

# Stolen Loot: Robbery of the Osage National Bank

by James C. Ehrhardt

First Charter notes from the Osage National Bank of Osage, Iowa, charter #1618, have long been intriguing. Many people know that there is an unusual story to the \$5 Original Series notes from this bank but are not sure of the details. The notes are usually tattered and torn, with conditions ranging from good to fair. The notes in my collection are no better, but nonetheless are some of my favorites. As I was researching the history of the seemingly prosaic 1866 bank robbery in the village of Osage, I discovered a deeper, darker tale with criminal connections to much of the northeastern United States.



## Osage, Iowa

Osage is located in Mitchell County near the Cedar River in north central Iowa amid rolling hills and rich, fertile farmland. The first white family had settled there in 1853. By the summer of 1865, the county had grown to a population of 4,176, and Osage was a town of 889 citizens who were feeling optimistic about the future. The Civil War had finally ended. There was excitement about a railroad coming to town (which wouldn't happen for four more years). But because it was distant from any large commercial center, it still had somewhat of a frontier feel to it. Four years earlier the Dakota Sioux Uprising had killed 400 to 800 settlers in Minnesota a little over 130 miles northwest of Osage. The local newspaper reported the rare crimes, such as a horse stealing or a stagecoach holdup, that might be expected in a somewhat isolated community.

A community needs a sound bank if it is to thrive, and enterprising citizens will step in to fill the gap. Jacob H. Brush was born in Westchester County, New York, in 1833. He received a good education and then decided his future lay in the west.

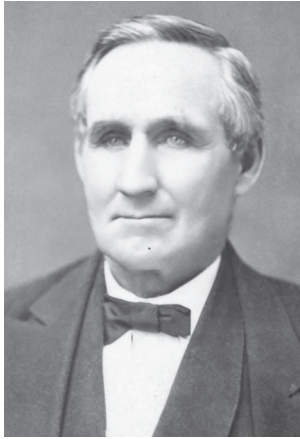


In 1855 he arrived at Dubuque, Iowa, where the federal land office was located. Whenever new lands were opened for settlement, buying and selling real estate became a major economic activity. Brush was sufficiently astute to recognize the opportunity, and he and a partner established the banking institution of Brush and Meeker. After a few months a land office opened in Decorah, Iowa, and the firm was moved there to operate a bank and real estate business. Mr. Brush bought out his partner's interest, and the next year his firm moved west to Osage as the land office moved there to

service new settlers in that region. Brush did business with his brothers as J. H. Brush & Co., otherwise known as the Mitchell County Bank.

**MITCHELL COUNTY BANK.**  
J. H. BRUSH & CO.,  
Bankers, Dealers in Exchange, and Real Estate Brokers.

By late 1865, Brush and other leading citizens decided that Osage was ready for that prestigious new institution, a national bank. The Osage National Bank was chartered in December 1865 and assigned charter number 1618. As its principal financial backer, Arad Hitchcock was designated President. The daily operations were to be run by the experienced Jacob H. Brush, Cashier. Jacob's brother, Jesse P. Brush, was Assistant Cashier. Additional Directors were Cyrus Foreman, N. C. Deering, Edwin O. Hitchcock, and Gulbrand Gulbrandson.



Arad Hitchcock was born in Westfield, Vermont. He lived in various locations, always moving west. Eventually he became one of the early settlers in Osage, buying property there in 1855. His abilities were soon recognized, and he won 1857 election as county judge. At the time, this office was the most powerful in the county, being the equivalent of today's county Board of Supervisors. He was a successful farmer and merchant. He was said to have been the first grain dealer in Osage, was appointed postmaster in 1860, and operated such businesses as a warehouse, a stable and the Hitchcock House hotel. He was elected a state senator in 1875, but died shortly after.

### Osage National Bank

A new bank needs an office that will inspire the public with confidence. Fortunately, a near-perfect location was readily available. While mulling plans for a new building, Brush and Hitchcock arranged for the bank to occupy the Treasurer's office in the county courthouse building. The office had an adjoining vault with walls 2 ½ feet thick to store the bank's valuables. The vault was protected by a "massive wrought iron door having a powder-proof combination lock." Inside the vault was Lillie's Patent chilled iron safe. The bank's officers felt so confident in their new location that they did not have anyone sleeping in the bank.

