

"Confession Was Forced While I Was Ill," Says Stone

DOCTOR BELCHER LIKE A PRINCE, BOARD REPORTS

Says \$12,000 Was Paid for Meat That Was Never Delivered to Hospital

And That \$21,000 Worth of Edibles Were Unfit for Human Consumption

man & Co. bank of Napa, in which funds of the institution were deposited, and through which it is charged that Doctor Stone successfully carried out his embezzlements. Stone also was interested in the Napa Junction Cement company, from which cement was purchased for work upon the hospital buildings.

HAY ACCOUNT BASIS OF GRAFT

The embezzlements admitted by Doctor Stone, according to the report of the investigation, were carried out through the hay account, which was known as the "asylum hay account," which was kept in the Goodman bank. This bank was the depository of the institution up to 10 days ago and three regular accounts were kept. One of these was the patient's account, containing approximately \$12,000 belonging to patients; a second was the payroll account, and the third contained the contingent fund. In 1906 the hay account was opened by Doctor Stone on the pretext of paying the Goodman bank for their money, but according to the report was never anything but a fictitious account, as it never showed a credit balance.

Doctor Stone's account of embezzlement, according to the report, was to draw a check at the bank against this account for all deliveries of hay, the amount of the check purporting to cover the cost of hay and the freight charges. A draft sufficient to pay for the hay would be taken and the balance secured by Doctor Stone in cash. He would use a portion of this to pay the freight and would pocket the remainder, destroying the original bills for both the hay and the freight.

NO HAY RECORD KEPT

This transaction created an overdraft in the hay account, and at the end of the month a check for the employ of the bank would be instructed to make out a bill in an amount sufficient to cover this overdraft and purporting to be the draft state was indebted to him in the sum in question for hay. This bill would be approved by Doctor Stone and the board of managers and forwarded to the bank for payment. Each bill was far in excess of the amount of hay actually received, being made sufficient to take up the entire overdraft, and no record of hay received was kept. The steward's department at the hospital.

In three instances the bills made out at the bank purported to show that the bank itself had sold hay to the institution, but these were passed without question by the directors of the institution. The check on the amounts embezzled was shown by the books of the Southern Pacific, which showed the amounts of hay transported and the amount of freight actually paid by Doctor Stone in each case.

TABULATED STATEMENT MADE

The amounts embezzled by Doctor Stone through this method, according to Neylan's report, admitted by him, were as follows:

August 30, 1907	\$81.62
September 19, 1907	14.50
October 5, 1907	14.50
October 15, 1907	46.60
October 25, 1907	46.60
November 28, 1907	46.95
December 2, 1907	19.34
December 7, 1907	13.52
December 21, 1907	40.89
December 23, 1908	13.52
October 10, 1908	29.56
January 8, 1909	16.07
February 12, 1909	23.58
March 13, 1909	23.58
September 19, 1909	109.97
June 18, 1910	111.22
August 9, 1910	25.50
February 25, 1911	25.50
Total	\$1,190.18

E. W. Churchill, cashier of the Goodman bank, testified at the investigation that he knew of these practices, but permitted the account to be carried as a convenience to Doctor Stone. Meacham, it is said, knew of the dummy account, but also authorized the bills purporting to show that the bank had sold hay to the institution. He accounted for the fact that, as a director of the hospital, he had authorized the payment of these bills, by saying he did so as an accommodation to Doctor Stone.

RAPS THE WHOLE BOARD

The entire board of directors of the hospital comes in for severe censure in the Neylan report for permitting the general mismanagement of which they should have known. In this connection, the report reads:

Why this condition was tolerated no one connected with the institution can explain. From the facts contained in the report, and from the testimony, this much is plain: That if the members of the board of managers had performed their duties, the condition at least could have been ascertained. Because of its lack of action, the responsibility rests primarily upon the members of the board of managers, who were: Emmet Phillips of Sacramento, president; Richard Belcher of Marysville, Henry M. Meacham of Napa; John Henry Steves of St. Helena, and Thomas B. Dozier of San Francisco.

