The Indian Ring in Dakota Territory, 1870-1890

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Almost since the beginning of the United States, charges of fraud and corruption have characterized the handling of Indian affairs in this country. Newspapers, magazines, books, and government records have made frequent references to the charges. In his annual messages to Congress, George Washington often mentioned the need for legislation to protect the rights of the Indians, and on 3 December 1793 he specifically asked for laws to help prevent fraud in the Indian trade. In 1825 a treaty with the Creeks was so dishonest that it had to be superseded by another the next year, and yet, in 1830 when the Creek lands in Alabama were disposed of, there was considerable evidence of wholesale fraud. In 1862 an Episcopal bishop from Minnesota wrote to the president deploring the foul character of the Indian agents, the corrupt practices of the contractors and the government officials, and the generally bad effects of the spoils system in Indian affairs. He declared that "tradition on the border says that an Indian agent with fifteen hundred dollars a year can retire upon an ample fortune in four years." Many people began to believe that there existed an "Indian ring," a group of unprincipled Indian agents, contractors, and

politicians who capitalized upon the business transactions between the federal government and the Indians.¹

Indian affairs were investigated frequently. Government records contain volume upon volume of hearings and reports. but prosecutions were few, and even in the face of overwhelming evidence, those charged with corruption were often cleared by the investigating boards, or at the most, asked to resign. In 1865 a joint congressional subcommittee under J.W. Nesmith reported that contractors were furnishing inferior goods at exorbitant prices. The subcommittee also accused government employees of being their accomplices. In 1868 the Indian Peace Commission reported that the Indian agents were pocketing government appropriations.² In 1869 General Garfield, then a member of Congress, declared that he had made a considerable study of the matter and was compelled to report that the Indian Bureau was "spotted with fraud and tainted with corruption." Other members agreed with him.3 General D.S. Stanley told a congressional committee that he knew of one army officer, detailed as an Indian agent in 1869-70, who "stole himself rich" and was never punished. Stanley said that collusion between agents and contractors was the rule, and he had seen agents get rich in a year. However, he had never seen

^{1.} James D. Richardson, ed., A Compilation of the Messages and Papers of the Presidents, 1789-1897, 10 vols. (Washington, D.C.: Government Printing Office, 1896-1899), 1:141, 104, 127; Mary E. Young, "The Creek Frauds," Mississippi Valley Historical Review 42 (Dec. 1955): 411; Laurence F. Schmeckebier, The Office of Indian Affairs: Its History, Activities, and Organization (Baltimore, Md.: Johns Hopkins Press, 1927), p. 31; Henry B. Whipple, Lights and Shadows of a Long Episcopate: Being Reminiscences and Recollections of the Right Reverend Henry Benjamin Whipple (New York: Macmillan Co., 1902), p. 144; and Robert W. Mardock, The Reformers and the American Indian (Columbia: University of Missouri Press, 1971), pp. 43, 87, 128-31.

U.S., Congress, House, Transfer of the Indian Bureau to the War Department,
H. Rept. 241, 45th Cong., 2nd sess., 1878 (Serial 1822), pp. 3, 5 (hereafter cited as
H. Rept. 241); U.S., Congress, House, Report of the Indian Peace Commissioners,
H. Exec. Doc. 97, 40th Cong., 2nd sess., 1868 (Serial 1337), pp. 3, 21 (hereafter cited as
H. Exec. Doc. 97).

^{3.} U.S., Congress, House, Congressional Globe, 40th Cong., 3rd sess., 1869, pt. 2:880-83; this debate concerned the appropriation of \$2,500,000 for the Indian Bureau, and it shows the general attitude of Congress toward the Indian agents and the bureau.

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an agent suffer for his wrong doing, and generally the crooked agent would simply carry off his loot and go home and be respectable.⁴

Many authorities attributed the prevalence of fraud to the federal government's system of handling the Indian affairs. The system began with the First Congress, which in 1789 created the War Department and specifically charged it with all duties relative to Indian affairs. In 1790 a series of acts were passed governing relations with the Indian tribes and prohibiting trade with the Indians except by licensed traders, or as otherwise prescribed by the president. An act in 1802 authorized the president to control the sale of liquor to the Indians. In 1806 the position of superintendent of Indian trade was created, but it was abolished in 1822. Then the secretary of war established a Bureau of Indian Affairs in 1824, and in 1832 Congress set up the position of commissioner of Indian affairs in the War Department. In 1849 the Office of Indian Affairs was transferred to the Department of the Interior, where it has since remained despite several attempts to have it returned to the War Department, now known as the Department of Defense. A Board of Indian Commissioners was established by an act on 10 April 1869, and during that same year, President Grant sought to improve the character of the Indian agents by having them nominated by the various churches that maintained missions among the Indians. Senate confirmation was required, as it always had been, for final appointment.5

U.S., Congress, House, Transfer of the Indian Bureau to the War Department,
H. Rept. 240, 44th Cong., 1st sess., 1876 (Serial 1708), p. 20 (hereafter cited as H. Rept. 240).

^{5.} The history of Indian affairs is well told in Schmeckebier's *The Office of Indian Affairs* and Felix S. Cohen's *Handbook of Federal Indian Law* (Washington, D.C.: Government Printing Office, 1942). One of the duties of the Indian agent was to issue rations and annuity goods to the Indians. The Sioux treaty of 1868, for instance, stipulated that the Indians would receive one pound of meat and one pound of flour a day for each person over four years of age for a period of four years. Ration and annuity agreements were renewed as the occasion demanded, and in 1877 the government was furnishing each Sioux with one and one-half pounds of beef, one-half pound of flour, one-half pound of corn, and various amounts of sugar, coffee, tobacco, beans, and other items. Blankets and items of clothing were furnished also. The reports of the commissioner of Indian affairs annually show the

The government's system of dealing with the Indians by means of treaties was abandoned in 1871, and the period from 1871 to 1887 is known to Indian historians as the "reservation" period. By 1871 the reservations had been established in Dakota Territory, though Red Cloud and Spotted Tail's tribes moved a number of times, being variously located in Wyoming, Nebraska, and Dakota. (See Table 1 showing the names of the agencies and the names of the agents from 1871 through 1890 on page 368.)