Why was an important space in the courthouse available? As frequently happened when new areas were opened for settlement, there was a protracted electoral and legal battle for the site of the Mitchell county seat between Osage and the town of Mitchell some four miles away. Osage had built their courthouse in 1858 and Mitchell did the same two years later. The contest wasn't permanently settled in Osage's favor until 1870. Before then, the county business was conducted in Mitchell, and the Osage courthouse had to find other uses. The Cedar Valley Seminary occupied much, but not all, of the courthouse in the 1860s. This institution was not religious. It offered young men and women of the area an opportunity for higher education beyond the eighth grade and became an important part of the community for over fifty years. When I visited the courthouse for research a few years ago, it was still functioning as a courthouse and looked much



the same as in the circa 1900 photograph herein. The Treasurer's office was in the room behind the window to the left of the door. The Treasurer's vault is partially visible behind the tree on the left. Also pictured is an impressive old-style vault door as seen in the Treasurer's office in 2009. Unfortunately progress has taken its toll, and the building was torn down in 2014.

Less than two months after receiving its charter, the bank opened for business. A local news report on Feb. 1, 1866 stated

"Mr. Brush returned from the east last week, and although not able to get the bills of our Bank so as to bring them with him, still made arrangements by which they will be here soon! The Bank commenced business on Feb. 1<sup>st</sup> and is now doing everything except discounting paper."

The Department of the Treasury was functioning efficiently, and two weeks later the newspaper provided more good news.

"The first installment of \$10,000 of the notes of this institution arrived the present week, have been signed by the officers and are many of them in circulation. The second batch of a like amount is on the way. We must congratulate the president A. Hitchcock Esq. on his sign manual, attached to these notes. Every signature is unmistakably 'Arad Hitchcock' and not the abbreviation or hieroglyphics which usually represent his name."

The bank was undoubtedly pleased with the publicity. Little did they realize that some readers were interested in the news for another reason.

### The Robbery

Sunday morning, May 6, 1866, Assistant Cashier J. P. Brush had occasion to go to the bank. He found the outside door pried open, the vault door broken into, and "the safe blown to pieces with powder." The thieves had drilled a quarter-inch hole through 1 ½ inches of chilled iron about three inches from the safe keyhole and into the cavity of the lock, which they filled with powder. The explosion blew the door off its hinges exposing the safe's contents. The thieves extracted the valuables and made their getaway. Left behind were a drill, a "jimmy" (a short bar of steel sharpened at both ends), a dirty handkerchief, and a japanned top to a powder can. This method of attack was a common modus operandi for experienced safe crackers.

**GREAT ROBBERY.**  
**The Osage National Bank entered by**  
**Burglars--The Vault broken open--**  
**The Safe blown up with gun-**  
**powder--\$20,000 stolen,**  
**Last Saturday night, our village was**  
**the scene of a robbery, which for boldness**  
**and success has few equals in the annals**  
**of crime. The Osage National Bank,**

Remarkably, there was one person who had been aware of the activities in the bank. On the second floor at the opposite corner of the courthouse, one room was occupied by Mr. C. P. Sanford, perhaps an employee of the Cedar Valley Seminary. Mr. Sanford reported that he had heard the front door and vault doors being forced and then the explosion. Unfortunately, he thought that these noises were due some "more than ordinarily mischievous pranks of some lively young fellows," who occupied other rooms in the building.

### The Loot

Cashier Brush had had foresight to record the serial numbers of many of the notes in the safe. These were published immediately after the theft. Stolen items included:

\$9,000 in nationals of the bank, unsigned, in 5-5-5-5 sheets numbered 1751-2200

\$3,200 in 6% compound interest notes, including three \$500 notes

\$1,900 in Legal Tender and National Bank notes

250 revenue stamps

Eight 7-30 Interest-Bearing notes, including

\$1,000	s/n 22282	Aug. 15, 1864	\$100	s/n 101828	Aug. 15, 1864
\$500	s/n unknown	Aug. 15, 1864	\$50	s/n 209285	Aug. 15, 1864
\$100	s/n 111938	Aug. 15, 1864	\$50	s/n 147462	June 15, 1865
\$100	s/n 140010	Aug. 15, 1864	\$50	s/n 147421	June 15, 1865