These gentlemen professed absolute ignorance of the manner in which the business of the institution was conducted and declared that they did little more than sign their names to what was presented to them. This is not quite accurate, as is evident from the knowledge which Mr. Meacham of the board had concerning what was known as the "asylum hay account," in which he was and is president. In relation to the awarding of contracts for supplies, the members of the board of managers cannot escape responsibility. They were charged by law with the duty of passing upon the bids submitted and making the awards to the lowest bidder, but the manner in which they made them will be illustrated hereinafter. The charge, frequently made by reputable business houses, to the effect that the contracts were handled in many instances as a matter of political patronage and on a basis of favoritism, is borne out by the record.

FIRMS ARE MENTIONED

The report charges that the firm of James A. Snook and company of San Francisco, which has since gone through bankruptcy, profited by the friendship of Doctor Stone for Snook to the extent of being favored for many years in receiving the awards for groceries at the hospital. These awards were made, it is said, at non-competitive bids and at figures which had been selected when other bidders had been turned down. Edward W. Williams, a brother-in-law of Snook, is said to have

BELCHER WAS CROWDED OUT TO SAVE DR. STONE

By RICHARD BELCHER

I transmitted my resignation as a member of the board of managers of the Napa state hospital to Governor Johnson on January 5, 1912, at the urgent solicitation of Doctor Stone. I was assured by Doctor Stone that my resignation and the resignations of Managers Meacham and Steves were absolutely necessary in order to save him from prosecution for embezzlement of the funds of the hospital.

It was not until the evening of the day upon which my resignation was signed that I knew or had ever heard that Doctor Stone was guilty of wrong doing. On the day previous to the date of my resignation Doctor Stone's next day wife came to my home in Marysville and urged me to resign, and said that Steves and Meacham would also resign.

I refused to resign because the hospital was under investigation by the board of control, and I was not willing to send in my resignation under such circumstances. In view of the fact that I might be criticized for grafting, and that I might be charged with being a party to wrong doing.

PRESSURE BROUGHT TO BEAR

Doctor Stone assured me that if I would resign that there would be no trouble and that Mr. Neylan had assured him that nothing further would be done in connection with the investigation at the hospital. I asked Mr. Stone if he knew of anything wrong at the hospital or if he himself was involved. He told me that everything was all right, except some little irregularities on the part of Steward Bush, and that as Bush had been dismissed, there was nothing more to it, but that the board of managers desired to get control of the hospital and to provide the way for the appointment of selections made by Governor Johnson.

Dr. Stone insisted that I resign, but seeing no real reason for it and not wishing to be placed in a false position, I still declined. Dr. Stone then suggested that we go to Sacramento and that Mr. Neylan, Mr. Meacham and Mr. Emmet Phillips, the president of the board of managers, I consented to do this and the next morning went to Sacramento with Dr. Stone.

I called upon Mr. Neylan and asked him if he had requested Dr. Stone to ask for my resignation, and he stated, Mr. Neylan replied that he had not requested Dr. Stone to demand my resignation, but had told me, I asked Mr. Neylan what I had done that my resignation was desired, whether or not any charges were made against me. He replied that no charges were made against me, but that I was the close and lifelong friend of the doctor, and for reasons which were known to himself and Dr. Stone, it might be best for me to resign. Mr. Neylan, telling him that I would consider the matter, but did not know whether I would resign or not.

Before coming to any conclusion upon the matter I went with Dr. Stone to see Mr. Phillips, and after discussing the matter for some time with Mr. Phillips, we concluded that it would be unwise for me to resign under the circumstances because it might appear to the public that I had resigned under pressure from the governor or board of control and that I did so because of some dishonest or improper conduct as a manager of the hospital.

NET IN SAN FRANCISCO

Mr. Phillips suggested that a meeting of the board be held in San Francisco and he thereupon telephoned to the various members of the board, asking them to meet in the office of Steward Bush at 9 o'clock on the same evening at 9 o'clock. All five members of the board met in the office of Mr. Dozier and the matter of resignation was discussed.

I did not feel inclined to resign under the circumstances, although the other members of the board told me that it was a matter they could not advise. Mr. Phillips and Mr. Dozier both stated that they had never been spoken to by the governor or any member of the board of control and knew nothing about the situation except such information as had been imparted to them by Doctor Stone. Mr. Meacham

was implicated in these deals, and later to have secured similar favors as head of a firm bearing his name. This firm, the report says, delivered supplies not up to specifications.

