

= Charles R. Forbes =

Charles Robert Forbes (February 14 , 1878 ? April 10 , 1952) was appointed the first Director of the Veterans ' Bureau by President Warren G. Harding on August 9 , 1921 and served until February 28 , 1923 . Caught for army desertion in 1900 , he returned to the military and was a decorated World War I veteran . He first became active in politics in the Pacific Northwest . In 1912 , Forbes moved to Hawaii and served as chairman on various federal commissions . While Senator Warren G. Harding was on vacation in Hawaii the two met by chance and became friends . After the 1920 U.S. Presidential election , President Harding appointed Forbes director to the newly created Veterans ' Bureau , a powerful position in charge of millions of dollars in government expenditures and supplies .

His tenure as the first Veterans ' Bureau director was characterized by corruption and scandal . Forbes was considered the " dashing playboy " of Washington and a favorite of President Harding . Having returned to the United States after fleeing to Europe in 1923 , he was convicted of conspiracy to defraud the U.S. Government and sent to federal prison in 1926 , where he was a cellmate of Frederick Cook , the person who often claimed to be the first to reach the North Pole . Forbes was released eight months later in 1927 . He died in 1952 .

= = Early life = =

Forbes was born February 14 , 1878 in Scotland . As a child , he and his parents emigrated to America and the family lived in New York and Boston . When Forbes was 16 years old he joined the marines as a musician and was eventually stationed in the Washington Navy Yard . Trained as an engineer , Forbes attended Philips Exeter Academy , Cooper Institute in New York , Columbia University , and the Massachusetts Institute of Technology . He enlisted in the army in 1900 ; however , two months later he was charged with desertion . He was found , sent back to the army , and restored to duty without a trial . Forbes went on to serve in the Philippines after completing his enlistment , and was honorably discharged from the army in the rank of sergeant first class in 1908 .

= = Pacific Northwest and Hawaii = =

After leaving the Army , Forbes engaged in construction work in the Pacific Northwest , moving to Seattle . He became active for the first time in state politics . He got married in Seattle to his wife Katherine and started a family having one daughter , Marcia . In 1912 , Forbes and family moved to Hawaii , at that time a United States territory , and worked at the Pearl Harbor naval station as an engineer for the next five years . While in Hawaii , he served in four federal government appointments as Commissioner of Public Works , Chairman of the Public Service Commission , Chairman of the Harbor Commission and chairman of the Reclamation Commission appointed by President Woodrow Wilson . During this time in Hawaii , Forbes became acquainted with then Senator Warren G. Harding , who was on vacation with his wife at the time , a meeting that would eventually change both of their lives . His charismatic personality and hospitality created a positive impression with Harding , and soon the two became good friends . Forbes ' wife became a close friend of Mrs. Harding .

= = World War I = =

After the United States entered World War I in 1917 , Forbes enlisted again into the U.S. Army . He served notably overseas in France in the United States 41st and 33rd Infantry Divisions . He was awarded both the international Croix de Guerre Medal and the United States Distinguished Service Medal . Forbes ' final promotion was to the rank of lieutenant colonel . After World War I , Forbes returned to Washington from France and worked for the Hurley @-@ Mason Construction company in Tacoma . Forbes worked his way up to vice president of Hurley @-@ Mason Construction and

was in charge of the Spokane division .

= = Harding Campaign 1920 = =

When Forbes found out his good friend Warren G. Harding was running for president in 1920 , he traveled to Marion , Ohio and swung the Washington delegate vote for Harding at the 1920 Republican presidential convention held in Chicago . Harding would go on to win the election of 1920 with the motto for America to " return to normalcy " ; giving businesses tariff protection and tax relief , and keeping America out of foreign affairs .

= = War Risk and Veterans ' Bureaus = =

Initially , Forbes desperately tried to be appointed chairman of the United States Shipping Board , a board that controlled vast amounts of government shipping resources to private shippers . President Harding , however , denied him the position and instead appointed Forbes to the Bureau of War Risk Insurance on April 28 , 1921 . Forbes 's salary at the War Risk Bureau was \$ 10 @, @ 000 a year . On August 9 , 1921 Congress passed what was known as the " Sweet Bill " creating the Office of the Veterans ' Bureau . After World War I , thousands of wounded and disabled veterans did not have adequate facilities for proper care and needed job skills . The Veterans ' Bureau was created to remedy this dilemma for the World War I veterans who desperately needed medical attention , hospitals , and employment . Across the country there were fourteen regional offices that were semi @-@ independent from Washington D.C. Bureau . Congress awarded the Veterans ' Bureau millions of dollars in expenditures to take care of the needs of the veterans . In August 1921 , President Harding appointed Forbes the first director of the Veterans ' Bureau . Forbes controlled \$ 500 @, @ 000 @, @ 000 (5 @. @ 99 billion 2009) a year in government expenditures for the World War I veterans . Forbes wife Katherine had direct access to the White House , having been given special privileges under Mrs. Harding 's authority .

