

O. H. LIPPS

FEBRUARY 16, 1926.—Committed to the Committee of the Whole House and ordered to be printed

Mr. WALTERS, from the Committee on Claims, submitted the following

REPORT

[To accompany H. R. 815]

The Committee on Claims, to whom was referred the bill (H. R. 815) for the relief of O. H. Lipps, having considered the same, report thereon with a recommendation that it do pass with the following amendment:

Strike out all after the enacting clause and insert the following in lieu thereof:

That there is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated the sum of \$901.55, \$801.55 of which is for the reimbursement of various Indians whose individual funds were taken through a burglary of the Nez Perce Indian Agency, Idaho, and \$100 to reimburse Abraham Johnson, an Indian, for his \$100 Government bond stolen in said robbery, and the Secretary of the Treasury is hereby authorized and directed to pay the amounts herein mentioned to O. H. Lipps, superintendent of the Nez Perce Indian Agency, for the purpose of reimbursing the persons herein mentioned: *Provided*, That the sum of \$801.55 hereinbefore mentioned is to be credited to the accounts of those Indians to which it rightfully belongs, as shown by the records of the superintendent of the Nez Perce Indian Agency, Idaho.

STATEMENT OF FACTS

On May 13, 1921, the Nez Perce Indian Agency office was burglarized and about \$50,000 in registered Government bonds and \$786.25 in cash were stolen. As the stolen bonds were registered, the Indian depositors will not lose. However, the superintendent deposited \$800 worth of coupon United States bonds to cover the loss of the \$786.25 in cash, the bonds being placed in the agency safe.

Thereafter, on February 25, 1923, the superintendent reported that the agency had again been burglarized, the loss sustained being \$15.30 cash, a \$100 coupon bond belonging to an Indian named Johnson, the

\$800 in bonds deposited by the agent to cover the previous loss, and \$200 in bonds additional, the property of the agent.

An investigation by the Department of Justice disclosed that the bonds had been sold for their face value, and that there is no hope of recovery because they were not registered.

The department is of the opinion that equitably Mr. Lipps should be reimbursed for the \$786.25 cash stolen in the first robbery, for the \$15.30 and the \$100 coupon bond belonging to the Indian stolen in the second robbery.

DEPARTMENT OF THE INTERIOR,
Washington, January 28, 1926.

Hon. CHARLES L. UNDERHILL,
Chairman Committee on Claims,
House of Representatives, Washington, D. C.

MY DEAR MR. UNDERHILL: I am in receipt of your communication of December 21, 1925, asking for report on H. R. 815 for the relief of O. H. Lipps.

This department has no objection to the enactment of the bill, but for the following reasons suggests that the amount to be appropriated be changed to \$901.55.

On May 13, 1921, the Nez Perce Indian Agency office was burglarized and about \$50,000 in registered Government bonds and \$786.25 in cash were stolen. As the stolen bonds were registered, the Indian depositors will not lose. However, the superintendent deposited \$800 worth of coupon United States bonds to cover the loss of the \$786.25 in cash, the bonds being placed in the agency safe.

Thereafter, on February 25, 1923, the superintendent reported that the agency had again been burglarized, the loss sustained being \$15.30 cash, a \$100 coupon bond belonging to an Indian named Johnson, the \$800 in bonds deposited by the agent to cover the previous loss, and \$200 in bonds additional, the property of the agent.

An investigation by the Department of Justice disclosed that the bonds had been sold for their face value, and that there is no hope of recovery because they were not registered.

The department is of the opinion that equitably Mr. Lipps should be reimbursed for the \$786.25 cash stolen in the first robbery, for the \$15.30, and the \$100 coupon bond belonging to the Indian stolen in the second robbery, but there is apparently no justification for reimbursing him for his own bonds, including the \$800 worth which he had placed in the safe to cover the first loss. If these views meet with the approval of Congress, it is suggested the bill be amended to read as follows:

"That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$901.55, \$801.55 of which is for the reimbursement of various Indians whose individual funds were taken through a burglary of the Nez Perce Indian Agency, Idaho, and \$100 to reimburse Abraham Johnson, an Indian, for his \$100 Government bond stolen in said robbery, and the Secretary of the Treasury is hereby authorized and directed to pay the amounts herein mentioned to O. H. Lipps, superintendent of the Nez Perce Indian Agency, for the purpose of reimbursing the persons herein mentioned: *Provided*, That the sum of \$801.55 hereinbefore mentioned is to be credited to the accounts of those Indians to which it rightfully belongs, as shown by the records of the superintendent of the Nez Perce Indian Agency, Idaho."