Another firm implicated in the charges is that of Charles Swanson & Son of Sacramento. The report states that discrepancies of more than \$12,000 have been found between the amounts paid for beef supposed to have been delivered to the institution and the amount actually delivered as shown by railroad freight bills.

With the awarding of contracts the positive action of the board of managers of the Napa state hospital seems to have ceased. They made regular monthly trips to the institution, were entertained at Doctor Stone's residence and held meetings. Of what benefit these meetings were to the state of California is hard to determine because the members of the board of managers evinced little interest in the conduct of the institution. Because of their neglect of duty many evils thrived.

PETTY GRAFTS ARE CITED

The petty grafts cited in the report are almost innumerable. While the conditions in which the patients were forced to live at the hospital have been almost unbearable, Doctor Stone has occupied a magnificent residence on the hospital grounds, richly equipped and with a retinue of servants, and also has had built with state funds a roomy bungalow or waiting lodge on the shores of a lake in a canyon two and half miles from the main hospital. This, the report states, he has used as a place to entertain friends, and it has been kept up with state supplies. Neylan says that the place is ideal as a convalescent home for patients and can be converted into such, as it offers accommodations for at least 15 persons. L. N. Enright, who was dismissed as foreman plumber at the hospital, is said to have levied a toll of \$1 a day against all plumbers under his direction, in addition to his own pay of \$7 a day, and to have padded his payroll. He also is charged with furnishing all plumbing supplies at excessive rates.

LOAN SHARK THRIVED

William Martin, the hospital druggist, and Robert Egan, head attendant of the institution, had the privilege of conducting a pool and billiard parlor in the main building, from which they collected charges from the patients. They paid no rental or light bills and



Richard Belcher.

an and Mr. Steves stated that they had been examined by Mr. Neylan, representing the board of control, and that their resignations had been asked for. Mr. Meacham said that he was going to resign and Mr. Steves said that he did not think that he could do so.

DR. STONE WAS THREATENED

Doctor Stone was present at the meeting and was in a highly nervous and excited condition. I noticed this condition and commented on it to Mr. Dozier. Finally I developed that Doctor Stone had been guilty of wrong doing and that he was threatened with exposure and prosecution. He said that it was necessary for him to secure the resignations of Meacham, Steves and myself that night, and that he would have to notify Mr. Neylan that night that he had secured the resignations, or, failing to get the resignations, he (Stone) would be arrested.

When I learned this condition I was surprised and shocked beyond expression and I hesitated a long time before reaching the conclusion to resign. Although appeal was made most strongly to me by Stone, I could not help but consider the happiness of my family and my own reputation. Finally, in order to save Doctor Stone from prosecution and exposure, as I thought, and relying upon his statements as to his arrangements with Mr. Neylan for immunity from prosecution if the control of the board was surrendered to Mr. Neylan, I concluded to sacrifice myself, bear whatever odium might attach and resign.

After the resignation was made, and as he expressed it, for the same reasons that actuated me, Doctor Stone informed me that he had telephoned to Mr. Neylan at Sacramento and seemed to feel that it was the end of his serious troubles. It appears that my sacrifice was of no avail.

ACTUATED BY FRIENDSHIP

Recently, while I was in Sacramento, I was examined by Mr. Neylan and my examination was reduced to writing, having been taken down in shorthand. Mr. Neylan appeared to be considerably put out and peeved at the action of the board of managers in dismissing Steward Bush at the December meeting of the board. He wanted to know why we had not accepted his resignation. I told him that I did not see how we could have acted otherwise when Mr. Bush appeared before the meeting and confessed that he had been guilty of gross negligence and incompetence and had with knowledge certified bills to the board of managers which he knew to be false and untrue. Mr. Neylan seemed to feel that we should have accepted Mr. Bush's resignation. Why he takes such pronounced position and feels so aggrieved I do not know.

While I did not desire to retain the position as manager, I certainly would not have resigned had I not been assured by Mr. Neylan that it would save him from prosecution and disgrace; in short, I made the supreme sacrifice to friendship, believing it would be of avail.

CHARLES BABINO MARRIED

Charles H. Babino, 619 Jersey street, and Elizabeth Campbell were married at the home of the bride's parents in the Edgewood apartments last night. Rev. J. McElhinney, the Holy Park Presbyterian church performed the ceremony.

