

= Ulysses S. Grant presidential administration scandals =

An examination of the Presidency of Ulysses S. Grant reveals many scandals and fraudulent activities associated with his administration , and a cabinet that was in continual transition , divided by the forces of political corruption and reform . President Grant , ever trusting of associates , himself was influenced by both forces . The standards in many of Grant 's appointments were low , and charges of corruption were widespread . Starting with the Black Friday (1869) gold speculation ring , corruption would be discovered during Grant 's two presidential terms in seven federal departments , including the Navy , Justice , War , Treasury , Interior , State , and the Post Office . Reform movements initiated in both the Democratic Party and the Liberal Republicans , a faction that split from Republican Party to oppose political patronage and corruption in the Grant Administration . Nepotism was prevalent , with over 40 family members benefitting from government appointments and employment . The prevalent corruption in the Grant Administration was eventually called Grantism . Certain historians believe that charges of corruption were exaggerated by reformers , since Grant was the first president to initiate civil service reform , and several of Grant 's cabinet members made solid advances towards ending abuses that occurred in previous administrations .

The unprecedented way that Grant ran his cabinet , in a military style rather than civilian , contributed to the scandals . For example , in 1869 , Grant 's private secretary Orville E. Babcock , rather than a State Department official , was sent to negotiate a treaty annexation with Santo Domingo . Grant never even consulted with cabinet members on the treaty annexation ; in effect , the annexation proposal was already decided . A perplexed Secretary of Interior Jacob D. Cox reflected the cabinet 's disappointment over not being consulted : " But Mr. President , has it been settled , then , that we want to Annex Santo Domingo ? "

Another instance of Grant 's military @-@ style command arose over the McGarrah Claims , a legal dispute over mining patents in California , when Grant overrode the official opinion of Attorney General Ebenezer R. Hoar . Both Cox and Hoar , who were reformers , eventually resigned from the cabinet in 1870 .

Grant 's reactions to the scandals ranged from prosecuting the perpetrators to protecting or pardoning those who were accused and convicted of the crimes . For example , when the Whiskey Ring scandal broke out in 1875 , Grant , in a reforming mood , wrote : " Let no guilty man escape " . However , when it was found out that his personal secretary Orville E. Babcock was indicted , Grant testified on behalf of the defendant . During his second term Grant appointed reformers such as Benjamin Bristow , Edwards Pierrepont , and Zachariah Chandler who cleaned their respected departments of corruption . Grant dismissed Orville Babcock from the White House in 1876 , who was linked to several corruption charges and scandals .

= = Grant 's temperament and character = =

Grant was personally honest with money matters . However , he was extremely careless with his associates . Historian C. Vann Woodward stated that Grant had neither the training nor temperament to fully comprehend the complexities of rapid economic growth , industrialization , and western expansionism . Grant himself had been educated and trained at West Point in subjects as conduct , French , mathematics , artillery , cavalry tactics , and infantry . He had come from a humble background where men of superior intelligence and ability were threats rather than assets . Instead of responding with trust and warmth to men of talent , education , and culture , he turned to his military friends from the Civil War and to politicians as new as himself . A majority of Grant 's cabinet had studied at or graduated from various colleges and universities , including Harvard , Princeton , and Yale . Grant 's son , Grant Jr . , stated that Ulysses S. Grant was " incapable of supposing his friends to be dishonest . " President Grant 's Attorney General George H. Williams stated that Grant 's " trusting heart was the weakness of his character " . Williams stated that Grant was slow to make friends , however , once friendships were made " they took hold with hooks of steel . "

Many of Grant 's associates were able to capture his confidence through flattery and brought their intrigues openly to his attention . One of these men , Orville E. Babcock , was a subtle and unscrupulous enemy of reformers , having served as Grant 's personal secretary for seven years while living in the White House . Babcock , twice indicted , gained indirect control of whole departments of the government , planted suspicions of reformers in Grant 's mind , plotted their downfall , and sought to replace them with men like himself . Grant allowed Babcock to be a stumbling block for reformers who might have saved the President from scandal . Grant 's secretary of state , Hamilton Fish , who was often at odds with Babcock , made efforts to save Grant 's reputation by advocating that reformers be appointed to or kept in public office . Grant also unwisely accepted gifts from wealthy donors that cast doubts on his reputability .