While some authorities believed that the system was at fault, others attributed the fraud to the nature of the Indian and the frontier. Dakota Territory was a true frontier in 1870. It had been created a territory in 1861, just a few years after the first successful attempts to establish town sites in the eastern part. The withdrawal of troops during the Civil War brought a halt to Dakota settlement, but by 1870 the rush was on in earnest. The first settlers went to Dakota hoping to make their fortunes. They wanted to plat town sites, to organize governments, to build railroads, and to promote immigration. They felt that the presence of the Indians halted progress—and they hated and feared them. To many, the solution was to kill the Indians and dissolve the Indian Bureau. Settlers paid bounties for Indian scalps, fed them poisoned bread, and organized Indian hunting parties. The rough and ready settlers look upon the Redskins

amounts spent, and the total often was well over a million dollars a year in food alone. In addition to the money for subsistence items, Congress made large appropriations for schools and other agency or reservation improvements. U.S., Congress, House, Expenditures for Fulfilling the Treaty With the Sioux Indians, H. Misc. Doc. 126, 44th Cong., 1st sess., 1876 (Serial 1702), pp. 1-4.

^{6.} George W. Kingsbury, History of Dakota Territory, 5 vols. (Chicago, Ill.: S.J. Clarke Publishing Co., 1915), 1:97-125, 233-57; Loring B. Priest, Uncle Sam's Stepchildren: The Reformation of United States Indian Policy, 1865-1877 (New Brunswick, N.J.: Rutgers University Press, 1942), p. 88; U.S., Department of the Interior, Office of Indian Affairs, Annual Report of the Commissioner of Indian Affairs to the Secretary of the Interior, 1876 (Washington, D.C.: Government Printing Office, 1876), p. III; William M. Neil, "The Territorial Governor as Indian Superintendent in the Trans-Mississippi West," Mississippi Valley Historical Review 43 (Sept. 1956):213; U.S., Congress, House, Report of the Public Lands Commission, H. Exec. Doc. 46, 46th Cong., 2nd sess., 1879 (Serial 1923), p. 614 (hereafter cited as H. Exec. Doc. 46); and H. Exec. Doc. 97, pp. 3-21.

as vermin that ought to be exterminated," stated the Army and Navy Journal in 1878.

This environment, plus a federal Indian Bureau and a spoils system, was more conducive to cheating the Indian than to dealing with him honestly. The contractors and the greedy politicians and the Indian agents that supposedly composed the shadowy Indian ring were ever ready to grab their share of the millions that were being expended. In addition, the agencies were remotely located where strict supervision was difficult and the Indians, ignorant of business, were almost illiterate, even being unable to sign their own names.

To determine the cases where fraud actually existed is difficult. Charges often were made through newspaper stories and letters to officials. In cases where investigations and prosecutions took place, the court actions were slow to start, often not being heard until as much as a year after the investigations, and then the action was long and delayed.

Many, but by no means all, of the alleged frauds occurred in Dakota Territory. The most notable examples of fraud charges in connection with the Indians in Dakota include the following cases:

- Charges against Dr. Walter A. Burleigh, Yankton Agency, beginning in 1861
- 2. Charges against the Indian Service, Indian agents, and the contractors made by William Welsh, Philadelphia, in 1871
- 3. Charges against the Rosebud agent, the Whetstone agent, a number of contractors, and the Indian Bureau made by Professor O.C. Marsh of Yale in 1875
- 4. Charges against Orvil Grant in 1876
- Charges against the Indian ring involving the moving of the Ponca Indians from Dakota and Nebraska to Oklahoma in 1877
- 6. Charges against a group of agents and employees in Dakota in 1878
- 7. Charges against Cicero Newell in 1879
- 8. Charges against V.T. McGillycuddy, Red Cloud Agency, made over a period of years.

^{7. &}quot;Governing the Indians," Army and Navy Journal 15 (27 July 1878):827.

All of these cases, except the Burleigh case, occurred during the so-called reservation period, and in the Burleigh case, the charges persisted over a period of years while Burleigh was active in the area as a farmer, a contractor of Indian supplies, and a politician.

Charges of fraud against Dr. Walter A. Burleigh came to official attention soon after he became the agent at the Yankton Agency in 1861.8 President Abraham Lincoln wrote a longhand note to the commissioner of Indian affairs, dated 3 December 1861, which said that "I have been shown charges against Walter A. Burleigh, Yankton Indian agent, which have been filed in your office. I think you should suspend his official functions till these charges be heard, and that the charges be brought to a hearing as soon as possible. I think Hon. Mr. Covade procured Mr. Burleigh's appointment; if I had anything to do with it, let me know." On 23 May 1866 the House of Representatives passed a resolution calling for an investigation of the Indian affairs in Dakota Territory, and a special agent was sent from Washington to look into matters. The investigator prepared a report, which consisted of twenty-five printed pages, and nearly all of the pages contained an item-by-item list of the frauds and felonious practices attributed to Burleigh. Little was said about the other agents. The investigator said that Burleigh had hired his daughter and another woman to be schoolteachers and had put them on the agency payroll when, in fact, there never had been a school at the agency nor had the teachers done any teaching at any time. The inspector reported that the inventory showed that a number of cattle, work horses, and farm implements had been purchased with government funds, but these were not to be found. The investigator also stated that Burleigh hired men to do certain work and then charged the government twice as much as he actually paid them. The report

^{8.} U.S., Statutes at Large, 15:639; U.S., Board of Indian Commissioners, Twenty-first Annual Report of the Board of Indian Commissioners, 1889 (Washington, D.C.: Government Printing Office, 1890), p. 139.