By letter dated January 14, 1926, the Director of the Budget advises that the report is not in conflict with the President's financial program.

Very truly yours,

HUBERT WORK.

SEPTEMBER 26, 1921.

Mr. OSCAR H. LIPPS,
Superintendent Fort Lapwai School.

DEAR MR. LIPPS: I have your letter of September 13 with reference to the burglary of the agency office and the loss, among other things, of \$786.25 in cash, which sum has been made good from your personal funds.

You request that the office procure legislation from Congress to reimburse you for this sum, and that you be permitted to solicit the cooperation of Congressman French.

Our estimates have already been submitted, and therefore it is too late for this item to be included therein. I regret that this matter was not called to my attention at an earlier date. You are at liberty to take this matter up with Congressman French and should he introduce legislation to reimburse you and the office is called upon for a report, it will have our most careful consideration.

Sincerely yours,

CHAS. H. BURKE, *Commissioner.*

DEPARTMENT OF THE INTERIOR,
UNITED STATES INDIAN SERVICE,
Lapwai, Idaho, September 13, 1921.

The COMMISSIONER OF INDIAN AFFAIRS,
Washington, D. C.

SIR: Referring to the theft of Liberty and Victory bonds and cash by burglars who entered the Nez Perce Agency office on the night of May 13, 1921, and broke into the vault, I have to advise that four months have now elapsed since this burglary was committed and not the least clue has yet been secured as to the identity of the criminals, nor have the bonds or the cash, or any portion thereof, been recovered.

A careful investigation of the matter was promptly made by Supervisor Frank Brandon, and complete report made to the office, so it does not seem necessary to relate the details here. What I desire at this time is to bring to your attention the matter of requesting Congress to reimburse me for the amount advanced from personal funds to make good the \$786.25 cash stolen by the burglars. As the Government carries no insurance against burglars, and since I was in no way responsible for the loss, it would seem that no objection is likely to be made to this reimbursement when all the facts are known by Congress. If the office has no objection, I will also take the matter up with Congressman French of this district and solicit his cooperation which I feel sure he will very willingly give.

I happened to be at Moscow, Idaho, attending Federal court, when this burglary was committed and in discussing the matter with the United States attorney he expressed the opinion that I could not be held accountable for money stolen by burglars from the office vault; that no court or jury would hold me liable for such loss.

I did not wish to request the office to bring the matter to issue in court, so I advanced the amount from my personal funds, believing that the office would promptly take the necessary steps to secure reimbursement for me by Congress in the next Indian appropriation bill. If supervisor Brandon's report does not contain all the required information and data necessary, please advise and immediate steps will be taken to furnish same.

Very respectfully,

O. H. LIPPS, *Superintendent.*

DEPARTMENT OF THE INTERIOR,
UNITED STATES INDIAN SERVICE,
Fort Thompson, S. Dak., May 31, 1921.

COMMISSIONER OF INDIAN AFFAIRS,
Washington, D. C.

DEAR SIR: Complying with instructions contained in your telegram dated May 17, 1921, I have made an investigation of the robbing of the Fort Lapwai (Idaho) Indian School vault and submit my report thereon together with sworn statements made by various persons at that place.

I arrived at the Fort Lapwai office on the afternoon of May 20, 1921, seven days after the robbery took place May 13, 1921.

Mr. Carl W. Blair, agent for the United States Secret Service, arrived and after preliminary introductions I explained to him I was then to cooperate with him in any manner he desired and that for him to lead and give me any directions he saw fit, that I was anxious to do anything he desired at any time and we worked in close harmony all the time we were on the case.

The attached affidavits and a complete statement from Superintendent O. H. Lipps gives all the information available at this time.

The county police officers made an examination of the premises pronounced it an "inside job" meaning it was performed by some one of the office force or through the assistance of some local person who was familiar with conditions and supplied the information to confederates. Many of the people in the community hold the same view but have nothing on which to base their suspicions other than intuition.

Mr. Blair, of the United States Secret Service, is an expert in his line, and I accompanied him and assisted in investigating everything that could possibly hold a clue and interviewed everyone in the vicinity and near-by towns who could give any information of any kind. We found a wealth of theories and digested them as well as all conditions at the office by means of private analysis, and after due deliberation Mr. Blair told me he is firmly convinced it was not an "inside job," and I am firmly convinced it was performed by experts at safe robbing.

