 9, 1907.

The Chairman. You do all the works on the books yourself?

Mr. Miller. Yes, sir.

The Chairman. You have made all the entries in the ledger since that time?

Mr. Miller. Yes, sir.

The Chairman. Just explain briefly how you keep the accounts of receipts and expenditures.

Mr. Miller. (Indicating.) Credits are taken up in this column, the gains on the righthand side here; and the expenditures are written in here on the lefthand side, all by check. There is nothing paid out except by check. Those are the check numbers, and this is the payee's name that appears here.

The Chairman. And the checks are your vouchers?

Mr. Miller. Yes, sir.

The Chairman. You use them as receipts, of course?

Mr. Miller. Yes, sir. In most cases we have receipted bills in addition to the checks.

The Chairman. You take itemized accounts where there are accounts?

Mr. Miller. Yes, sir.

The Chairman. So as to show what enters into the expenditure as indicated by the check?

Mr. Miller. That is it.

The Chairman. Where do you keep your account? In a bank?

Mr. Miller. In the Farmers Trust Company, Carlisle.

The Chairman. What are the sources of income to this fund? How is the fund obtained?

Mr. Miller. The main source is the proceeds derived from games the games — football games, and lacrosse and basketball.

The Chairman. How do your annual accounts run? From what dates? Do you run by the calendar year or by the school year?

Mr. Miller. Neither. It all just runs right along.

The Chairman. When do you strike a balance?

Mr. Miller. At the end of each month I strike a balance, and the balance is certified to by an auditor. Well, the committee is composed of Mr. Ray, Mr. Warner, and Mr. Friedman,

but recently it has dwindled down to Mr. Ray, an attorney of Carlisle, who audits me monthly and certifies there on my ledger.

The Chairman. Does Mr. Ray render any other services as attorney than services as auditor?

Mr. Miller. He did during the incorporation.

The Chairman. I mean, since the association was organized?

Mr. Miller. No, sir.

The Chairman. What is he paid?

Mr. Miller. \$100 a year.

The Chairman. Quarterly?

Mr. Miller. \$25 quarterly.

The Chairman. What does he do? What does his work consist of?

Mr. Miller. Simply verifying my accounts.

The Chairman. I know, but how does he verify them?

Mr. Miller. He takes the statements we get from the games, verifies the receipts and other moneys that are taken up. There are other minor entries, such as trunks that are purchased from this fund and kept in the storehouse and sold. That money comes back. And at one time umbrellas for the pupils were handled that way. He verifies all the receipts and takes the cancelled checks and checks them off, and obtains the outstanding checks each month and compares my balance with the bank balance.

The Chairman. He does that every month?

Mr. Miller. He does that each month.

The Chairman. What day of the month does he usually do that?

Mr. Miller. As soon as I have the accounts ready for him, usually within two or three days after the close of the month.

The Chairman. How long does it require him to do it?

Mr. Miller. I should say not more than an hour.

The Chairman. He comes out here, or do you take your books up there?

Mr. Miller. He comes here.

The Chairman. What was the total income from the games — football, basketball, and other sports — chargeable to the athletic fund for the year 1913? Can you tell me that?

Mr. Miller. Not exactly. I could approximately.

The Chairman. The book would show?

Mr. Miller. The book will show, certainly; yes, sir.

The Chairman. What do you think it would amount to?

Mr. Miller. I should say between \$20,000 and \$25,000.

The Chairman. For the year 1913?

Mr. Miller. Yes, sir.

The Chairman. What charges are paid out of this fund? How are the expenditures governed? Who regulates what shall be paid out of it?

Mr. Miller. Anything except transportation charges or anything that Mr. Warner looks after — the others usually come to the superintendent, who passes on them, and I write the check, and Mr. Warner signing it, that gives the approval of all three members of the executive committee.

Do

The Chairman. You yourself sign checks?

Mr. Miller. Yes, sir; as treasurer, and Mr. Warner as president.

The Chairman. He countersigns them as president?

Mr. Miller. We both sign them; yes, sir.

The Chairman. The superintendent O.K.'s the accounts or bills.

Mr. Miller. Yes, sir.

The Chairman. And you draw the checks, and the coach — what is his official position?

Mr. Miller. He is the coach, the athletic director.

The Chairman. The athletic director countersigns the checks. How have the expenditures been running with reference to the income of the fund? They have a balance each year?

Mr. Miller. Oh, yes; they have had a balance each year, excepting one year I recall we ran short when there was a thousand dollars advanced by Mr. Warner and Mr. Friedman. Just now there is a surplus of \$25,000.

The Chairman. You have produced here and presented to the Commission what appears to be stub check books, numbered from 1 to 7 inclusive. These books appear to be the stubs of the checks you have drawn —

Mr. Miller. Drawn since the date I have given.

The Chairman. Since you first became treasurer?

Mr. Miller. Well, I was treasurer of this fund before this date, but it was not kept in this way. The funds were kept in another —

The Chairman. From what date is this?

Mr. Miller. This date is from 1907, February 9.

The Chairman. So that for every expenditure you have made you have the checks paid and also the stub of the check?

Mr. Miller. Yes, sir.

