

"...this was how the rich got that way—when you needed something, you just wrote a check!"

How Cassie Chadwick Broke the Bank

by BOB COCHRAN

This story doesn't deal with someone winning big at the gambling table; rather, it's how one woman ruined the Citizens National Bank of Oberlin, Ohio, and how she destroyed the careers of several respected bankers in the process. Until she was convicted she was one of the most successful "con artists" of her time.



CASSIE CHADWICK

Copied from an original photograph made about 1897, and secured through the courtesy of C.A. Farnsworth of the Union Trust Co., Cleveland

"MISS ELIZABETH BIGLEY, HEIRESS TO A FORTUNE"

CASSIE Chadwick's real name was Elizabeth Bigley. She was raised in Eastwood, near Woodstock, in Ontario, Canada. She was an excellent and imaginative student; her teacher was Cassie Cushing (the source of her alias). Dan Bigley, Elizabeth's father, was a dollar-a-day section boss on the Great Western Railway and farmed in his free time. Elizabeth

often dreamed of being wealthy, and when she was still quite young she experienced her first taste of "the good life."

She was an attractive young girl, and wise beyond her years. At the age of thirteen she sold her virtue for fifty dollars (she insisted on cash) to a local farmer who was attracted to her and authorized a fictitious letter to herself from a non-existent lawyer informing her that an uncle (also fictitious) had passed away, leaving her fifteen thousand dollars. She skipped school and took the train to the nearest town, Woodstock, and showed the letter to the clerk in the town's only bank. The clerk was somewhat disappointed that Elizabeth only wanted to deposit thirty dollars cash, but he was fooled by the bogus letter. He gave her a book of blank checks, and explained to her how they were used. To Elizabeth, this was how the rich got that way—when you needed something, you just wrote a check!

In short order, she wrote checks for a gold bracelet, two dresses for herself and a skirt for her sister, and a package of business cards (the cards stated in large letters "Miss Elizabeth Bigley," and underneath in smaller letters "Heiress to a Fortune"). She checked into a local hotel, and the next morning went out to eat and window-shop. When she returned to the hotel she was arrested for passing bad checks and taken to the local jail. When she appeared before the magistrate the next day, a constable told the court about her family and referred to Elizabeth as "the odd one." The magistrate decided that she was mentally disturbed and ordered her release. The goods she had purchased were returned to the merchants; the cost of the hotel room and the business cards was taken from the deposit she had made at the bank.

"MADAME LYDIA DeVERE"

The next year Elizabeth left Eastwood for good to hone her skills at deception. In Toronto she became a prostitute; later in Toledo she billed herself as a clairvoyant, "Madam Lydia DeVere"; she and a man she had duped into believing that she loved him were arrested and charged with fraud and forging checks and promissory notes of prominent individuals. The case drew extra attention from the local press because the attorney for the dupe, one Joe Lamb, claimed that Lamb had been hypnotized by "Madame DeVere" and made to do her bidding. The tactic worked, and Lamb was acquitted.

Elizabeth's lawyer rebutted the charges against her for forgery by claiming that there was no absolute proof that she had personally forged the signatures on the worthless documents. On the fraud charge, her attorney attempted to confuse the jury by raising the question of what constituted fraud: Elizabeth had claimed to be one "Florida G. Blythe," a fictitious name that she had made up. Her attorney questioned whether it was illegal to pretend to be someone who did not exist; to impersonate a living person was one thing, but to claim to be someone who did not exist was not fraud, or so he claimed. The prosecution faced the prospect of losing its case, but on the last day of the trial they shocked Elizabeth and her attorney by producing a surprise witness—a woman of means from Cleveland whose real name was "Florida G. Blythe"! The real Florida G. Blythe testified that she had never heard of "Madame Lydia DeVere" and had never had any dealings with her.

Elizabeth was convicted of fraud and sentenced to a term of nine years and six months in the state penitentiary in Columbus, Ohio. She served three years and six months of her sentence

before being pardoned by Governor William McKinley. In 1894 Elizabeth turned up in Cleveland under the name of Mrs. C. (Cassie) L. Hoover. To finance her extravagant lifestyle she became a madame in a Cleveland brothel. Shortly after she began this work she was introduced to a shy doctor, Leroy S. Chadwick. Amazingly she convinced him that she had no idea of the type of establishment she was living in—only that the girls came and went as they pleased and that some of them appeared to have questionable morals! Chadwick was a lonely man, and, falling for Elizabeth's apparent innocence and charm, invited her to move into his home.