^{9.} U.S., Congress, House, *Report on Indian Affairs in Dakota Territory*, H. Exec. Doc. 147, 39th Cong., 1st sess., 1866 (Serial 1267), p. 3 (hereafter cited as H. Exec. Doc. 147).

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Dr. Walter A. Burleigh

refers to Burleigh as the "late" agent, but there is no indication whether he was fired or resigned. 10

Further allegations of fraud against Burleigh were made by S.D. Webster, who was the agent at the Yankton Agency in 1870-71. Webster had attempted to gather evidence to prove his suspicions but gave up in disgust, saying that the politicians were too strong and rotten. Although it was the policy for agents to keep or destroy all of their records when they left their office, Webster did secure a payroll of 1864 that showed that 2,151 Indians were paid \$7 each, or a total of \$15,057, by W.A. Burleigh. The payment was certified by A.C. Guyon,

10. Ibid.; this document contains the report of the special investigator sent to Dakota Territory, and virtually all of the discussion pertains to Agent Burleigh. Kingsbury, *History of Dakota Territory*, 1:192, 314, 497; Kingsbury frequently refers to Burleigh, who apparently stood quite high in Kingsbury's esteem. Howard R. Lamar, *Dakota Territory*, 1861-1889 (New Haven, Conn.: Yale University Press, 1956), pp. 96, 109; and U.S., Congress, House, *Testimony Taken Before the Committee on Indian Affairs*, H. Misc. Doc. 167, 44th Cong., 1st sess., 1875 (Serial 1702), pp. 28-29 (hereafter cited as H. Misc. Doc. 167).

interpreter, and John Mechling. The following notation appeared in pencil on one page:

W.A. Burleigh received payment in gold,	\$15,000
W.A. Burleigh sold gold for 100% premium,	30,000
W.A. Burleigh paid per capita \$5 to 2,000 persons,	10,000
Amount pocketed by W.A. Burleigh,	20,000
Amount paid to Hon. Sec. of Interior,	10,000
Amount paid to Commissioner of Indian Affairs	5,000
Amount paid by W.A. Burleigh to self.	5.000

The evidence in this case is merely Webster's statement on the payroll. However, Burleigh later became a delegate to Congress and appeared before congressional investigating committees as a witness in 1871 and 1876. (The secretary of the interior in 1864 was J.P. Usher and the commissioner of Indian affairs was William A. Dole.)

James F. Kinney, the Yankton agent in 1885, reported that in the early days at his agency, an agent had received \$10,000 to build a school. For its money the government got a log building thirty-nine feet by nineteen feet, which could not have cost more than \$200. Kinney said that the agent reportedly gave an Indian chief a mule in return for a signature on the receipt. Although Kinney did not specifically name Burleigh as the culprit, the instance is similar to those cited in the earlier investigation. ¹³

The 1871 case of alleged fraud, involving supplies for Indians in Dakota, concerned charges made against Indian Commissioner Ely S. Parker by William Welsh, a former head of the Board of Indian Commissioners. Welsh, a Philadelphia merchant and an outstanding champion of Indian rights, wrote a number of letters that were published in the newspapers. He also sent a long letter to Secretary of the Interior Columbus

^{11.} Will G. Robinson, secretary of the South Dakota State Historical Society, to George E. Phillips, Brookings, 1 July 1957.

^{12.} U.S., Congress, House, Affairs in the Indian Department, H. Rept. 39, 41st Cong., 3rd sess., 1871 (Serial 1464), pp. 89, 164 (hereafter cited as H. Rept. 39); H. Misc. Doc. 167, pp. 27-29, 31.

^{13.} Report of the Commissioner of Indian Affairs, 1885, p. 57.

Delano itemizing his charges. He stated that "there is one department that needs the powerful grasp of a master hand."

I refer to purchases by contract and otherwise. It is estimated by men of large experience that a few adroit manipulators of contracts and purchases have made at least \$250,000 from supplies to Indians on the Missouri River alone The 8,000 head of cattle required for feeding the Indians were furnished by certain contractors and others of the initiated, who virtually sublet their contracts at an immense profit to equally responsible Texas herders. These herders took all the risk of delivering the cattle to the agencies on the Missouri, usually being paid on the same voucher that draws the money in Washington. It is estimated that at least \$200,000 to \$250,000 could have been saved on this one item, exclusive of frauds in the count of cattle and in their weight. 14

Welsh conducted the hearing at the request of the congressional committee. In his summary of the hearing, he presented numerous arguments to show that the testimony proved his charges of corruption and fraud. In concluding his summary he said that "if, on examination of the evidence, you find, as I believe you will, that the wrong done to the Government and the Indians to be much greater than it appeared to be in my letter to the Secretary of the Interior, I know you will not attribute it to any wise skill in conducting the case, but to the development of malpractices that have become chronic."15

The investigating committee reported that they had found "the system of agents' receipts, as vouchers, unsatisfactory and unsafe, and a change is necessary in the public interest. There is ample opportunity for fraud and collusion in the delivery of goods, both in quality and quantity. There is no present means of ascertaining how often they occur."16 The testimony showed that one contractor, J.W. Bosler of Carlisle, Pennsylvania, received a contract for \$756,700 worth of goods, mostly live beef, in one year and that he was paid six and one-half cents a pound for the live beef but hired others to

^{14.} H. Rept. 39, p. 121.

^{15.} Ibid., pp. 225-40.