The Chairman. And in many instances you itemized state-

ments of account?

Mr. Miller. Yes, sir.

The Chairman. So that you can tell what payments were made for any month, to whom they were made, and for what?

Mr. Miller. In every instance; yes, sir.

The Chairman. Running over some of these accounts, I want to ask you about some of the expenditures. Who is Mr. ~~Boy~~ Hugh Miller?

Mr. Miller. He is an attorney in Carlisle whose main work is that of newspaper reporting.

The Chairman. I see here under date of January, 1908, a check, No. 552, "Camera, \$140.68 for Mr. Miller." Was that a moving picture camera?

Mr. Miller. No, sir; it was a camera that was purchased for him to take pictures of games. It was a large box camera.

The Chairman. Then under the same date, January, 1908, check No. 578 —

Representative Carter. Where is that camera now?

Mr. Miller. In his possession. He always had had it.

Representative Carter. Is he a member of the association?

Mr. Miller. He is not; he is a newspaper man.

The Chairman. I see also a check No. 578, to Hugh Miller, \$100; and No. 579 —

Mr. Miller. No. 578 is Shoemaker, isn't it?

The Chairman. Well, 580 was to whom?

Mr. Miller. To Wallace Denny.

The Chairman. No. 578 was to Hugh Miller?

Mr. Miller. Oh; to Doctor Shoemaker for additional services.

The Chairman. Who is Mr. G. M. Diffenderfer?

Mr. Miller. I would like to explain in regard to that \$100 in favor of myself, if there is any exception to it.

The Chairman. I do not know that there is any exception to it. While attention has been called to it, we have not raised any question about it.

Mr. Miller. That came about this way. During General Pratt's time he came in the office one day and told me he was going to pay me \$100 additional salary for athletic services. I had practically written the history of the Carlisle School in a card system. If you wanted to find a pupil's record you had to refer to probably 100 different places throughout the book. I decided to put in a card system and arrange the cards by tribes for pupils no longer connected with the school, and those that were I arranged alphabetically. The old General appreciated that very much, and he gave me \$100 additional fall that year. The next year, rather than have me ~~called~~ down, he paid it again. In both cases it was paid from the charity fund, or emergency fund, and thereafter each year I received that amount until those funds were abolished, and then from this fund. It was always considered a part of the salary.

974

The Chairman. Why was it paid out of the athletic funds?

Mr. Miller. Because those other funds had gone out of existence.

The Chairman. The athletic fund, as a matter of fact, is a kind of —

Mr. Miller. A cure for all diseases.

The Chairman. A good many things are paid out of the athletic fund that have no relation to athletics?

Mr. Miller. Yes.

The Chairman. In that connection, what other items do you know of that are payable out of the athletic fund that are not directly connected with athletics? Do you pay any employees who are also receiving Government salaries?

Mr. Miller. Yes. That item just above these to Doctor Shoemaker. That was for his services in accompanying the teams, as I understood it.

The Chairman. If he accompanied the teams on their expeditions, that might be considered directly connected with the athletic work. Do you pay Mrs. E. H. Foster?

Mr. Miller. Recently? Yes, sir.

The Chairman. How much does she receive?

Mr. Miller. She gets \$15 per month for looking after the Y.W.C.A. work. I do not know her salary. She is a teacher.

The Chairman. Mr. R. L. Mann is another, I believe, who is a teacher, and he receives \$15 a month?

Mr. Miller. Yes, sir, he was paid up until last fall.

The Chairman. Has that been discontinued?

Mr. Miller. Yes, sir.

The Chairman. Why?

Mr. Miller. I believe he was relieved from the work. He had charge of the Y.M.C.A. work.

The Chairman. You receive a salary as financial clerk, ^{AND} in addition to that you receive \$35 a month for keeping these accounts?

Mr. Miller. Yes, sir.

The Chairman. Mr. Dietz receives a salary too as Indian art assistant, and gets a salary as assistant coach, does he not?

Mr. Miller. Yes, sir; he does.

The Chairman. How much does he get as assistant coach?

Mr. Miller. I really do not know the amount, unless you have made a note of it there.

Inspector Linnen. About \$500 each year.

Mr. Miller. I think that is it.

The Chairman. I asked you a moment ago about the item for Mr. Diffenderfer. January 8th he appears to have received \$20 salary. What is that for?

Mr. Miller. At that time he had charge of the afternoon services in the chapel.

The Chairman. Is he a minister?

Mr. Miller. He was a Lutheran minister in town.

The Chairman. What salary was paid him?

Mr. Miller. He got \$5 for each service, \$5 a Sunday.

Since that time it has been divided up among all the ministers of the town, and they get \$5 per service.

The Chairman. How many ministers have been paid for that service?

Mr. Miller. I believe all of them. All the ministers in town take their turn at taking charge.

The Chairman. Why is that?

Mr. Miller. I could not say, sir.

The Chairman. You have nothing to do with that? Who makes that arrangement?

Mr. Miller. The superintendent.

The Chairman. An arrangement is made then that every minister in town gets an afternoon in his turn, for which he

receives \$5 for his services?

Mr. Miller. Yes, sir.

The Chairman. Who did you say Hugh Miller is? Is he related to you?