Dermatologist Gives Complexion Secret

"The great secret of keeping the face young is to keep off the dead cuticle," said Dr. J. Mortimer Mitchell, the noted English dermatologist, now visiting this country. "It is well known that the surface skin is constantly dying, falling off in imperceptible particles, when the same appears like dandruff. But the particles do not drop off immediately they die, being held for awhile by the live skin. To have the dermatological surgeon peel off the entire cuticle at one time is a painful and expensive operation. The same result is obtained by applying ordinary merrized wax, as you would cold cream. One ounce is sufficient. The process is both painless and inexpensive. The wax, procurable at your drug stores, hastens the natural shedding process. It gradually absorbs the dead and half dead skin, revealing the new, healthy, youthful-looking skin beneath."

"BUSH CASE STARTED IT" "I KNEW NOTHING"--DOZIER

By THOMAS B. DOZIER

I know nothing about this matter except such information as has come to me from the medical superintendent, Doctor Stone, and from the several members of the board of managers. I have never been examined or interviewed by the governor, member of the board of control or any one representing them. The first intimation that I ever had that anything was wrong at the hospital was gathered in the latter part of November from Doctor Stone, who visited my office and informed me to use his expression that the board of control was after us. I told him that I was not at all alarmed because I was conscious of perfect rectitude of conduct on my part and I believed that the other members of the board were perfectly clean and upright in their actions as members of the board.



Thomas B. Dozier.

Doctor Stone stated that the board of control was investigating the investigation and expediting the books, and that their resignations had been thought that it should have been done long ago by the lunacy commission, as the law requires. I asked him if he knew of anything wrong and he stated positively that there was nothing wrong. He added that there might be a few irregularities of bookkeeping in the steward's department, as Bush was somewhat inclined to be careless in his department. I asked him if there was anything wrong with his books of management and he assured me that there was positively nothing. In December, at the meeting of the board, the managers were informed by Doctor Stone that there were gross irregularities in the steward's department which had been discovered by the expert accountant for the board of control.

At that meeting we found a resignation from F. W. Bush as steward of the state hospital and I noticed that it was dated "November 2, 1911." This struck me as peculiar as Dr. Stone had stated that it had been handed to him on December 10. Mr. Bush was called before the board and admitted gross irregularities and confessed that he had certified up to us bills which he knew to be padded and false.

After the matter was gone into at some length, Dr. Stone was directed to dismiss Steward Bush for gross incompetency. Mr. Bush stated that he had purposely antedated his resignation by five or six weeks so that it would precede the commencement of the investigation of the hospital by the board of control. I knew nothing further about the investigation or the discovery of irregularities at the hospital until the evening of the 4th or 5th instant. At this time, in response to a telephone message from Mr. Phillips of Sacramento, president of the board of managers, I met the other members of the board and Dr. Stone in my office, here in San Francisco, at 9 o'clock in the evening. Mr. Meacham stated that he had been asked for his resignation by Mr. Neylan and that he had consented to

give it. He said that Mr. Neylan felt that he had been guilty of grave irregularity in the matter of a bank account known as the hospital hay account, and because he was president of the James H. Goodman & Co. bank of Napa and a codirector thereof with Dr. Stone, in which bank the money belonging to the patients in the hospital and amounting to about \$2,700 had been deposited.

Mr. Meacham said that the money had been deposited under an order of the board made many years ago and several years prior to the time that I became a member of the board. Mr. Meacham said that he had consented to tender his resignation, as Doctor Stone had urged requested it. Mr. Steves and Mr. Belcher expressed an unwillingness to resign, because they felt that it would place them in a false light before the public and that, as it was known that there were irregularities at the institution, dishonesty might be imputed to them.

During the course of the conference, I was informed by Mr. Phillips that Doctor Stone had that day confessed to him that he was short and had misappropriated state moneys. Mr. Phillips said that Doctor Stone had told him that in order to save himself from prosecution and publicity it was necessary for him to secure the resignations of Meacham, Steves and Belcher and communicate the fact that he had secured them to Mr. Neylan at Sacramento that night. Upon the urgent solicitation of Doctor Stone and his assurance that their resignations would save him, Mr. Steves and Mr. Belcher wrote out their resignations in my office that night. Mr. Belcher took these resignations and also that of Mr. Meacham to deliver to Governor Johnson at Sacramento the next day.