^{16.} Ibid., pp. I-X.

deliver the beef for but four and one-half cents. D.J. McCann, operator of one of the leading transportation companies in the Dakota area, was also accused of fraud. Both men were eventually blacklisted. The board of inquiry decided that although there was fraud, Commissioner Parker was innocent of it. Parker, an Indian, had been a general in the northern army and was a personal friend of President U.S. Grant. 17

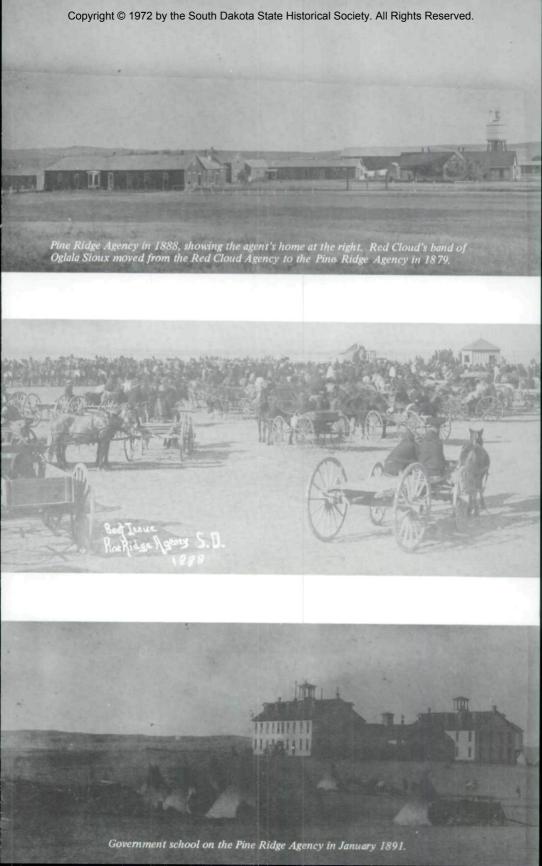
The first big case of fraud to center almost wholly around Dakota agencies came in 1875. It began when Professor O.C. Marsh, a Yale University geologist, went to Dakota to seek specimens in the Bad Lands, which were on the Red Cloud Agency. Chief Red Cloud always complained about all Indian agents, and he saw in Marsh an opportunity to have his complaint carried straight to Washington. He told Marsh that he and his tribes were ill treated and that Agent J.J. Saville and the contractors were furnishing poor supplies in insufficient quantities. Red Cloud refused to let Marsh enter the Bad Lands until he had promised to take the complaint directly to the president. Marsh promised, took some samples of food furnished by Red Cloud, and in due time took the complaint directly to President Grant and also to the newspapers. He said that Secretary of the Interior Delano and Commissioner of Indian Affairs Edward P. Smith were not to be trusted because they had been aware of the deteriorating situation on the reservation. 18

Professor Marsh listed ten main charges, which summarized were as follows:

- 1. Agent Saville was unfit for his job and was guilty of gross frauds
- 2. The census of the Indians was too high
- 3. The issue of the annuity goods, which Marsh witnessed at Red Cloud Agency, "looked suspicious"
- 4. Systematic frauds by the agent and the contractor resulted in inferior beef
- 5. The pork was unfit for human consumption
- 6. The inferior flour gave evidence of fraud

17. H. Misc. Doc. 167, pp. 204-11, 293.

^{18.} New York Tribune, 14 July 1875 (pp. 1-3), 12 Aug. 1875 (p. 5), 30 Apr. 1875 (p. 2).



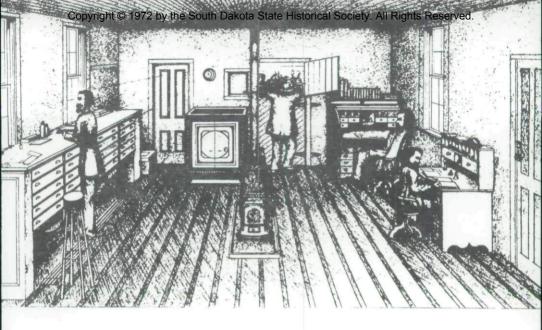
- 7. The sugar and coffee were poor quality
- 8. The tobacco was rotten
- 9. The Indians suffered in the winter for lack of food and clothing
- 10. The freight contract from Cheyenne River to Red Cloud paid for 212 miles while the actual distance was but 145.

Marsh also declared that the entire issue of annuity goods for a full year was made in a few hours in a snowstorm. "You alone have the will and the power to destroy . . . the Indian Ring," he wrote to the president. 19 The commissioner then appointed a board of three men to investigate, and the president soon selected three others.

However, the independent Board of Indian Commissioners had previously sent its secretary, Samuel Walker, to see firsthand the conditions at both the Red Cloud and the Spotted Tail agencies. Walker wrote a report that contained serious charges. He implicated nearly all of the contractors involved in the investigations of 1871. He stated that G.M. Dodge of Council Bluffs received a contract for corn at \$2.26 a hundred-weight while the prevailing price was \$1.50. The J.J. Dobson Company of Philadelphia was accused of furnishing undersized and faulty blankets. A beef contract for an entire year was let to J.K. Foreman of Omaha and then sublet to W.A. Paxton of Omaha, which was an illegal arrangement. The real contractor, according to Walker, was J.W. Bosler, or the "Bosler Brothers," who had been involved in the frauds of 1871 and had been barred from government contracts. Walker said that D.J. McCann of Nebraska City, Nebraska, was a well-known member of the Indian ring and was overpaid \$15,000 on a freight contract. Agent Saville was accused of placing a number of his relatives on the agency payroll, of accepting small cattle of inferior quality without weighing them, of signing incorrect vouchers, and of permitting Bosler to make out the receipts for the delivered cattle.20

^{19.} Ibid., 2 July 1875 (p. 1), 5 July 1875 (p. 5), 15 July 1875 (p. 1).

^{20.} Ibid., 28 July 1875 (p. 3), 2 Aug. 1875 (p. 1); U.S., Congress, House, Evidence Taken Before the Committee on Indian Affairs, H. Rept. 778, 43rd Cong., 1st sess., 1874 (Serial 1627), pp. 1-3 (hereafter cited as H. Rept. 778); and H. Misc. Doc. 167, pp. 290-93.