= = Scandals and corruption = =

The following are scandals or instances of federal corruption associated with the Ulysses S. Grant presidential administration from 1869 to 1877 . Particularly noteworthy are Black Friday and the Whiskey Ring . The Crédit Mobilier is not included as a Grant scandal since the company was founded during the President Abraham Lincoln administration . The fraudulent Emma Silver Mine swindle that involved Ambassador to Britain Robert C. Schenck was a Grant administration embarrassment and is not included as a scandal . An analysis of the scandals and frauds reveals that a majority had to do with illicit financial gain ; the Safe Burglary Conspiracy , however , involved breaking and entering , property damage , and framing an innocent citizen . Two scandals involved women : Black Friday and the Trading Post Ring . Orville E. Babcock , who was indicted in the Whiskey Ring , insinuated that the coded entry " Sylph " signed on communication letters referred to a woman intimately involved with the President . That allegation was never proven and there was nothing to suggest that a presidential affair took place . Babcock invented the story to frustrate the prosecution . Although Grant was never proven to be directly involved with or to have personally profited from the scandals or frauds , his acceptance of personal gifts and his associations with men of questionable character severely damaged his own presidential legacy and reputation . Most of these scandals began during the eight years of prosperity after the Civil War , while many prominent scandals were exposed after the U.S. economy crashed after the Panic of 1873 .

= = = Black Friday Gold Panic 1869 = = =

The first scandal to taint the Grant administration in 1869 was Black Friday , also known as the Gold Panic , which was an attempt by two aggressive financiers to corner the price of gold without regard to the nation 's economic welfare . The intricate financial scheme was primarily conceived and administered by Wall Street manipulators Jay Gould and his partner James Fisk . Their plan was to convince President Grant not to sell Treasury gold , in order to increase the sales of agriculture products overseas and increase the shipping business of Gould 's Erie Railroad . Gould and Fisk were able to get Grant 's brother in law Abel Rathbone Corbin involved with the scheme as a way to get access to Grant himself . Gould had also given a \$ 10 @, @ 000 bribe to the assistant secretary of the treasury , Daniel Butterfield , in exchange for inside information . On June 5 , 1869 while Grant was traveling from New York to Boston , on The Providence , a ship owned by both Gould and Fisk , the two speculators urged Grant not to sell any gold from the Treasury and attempted to convince Grant that a high price of gold helped farmers and the Erie Railroad . President Grant , however , was stoic , and did not agree to Fisk and Gould 's suggestion to stop releasing Treasury Gold into the market . Grant 's Secretary of Treasury , George S. Boutwell , continued to sell Treasury gold on the open market . In late August 1869 President Grant consulted with businessman , A. T. Stewart , Grant 's initial Cabinet nominee , for Secretary of Treasury , concerning the Treasury selling gold . Stewart advised Grant that the Treasury should not sell gold in order that the Government would not be involved in the Gold market . Grant , accepted Stewart 's advise , and wrote to Boutwell that selling extra Treasury gold would upset agriculture sales . Boutwell on September 1 , had originally ordered \$ 9 @, @ 000 @, @ 000 in gold to be sold from the

Treasury in order to buy up U.S. Bonds with greenbacks . However , after receiving a letter from Grant , Boutwell cancelled the order to sell gold . Previously Secretary Boutwell had been selling gold regularly at \$ 1 @, @ 000 @, @ 000 of gold each week . On September 6 , 1869 , Gould had bought the Tenth National Bank that was used as a buying house for gold , and Gould and Fisk began buying gold in earnest . As the price of gold began to rise , Grant became suspicious of gold manipulation and wrote a letter to Secretary Boutwell on September 12 , " The fact is , a desperate struggle is now taking place ... I write this letter to advise you of what I think you may expect , to put you on your guard . " However , President Grant 's personal associations with Gould and Fisk gave them the clout needed to continue their financial scam on Wall Street .