Four gold pens



Cash, 7-30 notes, and Mitchell County Warrants stored in the safe but belonging to bank customers were also stolen. One unlucky customer had arrived in town earlier on Saturday intending to buy property and had entrusted \$850 to the security of the bank's safe. Only some of the serial numbers were recorded, including these 7-30 notes:

\$100	s/n 340058	July 15, 1865	\$50	s/n 35394	Aug. 15, 1864
\$100	s/n 155059	July 15, 1865	\$50	s/n 40794	June 15, 1865
\$50	s/n 31394	Aug. 15, 1864	\$50	s/n 161715	June 15, 1865

In addition to \$9,000 in national bank notes, total losses included about \$8,000 in federal currency and compound interest notes and \$3,000 in interest-bearing notes. These lists provide a rare insight into the use of compound interest notes and interest-bearing notes at a location far from a commercial center. Also notable is the lack of any gold coins stolen from the safe, symptomatic of the scarcity of specie at the time.

The bank offered a reward of \$500 for the detection of the robbers and \$500 for the recovery of the money. The serial numbers of the stolen notes were quickly circulated throughout the banking system. The \$5 nationals were listed in banknote reporters as stolen. The Treasury canceled the remaining unissued Osage notes, i.e. s/n 2201-2250. These would have been the final installment on the bank's initial issuance of \$45,000. No additional \$5 Original Series notes were issued by the bank.

#### **Friedberg no. 212-c**

Of course, all interest bearing notes are extremely rare, but one of the stolen interest bearing notes is of special interest. The \$1,000 bill listed above was dated August 15, 1864. Thus, it would be cataloged as Friedberg no. 212-c. The standard reference work, *Paper Money of the United States* by Robert Friedberg with Ira and Arthur Friedberg, lists this type as unknown and "Probably issued." Evidently no one had found evidence previously that this type had actually been issued. Now we have contemporary documentation that it was, in fact, in circulation. And one had found its way to a bank far from the financial centers of the Northeast. The serial number of the above note was 22282, so we know that at least that many notes were issued. At my request, Jamie Yakes very kindly searched the National Archives for information on issued notes this type. He found data on some other interest bearing note types, but nothing on 212-c.

#### **Arrests**

The Sheriff of Mitchell County was Squire S. McKinley. The McKinley family became early pioneers when they arrived in Mitchell County in 1855-56, and the McKinleys are still well represented in Osage. Judge Bryan McKinley recently retired from the judicial bench there. Born in 1840, Squire was of prime age for the war. He was said to have been the first man in the county to volunteer for the 3<sup>rd</sup> Iowa Infantry Regiment. Starting as a Private, he rose to become a Sergeant as the regiment fought under Generals Sherman and Grant at Shiloh, Vicksburg, and others until the unit fought itself out of existence at Atlanta. He was fortunate to have escaped any battlefield wounds and was elected Sheriff in 1865 by a margin of 27 votes out of 729 votes cast. A newspaper editor hailed his election saying he had "a particular antipathy to horse thieves."



No one came forward with any evidence to help track down the thieves. After a week the Winneshiek County Sheriff from Decorah, about 60 miles east, arrived escorting two suspects who had to be released because they had a good alibi. McKinley had his eye on another pair of doubtful characters who had been residing with their wives in the National Hotel in Mitchell. The previous year a newcomer, Ezra Beebe, had purchased the hotel and apparently had run it as a respectable business. But two of his boarders had no visible means of support. Occasionally they would disappear for a brief period and then return flush with cash. When McKinley talked with Ezra Beebe to try to learn more about his boarders, he was so evasive that the sheriff began to suspect him as well. But without any evidence, the sheriff could only observe matters and hope for a break.

**NATIONAL HOTEL,**  
**EZRA BEEBE PROPRIETOR.**  
 Mitchell, Mitchell County, Iowa. Having purchased the above well-known house, would be happy to welcome the travelling public at the National Hotel. We will endeavor to make all of our friends feel at home while sojourning with us. nl

marked man with sandy hair and a quick temper. He surprised Sheriff McKinley with warrants signed by New York Governor Fenton for the arrest of Ezra Beebe and his two boarders on burglary and murder charges. The boarders had been using aliases. Actually they were Ezra's son, Laverne Beebe, and his son-in-law, Thomas Mott. All three men were well-known members of the infamous Loomis gang that had been terrorizing upstate New York and beyond for decades. McKinley hesitated to arrest them because he had insufficient evidence against them for the bank robbery. However, Filkins prevailed because if the suspects heard he was in town, they would quickly disappear. All three men were arrested.