The agent's office at the Rosebud Agency in 1879. Spotted Tail's band of Brule Sioux moved from the Spotted Tail Agency (the Whetstone Agency before 1875) to the Rosebud Agency in 1877. Drawing by James McCov.

Similar charges were made against Agent E.A. Howard of the Spotted Tail Agency. Lieutenant M.C. Foot, sent to relieve Howard as Indian agent, said that Howard had based his requisitions on a count of 9.170 Indians, but he actually had only 4,775 Indians. He declared that Howard received a salary of \$375 a month from the Episcopalian board in addition to his salary from the government. Foot also pointed out that Howard was never known to reject a head of beef.21 Walker's report said that Howard was absent from the agency when he visited there but that a tally showed the agency to be short 293 head of beef. Walker said that C. Ferris, Jr., a member of the trading firm of Pratt and Ferris of Fort Randall, was on the agency payroll at \$100 a month as a subagent and J.H. Pratt of the same firm was the trader at Spotted Tail.22 It was illegal for licensed traders to hold government jobs. Saville and Howard were charged with paying beef contractor D.J. McCann a total

^{21.} U.S., Congress, Senate, Testimony Taken by a Joint Committee Considering the Expediency of the Transfer of the Indian Bureau to the War Department, S. Misc. Doc. 53, 45th Cong., 3rd sess., 1879 (Serial 1835), p. 101 (hereafter cited as S. Misc. Doc. 53).

^{22.} New York Tribune, 28 July 1875 (p. 3).

of \$9,450 for 362 cattle, cattle supposedly killed by Indians though there was little evidence to show of any such loss. ²³

Secretary of the Interior Delano, on seeing Walker's report. sent a commission to the agencies under Episcopal Bishop W.H. Hare, the noted Indian missionary. The Bishop Hare Commission of 1873 made its investigation and reported almost the opposite conditions. This commission endorsed both agents. whom, incidentally, the Episcopalian board had originally selected. Saville and Howard, stated the commission, performed their duties "with energy and honesty" and deserved commendation. The commission answered Walker by saying that the most damaging attacks on the character of the agents were based on "the testimony of a well-known deserter and thief." The report did not give his name. The commission said that it had taken special pains to investigate the beef, making personal observations and taking testimony from many persons. It had found the average weight of the beef to be even higher than the contract called for and they were "remarkably excellent in quality, size, and condition,"24

Thus, the case had been partially opened before 1875 when Professor Marsh entered it. The committee investigating the accusations of Professor Marsh exonerated Commissioner E.P. Smith and Secretary of the Interior Delano, but both men resigned. The committee recommended the removal of Agent Saville for inefficiency but said that he had not been dishonest. "He is one agent who leaves the service poorer than when he started," they reported. R.W. Steele, congressional delegate from Wyoming Territory, said that he had visited the Red Cloud Agency and had found Saville to be a good, competent agent. Saville resigned, however, saying that the many malicious and false charges had damaged his influence with the Indians. A reporter who covered the case said that Agent Howard seemed to be an intelligent, capable fellow too. However, Howard was

^{23.} H. Rept. 778, p. 293; U.S., Congress, House, *Dwight J. McCann*, H. Rept. 417, 43rd Cong., 1st sess., 1874 (Serial 1624), pp. 1-4 (hereafter cited as H. Rept. 417).

^{24.} New York Tribune, 2 July 1875 (p. 1), 5 July 1875 (p. 5), 15 July 1875 (p. 1), 28 July 1875 (p. 3), 2 Aug. 1875 (p.1); Sixth Annual Report of the Board of Indian Commissioners for the Year 1874, pp. 60-63; and H. Rept. 778, pp. 28-29, 40-49, 218-21.

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removed in 1876, but he was later appointed agent for the Poncas. 25

The committee also exonerated J.W. Bosler. The board said it was true that he and his associates had made a profit of \$117,510.18 on a beef contract for \$700,854.48, but they ruled that the profit, though large, was fair and the deal was honest. One contractor who had been under suspicion and suspension for some time, D.J. McCann, was sent to a penitentiary. A New York Tribune reporter covering the hearings described McCann as "shrewd" and having the reputation in the West of being "the shrewdest member of the Indian Ring."26 Lieutenant J.M. Lee said that McCann had stolen 180,000 pounds of corn out of a 356,000 pound order and that he also had stolen beans and flour in large amounts. J.W. Slavins was found guilty of fraud on a pork contract, and James H. Martin was to be blacklisted for "speculative bidding." Major A.K. Long, assigned to inspect contract supplies, said that while he had met with hostility, he had found Indian Bureau flour on sale in grocery stores in Sidney, Nebraska. He also named James H. Martin the guilty supplier. The committee recommended the removal of Indian Bureau Inspector E.R. Threlkeld, who had passed some inferior pork. Other contractors and suppliers said to have been involved in the frauds were A.H. Wilder of Saint Paul; P.H. Kelly of Baker and Kelly, Saint Paul; John T. Baldwin and Company of Council Bluffs; and DeWitt Clinton Wheeler of Buckley, Welling, and Company, New York. 27

William Welsh wrote a pamphlet called *Summing up the Evidence* in which he named Wheeler the "leading spirit" of the Indian ring. He said that Wheeler, Bosler, and their colleagues had made profits of \$501,069 on their contracts. J.E. Barlow, whose bid went unrecognized at a letting in July 1874, even

^{25.} New York Tribune, 25 Aug. 1875 (p. 1), 5 May 1875 (p. 7), 22 June 1875 (p. 7), 30 Aug. 1875 (p. 1), 19 Oct. 1875 (p. 1); S. Misc. Doc. 53, p. 118; and H. Rept. 778, pp. 178, 221.