On my way from Fort Lapwai I had the pleasure of a conference with Basil J. Wells, agent in charge United States Secret Service, room 343, Federal Building, Spokane, Wash., and found him a most agreeable gentleman. He is also an expert in his line, and he assured me that he would see that everything possible will be done to solve the problem and that the case will be kept alive.

There was no clue at the agency office, the vault door was locked, as was also the inner door to the vault.

The thief in entering would have had little trouble gaining admission to the office proper, as door locks are not difficult to operate. The side door to the office was found unlocked the morning after the robbery and may have been left unlocked the night before by the office force.

Next, the combination on the vault door was either not turned on by the chief clerk the night before or the robbers worked the combination of a three-tumbler lock.

The chief clerk, W. N. Sickles, makes affidavit that he did lock the door, which is confirmed by Edith E. Simpson, clerk, the only other person present when Mr. Sickles closed the vault doors.

If the robbers worked the combination they are experts in their line.

Next, the inside door to the vault is of steel and has an expanding volt lock which is opened with a key. Two keys to this lock are kept, one on a key ring carried by chief clerk, W. M. Sickles, and the other key is kept locked in a drawer in the superintendent's desk in the office, where it was found the day after the robbery and the desk undisturbed. Another point is if an employee was concerned they would have probably opened the superintendent's desk by forcing the small lock and secured the key to the inner vault door.

The lock to the inner vault door was broken and the inner doors opened, giving access to the vault where records are kept. Two iron safes are kept in the vault where valuables are stored. It has not been the custom to lock the safes, the office force depending on the vault doors for security.

Gaining entrance to the vault, the robbers swung back the door to one of the safes and took out the bonds and cash and kicked the checks and other papers under the safe. The second safe was not opened though there were bonds and other valuables in it.

The probable cause is the lock handle turns hard and the robbers thought it was locked and being satisfied with the loot already in their possession, left the second safe undisturbed.

As soon as the theft was discovered the sheriff's office was notified by telephone and a telegram was sent to you. A list of the bonds was made and the list printed in the Lewiston (Idaho) Tribune, May 16, 1921, 1,000 hand bills notifying the public of the robbery and giving the numbers of the bonds as well as the amounts and names of the owners. The bills were mailed to banks in the following locations:

California: San Francisco, Los Angeles, San Diego.

Utah: Salt Lake City and Ogden.

Colorado: Denver and Colorado Springs.

Nebraska: Omaha.

Minnesota: St. Paul, Minneapolis, and Duluth.

Illinois: Chicago.

Missouri: Kansas City, St. Louis, and St. Joseph.

Kansas: Topeka, St. Louis, and St. Joseph.

Oklahoma: Oklahoma City and Tulsa.

Texas: Fort Worth, Dallas, Houston, El Paso, and Austin.

Canada: Vancouver and Winnipeg.

There are as many different theories and suspicions as there are people in the locality, but in order to not miss any possible chance Mr. Blair and I visited each person who had seen or heard of any strangers in the vicinity within a week previous to the robbery. We approached each case with an open mind and sympathetic attitude, but upon completing each case we found them to be without foundation.

One case is worthy of listing here, principally for the sake of the record.

Three strange men were seen in town the day before the robbery on the afternoon of May 13, 1921. They were seen by Jack Lambert, a butcher of Lapwai, Idaho; D. Evans, mechanic at Lambert's garage; Ike Price, stage driver; Thomas Types, Indian, of Juliet, Idaho, R. F. D. No. 2; Silas Whitman, Indian, of Spalding, Idaho. The last two named, Thomas Types and Silas Whitman, Indians, played cards with the three strangers in the Meier & Baldwin pool hall in Lapwai, Idaho, the night of May 13, 1921.

Ike Price noticed them on the street the afternoon of May 13, 1921, as did Jack Lambert and D. Evans.

At about 2.30 a. m. May 14, 1921, Mr. C. E. Stamper, automobile salesman, of Lewiston, Idaho, drove out of Lapwai on his way to Lewiston and saw two of the same strangers leaving the town in an automobile. They followed him on an extra fast run to Lewiston, but left the main street at Eighteenth Street, crossing the bridge to the highway to Spokane.

The most accurate description of the strangers given was furnished by Ike Price and Tommy Types, as follows:

(1) Tall, slender, dark complexion, smooth shaved, about 5 feet 11 inches, tall. Weighs from 150 to 160 pounds. Probably 30 years of age. Wore dark clothes, straight rim Stetson hat. Was seen carrying small hand grip.