Mr. Miller. He is not related to me.

The Chairman. He is in the newspaper business?

Mr. Miller. Yes, sir.

The Chairman. Is he on a local newspaper?

Mr. Miller. I think not.

The Chairman. Is he a correspondent for papers?

Mr. Miller. Yes, sir.

The Chairman. He appears to have received generally \$200 a year during the last two or three years for services. What kind of services does he render?

Mr. Miller. Nothing more than sending out reports about the games.

The Chairman. Look at the check No. 1183, January 2, 1909. It appears he received \$50 at that time. What was that for?

Mr. Miller. I do not recall that item. Here is my record. I did not know at that time, and I do not know yet.

976 The Chairman. I see you have an interrogation mark there on that stub under date of January 2, 1909. What does that mean?

Mr. Miller. I do not know what it was for.

The Chairman. You were not furnished information at the time as to what it was for, and you made that memorandum?

Mr. Miller. Yes, sir.

The Chairman. You do not know what it was for?

Mr. Miller. No, sir.

The Chairman. By check No. 2112, under date of September

19, 1910, it appears that Hugh Miller received \$100 for advertising.

Mr. Miller. It is probably for the same purpose.

The Chairman. You mean for sending out news?

Mr. Miller. Yes, sir.

The Chairman. Now, by check No. 2231, October 31, 1910 —

Mr. Miller. On No. 2112 the stub is marked, "Advance on account of advertising."

The Chairman. What other advertising did the team do?

Mr. Miller. Now, there were several games that he advertised and got a percentage from the game. I do not recall that this was just one of those occasions or not. It probably was, on account of being marked here, "account of advertising."

The Chairman. Do you know what he did?

Mr. Miller. He passed bills about town, and had placards printed, etc.

The Chairman. Now, turn to check No. 2231, October 31, 1910. The total of that check was \$1,509.22.

Mr. Miller. That is in my favor. I had charge of a game that was played at Wilkesbarre, and this is reimbursement for my expenses there. In other words, that is the total expenses that I paid out, and this is reimbursing me.

The Chairman. Mr. Miller did not get any of ^{that} it?

Mr. Miller. No, sir; I personally received nothing.

Mr. Inspector Linnen. Your bills show that Mr. Miller got \$300 of that.

The Chairman. You have an itemized bill of that expenditure, and you say now that Mr. Miller received \$300?

Mr. Miller. Yes, sir. I recall that now.

The Chairman. Now, by check No. 2215, under date of

October 29, 1910, I find another item of \$295.65. What is that for?

Mr. Miller. I believe that is the balance on the same account, settlement in full.

The Chairman. Was that for one game?

Mr. Miller. I believe it was, to the best of my recollection.

The Chairman. Now, by check No. 2812, 1-6-1912, I find another item of \$150 to Hugh R. Miller for services.

Mr. Miller. That was not in connection with any special game. It was the amount paid him for the season's work. The check following it —

The Chairman. What work did he do during the season? That is what I want.

Mr. Miller. I think that was ~~xxxx~~ ^{simply} newspaper work, without anything special.

The Chairman. What kind of work? Can you inform us about what he is expected to do?

Mr. Miller. I do not know what he was requested to do, if that is what you mean. All I know that he did was to send out matter for the papers that he represents.

The Chairman. That was published as news, was it not, as a matter of fact?

Mr. Miller. Yes.

The Chairman. What association did he represent? Does he represent the Associated Press? Does he represent the Scripps-McRae?

Mr. Miller. I do not know. I was informed that he corresponded with probably as many as 200 papers, but whether

that is true or not I could not say.

The Chairman. The probability is that he would represent an association of newspapers, and what I am trying to find out is what association it is.

Mr. Miller. I do not know.

The Chairman. Who is Mr. J. L. Martin?

Mr. Miller. That was his assistant at that time.

The Chairman. I find by check No. 2813 under the same date as the last check mentioned to Mr. Miller, Mr. Martin was paid \$150. What was that for?

Mr. Miller. That was the same class of work, he being Mr. Miller's assistant.

The Chairman. By check No. 3174, dated December 3, 1912, it appears that Mr. Miller received \$150 as correspondent. Is that the same kind of work?

Mr. Miller. The same thing.

The Chairman. And under the same date, by check No. 3175 you paid Mr. J. L. Martin, as correspondent, \$150.

Mr. Miller. The same thing.

The Chairman. Do you know anything about, ^{how} those accounts, the correctness of those accounts, is arrived at? How are the amounts determined?

Mr. Miller. I do not know.

The Chairman. Do you know whether he is on a salary — who O.K.'s these accounts?

Mr. Miller. The superintendent O.K.'s them.

The Chairman. Now, by check No. 3571 under date of November 2, 1913, there is an item of \$200 to Hugh R. Miller, of which \$100 went to Mr. Miller and \$100 to Mr. Martin.

Mr. Miller. That is the same thing.

The Chairman. Then by check No. 3578, 12-2-13, there appears to have been another check issued to the same Mr. Miller for \$100.

Mr. Miller. That was the same thing. The \$200 and the \$100 taken together made the \$300 for that year.