^{26.} S. Misc. Doc. 53, p. 394; New York Tribune, 30 Aug 1875 (p. 1).

^{27.} S. Misc. Doc 53, p. 102; New York Tribune, 10 June 1875 (p. 3),9 Aug. 1875 (p. 1), 19 Oct. 1875 (p. 1); and H. Rept. 778, pp. 118, 178, 221.

though it was low, said that Bosler gave his firm \$3,000 in cash, hoping to keep them quiet. The accused contractors, of course, denied any knowledge of fraud, and a *New York Tribune* correspondent who had visited Bosler's cattle camp said that he had seen a fine herd of 5,500 cattle, all in good condition. Wilder sued Welsh for libel as a result of the pamphlet and other articles, and the jury exonerated Wilder of fraud but refused to grant damages because they felt that Welsh was well meaning and not malicious. Welsh continued to fight the group, however, and prophesied that the Indian ring would use its great wealth to influence coming elections. He boldly published the statement that "the all-powerful Indian Ring still comprises J.W. Bosler, A.H. Wilder, D.W.C. Wheeler, J.T. Baldwin, General Dodge, J.B. Beard and others." 29

Fraud cases were common in Grant's administration, and the Red Cloud case was hardly concluded when Secretary of War William W. Belknap was impeached. During the hearings on this case in 1876, Orvil Grant, the president's brother, was accused, with convincing evidence, of "selling" traderships at the Standing Rock Agency and at Fort Stevenson, both in Dakota. He admitted accepting \$1,000 to withdraw from the competition for the tradership at Fort Berthold.³⁰

The removal of the Ponca tribe from their Nebraska (but once Dakota) Reservation to the Oklahoma Indian Territory in 1877 was the next event to bring cries of fraud and a series of investigations. Illness and the change of climate caused great mortality among the peaceful Poncas, and when Chief Standing Bear lost his small son, he vowed to return to the old homeland. T.H. Tibbles, an Omaha newspaper man, helped to bring the Ponca's plight to national attention. Eventually the Poncas,

^{28.} New York Tribune, 23 Aug. 1875 (p. 2); H. Misc. Doc. 167, p. 380.

^{29.} New York Tribune, 25 Aug. 1875 (p. 1), 11 Mar. 1876 (p. 1), 14 Mar. 1876 (p. 1).

^{30.} U.S., Congress, Senate, Report of the Committee to Ascertain Facts in Regard to the Removal of the Ponca Indians, S. Exec. Doc. 30, 46th Cong., 3rd sess., 1881 (Serial 1941), p. 7 (hereafter cited as S. Exec. Doc. 30); U.S., Congress, Senate, Investigation of the Removal of the Ponca Indians, S. Rept. 670, 46th Cong., 2nd sess., 1880 (Serial 1898), pp. 1-6, 70-81 (hereafter cited as S. Rept. 670); and H. Rept. 778, statement by Alvin C. Leighton, pp. 341-44, and statement by G.W. Felt, pp. 347-49.

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Trading post at Fort Berthold in 1879. Photographer, Orlando S. Goff.

Agency buildings at Fort Berthold in August 1879. Photographer, Orlando S. Goff.





Bishop William H. Hare

with Tibble's help, won a court battle and the legal right to negotiate for damages. 31

The investigating committee's minority report put much of the blame for the Ponca's trouble on Inspector Edward C. Kemble. This minority report stated that "the details of this man's negotiations with, and the intimidation of, these Indians, in an effort to obtain their consent to remove to Indian Territory make a voluminous and scandalous record... his conduct is no longer defended by anybody." The majority report, however, merely scolded the Indian Bureau and Secretary of the Interior Carl Schurz. 32

Kemble strongly defended his actions and denied all of the charges. Bishop Hare declared that Kemble's actions were honorable and Agent James Lawrence said that the entire proposition was clearly explained to the Poncas before the move. S.D. Hinman, who assisted in the move, was also heavily criticized by some. Tibbles said that Hinman "was the worst man that was ever on the plains." Hinman was a missionary for

31. Ibid.

32. Ibid.

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the Episcopal church even before Bishop Hare entered the territory and had made the official reports from the Santee Agency to the Indian Bureau for a few years. Bishop Hare later preferred charges against him on moral grounds, however. Hinman's case was heard before an ecclesiastical board and he was relieved of his church assignment in 1884. Whether or not fraud existed in connection with the Ponca removal was not satisfactorily determined, but many critics said that the Indian ring was behind the plan. Certainly it is true that many Nebraskans and Dakotans wanted the Poncas out of the way in the belief that the land would then be available for white settlement.³³

In March 1878 army officers seized the Indian agencies at Crow Creek, Cheyenne River, and Lower Brule. The agents at the time were, respectively, Dr. H.F. Livingston, J.F. Cravens, and H.E. Gregory. Actually, Lower Brule was a subagency of Crow Creek and Livingston was responsible for both. The action was taken under orders of the Indian commissioner. Lieutenant W.E. Dougherty was made acting agent at Crow Creek and Lower Brule, and Captain Theodore Schwan was installed at Cheyenne River. J.H. Hammond, who had been appointed superintendent of Indian affairs for Dakota in 1877, preferred charges of fraud against Livingston, Cravens, J.R. Hanson, and a number of traders and employees. Gregory was removed from office but not prosecuted. Henry Brockman, the Crow Creek Agency farmer, was held for two days and then released without charges. The other cases were brought before a federal grand jury and indictments secured on only part of the charges. Court convened in April 1879-almost a year after the arrests. Peter C. Shannon of Yankton was the judge and General Hugh S. Campbell the prosecutor.