CASSIE CHADWICK, "FINANCIER"

Leroy Chadwick was quite wealthy through an inheritance, and Elizabeth went to work on him. In February of 1896 they were married in Pittsburgh, ostensibly to keep her description and photograph out of the Cleveland papers. Cassie convinced her new husband that his financial affairs were in a shambles, and he was only too glad to let her (and a lawyer of her choosing) manage his properties. She redecorated their home on Euclid Avenue and spent his money lavishly on gifts for her friends. After she had taken several of her young women friends on a trip to Europe, she found that she and her new husband were broke. Not only that; Cassie had purchased costly gifts for herself and her retinue overseas, and the bills were coming in.

As she had discovered when she was young, the best place to get money was a bank. She knew that it would be risky in Cleveland, so she chose the Citizens National Bank of nearby Oberlin, Ohio. (The Citizens National Bank of Oberlin was originally chartered in August 1863, and assigned charter number 72 by the Comptroller of the Currency. When its twenty-year charter expired, the bank was liquidated on June 1, 1882 and reorganized. The bank retained its original name but was assigned a new charter number, 2718.) Cassie told the president of the bank, Charles B. Beckwith, that she wanted to make an endowment to the local Oberlin College, but that her funds were not available at the moment, and she asked if he would furnish her \$13,000 on her personal note. Beckwith thought that this might be the start of a profitable arrangement; he knew that Euclid Avenue was an affluent section of Cleveland, and he may have been aware that Dr. Chadwick was (formerly) a wealthy man. The bank's capitalization at the time was only \$60,000, and the legal limit of a loan was \$6,000; so Beckwith loaned her the money out of his own pocket. He generously offered to deliver the check to the college personally, and Cassie agreed.

During the conversation Cassie decided that Beckwith could be useful to her. She confided to him that she was unable to

manage her finances, and that her finances were substantial; she needed the advice and guidance of a knowledgeable banker such as he. She also confessed that the source of her wealth was due to the fact that she was the illegitimate daughter of none other than Andrew Carnegie!

She told Beckwith that Carnegie had regretted his sin, and in order to make it up to her he had furnished her with her personal notes for large sums (plus interest) that were due the following year. This would make it appear that she was "earning" the money, rather than Carnegie simply giving it to her. She asked Beckwith if it was possible to borrow money against the notes, and he eagerly agreed. Cassie produced a forged note for \$250,000 bearing the signature of Andrew Carnegie and signed the note over to Beckwith and Albert B. Spear, cashier of the bank. Beckwith gave her a receipt stating that she had that amount of money on deposit at the bank.

Cassie's next stop was the Wade Park Banking Company in Cleveland, where she showed her receipt to the firm's secretary, Iri Reynolds. Reynolds was familiar with the Chadwick family, although he had never before met Dr. Chadwick's new wife. She used the receipt to establish a credit of \$125,000, and promptly wrote a check against it for \$100,000. Then she took a train to New York, where she used the money to open an account at the Lincoln National Bank.

She then:

1. Wrote a check for \$300,000 on her new account at the Lincoln National Bank in New York and mailed it to Charles Beckwith at the Citizens National Bank of Oberlin. She instructed him to repay her loan of \$13,000 and to deposit the rest in her account there.

2. Went back to the Wade Park Banking Company and gave Reynolds a check on the Citizens National Bank of Oberlin for \$125,000, to cover her loan. Because she had repaid the loan so promptly, Reynolds advanced her a new loan of \$350,000.

3. Wrote a check against her new loan at the Wade Park Banking Company for \$300,000, and sent it to the Lincoln National Bank of New York to cover the first check drawn on her account and deposited with Beckwith. [The way I figure it, Cassie "cleared" \$75,000 on this series of transactions; if I'm wrong, I'm sure one of our members more versed in math will correct me.]

Cassie went back to Oberlin to confer with Beckwith; she told him that "her father" wanted her to purchase a building owned by the wealthy financier Charles Schwab, one of her neighbors in Cleveland; but Carnegie did not want it known that he personally was interested in the building, so he had asked Cassie to handle the deal. She told Beckwith that Carnegie had offered her a 10% commission, which could be over \$100,000 if she were able to acquire the property for him; if Beckwith would



Third Charter Red Seal note issued by the Citizens National Bank of Oberlin, Ohio. Arthur Spear signed this note as cashier, and Charles B. Beckwith signed as president, although his signature has almost completely faded.

help her he could have half of the commission. Beckwith had some reservations about the deal, but agree to help.