The Chairman. Now, let us look at some items of this account that relate to Mr. Friedman, the superintendent. Check No. 1181, under date of January 20, 1909, appears to have been issued to Mr. Friedman for expenses to Washington, in the sum of \$70.90. On what theory were the expenses of the superintendent paid to Washington paid out of the athletic fund?

Mr. Miller. It was paid at his request, he submitting a bill for that amount.

The Chairman. What I am trying to find out is why he required you to pay that out of the athletic fund. What was he doing in Washington for the athletic association? What was his rule about that, if you know whether he had a rule, Mr. Miller? Maybe you can explain the whole thing by a general statement. I see here a great many items of expense for Mr. Friedman to Washington, charged to the athletic fund, and paid out of it. Now, if you can make a general statement as to the theory upon which that was done I would be glad.

Mr. Miller. I could not tell that.

The Chairman. You do not undertake to pass on that?

Mr. Miller. No, sir; he submitted the statements and I wrote the check.

The Chairman. Without question?

Mr. Miller. Without question, and Mr. Warner signed

them.

Representative Stephens. Who O.K.'ed the statements?

Mr. Miller. Mr. Friedman. I attach a little slip to the bills, requesting the authority to pay them, and he signs those slips. I have those slips in all cases on those bills, which are kept on a Shannon file in numerical order.

The Chairman. Further than that you were not charged with the duty of auditing his accounts?

Mr. Miller. Oh, no.

The Chairman. He audited his own accounts?

Mr. Miller. Yes, sir.

The Chairman. Now, I find check No. 1534, under date of September 4, 1909, expenses to Washington, \$16.

Mr. Miller. That is marked, "expenses to Washington, \$16."

The Chairman. I am going to call your attention to a large number of items of the same character, and you may verify them all at once. Check No. 1633, October 28, 1909, expenses to Washington, \$87. That is correct, is it?

Mr. Miller. Yes, sir.

The Chairman. Then, check No. 1806, January 29, 1910, expenses to Washington, \$27.

Mr. Miller. Right.

The Chairman. Check No. 2001, May 24, 1910, expenses to Hampton, \$16.

Mr. Miller. Hampton and Tuskegee Institute, \$16. Right.

The Chairman. Check No. 2016, January 28, 1910, expenses to Philadelphia, Pa., \$17.

Mr. Miller. Right.

The Chairman. Mileage books, \$40.

Mr. Miller. What date is that?

The Chairman. It appears here.

Mr. Miller. That is for \$17. That is right. At the close of each month I pay the bill to the Cumberland Valley Railroad Co., and the mileage books are included in that.

The Chairman. Do you know what amount of mileage books you bought for Mr. Friedman?

Mr. Miller. Not exactly. There are eight.

Inspector Linnen. There are a lot more besides those.

The Chairman. Just give these dates.

Mr. Miller. March 3, 1910, one book, \$20; July 15, 1910, one book, \$20; October 23, 1911, one book \$20; July 31, 1911, one book; September 11, 1912, one book; September 21, 1912, one book; June 25, 1913, one book; November 14, 1913, one book.

980

The Chairman. A memorandum furnished me here is a receipt under date of February 19, 1910, "To one mileage book, No. 125135, to Superintendent Friedman, \$20." That is correct, is it?

Mr. Miller. Yes, sir.

The Chairman. Now, I also hold in my hand a receipt under date of July 31, 1911, "one mileage ticket (Mr. Friedman) \$20; Cumberland Valley Railroad." Is that correct too?

Mr. Miller. That is one we just mentioned. That is correct.

The Chairman. I also hold a receipt under date of October 23, 1911, "mileage ticket for Mr. Friedman, \$20." That has also been mentioned and is correct?

Mr. Miller. Yes, sir.

The Chairman. Under date of September 11, 1912, "one mileage ticket, Mr. Friedman, \$20; Cumberland Valley Railroad." That too, has been mentioned, I believe, and is correct?

Mr. Miller. Yes, sir.

The Chairman. Under date of June 25, 1913, "mileage ticket for Mr. Friedman, \$20." That is correct, is it?

Mr. Miller. Yes, sir.

The Chairman. Under date of November 14, 1913, "mileage ticket for Mr. Friedman," with others in the same receipt, \$20. That is correct, is it?

Mr. Miller. Yes, sir.

The Chairman. Have you assisted and cooperated with Inspector Linnen in checking up these mileage accounts charged to the athletic association on account of Mr. Friedman?

Mr. Miller. Yes, sir.

The Chairman. You have also assisted him, I believe, in checking up his accounts of expenses and expenditures as Superintendent of the school, have you not?

Mr. Miller. Government vouchers?

The Chairman. Yes.

Mr. Miller. Yes, sir.

The Chairman. Have you also gone through the accounts in the office of the auditor of the Cumberland Valley Railroad and checked the items there with reference to trips made by Mr. Friedman to ascertain what mileage was in fact used in connection with his accounts as superintendent and special disbursing agent?

Mr. Miller. Yes, sir; both the Cumberland Valley and the Pennsylvania.

The Chairman. Is it true or not that your investigation as stated disclosed that Mr. Friedman was furnished with these mileage books and used them on these trips to Washington, and

at the same time charged the expenses as railroad fare in his accounts as superintendent against the Government?