Sometime around September 19 , 1869 , Corbin had sent a letter to Grant , at the urging of Gould , desperately urging Grant not to release gold from the treasury . Grant received the letter from a messenger while playing croquet with Porter at a deluxe Pennsylvania retreat . Grant finally realized what was going on and he was determined to stop the gold manipulation scheme . When pressed for a reply to Corbin 's letter , Grant responded curtly that everything was " all right " and that there was no reply . One Grant biographer described the comical nature of the events as an Edwardian farce . Grant , however , did have his wife Julia respond in a letter to Corbin 's wife that Abel Corbin needed to get out of the gold speculation market . When Gould visited Corbin 's house , he read Julia 's letter with the warning from Grant . After reading the letter , Gould started to sell gold , buying a bit of gold at the same time to keep people from getting suspicious . Gould never told Fisk , who kept buying gold in earnest , that Grant was catching onto their predatory scheme .

Secretary Boutwell was already keeping track of the situation and knew that the profits made in the manipulated rising gold market could ruin the nation 's economy for several years . By September 21 the price of gold had jumped from \$ 37 to \$ 141 , and Gould and Fisk jointly owned \$ 50 million to \$ 60 million in gold . Boutwell and Grant finally met on Thursday , September 23 , and agreed to release gold from the treasury if the gold price kept rising . Grant wanted \$ 5 @, @ 000 @, @ 000 in gold to be released while Boutwell wanted \$ 3 @, @ 000 @, @ 000 released . Then , on (Black) Friday , September 23 , 1869 , when the price of gold had soared to \$ 160 an ounce , Boutwell released \$ 4 million in gold specie into the market and bought \$ 4 @, @ 000 @, @ 000 in bonds . Boutwell had also ordered that the Tenth National Bank be closed on the same day . The gold market crashed and Gould and Fisk were foiled , while many investors were financially ruined .

The gold panic devastated the United States economy for months . Stock prices plunged and the price of food crops such as wheat and corn dropped severely , devastating farmers who did not recover for years afterward . Gould had earlier claimed to Grant that raising the price of gold would actually help farmers . Also Fisk refused to pay off many of his investors who had bought gold on paper . The volume of stocks being sold on Wall Street decreased by 20 % . Fisk and Gould , who could afford to hire the best lawyers , were never held accountable for their profiteering , as favorable judges declined to prosecute . Gould remained a powerful force on Wall Street for the next 20 years . Fisk , who practiced a licentious lifestyle , was killed by a jealous rival on January 6 , 1872 . Butterfield later resigned .

In an 1869 Congressional investigation into the gold panic , Democrats on the House investigation committee questioned why Julia Grant had received a package from the Adams Express Company containing money reported to be \$ 25 @, @ 000 . Another source claims that the package was just \$ 25 @. @ 00 , but nonetheless , it was highly unusual for a First Lady to receive cash in the mail . Corbin had bought gold at 33 margin and sold at 37 , leaving Julia a profit of \$ 27 @, @ 000 . Neither Mrs. Grant nor Mrs. Corbin testified in front of the investigation committee . In 1876 Secretary of State Hamilton Fish revealed to Grant in that Orville E. Babcock , another private secretary to the President , had also been involved in gold speculations in 1869 .

= = = New York custom house ring = = =

In 1871 , the New York Custom House collected more revenue from imports than any other port in the United States . By 1872 , two congressional investigations and one by the Treasury Office under Secretary George S. Boutwell looked into allegations of a corruption ring set up at the New York

Custom House under two Grant collector appointments , Moses H. Grinnell and Thomas Murphy . Both Grinnell and Murphy allowed private merchants to store goods not claimed on the docks in private warehouses for exorbitant fees . Grant 's secretaries Horace Porter and Orville E. Babcock and Grant 's friend George K. Leet , owner of a private warehouse , allegedly shared in these profits . Secretary Boutwell advocated a reform to keep imports on company dock areas rather than being stored at designated warehouses in New York . Grant 's third collector appointment , Chester A. Arthur , implemented Boutwell 's reform . On May 25 , 1870 , Boutwell had implemented reforms that reduced public cartage and government costs , stopped officer gratuities , and decreased port smuggling , but on July 2 , 1872 , U.S. Senator Carl Schurz insinuated in a speech that no reforms had been undertaken and that the old abuses at the custom house continued . The New York Times claimed that Schurz 's speech was " carefully prepared " and " more or less disfigured and discolored by error . " The second thorough congressional investigation concluded that abuses either did not exist , had been corrected , or were in the process of being corrected .