(2) Short, probably 5 feet 9 inches. Weighs from 160 to 170 pounds; probably 28 years of age. Real dark complexion. Wore dark clothes and soft hat.

(3) Old man probably 50 years of age. Red complexion, pimples on face, sandy hair, portly man. Wore drab suit and hat not so well kept or clean as the others.

There is no evidence to connect these men with this robbery at this time.

It appears there is nothing more to be done at this time other than let the case rest in good hands, namely the Secret Service. Mr. Wells is being supplied with an additional 1,000 copies of the list of stolen bonds and it is but a question of time until one of the bonds makes its appearance and when that happens, if this information comes to any of the Indian Service offices, it should be communicated to Mr. Wells by wire. I would also like to be detailed to represent the Indian Service in rendering such assistance as might be desired by Mr. Wells or his service.

The employees at this agency are not responsible so far as any available information shows, and in conclusion I recommend that the case be allowed to rest for the present, but that each Indian Service superintendent be directed to notify his depositaries of this theft, and ask them to report any of the bonds that may be presented for sale or exchange.

In conclusion permit me to say that the Secret Service representatives on this case, Basil T. Wells, agent in charge, and Carl W. Blair, agent, are gentlemen of ability and their advice should be followed and every assistance possible given them in solving this very difficult problem.

Very respectfully,

FRANK E. BRANDON,
Special Supervisor.

DEPARTMENT OF THE INTERIOR,
UNITED STATES INDIAN SERVICE,
Lapwai, Idaho, May 21, 1921.

MR. FRANK E. BRANDON,
Special Supervisor, Lapwai, Idaho.

DEAR SIR: In response to your request of this date, the following report is submitted in reference to the burglarizing of the vault of the Nez Perce Indian Agency:

On Thursday afternoon, May 12, 1921, I drove by auto to Moscow, Idaho, to attend the United States district court, having been subpoenaed as a witness on some liquor cases. On the morning of Saturday, May 14, I received a long-distance telephone call from W. N. Sickels, my chief clerk, reporting that the agency vault had been entered and robbed during the night of the 13th. In

response to my inquiry, he stated that he had already made report to the county sheriff at Lewiston, Idaho, and had requested that they send a man out to investigate. I gave instructions for him to also make report by wire to the Indian office, which was done. I returned to the agency on the afternoon of the 14th, and personally investigated matters as far as possible. I found that every reasonable effort had already been initiated to seek information as to identity and movements of any strangers or suspicious characters visiting the Lapwai vicinity, both by the agency force and the county officers, as well as efforts to ascertain methods employed in breaking into the office and the vault. To date no promising clues as to the identity of the burglars have been found, nor any satisfactory solution as to means employed in entering the vault.

The clerks are quite positive that the vault was locked in the usual manner, the previous night, also the office building. The janitor found the back door of the office unlocked the next morning, which is believed to have been opened from the inside as the key was left in the lock from the inside. Entrance could have been made through one of the windows, but as neither the screens nor the windows showed any marks of disturbance, it is believed entrance was effected through one of the front doors.

When the chief clerk arrived, he noticed nothing unusual to indicate that the place had been entered. About 8 a. m. or shortly afterwards, he worked the vault combination as usual, but found that the inside door of the vault was not locked. It is the custom to balance the cash book and count the cash the first thing each morning, and Miss Simpson, the clerk who handles this work at present, went to the inside safe for the cash. She found the cash drawer entirely empty, with the exception of nine pennies, and it was only then that the clerks grasped the fact that a burglary had been committed. A hasty investigation of the vault followed, with result that all checks in the cash drawer and some other papers were found under the inside safe on the floor, where they had been pushed out of sight; also that the registered Indian bonds, kept in the safe, were missing, and various other small sums, not belonging to the Government. An immediate checking of the cash book showed that Government funds in the sum of \$786.25 in currency and coin were missing. Other funds taken included about \$28 belonging to the Sanatorium Sunday School, which was in a canvas bag, and consisted mostly of pennies and small change; \$11 in an envelope belonging to the Employees' Club was taken, also \$5 or \$6 from personal envelope of Mr. Sickels, and approximately \$5 of other funds in his custody, which were in separate envelopes. The safe and vault, apparently, had been carefully gone through in search of funds of all kinds, and only one envelope containing cash appears to have been overlooked. No checks or papers of any kind were missing, aside from the registered bonds referred to, and which were found to be of total value of \$50,300.00.