Mr. Miller. Some of them.

The Chairman. Which ones?

Mr. Miller. Mileage books Nos. 125135, 125300 —

The Chairman. Now, will you mark them? There are only three —

Mr. Miller. (continuing) and 923319, I believe —

The Chairman. Let us make sure of that.

Mr. Miller. I have made a memorandum now, and can give it to you: 125135, 125300, 923319.

The Chairman. Just take your memorandum there and state what you checked with reference to those mileage books and what the books in the office of the auditor of the Cumberland Valley Railroad and the Pennsylvania Railroad disclosed with reference to those charges.

Mr. Miller. Book No. 125300 was used on Cumberland Valley train 13, March 5, 1910, Harrisburg.

Allow me to start again: Book No. 125135, used on train No. 4, March 3, 1910, Conductor McCleary, Carlisle to Harrisburg, 38 miles, two passengers.

Book No. 125300, used on train No. 13, March 5, 1910, Harrisburg to Carlisle, 38 miles, lifted, two passengers, Conductor Snodgrass.

Book No. 125300, train No. 4, March 17, 1910, Carlisle to Harrisburg, Conductor Lynn, 19 miles, lifted, one passenger.

Book No. 125300, train No. 11, March 18, 1910, Harrisburg to Carlisle, Number of passengers 1, mileage 19, Conductor

Wetzel.

Mileage book 923319, train No. 8, October 23, 1911, Carlisle to Harrisburg, two passengers, mileage 38, Conductor Lynn.

Over the Pennsylvania Railroad I found the following, upon checking the auditor's accounts: Mileage book 125135, March 3, 1910, train No. 64, Conductor W. D. Schubert, Harrisburg to Philadelphia, two passengers, 196 miles; beginning 805, ending 1,000.

same date,
Book No. 125300, train, conductor, and points, 12 miles; beginning 1, ending 12.

Book No. 125300, March 3, 1910, train No. 124, Conductor C. W. Parks, Philadelphia to New York, two passengers, number of miles 180; beginning 13, ending 192.

983 Book 125300, March 5, 1910, train No. 7; A. L. Priser, conductor; between New York and Philadelphia, two passengers, 180 miles; mileage beginning 193, ending 372.

Same book, 125,300, March 25, 1910, train 27, Conductor H. W. Harding, Philadelphia to Harrisburg, two passengers, number of miles 208; beginning 373, ending 580.

Same book, 125300, March 17, 1910, train No. 20, Conductor A. B. Wherley, Harrisburg to Baltimore, one passenger, 84 miles; mileage, ~~82~~ 638,721.

Same book, 125300, March 17, 1910, train 321, Conductor C. T. Sparks, Harrisburg to Washington, one passenger, 40 miles; mileage 722 to 761.

Same book, 125,300, March 18, 1910, train 320, Conductor J. W. Smith, Washington to Baltimore, one passenger, 40 miles; 762 to 801.

Same book, 123,300, March 18, 1910, train 21, Conductor J. H. Millstead, Baltimore to Harrisburg, one passenger, 84 miles; 802 to 885.

Mileage book 923319, October 23, 1911, train No. 8, Conductor J. B. Hunt, Harrisburg to Baltimore, two passengers, 168 miles; beginning 38, ending 206.

Same book, 923319, October 23, 1911, train No. 11, Conductor B. F. Dennis, Baltimore to Washington, two passengers, 80 miles; mileage 127 to 206.

The Chairman. Then it appears from the records in the office of the auditors of these two railroads and the authenticated copies of the accounts of Mr. Friedman as superintendent and special disbursing agent of the Indian Industrial School, that on these occasions and trains, while the mileage books which are paid for out of the athletic fund were actually used, he also charged the Government in his expense account for his railroad fare?

Mr. Miller. Yes, sir.

The Chairman. I have a memorandum in my hand showing other expense items paid to Mr. Friedman from the athletic fund, which I am informed you have checked on your books. Check No. 2615, 984 July 11, 1911, expenses to New York, \$22. Is that correct?

Mr. Miller. Right.

The Chairman. Check No. 2622, July 28, same year, expenses to Washington, \$17.

Mr. Miller. Right.

The Chairman. Check No. 2747, November 20, 1911, expenses to Philadelphia, Pa., \$55.

Mr. Miller. Right.

The Chairman. Check No. 2800, July 26, 1911, expenses to Boston, \$48.

Mr. Miller. Right.

The Chairman. Check No. 2848, January 27, 1912, expenses to Washington, \$42.20.

Mr. Miller. Right.

The Chairman. Check No. 3138, November 14, 1912, expenses to Washington, \$75.65.

Mr. Miller. Right.

The Chairman. Check No. 2929, April 9, 1912, expenses, \$58.60. What was that for?

Mr. Miller. My memorandum is marked "expenses".

The Chairman. Do you know whom it was paid to?

Mr. Miller. To Mr. Friedman.

The Chairman. Do you know what it is for? Have you an itemized statement of that?

Mr. Miller. I may have; I have not here.

The Chairman. When you go back to the office will you take a little time and look for that?