^{33.} Ibid.; Stanley Clark, "Ponca Publicity," Mississippi Valley Historical Review 29(Mar. 1943):495; Priest, Uncle Sam's Stepchildren, pp. 33, 76; M.A. DeWolf Howe, The Life and Labors of Bishop Hare: Apostle to the Sioux (New York; Sturgis & Walton Co., 1911), pp. 161-71; George E. Hyde, A Sioux Chronicle (Norman: University of Oklahoma Press, 1956), pp. 114, 138; Kingsbury, History of Dakota Territory, 2:1039-40; George Crook, General George Crook: His Autobiography, ed. Martin F. Schmitt (Norman: University of Oklahoma Press, 1946), pp. 231-35; and Angie Debo, A History of the Indians of the United States (Norman: University of Oklahoma Press, 1970), pp. 178-80.

Several separate cases were brought against Henry Livingston, but all of them involved relatively small sums of money and hinged more on alleged technical violations than on actual fraud. The first case was based on a charge that he had issued a fraudulent voucher for \$111. It was stipulated that Livingston had hired four or five men to haul some goods from a stranded boat and had paid each man \$1 a day plus \$3 per team of horses. Only one man could write so Livingston had made the draft to him, and when the cash came, he had divided it among the teamsters. The prosecution said it was an illegal procedure but the jury acquitted the agent. He was found guilty on only one charge of the many originally made. The prosecution quashed the indictments on several other cases, and finally in 1883 the federal court in Deadwood moved for dismissal of the remaining charges. The government said that popular prejudice was too strong in favor of Livingston and that a fair trial was impossible. 34

A letter published in the Sioux City Journal declared that the governor of Dakota Territory and many prominent citizens had written to Secretary of the Interior Carl Schurz asking that the charges against Livingston be dropped. The letter stated that Secretary Schurz had declared that "no Dakota man need ever apply for a position as Indian Agent." Livingston was a doctor, single, and a former resident of Davenport, Iowa, who had lived in the Yankton vicinity about fifteen years. He was a brother of an Episcopal minister and had been appointed agent in 1870 on the recommendation of Bishop Hare. 36

The prosecutors, J.H. Hammond and Indian Commissioner E.A. Hayt, were in turn accused of fraud before the year was up. Hammond was sent to Arizona to investigate an Indian agent named Hart. Hart resigned and Commissioner Hayt's son

^{34.} Army and Navy Journal 15(20 July 1878):808; Kingsbury, History of Dakota Territory, 2:1040-51; Hyde, A Sioux Chronicle, p. 129; and the Sioux City Daily Journal, 14 Mar. 1880 (p. 3).

^{35.} Sioux City Daily Journal, 10 Mar. 1880 (p. 3); New York Tribune, 16 July 1878 (p. 1).

^{36.} Kingsbury, History of Dakota Territory, 2:1042.



Rosebud Indian Agency in 1889. Photographer, John A. Anderson.

and Hammond came away with a deed to a silver mine in return for a promise not to prosecute. An investigation followed promptly and Hammond resigned. Later he appeared at the hotel room of the chairman of the board, collapsed, and confessed. He had a heart attack and it was feared for a day or so that he might not live. As soon as he recovered he denied the confession. Hayt, previously involved in a scandal concerning his bank in Jersey City, was forced to resign. ³⁷

In May 1879 Cicero Newell was appointed agent at the Rosebud Agency following W.J. Pollock, who was promoted to inspector. Newell was an exsoldier from Ypsilanti, Michigan, and his appointment was obviously political. He took a full staff, and their families, from Ypsilanti to Rosebud. Accused of

^{37.} Eleventh Annual Report of the Board of Indian Commissioners for the Year 1879, p. 68; Sioux City Daily Journal, 1 Feb. 1880 (p. 2), 4 Feb. 1880 (p. 1).

selling jobs to employees, he was quietly investigated and was fired in the spring of 1880.³⁸

Charges of fraud were made against a number of other agents—indeed, few escaped. Outstanding was the case of Valentine T. McGillycuddy who served as the agent at Pine Ridge from October 1879 until 1886. He was labeled "the most investigated man in the country" and was the subject of frequent stories in the press. But, he ran his agency well, though with severe discipline, and was finally ousted for political reasons. McGillycuddy, however, accused nearly all who opposed him of being members of the Indian ring. 39

It is difficult to determine whether the Indian agents themselves were generally crooked. There is little reason to doubt, however, that the politicians, contractors, and "boomers" did often defraud the Indians and the government. Lawrie Tatum, for many years an agent in Indian territory, said that an informed friend in Washington told him that of the many suits against the Indian agents, all had been decided in favor of the agent. 40 George Hyde in A Sioux Chronicle declared that the "Indian Ring" was the invention of the religious groups and related reformers. He argued that no proof was ever produced that a ring existed and stated that the rascals, numerous enough, were lone wolves or merely local conspirators. 41 The Indians, of course, were the losers.

Although it was never conclusively proved that there actually was an Indian ring, or a group of conspirators, who systematically defrauded the Indians and the government, a study of the hundreds of pages of testimony taken at the various hearings during the period 1870 through 1890 shows that there was considerable evidence of fraud. In many cases the

^{38.} Hyde, A Sioux Chronicle, p. 36; Sioux City Daily Journal, 10 Sept. 1879 (p. 3), 17 Dec. 1879 (p. 3).

^{39.} Julia B. McGillycuddy, McGillycuddy Agent: A Biography of Dr. Valentine T. McGillycuddy (Palo Alto, Calif.: Stanford University Press, 1941); Hyde, A Sioux Chronicle, pp. 82,104, 148; Report of the Commissioner of Indian Affairs, 1883, p. 38; and the New York Tribune, 24 Feb. 1883 (p. 2), 26 Feb. 1883 (p. 1).

^{40.} Lawrie Tatum, Our Red Brothers and the Peace Policy of President Ulysses S. Grant (Philadelphia: John C. Winston & Co., 1899), p. 295.