I consider it only fair and just to state that Mr. Steves and Mr. Belcher resigned only because of the belief that in so doing they would save Doctor Stone from prosecution and publicity. Doctor Stone had so fully assured them that such action would result in his salvation. This is all that I know about the matter.

HELEN TAFT HONOR GUEST—Annapolis, Md., Jan. 27.—Miss Helen Taft was the guest of honor at the residence of Captain John H. Gibbons of the naval academy tonight.

Last Three Days of GUMP'S SALE

Openstock Dinnerware

Cauldron, Jones, English semi-porcelain, Poyat, Haviland and Limoges at 10% TO 33 1/3% OFF

Just as little or as much as you require.

Sets for 6 persons from \$10.60 up.

Openstock Glassware

Bohemian, cut glass, rock crystal, acid gold, etched and colonial glass, 10% OFF

Make a start now for your new glass set. You can always replace broken pieces at a moment's notice.

Desk Sets and Writing Articles

Sets and single pieces in bronze, copper, brass and bronzecade at 20% OFF

Complete sets from \$6.00 up.

Smoking Sets and Stands

Made in copper, brass iron and marble, at 20% OFF

Prices range for sets from \$1.60 up.

Framed Pictures and Mirrors

Braun and Copley prints and other reproductions of famous paintings, gilt and hardwood mirrors, at 20% TO 50% OFF

Marbles

Garden pieces in Carrara, small busts and figures and reproductions of famous masterpieces at 20% OFF

Prices from \$3.20 up.

Clocks

Gilt, bronze, brass, wood and grandfather clocks at 20% OFF

Prices from \$4.80 up.

Lamps

Bronze, brass, gilt, with silk, glass, mica and parchment shades, in both reading and desk lamps, at 20% OFF

Prices from \$4.80 up.

SPECIAL

We are placing on sale for these last three days a number of embroidered kimonos, \$25.00 values, at \$15.00. Also other kimonos, dressing sacques and mandarin coats at like reductions. Come early, as these will last only a short time.

We have also arranged a number of tables of assorted articles at 1/2 off.

You know the class of merchandise we carry, and can realize the value of buying NOW.

Positively no exchange of sale goods.

Free delivery within 100 miles.

246-268 Post Street
Bet. Grant Ave. and Stockton.

Clean Up of S. N. WOOD & CO New

Heavy Weight Women's Suits

Worth Up to \$30

\$8.50

Women's Suits

Worth Up to \$35

On Sale at \$12.50

Good Coats for Girls, \$4.95

Manish looking coats for girls up to 14 years; made from nice quality mixtures in overcoat styles. These are on sale specially Monday at \$4.95, values up to \$8.50.

Reduced Prices on Boys' Hats

Pick out any boy's hat in stock tomorrow and take it away for exactly half price. Velvets, felts, fine velours, melocines, all included. Original prices 50c to \$3.00. PRICES TOMORROW, 25c to \$1.50.

Men's Suits Made to Order

Get your order in tomorrow for one of these special suits; made from our finest \$25, \$30 and \$35 suitings. These will be made exactly to your measure in any style you may prefer, with the best linings and the finest workmanship. They will have a style, too, that will meet your highest expectations, and the shape will be built into them so that the style will be permanent.

This is a special proposition while these materials last. Come in and see about it tomorrow.

\$19.50

Sale of Silk Waists

Worth Up to \$5

Monday at \$1.95, \$2.45, and \$2.95

A mixed collection of messaline, taffeta, chiffon, challie and net waists. Tailored and fancy styles in many desirable models and colorings. Plenty of navy blues and blacks in the collection. Worth up to \$5.00. On sale Monday at \$1.95, \$2.45 and \$2.95.

Boys' Two-Piece Russian and Sailor Suits

Special collection of boys' suits in double breasted two-piece style, from 8 to 16's; Russian style from 3 to 7 years; sailor styles from 6 to 10. All these are nice fancy chevrons, all strongly made in perfect proportions. These are suits which will give a lot of satisfaction and which will stand a lot of wear. They are on sale specially Monday at \$2.95.

\$2.95