Mr. Miller. Yes, sir.

The Chairman. Check No. 3138, November 14, 1912, expenses to Washington, \$75.65. That is correct, is it?

Mr. Miller. Correct.

The Chairman. Check No. 3139, November 15, 1912, expenses to Philadelphia, Pa., \$69.20.

Mr. Miller. Not paid to Mr. Friedman direct, but to
985 Bellvue-Stratford Hotel.

The Chairman. Was there an item in there of \$10 for theater?

Mr. Miller. Yes, sir.

The Chairman. I notice another memorandum there, additional expenses to Philadelphia, Pa., \$22, in the same account.

Mr. Miller. That is right.

The Chairman. Check No. 3508, October 4, 1913, hotel bill at Philadelphia, Friedman, \$54.65.

Mr. Miller. Right.

The Chairman. The face of those checks would not show the actual dates he was in Washington?

Mr. Miller. The bill shows.

The Chairman. Turn to check No. 3311, April 9, 1913, \$102.70. What was that for?

Mr. Miller. That check book is in my office.

The Chairman. Look at the memorandum there and see if you can tell.

Mr. Miller. That was for entertaining guests during commencement.

The Chairman. By whom?

Mr. Miller. By Mr. Friedman.

The Chairman. Was there an itemized statement of that presented?

Mr. Miller. Yes, sir.

The Chairman. Will you furnish that?

Mr. Miller. Yes, sir.

The Chairman. I find five checks as follows: No. 1,499 — maybe you can just tell from this — No. 1499, August 31, 1909, \$90. No. 1533, September 2, 1909, \$60. No. 3025, August 10, 1910, \$60. No. 3028, August 10, 1912, \$60. No. 3188, December 9, 1912, \$7.20.

What were all those checks issued for?

Mr. Miller. For the purpose of insurance on the buildings.

The Chairman. What buildings?

Mr. Miller. The athletic buildings.

The Chairman. The Government does not carry any insurance on the buildings, I believe?

986

Mr. Miller. I could not say.

The Chairman. Would it not be paid for through you?

Mr. Miller. Mr. Warner keeps the accounts.

The Chairman. That is on the athletic buildings?

Mr. Miller. Yes, sir. I think it is all on the athletic buildings.

The Chairman. I find a number of kitem of \$2 for the arrest of each Indian boy or pupil found in Carlisle without a pass, paid to the Chief of Police, John L. Boyer, who appears to have received various checks aggregating quite an amount for such arrests. Is there an arrangement whereby the athletic fund is required to pay \$2 for every boy arrested?

Mr. Miller. Yes, sir; when the boys have no money in the bank.

The Chairman. Do you know upon what theory that is done?

Mr. Miller. To prevent the boys going into town without a permit.

The Chairman. Why should all that be charged to the athletic fund, if you know of any reason?

Mr. Miller. I think I do. The police would not be interested in detaining the boy if they received \$2 sometimes and not on every occasion. When a boy has no money in the bank the police would be out the cost of the arrest, so the athletic association is called upon to pay it when the boys

have no money in the bank.

The Chairman. How is the amount of \$2 arrived at as proper?

Mr. Miller. I could not say.

The Chairman. As a matter of fact they do not get anything like that when they arrest on a warrant, do they? I do not know what the statutes of Pennsylvania are, but in many of the states with whose statutes I am familiar the fees of sheriffs for making an arrest would not be anything like that. Anyway, that is just an arbitrary arrangement that the superintendent has affected with the chief of police, and is designed to keep the boys in and prevent them from stealing away?

Mr. Miller. Yes, sir.

The Chairman. Have loans or advances been made to boys on the football teams at various times?

Mr. Miller. Yes, sir.

The Chairman. \$200 appears to have been advanced to Albert Exendine.

Mr. Miller. Yes, sir.

The Chairman. And \$300 to Louis Tewanana, and also \$50?

Mr. Miller. Yes, sir.

The Chairman. There are other items of that kind.

Mr. Miller. Yes, sir.

The Chairman. Are those loans or advances repaid, or in the nature of a bonus?

Mr. Miller. Those were not repaid.

The Chairman. How did you pay them out? Upon what authority? You do not just voluntarily make the payments, I assume. I will say in this connection that your books show

very clearly indeed, even to a man who is not an expert accountant.

Mr. Miller. They are authorized by the superintendent, and, as I said before, the bills are approved by the president and by signing the check.

The Chairman. Have you checked up to see how much was paid to the football boys in 1908?

Mr. Miller. I have.

The Chairman. It appears from the memorandum furnished me that on December 16th 1908, the total amount paid on this account was \$4,283.

Mr. Miller. That was the amount of the check.

The Chairman. That was to pay football boys, was it?

Mr. Miller. Yes.

The Chairman. I find also by check No. 508, December 4, there is an item of \$3,667.63. What account was that paid from, and what was it for?

Mr. Miller. From the athletic account, and for the boys.

The Chairman. For the football boys?

Mr. Miller. Yes, sir.

The Chairman. What other advances in the nature of bonuses are usually made to the football boys? What other allowances?

Mr. Miller. Since the practice of paying the money was abolished, they have been allowed an overcoat and a suit of clothing each year.