= = = Star route postal ring = = =

In the early 1870s , lucrative postal route contracts were given to local contractors on the Pacific coast and southern regions of the United States . These were known as Star Routes because an asterisk was placed on official Post Office documents . These remote routes were hundreds of miles long and went to the most rural parts of the United States by horse and buggy . Previously inaccessible areas on the Pacific coast received weekly , semi @-@ weekly , and daily mail because of these routes . However , corruption ensued , with contractors paid exorbitant fees for fictitious routes and for providing low quality postal service to the rural areas . One contractor , F.P. Sawyer , made \$ 500 @,@ 000 a year on routes in the Southwest .

To obtain these highly prized postal contracts , contractors , postal clerks , and various intermediary brokers set up an intricate ring of bribery and straw bidding in the Postal Contract Office . Straw bidding reached a peak under Postmaster General John Creswell , who was exonerated by an 1872 congressional investigation that was later revealed to have been tainted by a \$ 40 @,@ 000 bribe from western postal contractor Bradley Barlow . An 1876 Democratic investigation was able to temporarily shut down the ring , but it reconstituted itself and continued until a federal trial in 1882 finally ended the Star Route frauds .

= = = Salary grab = = =

On March 3 , 1873 , President Grant signed a law that increased the president 's salary from \$ 25 @,@ 000 a year to \$ 50 @,@ 000 a year . The law raised salaries of members of both houses of the United States Congress from \$ 5 @,@ 000 to \$ 7 @,@ 500 . Although pay increases were constitutional , the act was passed in secret with a clause that gave the congressmen \$ 5 @,@ 000 in bonus payouts for the previous two years of their terms . The Sun and other newspapers exposed the \$ 5 @,@ 000 bonus clause to the nation . The law was repealed in January 1874 and the bonuses returned to the treasury . This pay raise proposal was submitted as an amendment to the government 's general appropriations bill . Had Grant vetoed the bill , the government would not have any money to operate for the following fiscal year , which would have necessitated a special session of Congress . However , Grant missed an opportunity to make a statement by threatening a veto .

= = = Sanborn contracts and reform = = =

In 1874 , Grant 's cabinet reached its lowest ebb in terms of public trust and qualified appointments . After the presidential election of 1872 , Grant reappointed all of his cabinet with a single exception . Charges of corruption were rife , particularly from The Nation , a reliable journal that was going after many of Grant 's cabinet members . Treasury Secretary George S. Boutwell had been elected to the U.S. Senate in the 1872 election and was replaced by Assistant Treasury Secretary William A.

Richardson in 1873 . Richardson 's tenure as Treasury Secretary was very brief , as another scandal erupted . The government had been known to hire private citizens and groups to collect taxes for the Internal Revenue Service . This moiety contract system , although legal , led to abuse in the loosely run Treasury Department under Sec . Richardson . John D. Sanborn was contracted by Sec . Richardson to collect certain taxes and excises that had been illegally withheld from the government ; having received an exorbitant moiety of 50 % on all tax collections . Treasury officials pressured Internal Revenue agents not to collect delinquent accounts so Sanborn could accumulate more . Although the collections were legal , Sanborn reaped \$ 213 @, @ 000 in commissions on \$ 420 @, @ 000 taken in taxes . A House investigation committee in 1874 revealed that Sanborn had split \$ 156 @, @ 000 of this with unnamed associates as " expenses . " Although Richardson and Senator Benjamin Butler were suspected to have taken a share of the profit money , there was no paper trail to prove such transactions , and Sanborn refused to reveal with whom he split the profits . While the House committee was investigating , Grant quietly appointed Richardson to the Court of Claims and replaced him with the avowed reformer Benjamin H. Bristow . On June 22 , 1874 President Grant , in an effort of reform , signed a bill into law that abolished the moiety contract system .

= = = Delano affair = = =

In 1875 , the U.S. Department of the Interior was in serious disrepair due to corruption and incompetence . Interior Secretary Columbus Delano , discovered to have taken bribes for fraudulent land grants , was forced to resign from office on October 15 , 1875 . Delano had also given lucrative cartographical contracts to his son John Delano and Ulysses S. Grant 's own brother , Orvil Grant . Neither John Delano nor Orvil Grant performed any work , nor were they qualified to hold such surveying positions .