A search of the arrested men, their wives, and their living quarters was conducted. This yielded burglary tools and about \$1,500 in a roll of currency (no serial numbers provided). One or two of the bills was said to have been identified by Brush as being stolen. The currency roll had particles of "Plaster Paris" (which was the fire-proofing material in the walls of the safe) scattered in it. Revenue and postage stamps of the number and denomination of those stolen were also recovered. A search of the women's apparel revealed four gold pens concealed in the lining of a hat. Clearly this was loot from the bank. Except for the few \$5 nationals in the NBN census, I could find no record of any other loot being recovered.

Two and ½ days after the arrest, the robbers were escorted out of town at 1:00 AM and eventually put on a train to New York. Only two of the three got there. Near Erie, PA, Laverne Beebe and Mott tried to escape by jumping out the bathroom window of their railroad car. Beebe made it and was never seen in his favorite haunts again. Mott hit his head on the window sill and was knocked unconscious long enough to be restrained.

### The Loomis Gang

The Loomis gang was the largest, most successful American criminal gang in the 1840s-60s. I can only mention a few of their activities. The interested reader will find much, much more in books and on the internet. Headquartered on a farm near Sangerfield, NY, their deeds ranged across several states and into Canada. Gang members participated in every type of crime, although horse and other livestock theft and counterfeit money seemed to be most frequent. The Beebes and Mott were established members of the group. Although frequently identified as perpetrators, convictions were very seldom obtained because of their skilled use of every legal and illegal defense tactic. For example, farmers knew their barns would burn down if they gave evidence. Once a county courthouse was set afire to destroy papers. Included in the destruction was an indictment against Ezra Beebe. The gang leader charged Beebe \$100 for services rendered. I could find no photographs or portraits of gang members, but the Fenimore Art Museum in Cooperstown, NY, kindly supplied a portrait of a young woman said to be associated with the gang.



No one seemed willing or able to pursue the gang members until blacksmith James L. Filkins was elected Constable of nearby North Brookfield. Filkins had an intense dislike for the Loomises and the courage to go after them. Initially he was not successful in getting convictions, but he became more and more of a problem for the gang. One episode may be appropriate here. Filkins heard rumors that there was a large cache of counterfeit money at the Loomis farm, so he organized a posse to go there and search for it. After an unsuccessful search, the matriarch of the gang offered the posse some beer. A small keg was retrieved from the basement

The break came three weeks after the robbery. The stage brought two eastern lawmen to town, a young Deputy Sheriff Asa Stone of Madison County, NY, and Constable James L. Filkins of Waterville, NY. Filkins was clearly the dominant one of the two. He was a short, heavy-set, pock-

and served out. While enjoying the repast, one of the posse noticed something odd about the keg. It was examined and found to have a false bottom concealing the counterfeits. The keg and others like it in the basement contained \$1,100 in phony money.

Filkins campaign against the gang became more bothersome. One evening in 1863 armed men, thought to include Laverne Beebe and Thomas Mott, came to his house, called out for him, and peppered the house with multiple shotgun blasts. Filkins was wounded but survived. By October 1865 the situation had intensified. Filkins and an informal posse, including army veterans used to taking violent action, formed what might be called a vigilante group to raid the Loomis farm. Washington Loomis, the gang leader, was beaten to death and one of his brothers was very badly beaten. The surviving Loomises brought a murder charge against Filkins. He was indicted, but legal maneuvering delayed the trial.

By this time, Ezra Beebe was in the hotel business in Osage, probably hiding out from Filkins' attention. Laverne and Mott followed soon thereafter. In the spring of 1866 Filkins somehow discovered their whereabouts. Two years earlier he had pursued Laverne into Canada, and now he wouldn't let a remote location in Iowa stop him. The first step was to get extradition papers from Governor Fenton. But the Governor was reluctant to give this authority to a man who himself was under indictment for murder. As a compromise, the papers were issued but with Deputy Sheriff Asa Stone (who had been recently appointed by his father, the sheriff) in titular charge of the expedition to Iowa.