^{41.} Hyde, A Sioux Chronicle, p. 147.

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courts could not obtain convictions or the congressional committees could take no punitive action because of an absence of specific laws to cover the situation and because frontiersmen supported each other rather than the government or the Indians in court actions.

The western settlers wanted the land-they wanted the opportunity to build towns, to run railroads, and to capitalize on all of the economic resources. In Dakota Territory the Indians and the large reservations stood in their way. The Indian agents were lowly paid men and the natural operation of the reservations made it easy for them to gain wealth without any strong feeling of moral wrong. How simple it was, for instance, to set up a mess hall on agency premises, man it with either civilian or Indian help, pay the help from agency funds, and pocket the profits. How simple it was to appropriate goods intended for Indians or to charge them a simple "fee" for performing special services. It was simple for the large contractors, such as McCann and Bosler, too. Political contacts apparently enabled them to gain government contracts through the Indian Bureau. These contractors would then sublet the contracts to the real suppliers and reap a high profit. It was simple, too, to substitute an inferior product because actual inspections at the reservations were accomplished with great difficulty and deceit was easy, especially with the connivance of the agent.

History shows that many newspapermen of the period were certain that great frauds were taking place and that the government and the Indians were being cheated regularly. Some of these men were undoubtedly seeking sensational news stories, but men such as T.H. Tibbles of Omaha and the reporters of the New York Tribune give ample evidence that some men believed that the frauds caused much hardship and injustice. General George Crook said that "ninety-nine-hundredths" of the Indian troubles were caused by Indian agencies and traders. "If you will investigate all the Indian troubles, you will find that there is something wrong of this nature at the bottom of all of them, something relating to supplies, or else a tardy and broken faith on the part of the general government." "42

^{42.} Crook, General George Crook, p. 229.

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INDIAN AGENTS AND AGENCIES IN DAKOTA TERRITORY, 1871-1890

	Cheyenne River	Crow Creek	Devils Lake Fort Totten	Flandreau	Grand River Standing Rock (1874)	Fort Berthold
1871	T.M. Koues	H.F. Livingston	Wm. H. Forbes		J.C. O'Connor	J.E. Tappan
1872	same	same	same		same	same
1873	8	same	same	J.P. Williamson (15 Oct. 1873)	Edm. Palmer (19 May 1873)	same
1874	same	same	same (died)	same	same	L.B. Sperry
1875	same	same	Paul Beckwith	same	John Burke (25 Mar. 1875)	C.W. Darling (23 Sept. 1875
1876	J.F. Cravens (1 July 1876)	same	J.M. McLaughlin (10 June 1876)	same	Col. Carlin (8 Sept. 1876)	same
1877	same	same	same	same	Wm. T. Hughes	E.H. Alden
1878	R. Schwan Capt. USA (Mar. 1878)	Wm. E. Dougherty Lt. USA (22 Mar. 1878)	same	consolidated with Santee Sioux (1878)	same	T. Ellis
1879	same	same Capt. USA	same		J.A. Stephan (21 Oct. 1878)	W. Courtenay
1880	L. Love (27 May 1880)	same	same		same	J. Kauffman
1881	same	same	same		same	same
1882	same	G.H. Spencer	J.W. Cramsie		J.M. McLaughlin	same
1883	Wm. A. Swan	J.G. Gasmann	same		same	same
1884	same	same	same		same	A.J. Clifford
1885	same	same	same		same	same
1886	C.E. McChesney	W.W. Anderson	same		same	same
1887	same	same	same		same	same
1888	same	same	same		same	same
1889	same	same	same		same	T.H.B. Jones
1890	same	A.P. Dixon	J.H. Waugh		same	J.S. Murphy

	Lower Brule (Subagency of Crow Creek until 1876)	Ponca	Red Cloud Pine Ridge (1879)	Wadsworth Sisseton (1877)	Whetstone Spotted Tail (1875) Rosebud (1877)	Yankton
1871	H.F. Livingston	H.E. Gregory	J.W. Wham J.W. Daniels (31 Oct. 1871)	J.W. Daniels	J.M. Washburn	S.D. Webster
1872	same	C.P. Birkett (28 Sept. 1872)	same	M.N. Adams	D.R. Risley	J.G. Gasmann
1873	same	same	J.J. Saville	same	E.A. Howard	same
1874	same	same	same	same	same	same
1875	same	A.J.Carrier	same	J.G. Hamilton (22 Mar. 1875)	same	same
1876	T.A. Reily	J. Lawrence	J.S. Hastings	same	same	same
1877	H.E. Gregory	moved to Indian Territory	J. Irwin	same	J.M. Lee Lt. USA	same
1878	W.E. Dougherty Lt. USA (Mar. 1878)		same	E.H.C. Hooper	W.J. Pollock (1 July 1878)	J.W. Douglas
1879	same Capt. USA		V.T. McGillycuddy	C. Crissey (3 Mar. 1879)	C. Newell	R.S. Gardner (16 May 1879) W.D.E. Andrus (14 Aug. 1879)
1880	same		same	same	J. Cook	same
1881	W.H. Parkhurst		same	same	same	same
1882	same		same	same	J.G. Wright	Wm. H. Ridpath
883	consolidated with Crow Creek (1883)		same	same	same	same
884			same	B.W. Thompson	same	J.F. Kinney
885			same	same	same	same
1886			J.M. Bell Capt. USA	I. Greene	same	same
887			H.D. Gallagher	J.D. Jenkins (Apr. 1887)	L.F. Spencer	same
888			same	same	same	same
889			same	Wm. McKusick	same	S.G. Leary
890			same	same	J.G. Wright	E.W. Foster

OURCE: U.S., Department of the Interior, Office of Indian Affairs, Annual Report of the Commissioner of Indian Affairs to the Secretary of the Interior (Washington, D.C.: Government Printing Office, 1871-1890).

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