On October 19 , 1875 , Grant made another reforming cabinet choice when he appointed Zachariah Chandler as Secretary of the Interior . Chandler immediately went to work reforming the Interior Department by dismissing all the important clerks in the Patent Office . Chandler had discovered that during Delano 's tenure , money had been paid to fictitious clerks while other clerks had been paid without performing any services . Chandler next turned to the Department of Indian Affairs to reform another Delano debacle . President Grant ordered Chandler to fire everyone , saying , " Have those men dismissed by 3 o 'clock this afternoon or shut down the bureau . " Chandler did exactly as Grant had ordered . Chandler also banned bogus agents , known as " Indian Attorneys , " who had been paid \$ 8 @. @ 00 a day plus expenses for , ostensibly , providing tribes with representation in the nation 's capital . Many of these agents were unqualified and swindled the Native American tribes into believing they had a voice in Washington .

= = = Pratt & Boyd = = =

Attorney General George H. Williams administered the United States Department of Justice with slackness . There were rumors that Williams was taking bribes in exchange for declining to prosecute pending trial cases . In 1875 , Williams was supposed to prosecute the merchant house Pratt & Boyd for fraudulent customhouse entries . The Senate Judiciary Committee had found that Williams had dropped the case after his wife had received a \$ 30 @, @ 000 payoff . When informed of this , Grant forced Williams 's resignation . Williams had also indiscreetly used Justice Department funds to pay for carriage and household expenses .

= = = Whiskey Ring = = =

The worst and most famous scandal to hit the Grant administration was the Whiskey Ring of 1875 , exposed by Treasury Secretary Benjamin H. Bristow and journalist Myron Colony . Whiskey distillers had been evading taxes in the Midwest since the Lincoln Administration . Distillers of whiskey bribed Treasury Department agents who in turn aided the distillers in evading taxes to the tune of up to \$ 2

million per year . The agents would neglect to collect the required excise tax of 70 cents per gallon , and then split the illegal gains with the distillers . The ringleaders had to coordinate distillers , rectifiers , gaugers , storekeepers , revenue agents , and Treasury clerks by recruitment , impressment , and extortion .

On January 26 , 1875 , Bristow ordered Internal Revenue officers in various sites to different locations , effective February 15 , 1875 , on a suggestion from Grant . This would keep the fraudulent officers off guard and allow investigators to uncover their misdeeds . Grant later rescinded the order on the grounds that advance notice would cause the ringleaders to cover their tracks and become suspicious . Rescinding Secretary Bristow 's order would later give rise to a rumor that Grant was interfering with the investigation . Although moving the supervisors most certainly would have disrupted the ring , Bristow conceded that he would need documentary evidence on the ring 's inner workings to prosecute the perpetrators . Bristow , undaunted , kept investigating , and found the ring 's secrets by sending Myron Colony and other spies to gather whiskey shipping and manufacturing information .

On May 13 , 1875 , with Grant 's endorsement , Bristow struck hard at the ring , seized the distilleries , and made hundreds of arrests . The Whiskey Ring was broken . Bristow , with the cooperation of Attorney General Edwards Pierrepont and Treasury Solicitor Bluford Wilson , launched proceedings to bring many members of the ring to trial . Bristow had obtained information that the Whiskey Ring operated in Missouri , Illinois , and Wisconsin . Missouri Revenue Agent John A. Joyce and two of Grant 's appointees , Supervisor of Internal Revenue General John McDonald and Orville E. Babcock , the private secretary to the President , would eventually be indicted in the Whiskey Ring trials . Grant 's other private secretary Horace Porter was also involved in the Whiskey Ring according to Solicitor General Bluford Wilson .

= = = Special prosecutors appointed = = =

Grant then appointed a special prosecutor , former senator John B. Henderson , to go after the ring . Henderson , while in the Senate , had been the administration 's worst critic , and Grant appointed him to maintain integrity in the Whiskey Ring investigation . Henderson convened a grand jury , which found that Babcock was one of the ringleaders . Grant received a letter to this effect , on which he wrote , " Let no guilty man escape . " It was discovered that Babcock sent coded letters to McDonald on how to run the ring in St. Louis . During the investigation McDonald claimed he gave Babcock \$ 25 @, @ 000 from the divided profits and even personally sent him a \$ 1 @, @ 000 bill in a cigar box .