It is believed the vault combination could only have been worked by some one familiar with it, or by some professional crook, very expert in such matters. The lock on the inside door of the vault, when examined, was found to be broken, having apparently been forced with pliers, or by chisel and hammer—the lock then being turned by some improvised scheme. The stenographer found in her desk, which stands nearest the vault, an assortment of keys, which had been taken from the desk of the chief clerk, indicating that efforts had been made to use these on the lock. The electric light inside of the vault had also been turned off by a thumb switch, at bulb, instead of by switch outside vault door, where it is always turned on and off by the office force.

As soon as possible, a complete list of the bonds was compiled and this was published in the Lewiston Daily Tribune, also 1,000 copies were printed in poster form and mailed to all banks in Idaho, Washington, Oregon, and most of Montana, also to all principal cities all over the West and as far east as Chicago. Copy of this poster is submitted herewith. There is also submitted herewith copy of a small circular sent to nearby banks, reporting the burglary and describing the kind of funds taken.

In this connection I might add that on two or three previous occasions this office has been burglarized. Once in November, 1906, only about two weeks before I first took charge of this agency, the office was entered and the safe blown and several hundred dollars in cash taken. Supervisor Charles H. Dickson was at the time temporarily in charge of the agency pending my arrival to relieve him. Again two years later the office was entered at night and my desk broken open and \$55 of personal funds taken. In each of these cases the burglars left numerous marks of their work. In this case there was no litter on the floor and no other evidence that any one had been in the office during the night except as heretofore noted.

Only two persons in the office know the combination to the vault door lock. They are Mr. W. N. Sickels, chief clerk, and Miss Edith Simpson, his assistant. I do not know the combination myself, nor do we know of any one, outside of the office, who might in any way have secured a copy of the combination. Not the least suspicion attaches to any one connected with this office and I am unable even to offer a suggestion as to the identity of the burglars.

Very respectfully,

O. H. LIPPS, *Superintendent.*

THEFT NOTICE

To Banks:

On Friday night May 13, 1921, the Nezperce agency office was burglarized. About \$50,000 in registered Government bonds was taken, besides approximately \$840 in cash. Circular describing bonds is being mailed to you.

The cash taken was mostly currency, including one package of \$500 in \$20 bills. There was approximately \$50 in small change, which included an accumulation of Sunday school funds belonging to the Fort Lapwai Indian Sanatorium School. This Sunday-school fund included a large number of pennies, amounting to perhaps \$10 or \$12. They were wrapped in white paper, 25 to the package. A large number of nickels and dimes were also wrapped in packages. If any disposition is made of these pennies it is believed they will be showing up at some bank shortly. It is not likely that any individual (excepting some Sunday school treasurer) would be in possession of so many. Therefore, if any considerable number should be offered to you from some unusual source or from a stranger please make inquiry as to their source, and if circumstances seem to warrant have party held for investigation by your police department.

Very respectfully,

O. H. LIPPS, *Superintendent.*

LAPWAI, IDAHO, May 16, 1921.

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Only two persons in the office know the combination to the vault door lock. They are Mr. W. E. Sticks, chief clerk, and Miss Edith Simpson, his assistant. I do not know the combination myself, nor do we know any one outside of the office who might in any way have secured a copy of the combination. Not the least suspicion attaches to any one connected with this office and I am unable even to offer a suggestion as to the identity of the burglar.

Very respectfully,
O. H. Jones, Superintendent.

THREE NOTICE

On Friday night May 13, 1911, the Newport Agency office was burglarized. About \$50,000 in registered Government bonds were taken, besides approximately \$500 in cash. Circular Government bonds are being mailed to you. The cash taken was mostly currency, including one two-hundred dollar bill. There were approximately \$500 in small change, which included an accumulation of Sunday school funds belonging to the Fort Lapwai Indian Sanatorium school. This Sunday school fund includes a large number of pennies, amounting to perhaps \$10 or \$12. They were wrapped in white paper, as to the package. A large number of nickels and dimes were also wrapped in packages. If any disposition is made of these pennies it is believed they will be showing up in some bank shortly. It is our belief that any individual, excepting some Sunday school treasurer, would be in possession of so many. Therefore, if any considerable number should be offered to you from some unusual source or from a stranger, please make inquiry as to their source, and if circumstances seem to warrant, have party held for investigation by your police department.

Very respectfully,
O. H. Jones, Superintendent.

Lawrence Jones, Mayor, Fort.