= = = Veterans ' Bureau tenure = = =

With millions of dollars at his disposal , Forbes hired 30 @, @ 000 new workers at the Veterans ' Bureau , many of whom were personal friends to Forbes . The Veterans ' Bureau under Forbes was overstaffed and many appointed agents looked for means to justify their paid positions . During his tenure as director , Forbes ignored the needs of the wounded veterans . In the less than two years that Forbes held his position , he embezzled approximately \$ 2 million , mainly in connection with the building of veterans ' hospitals , from selling hospital supplies intended for the bureau , and from kickbacks from contractors . The budget for the Veterans ' Bureau during his tenure was \$ 1 @. @ 3 billion in total . Forbes had rejected thousands of legitimate claims by veterans .

Although 300 @, @ 000 soldiers had been wounded in combat , Forbes had only allowed 47 @, @ 000 claims for disability insurance , while many were denied compensation for reasons that Congress called " split hairs " . Even fewer veterans received any vocational training under Forbes ' direction of the bureau . According to the Charleston Gazette , Forbes toured with his contractor friends to the Pacific Coast , known as " Joy @-@ Rides " , inspecting veterans ' hospital construction sites . Forbes and his contractor associates allegedly indulged in parties and drinking . Forbes and corrupt contractors developed a secret code in order to communicate insider information and ensure government contracts . According to congressional testimony , in Chicago , on one of his many inspection trips , Forbes gambled and took a \$ 5 @, @ 000 bribe from contractor J. W. Thompson and E. H. Mortimer at the Drake Hotel to secure \$ 17 @, @ 000 @, @ 000 in veterans ' hospital construction contracts . Mortimer was the middleman man who had handed Forbes the bribe in one of the rooms at the Drake . Forbes said the \$ 5 @, @ 000 payment was a loan . Mortimer stated that Forbes had an affair with Mortimer 's wife while on the inspection tours . After Forbes returned from his inspection tours he began to sell hospital supplies at severely discounted prices . According to a Highbeam Business report , he sold nearly \$ 7 @, @ 000 @, @ 000 of much

needed hospital supplies for \$ 600 @, @ 000 , a fraction of their worth . Forbes was suspected of receiving kickbacks from contractors . When President Harding ordered Forbes to stop , Forbes insubordinately disobeyed and kept selling supplies .

On January 24 , 1923 Forbes awarded Hurley @-@ Mason Construction a sizable contract of \$ 1 @, @ 300 @, @ 000 to construct a new veterans ' hospital at American Lake , near Tacoma . Forbes had resigned his vice presidency at Hurley @-@ Mason Construction upon assuming his federal position under the Harding Administration . By January 1923 , rumor was spread by Forbes 's close friends that Forbes would resign from the Veterans ' Bureau on June 1 , 1923 . During the summer of 1922 on one of Forbes 's " joy rides " , Forbes had come back to Spokane and visited the F. Lewis Clark House while he was looking for a possible site for a veterans ' hospital at Hayden Lake , Idaho . Forbes was accompanied by Dr. Stanley Rhinehart . The F. Lewis Clark House was one of the most prestigious summer homes in the Pacific Northwest ; it had been offered to Forbes and the Veterans ' Bureau at a low cost . Colonel Forbes stayed there for several days . The Spokane division office of Hurley @-@ Mason Construction had been closed down .