After Babcock 's indictment , Grant requested that Babcock go through a military trial rather than a public trial , but the grand jury denied his request . In a reversal of his " let no guilty man escape , " order to Sec . Bristow , Grant unexpectedly issued an order not to give any more immunity to persons involved in the Whiskey Ring , leading to speculation that he was trying to protect Babcock . Although this reversal had the appearance of not letting the guilty get away , the prosecutor 's trial cases were made more difficult to prove in court . The order caused strife between Sec . Bristow and Grant , since Bristow needed distillers to testify with immunity in order to pursue the ringleaders . Prosecutor Henderson , himself , while going after members of the ring in court accused Grant of interfering with Secretary Bristow 's investigation .

The accusation angered Grant , who fired Henderson as special prosecutor . Grant then replaced Henderson with James Broadhead . Broadhead , though a capable attorney , had little time to get acquainted with the facts of Babcock 's case and those of other Whiskey Ring members . At the trial a deposition was read from President Grant stating that he had no knowledge that Babcock was involved in the ring . The jury listened to the president 's words and quickly acquitted Babcock of any charges . Broadhead went on to close out all the other cases in the Whiskey Ring . McDonald and Joyce were convicted in the graft trials and sent to prison . On January 26 , 1877 , President Grant pardoned McDonald .

= = = President Grant 's deposition = = =

The Whiskey Ring scandal even came to the steps of the White House . There were rumors that Grant himself was involved with the ring and was diverting its profits to his 1872 re @-@ election campaign . Grant needed to clear his own name as well as Babcock 's . Earlier , Grant had refused to believe Babcock was guilty even when Bristow and Wilson personally presented him with damaging evidence , such as two telegrams signed " Sylph " ; Babcock suggested that the signature was that of a woman giving the president " a great deal of trouble " , hoping that Wilson would back off for fear of igniting a presidential sex scandal , but Wilson was not bluffed .

On the advice of Secretary of State Hamilton Fish , the President did not testify in open court but instead gave a deposition in front of a congressional legal representative at the White House . Grant was the first and , to date , only president ever to testify for a defendant . The historic testimony came on Saturday , February 12 , 1876 . Chief Justice Morrison R. Waite , a Grant appointment to the U.S. Supreme Court , presided over the deposition . The following are excerpts from President Grant 's deposition .

Eaton : " Have you ever seen anything in the conduct of General Babcock , or has he ever said anything to you , which indicated to your mind that he was in any way interested in or concerned with the Whiskey Ring at St. Louis or elsewhere ? "

President Grant : " Never . "

Eaton : " Did General Babcock on or about April 23 , 1875 , show you a dispatch in these words : " St. Louis , April 23 , 1875 . Gen. O.E. Babcock , Executive Mansion , Washington , D.C. Tell Mack to see Parker of Colorado ; & telegram to Commissioner . Crush out St. Louis enemies . "

Cook : " Objection . " Made for the record .

President Grant : " I did not remember about these dispatches at all until since the conspiracy trials have commenced . I have heard General Babcock 's explanation of most or all of them since that . Many of the dispatches may have been shown to me at the time , and explained , but I do not remember it . "

Eaton : " Perhaps you are aware , General , that the Whiskey Ring have persistently tried to fix the origins of that ring in the necessity for funds to carry on political campaigns . Did you ever have intimation from General Babcock , or anyone else in any manner , directly or indirectly , that any funds for political purposes were being raised by any improper methods ? "

Cook : " Objection . " Made for the record .

President Grant : " I never did . I have seen since these trials intimations of that sort in the newspapers , but never before . "

Eaton : " Then let me ask you if the prosecuting officers have not been entirely correct in repelling all insinuations that you ever had tolerated any such means for raising funds . "

Cook : " Objection . " Made for the record .