The Chairman. And that is paid out of the athletic fund?

Mr. Miller. They are given orders on the merchants of town to secure this clothing, and the bills are paid from this fund. The boys get no money.

The Chairman. It appears that by check No. 1051, November 21, 1908, an item of \$15 was paid to the Postal Telegraph Co. What was that for?

Mr. Miller. For election returns.

The Chairman. I believe the business department and the academic buildings were constructed out of the athletic funds, or do you know?

988

Mr. Miller. Yes, sir; I think the most of it.

The Chairman. That cost approximately \$7,000, didn't it?

Mr. Miller. Those were Mr. Warner's estimates.

The Chairman. The material for the building was paid for out of the athletic fund, and the work done by the Government?

Mr. Miller. Yes, sir.

The Chairman. I see a check here No. 3394, June 25, 1913, to George Walker, sheriff, and another —

Mr. Miller. One moment.

The Chairman. George Walker, sheriff, \$10. What was that for?

Mr. Miller. That was for arresting a girl in Chambersburg, as I recall.

The Chairman. Have you an itemized statement of that?

Mr. Miller. Yes, sir.

The Chairman. Will you ~~xxx~~ get that for me if it is not too much trouble, please?

Mr. Miller. Yes, sir.

The Chairman. Now, I see another check No. 3407, H. J. Bentley, detective, \$10. Do you know what that was for?

Mr. Miller. Yes, sir; that was for his services in trying to apprehend boys who were absent from the school, without

leave, boys who were meeting town girls out by the fair ground.

The Chairman. Now, I find among these checks, a number of items for clippings. For instance, check No. 3476, October 6, 1913, clippings, \$30. What does that mean?

Mr. Miller. Clippings from the Luces Press, for the superintendent.

The Chairman. From the athletic fund?

Mr. Miller. Yes, sir. I believe the clippings were for anything pertaining to the school or the superintendent.

The Chairman. I find another check numbered 2854, February 5, 1912, Argus Press, clippings, \$52.35. Do you know what that was for?

989

Mr. Miller. For the same purpose.

The Chairman. And another, No. 2888, dated February 26, 1912, Manhattan Press, clippings, \$25.

Mr. Miller. Same purpose.

The Chairman. Check No -2642, Luces Press, clippings, \$15.

Mr. Miller. It should be No. 3641, \$15. Same purpose.

The Chairman. I find check No. 36 —

Mr. Miller. No. 3642 is for the arrest of a boy.

The Chairman. Now, these items were to pay for news clippings relating to the school and to the superintendent personally?

Mr. Miller. Yes, sir.

The Chairman. On whose order were they paid?

Mr. Miller. The superintendent's order.

The Chairman. I find check No. 1821, dated February 8, 1910, watches, \$308. What does that mean?

Mr. Miller. For watches for the boys; prizes, I believe.

The Chairman. The football boys?

Mr. Miller. I could not say if it was all football. I think it was for track teams and other athletic sports.

The Chairman. On whose order was that?

Mr. Miller. Mr. Warner, I believe, made the purchase.

The Chairman. But who ordered it paid? The superintendent?

Mr. Miller. Oh, yes; the bills were all approved by the superintendent.

The Chairman. I find a check No. 1890, under date of March 24, 1910, to J. W. Wetzel, attorney, \$50. What was that for?

Mr. Miller. I could not say.

The Chairman. Do you know of any services having been performed by Wetzel as attorney for the athletic association?

Mr. Miller. No, sir.

The Chairman. I find check No. 1891, March 24, 1910, sermon, \$125. What is the explanation of that item?

Mr. Miller. It was a commencement sermon.

The Chairman. Do they pay the minister delivering the commencement sermon annually \$125?

Mr. Miller. Yes, sir; not always that amount, but he is paid.

The Chairman. Do you know how they came to be paid that amount?

Mr. Miller. By the superintendent's order.

The Chairman. I find check No. 3631, August 24, 1911, Wetzel and Hambleton, attorneys, \$25. Do you know what that was for?

Mr. Miller. I do not.

The Chairman. I also overlooked a while ago one of the items relating to clipping bureaus. Check No. 2698, October 7, 1911, clipping bureau, \$24.45. Was that for the same kind of service?

Mr. Miller. No. 2698 is in favor of Mr. O'Brien, assistant coach.

The Chairman. No. 2699, I should have said.

Mr. Miller. In favor of the Argus Press Clipping Bureau, \$24.45; the same as the others.

The Chairman. The expenses of players are of course paid out of the athletic fund when they go away from home to play a game?

Mr. Miller. Yes, sir.

The Chairman. A large number of pupils usually attend those games from the school?

Mr. Miller. The Philadelphia game.

The Chairman. They pay their own expense, of course, when they go there?

Mr. Miller. Yes, sir.

The Chairman. How much does it amount to?

Mr. Miller. \$3.70 a round trip. When there are 100 in the party. I believe that has always been the rate.

The Chairman. How many usually go?

Mr. Miller. From 100 to 200, and sometimes more.

The Chairman. What was the "charity" account? How did that account arise, from what source, and how was it disbursed?