She called Beckwith a few days later and told him she had talked to Schwab. It seemed that Schwab had another offer on the property, but if Cassie could furnish him with earnest money of \$150,000 he would consider her offer. Beckwith, perhaps seeing his half of the commission disappearing, told Cassie to write Schwab a check for \$150,000 on her account at the Citizens National Bank; he would send her a note to sign, to meet the legal requirement for the transaction. Several weeks went by and Beckwith had not received the signed note. When he was finally able to reach Cassie by telephone she told him that the deal had fallen through and that she had torn up the note.

Cassie continued to conjure up money based upon her "secret" relationship to Andrew Carnegie. She furnished Iri Reynolds with an envelope for his safekeeping that she said contained securities (consisting of, among other things, stock of the Caledonia Railway of Scotland, which was owned by Carnegie). Reynolds accepted the envelope without investigating its contents and issued her a receipt for \$5 million!

To satisfy other loans, she produced a bogus trust agreement stating that Andrew Carnegie held in trust for her property amounting to over \$10 million, which consisted of:

2,500 shares of stock of the Great Western Railway of England and Wales, valued at \$2,100,000;

1,800 shares of stock of Caledonia Railway of Scotland, valued at \$1,146,000; and

Bonds of the United States Steel Corporation of New Jersey, bearing interest at 5%, valued at \$7,000,000.

After she had married Leroy Chadwick, Cassie had become a member of the Euclid Avenue Baptist Church, of which John D. Rockefeller was also a member. Although she apparently never attended a service, she did call on the pastor of the church and confided her "secret" to him. She told him delicately that she was in need of a short term loan. It's possible that she was attempting to get an introduction to Rockefeller; instead the pastor, Charles Eaton, wrote a letter to his brother John, who was a prominent lawyer in Boston. Included in the letter was a promissory note for \$500,000 from Carnegie to Cassie, which Cassie had furnished him, along with a list of the securities supposedly on deposit at the Wade Park Bank, which she claimed were now worth over \$7 million.

Eaton helped Cassie to arrange a loan from one of his clients, Herbert D. Newton, a banker from Boston. She had wanted to obtain \$200,000 from him, but he offered her a check and a personal note totaling \$129,000 in exchange for her promissory note of \$190,000; he explained that the first year's interest of 5% was deducted first, leaving \$190,000, and that the difference between the \$129,000 and \$190,000 was made up of the bank's commission and handling charge.

She took Newton's check and note and deposited them at the Lincoln National Bank of New York, apologizing for the earlier confusion she had caused previously when she had overdrawn her account. When she returned to Ohio, she visited Charles Beckwith at the Citizens National Bank of Oberlin and wrote him a check on the Lincoln National Bank to cover his outstanding loan to her. Showing Beckwith her receipt for \$5 million from the Wade Park Bank, she arranged another loan from his bank for \$80,000. When she got back to Cleveland, she wrote a check on the Citizens National Bank of Oberlin (for \$300,000) and sent it to the Lincoln National Bank of New York—after she had deposited Newton's note and check, she had promptly overdrawn that account—AGAIN.

Cleveland, Ohio.
Apr 12 - 1904 -

I hereby sell, assign and transfer unto C.B. Beckwith and A.B. Spear, for a valuable consideration and a full settlement of all their claims against me, a certain promissory note dated Jan 7th, 1904, signed by Andrew Carnegie, for two hundred and fifty thousand dollars (\$250,000) due one year after date with interest at 5% per annum.

And I hereby certify that I am the lawful owner of said note, that it is free from all offsets, and I leave the right to bargain and sell the same, and this is my free will and act.

Signed - C.L. Chadwick
Mary Cairns

This is Cassie's assignment of a forged \$250,000 promissory note to Charles Beckwith and Arthur Spear, president and cashier respectively, of the Citizens National Bank of Oberlin, Ohio. It reads:

"I hereby sell, assign and transfer unto C.B. Beckwith and A.B. Spear, for a valuable consideration and a full settlement of all their claims against me, a certain promissory note dated Jan 7th 1904, signed by Andrew Carnegie, for Two hundred and fifty thousand dollars (\$250,000) due one year after date with interest at 5% per annum.

And I hereby certify that I am the lawful owner of the said note, that it is free from all offsets, and I leave the right to bargain and sell the same, and this is my free will and act. Signed, C.L. Chadwick."

Cassie then went back to Beckwith and amazingly convinced him to advance her the \$300,000 to cover the check she had written on his bank to the Lincoln National Bank. She furnished him with two of Andrew Carnegie's supposed promissory notes (totaling \$300,000) to secure the loan. Shortly after this, Beckwith convinced Arthur Spear, the cashier of the bank, to join him in loaning Cassie \$102,000; Beckwith had also helped her to borrow over \$1 million from various banks and individuals, based upon the supposed securities on deposit at the Wade Park Bank. Thoughtfully, Cassie furnished Beckwith with a copy of her will; in it she listed and described all of her securities, gave him her power of attorney, and made him the executor of her estate.