President Grant : " I was not aware that they had ever attempted to repel any insinuations . "

On February 17 , 1876 , U.S. Circuit Justice John F. Dillon , another Grant appointment , overruled Cook 's objections , declaring the questions admissible in court . Grant , who was known for a photographic memory , had many uncharacteristic lapses when it came to remembering incidents involving Babcock . The deposition strategy worked and the Whiskey Ring prosecution never went after Grant again . During Babcock 's trial in St. Louis the deposition was read to the jury . Babcock was acquitted at trial . After the trial , Grant distanced himself from Babcock . After the acquittal , Babcock initially returned to his position as Grant 's private secretary outside the Oval Office . At public outcry and the objection of Hamilton Fish , Babcock was dismissed as private secretary and focused on another position that he had been given by Grant in 1871 : superintending engineer of public buildings and grounds .

Grant 's Pulitzer Prize winning biographer , William S. McFeely , stated that Grant knew Babcock was guilty and perjured himself in the deposition . According to McFeely the " evidence was irrefutable " against Babcock , and Grant knew this . McFeely also points out that John McDonald also stated that Grant knew that the Whiskey Ring existed and perjured himself to save Babcock . Grant historian Jean Edward Smith counters that evidence against Babcock was " circumstantial " and the St. Louis jury acquitted Babcock " in the absence of adequate proof . " Many of Grant 's

friends who knew him claimed that the President was " a truthful man " and it was " impossible for him to lie . " Grant 's popularity , however , decreased significantly in the country as a result of his testimony and after Babcock was acquitted in the trial . Grant 's political enemies used this deposition as a launchpad to public office . The New York Tribune stated that the Whiskey Ring scandal " had been met at the entrance of the White House and turned back . " However , the national unpopularity of Grant 's testimony on behalf of his friend Babcock ruined any chances for a third term nomination .

= = = Bristow 's investigation results = = =

When Secretary Benjamin Bristow struck suddenly at the Whiskey Ring in May 1875 , many people were arrested and the distilleries involved in the scandal were shut down . Bristow 's investigation resulted in 350 federal indictments . There were 110 convictions , and three million dollars in tax revenues were recovered from the ring .

= = = Trading post ring = = =

Grant had no time to recover after the Whiskey Ring graft trials ended , for another scandal erupted involving War Secretary William W. Belknap . A Democratic House investigation committee revealed that Belknap had taken extortion money in exchange for an appointment to a lucrative Native American trading post . In 1870 , responding to extensive lobbying by Belknap , Congress had authorized the War Department to award private trading post contracts to military forts throughout the nation . Native Americans would come into the forts and trade for food and clothing , generating huge profits (at the natives ' expense) . Belknap 's wife Carrie , who desired to profit from these wealthy contracts , managed to secure a private trading post at Fort Sill for a personal friend from New York , Caleb P. Marsh .

An extortion arrangement was set up among Carrie Belknap , Caleb P. Marsh , and incumbent contract holder John S. Evans , in which Carrie Belknap and Marsh would receive \$ 3 @, @ 000 every quarter , splitting the proceeds , while Evans would be able to retain his post at Fort Sill . Carrie Belknap died within the year , but William Belknap and his second wife continued to accept payments , though they were smaller due to a dip in Fort Sill 's profits . By 1876 Belknap had received \$ 20 @, @ 000 from the illicit arrangement . On February 29 , 1876 , Marsh testified in front of a House investigation committee headed by Representatives Lyman K. Bass and Hiester Clymer . During the testimony Marsh testified that Belknap and both his wives had accepted money in exchange for the lucrative trading post at Fort Sill . The scandal was particularly upsetting , in this Victorian age , since it involved women . Lieut . Col. George A. Custer later testified to the Clymer committee on March 29 and April 4 that Sec . Belknap had received kick back money from the profiteering scheme of post traders through the resale of food meant for Indians .

On March 2 , 1876 , Grant was informed by Benjamin Bristow at breakfast of the House investigation against Secretary Belknap . After hearing about Belknap 's predicament , Grant arranged a meeting with Representative Bass about the investigation . However , Belknap , escorted by Interior Secretary Zachariah Chandler , rushed to the White House and met with Grant before his meeting with Representative Bass . Belknap appeared visibly upset or ill , mumbling something about protecting his wives ' honor and beseeching Grant to accept his resignation " at once . " Grant , in a hurry to get to a photography studio for a formal portrait , regretfully agreed and accepted Belknap 's resignation without reservation .