Mr. Miller. It is made up of contributions by persons who were interested in the school and wished to contribute for it for purposes that the Government would not pay.

The Chairman. Superintendent Friedman's expenses ~~of~~ and those of his family when they accompanied him were universally paid out of the athletic fund when he attended these games?

Mr. Miller. Yes, sir.

The Chairman. How did those expense accounts run? Pretty large?

Mr. Miller. You have the figures in almost every case.

The Chairman. You would, of course, rather not express an opinion? Were the accounts always itemized?

991

Mr. Miller. No, sir.

The Chairman. How did you arrive at the amount to be paid?

Mr. Miller. By an expense statement submitted by the superintendent, showing expenses on each occasion of so much.

The Chairman. Did he usually itemize them?

Mr. Miller. No, sir.

The Chairman. He usually did not?

Mr. Miller. He did not.

The Chairman. They were paid on his unitemized statement, by the checks as you have shown?

Mr. Miller. Yes, sir.

The Chairman. Approved by himself?

Mr. Miller. Yes, sir. You understand, all these bills are approved by the superintendent.

The Chairman. Yes. You had no authority to audit them, and when he instructed you to make payment you did it?

Mr. Miller. Certainly.

The Chairman. Has this fund ever been checked or investigated by any representative of the Government prior to Mr. E. B. Linnen; the Inspector, who has just recently gone through it?

Mr. Miller. I am not sure. I believe Mr. McConihe looked into it, but I am not sure.

The Chairman. Do you remember when that was?

Mr. Miller. I could not give you the date; it was during Major Mercer's administration.

The Chairman. Was it before your time?

Mr. Miller. No; I have been here 14 years.

The Chairman. I mean, did you have charge of these books then?

Mr. Miller. Yes, sir. His main inquiry was individual Indian money, and I am not positive whether he looked into the athletic account or not.

Representative Stephens. Was Mr. McConihe a supervisor?

Mr. Miller. Indian supervisor.

The Chairman. That is all I want to ask Mr. Miller.

Representative Stephens. I would like to ask him what they are doing with the surplus funds now.

Mr. Miller. There is \$25,000 on hand; \$15,000 deposited at 3 per cent, and the other is on open account.

Representative Stephens. What do you mean by "open account?"

Mr. Miller. Checking account.

Representative Stephens. You are leaving about \$10,000 in a checking account, and \$15,000 deposited for what time?

Mr. Miller. It is a six month's certificate of deposit, bearing 3 per cent interest.

Representative Stephens. I understand you formerly invested in railroad bonds, and this proved to be quite profitable?

Mr. Miller. Yes, sir.

Representative Stephens. Why did they discontinue that?

Mr. Miller. That was during Major Mercer's administration, and Mr. Friedman, I think, was afraid of loss or depreciation of security, and preferred to have the money at a lower rate of interest rather than invest it in a security which fluctuated.

Representative Stephens. What banks have it?

Mr. Miller. The Farmers Trust Company have the account now.

The Chairman. You know Mr. Stauffer, the band master, here, do you?

Mr. Miller. Yes, sir.

The Chairman. Were you present at any time when he had an interview with Mr. Linnen?

Mr. Miller. Yes, sir.

The Chairman. Where were you?

Mr. Miller. In my office.

The Chairman. What date was that, if you remember?

Mr. Miller. On Thursday of this week, February 5th.

The Chairman. Did you see him there on Friday, February the 6th, also?

Mr. Miller. Yes, sir.

The Chairman. Did you hear a conversation between Mr. Stauffer and Mr. Linnen?

Mr. Miller. Part of it.

The Chairman. What did you hear? Just state from memory or memorandum.

Mr. Miller. I made an affidavit of the conversation at that time, reading as follows:

"Mr. Stauffer reads affidavit and asks to change it. Mr. Linnen asks why he desires to change it. Mr. Stauffer replies, 'I have been thinking it over and want to insert this,' producing a statement in place of what he said. Mr. Linnen asks, 'Have you consulted anyone in making this statement?' Here I was interrupted, either called from the room or didn't hear his reply, and probably other questions and replies.

Mr. Linnen then asks, 'You then refuse to sign this affidavit?' Mr. Stauffer answers, 'Yes, sir, in its present form.' Mr. Linnen states, 'All right, you are excused.'

Mr. Stauffer replies, 'I will give you to understand you are not superintendent here. You can't bluff us the way you have been doing things around here.' Mr. Linnen states, 'I told you, you were excused.' Mr. Stauffer states, 'You can't bluff anybody around here. We know you. We are on to your game.'

Mr. Linnen makes no reply. Mr. Stauffer, going, remarks; 'Furthermore, you are no gentleman', and passing out of the door, he exclaims, 'You are no gentleman, do you hear that?'"

TESTIMONY OF E.L.MARTIN.

The witness was duly sworn by the Chairman.

The Chairman. Mr. Martin, what business are you engaged in?

Mr. Martin. Newspaper business.

The Chairman. You live in Carlisle, do you?

Mr. Martin. Yes, sir.

The Chairman. What is your newspaper?

Mr. Martin. I am editor of the Carlisle Evening Herald.

The Chairman. Are you also correspondent —