THE END OF CASSIE CHADWICK

Back in Boston, Herbert D. Newton had not received any payments from Cassie. He and his lawyers attempted to negotiate some payments from her on her note, but she kept putting them

off. Finally, on November 22, 1904, Newton brought suit against her in the Federal Court in Cleveland, for the outstanding amount of the loan, \$190,800. He also requested that the court restrain the Wade Park Bank from disposing of the \$7.5 million being held there in trust.

When word of the suit reached Oberlin, Beckwith explained to his bank's questioning directors that the bank was in no danger, since the bank held a note of \$500,000 from one of the wealthiest men in the world. But he refused to divulge Carnegie's name, to protect Cassie's "honor." Newton wasn't so discreet—he also held a \$500,000 note signed by Carnegie, and he revealed this to the court and the press.

Several financial institutions rushed to join the suit by Newton against Cassie, among them The American Exchange National Bank of Cleveland, the Savings Deposit Bank of Elyria, Ohio, and the Euclid Avenue Savings and Trust Company of Cleveland. When Andrew Carnegie was asked by the press about his "illegitimate daughter" he replied that he had never heard of the woman in question.

The judge hearing Newton's suit ordered Iri Reynolds at the Wade Park Bank to produce the securities he was holding for Cassie Chadwick, and when they were examined and determined to be worthless, an arrest warrant was issued for Cassie. She was found in New York and brought back to Cleveland for trial.

The trial began on March 6, 1905 and lasted six days. During the trial Andrew Carnegie was an interested spectator. A reporter asked him if he had any plans to prosecute Cassie herself, but Carnegie demurred, saying that she had ironically proven that his credit on his name alone was A-1. Handwriting experts supported Carnegie's earlier statement that the signatures on the documents were not his. The jury found her guilty and she was sentenced to a term of ten years in the Ohio State Penitentiary.

Cassie was a celebrity even in jail, and she granted many interviews to the curious press. At one point the warden was charging twenty-five cents to admit her visitors, until this fact appeared in print; the result was that all of her visitors except a son were barred. She became obsessed with her funeral, planning it in great detail. When she died in prison on October 10, 1907 all of the arrangements had been made; a tombstone was already waiting for her at the cemetery in Woodstock that she had selected for her burial. She had even written her own eulogy, which was read at the service held on October 14, 1907.

FATE OF THE CITIZENS NATIONAL BANK OF OBERLIN, OHIO

Early in Beckwith's dealings with Cassie the Citizens National Bank of Oberlin had been examined. He had concealed her original loan of \$13,000 from the examiner by negotiating a temporary loan to himself, which he repaid immediately after the examination.

The next scheduled examination of the bank took place in April 1904. At that time the outstanding loan of Cassie Chadwick was \$220,000, over \$200,000 beyond the legal limit of the bank. Beckwith apparently convinced the examiner that the loan was adequately secured, by showing him the forged Carnegie promissory note. The examiner reported the loan in his report, but indicated that he did not feel the bank was in danger of sustaining a loss; he reported that the loan had been made to a "C.A. Chadwick," but did not indicate that this was a woman. Further, he did not indicate that the security for the loan was a note from Andrew Carnegie. Kane states, "Had this examiner advised the Comptroller of the Currency that the recipient of this large loan was a woman and that the security consisted of a note of Andrew Carnegie, the Comptroller would have made an inquiry in regard to this woman and why Andrew Carnegie had executed his note to her for such a large sum of money, as Mr. Carnegie was not in the habit of having his notes in national banks."

On November 28, 1904, six days after Newton's suit against Cassie Chadwick was filed, the Citizens National Bank of Oberlin suspended operations and was placed in the hands of a receiver. So complete was the faith of President Beckwith in Cassie that for several days after the bank suspended operations he still believed that she would come forward and meet her obligations. When Beckwith was asked why he had never questioned the forged documents, he stated that he thought the Carnegie signatures were genuine, because he had seen Carnegie's signature in the newspaper! Arthur B. Spear, the cashier of the bank, was indicted, tried and convicted of making false entries in the books of the bank, for the purpose of hiding the excessive loans from the bank examiners and the Comptroller; he had certified that Cassie had a certain deposit in the bank when she did not. In his trial, his defense was that he had made these entries at the direction of President Beckwith, and that he had not personally profited from any of the transactions (he had even

(Continued on page 195)



A satirical note produced by W.J. Wells in 1905. Cassie's trial in 1905 drew enormous attention from the press, and Mr. Wells apparently felt it was a timely item. The bank in the left oval is "Busted."