= = = Resignation = = =

Forbes 's resignation , however , would come earlier than June 1 , 1923 as his friends had predicted . When President Harding was informed that Forbes had disobeyed a direct order to stop selling hospital supplies , Harding summoned him to the White House in January 1923 . Forbes pleaded with Harding to allow him to go to Europe to settle family matters . Harding allowed him to flee to Europe only on the condition he would resign from the Veterans ' Bureau . While in Europe , he voluntarily resigned from office on February 15 , 1923 . When Forbes took Elias H. Mortimer 's wife to Europe with him , Mortimer decided to testify against him in a Congressional investigation that started on March 2 , 1923 . Upon his return from Europe , Forbes visited President Harding at the White House . The six @-@ foot @-@ tall President grabbed Forbes by the throat and began violently shaking him " as a dog would a rat " . Forbes was saved from this attack when a guest who had an appointment with the President interrupted the altercation . President Harding was angered over Forbes ' duplicity in stopping the Perryville shipments . The Senate investigation revealed Forbes had left 200 @, @ 000 unopened pieces of mail from veterans at the Bureau . Belligerent before the Senate committee , Forbes renounced involvement in illegal activities . Mortimer provided damaging information that Forbes took a \$ 5 @, @ 000 payment in Chicago and got kickbacks for land deals and building contracts for veterans ' hospitals . Forbes was indicted and tried by jury in 1924 .

= = Family neglect and divorce = =

On October 4 , 1923 , Forbes and his wife , Katherine Forbes , were formally divorced at a Seattle court house . Katherine 's attorney , Eugene Mechem , stated that Forbes had overly neglected their home life while he was traveling on his Pacific Coast hospital inspection tours . Mrs. Forbes said that her husband 's cruel treatment caused her to be in poor health . The judge ordered that Forbes pay alimony : \$ 75 a month to Mrs. Forbes for two years and \$ 75 a month to their 10 @-@ year @-@ old daughter , Marcia , until she turned 18 . The Forbes ' divorce proceedings , which took place during the Congressional investigation into corruption at the Veterans ' Bureau , were held in secret from the public until the divorce was final .

= = Trial , conviction , and prison sentence = =

Forbes was prosecuted and convicted of conspiracy to defraud the U.S. Government , fined \$ 10 @, @ 000 , and sentenced to a prison term of two years . He was put in prison on March 21 , 1926 . He served one year , eight months and six days at the Leavenworth federal penitentiary . Forbes was prisoner number 25021 . On entering prison Forbes said , " I don 't suppose any prison is a pleasant place to go , but I shall try to make the best of it . " Forbes had appealed his trial , however

, the United States Circuit Court of Appeals in Chicago upheld his conviction .

= = Prison release = =

On November 26 , 1927 Forbes was released from Leavenworth Penitentiary . He stated after his release that he would make sure that Harding 's legacy would be exonerated . He said he would prove that Dr. Frederick Cook , his cellmate at Leavenworth , discovered the North Pole .

= = New York World article = =

After being released from prison , in an effort to exonerate President Harding , Forbes wrote an article for the New York World , published December 4 , 1927 , that alleged Harding was " duped " by his appointees and cabinet known as the Ohio Gang . He claimed to have found Jess Smith picking up \$ 70 @, @ 000 in \$ 1 @, @ 000 bills scattered on a Justice Department office floor . Smith was an aide to President Harding 's U.S. Attorney General Harry Daugherty . While he helped Smith pick up the money from the floor , Smith told him the money was Daugherty 's . Forbes said that the ability to buy narcotics was rampant at Atlanta and Leavenworth federal prisons while Daugherty was attorney general . Forbes stated that Harding 's personal physician , Charles E. Sawyer , was a " pernicious meddler " . Forbes made a blanket statement that President Harding had not profited in any way from the scandals during the Harding Administration . Forbes claimed that President Harding was " excessively loyal " with his friends , to a fault . At a poker game in the White House , Forbes said that Harding would remove a \$ 1 @, @ 000 fine imposed on prize fighter Jack Johnson who had been released from Leavenworth Penitentiary in 1921 .

On December 16 , 1927 , after the publication of his New York World article , Forbes testified before a grand jury in Kansas City that concerned his statement in the article that alleged narcotics was easily obtained at USP Leavenworth . Forbes had also stated in the article that Leavenworth warden , E.B. White , was understaffed and that in turn allowed the purchase of narcotics to be readily available in the prison . After Forbes ' lengthy several @-@ hour testimony before the grand jury , he said he was sworn to secrecy and would not make a statement to the press .

= = Illness and Death = =

In October 1949 , Forbes underwent a major operation . He died at the Walter Reed Hospital in Washington D.C. at the age of 74 on April 10 , 1952 , after a long illness . He was interred at Arlington National Cemetery . He was survived by his wife , Katherine T. Forbes , and one daughter , Marcia Forbes , who had married Fred Barry of Hatboro , Pennsylvania . The Forbes corruption at the Veterans ' Bureau was one of the many scandals involving the Harding administration and the Ohio Gang .

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