The very day that Filkins returned to New York with his prisoners, he received word that two gang members had arrived at the Loomis farm with a stolen horse. Filkins immediately organized a posse and went to the farm. Another shootout occurred with Filkins being incapacitated with wounds in the arm and leg. This infuriated the local citizenry, and a week later a mob of more than one hundred, including nearly all the law officers in the area, marched to the Loomis farm. The farm buildings were burned, one Loomis arrested, and the others told that if they were found in the area after thirty days, "they would forfeit their lives." Although individuals carried on criminal activities for some time afterward, the gang was effectively ended.

#### **The Stolen National Bank Notes**

The robbers were very experienced in dealing with counterfeit currency. The three weeks before their arrest was plenty of time to dispose of most of the loot. Forged signatures were added to the unsigned nationals, they were distressed to appear circulated and to disguise the damage done in the explosion of the safe, and then passed to the public. The forged signatures were of varying quality and appear to have been done by more than one individual. I have seen the forged cashier's signature as either Jacob H. Brush or J. H. Brush.



*Genuine (left) and forged signatures of Jacob H. Brush and Arad Hitchcock*

Occasional reports in the numismatic literature have indicated that some notes are stamped with X's to indicate their nature. I have seen over half of the existing notes and don't remember seeing one stamped in that way. However, I have seen four notes stamped with multiple S's, presumably standing for "Stolen."

The widespread publicity about the stolen notes led to rapid redemption of legitimate (s/n 1-1750) \$5 notes. None are known to have survived. Because the stolen notes were worthless, some of them were saved as curiosities. The Higgins Museum census of Iowa nationals currently records the serial numbers of sixteen stolen notes. Nearly all grade from Poor to Good. The highest grade might be a Very Good. The census contains listings for 46 \$5 Original Series notes from all Iowa towns including Osage. So the stolen notes comprise just over one-third of all known Iowa Original Series \$5 notes.

### Afterward

The Osage National Bank survived the robbery, at least partially because the nationals were not a loss to the bank. Because they had not been signed, the Treasury did not charge them against the bank. The bank advertised in 1868 that it had acquired from Chicago a \$700 “first-class burglar-proof safe” of the Herring patent which could not be drilled. Arad Hitchcock left the bank soon after and moved on to other enterprises. Jacob Brush and his family members continued to operate the bank for many years, moving into a new building in 1869. Sheriff Squire McKinley lost his reelection attempt. In 1880 he moved to a pioneer area in northwest Minnesota and helped found the town of Osage, MN. The murder indictment against Fillkins was dismissed during a court hearing in which he was defended by prominent U. S. Senator Roscoe Conkling.

The Beebe wives were tried twice as confederates in the robbery. After both trials ended in a hung jury, charges were dropped. They then sued the bank and recovered part of the stolen money confiscated from them. Laverne Beebe fled west to avoid prosecution. He was killed in 1869 by Apaches while acting as an army scout. Ezra Beebe and Thomas Mott were not convicted of Fillkins' charges. Four years later they were back in the Midwest. In 1870 they were captured after robbing a bank in Waseca, MN, about 80 miles northwest of Osage. Mott turned state's evidence against Beebe and was sentenced to time served. Beebe was sentenced to three years in the Minnesota penitentiary. He lived out his later years in California. Before their capture, Beebe and Mott had shipped an express parcel to someone in Osage, IA. The package was intercepted and proved to be a safe-crackers tool kit. This raises suspicions that they still had a confederate in Osage, perhaps the same person who inspired them to hide out there originally. Is it a coincidence that apparently-respectable families named Loomis and Beebe lived in Mitchell County, 1865 population of 4,176? We will never know.

I would like to thank the numerous individuals and organizations that assisted me with my research. Especially noteworthy were the State Historical Society of Iowa in Iowa City, the Mitchell County Historical Society, Jamie Yakes, Anne Tanner and Mary Noble for the photos of Arad Hitchcock and Jacob Brush, and Mitchell County Sheriff Curtis Younker for his valuable time in discussing Osage history and an insider's tour of the courthouse.

### A Partial List of Sources

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