Syngraphic Vignettes

by ROBERT H. LLOYD

IF you are stuck for a club program sometime, try an evening of "How I Got Started in Paper Money," where those who volunteer relate briefly the situation that aroused interest and made them collectors. With that in mind, here goes an account of how this writer became interested in paper money, an interest that has lasted for sixty years.

In the early 'twenties there were no appreciable controls on high school students who were handling class funds. My brother carried \$600 in class funds in a shoe box, held on his lap while he rode the street car home! When he was through counting and allocating the various deposits on rings, yearbooks, etc., he asked me to assist in banding the notes.

There were three notes that demanded my immediate attention—two crisp "Black Eagle" certificates (\$1 Series of 1899) and a \$50 Silver Certificate. The crisp new "ONES" were part of that new printing that came about from the release of impounded notes that had been sequestered by the U.S. Treasury when silver dollars were melted for war purposes, and had to be restored under the Pittman Act of 1918. The coins began to be

minted in 1921. We had not seen new certificate "ONES" for several years; everything was 1917 greenbacks and Federal Reserve Bank Notes.

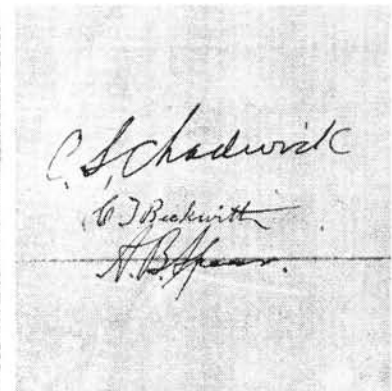
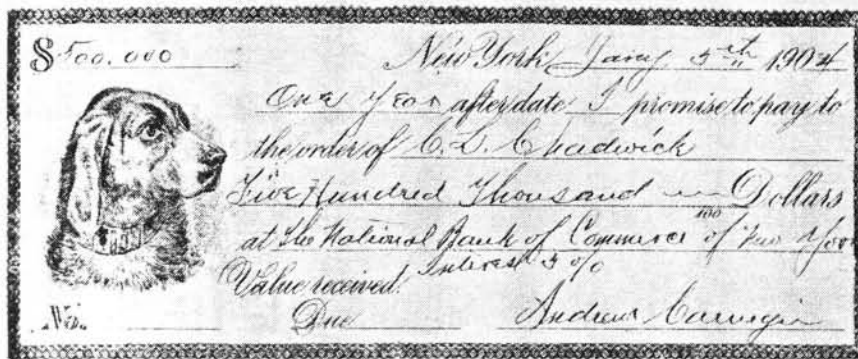
The other bill was the only \$50 Silver Certificate that I ever saw in circulation. It must have been one of those small releases of stored notes that were catalogued by Walter Breen some years ago.

We decided to save the \$1 "Black Eagle" notes. By all accounts they should have been spent, but fortunately they were saved for some weeks. A later examination revealed that they were a consecutively numbered pair with differing facsimile signatures! Note D49 287 072A was an Elliott-Burke, while note D49 287 073A was a Teehee-Burke. This discovery convinced the writer to become a paper money collector.

The notes were held for years, but finally Barney Bluestone listed them as Lot. 889 with the rest of my collection in his sale of December 2 & 3, 1932. Prices were low in this month at the very bottom of the Great Depression. I protected thirteen of my lots, and wound up buying back these two "Black Eagles." The pair was later sold to A.A. Grinnell for \$7.50; and they were sold again in Morey Perlmutter's sale of the Grinnell notes. Lot #963 (estimate \$10) brought \$7.25. (Thanks to Ron Horstman and Bob Cochran for this information from the Perlmutter Sale.) Today, the opening bid might be ten times this amount.

I sincerely hope the present owner of these certificates enjoys them as much as I did, as they represent one of the earliest known change-over pairs.

Chadwick (Continued from page 180)



A promissory note from Andrew Carnegie to C. (Cassie) L. Chadwick in the amount of \$500,000, plus 5% interest. This is one of the many forgeries generated by Cassie.

been convinced by Beckwith to loan her funds of his own). He was sentenced to seven years in jail, but his sentence was commuted by the president before he served the full term.

According to Kane, the losses of the Citizens National Bank compounded or sold under the court amounted to \$246,561; the stockholders were assessed 100% the bank's \$60,000 capital, and \$47,171 (76%) was collected. The amount of \$236,928.41 (77%) was paid to depositors and other creditors. The receivership was finally closed on June 30, 1913.

How much Cassie Chadwick cleared from all of her transactions is not known, but the figure probably exceeds \$2 million.

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