Grant historian Josiah Bunting III noted that Grant was never put on his guard when Secretary Belknap came to the White House in a disturbed manner or even asked why Belknap wanted to resign in the first place . Bunting argues that Grant should have pressed Belknap into an explanation for the abrupt resignation request . Grant 's acceptance of the resignation indirectly allowed Belknap , after he was impeached by the House of Representatives for his actions , to escape conviction , since he was no longer a government official . Belknap was acquitted by the Senate , escaping with less than the two @-@ thirds majority vote needed for conviction . Even though the Senate voted

that it could put private citizens on trial , many senators were reluctant to convict Belknap since he was no longer Secretary of War . It has been suggested that Grant accepted the resignation in a Victorian impulse to protect the women involved .

= = = Cattellism = = =

Congress allotted Secretary George M. Robeson 's Department of the Navy \$ 56 million for construction programs . In 1876 , a congressional committee headed by Representative Washington C. Whitthorne discovered that \$ 15 million of that sum was unaccounted for . The committee suspected that Robeson , who was responsible for naval spending , embezzled some of the missing money and laundered it in real estate transactions . This allegation remained unproven by the committee .

The main charge against Robeson was taking financial favors from Alexander Cattell & Co . , a grain contractor , in exchange for giving the company profitable contracts from the Navy . An 1876 Naval Affairs committee investigation found Robeson to have received such gifts as a team of horses , Washington real estate , and a \$ 320 @, @ 000 vacation cottage in Long Branch , New Jersey , from Alexander Cattell & Company . The same company also paid off a \$ 10 @, @ 000 note that Robeson owed to Jay Cooke and offered itself as an influence broker for other companies doing business with the Navy , thus turning away any competitive bidding for naval contracts . Robeson was also found to have \$ 300 @, @ 000 in excess to his yearly salary of \$ 8000 . The House Investigation committee had searched the disorganized books of Cattell , but found no evidence of payments to Robeson . Without enough evidence for impeachment , the House ended the investigation by admonishing Robeson for gross misconduct and claimed that he had set up a system of corruption known as Cattellism .

In a previous investigation that Charles Dana headed in 1872 , Robeson had been suspected of awarding a \$ 93 @, @ 000 bonus to a building contractor in a " somewhat dangerous stretch of official authority " known as the Secor claims . A competent authority claimed that the contractor had already been paid in full and there was no need for further reward . Robeson was also charged with awarding contracts to ship builder John Roach without public bidding . The latter charge proved to be unfounded . The close friendship with Daniel Ammen , Grant 's longtime friend growing up in Georgetown , Ohio , helped Robeson keep his cabinet position .

On March 18 , 1876 , Admiral David D. Porter wrote a letter to William T. Sherman , " ... Our cuttle fish [Robeson] of the navy although he may conceal his tracks for a while in the obscure atmosphere which surrounds him , will eventually be brought to bay " Robeson later testified in front of a House Naval Committee on January 16 , 1879 , about giving contracts to private companies . Robeson was asked about the use of old material to build ironclads and whether he had the authority to dispose of the Puritan , an outdated ironclad . Although Robeson served ably during the Virginius Affair and did authorize the construction of five new Navy ships , his financial integrity remained in question and was suspect during the Grant administration . To be fair , Congress gave Robeson limited funding to build ships and as Secretary was constantly finding ways to cut budgets .

= = = Safe burglary conspiracy = = =

In September 1876 , Orville E. Babcock was involved in another scandal . Corrupt building contractors in Washington , D.C. , were on trial for graft when bogus Secret Service agents working for the contractors placed damaging evidence into the safe of the district attorney who was prosecuting the ring . On the night of April 23 , 1874 , hired thieves opened the safe , using an explosive to make it appear that the safe had been broken into . One of the thieves then took the fake evidence to the house of Columbus Alexander , a citizen who was active in prosecuting the ring . The corrupt agents " arrested " the " thieves " who then committed perjury by signing a document falsely stating Alexander was involved in the safe burglary .

The conspiracy came apart when two of the thieves turned state evidence and Alexander was

exonerated in court . Babcock was named as part of the conspiracy , but later acquitted in the trial against the burglars ; evidence suggests that the jury had been tampered with . Evidence also suggests that Babcock was involved with the swindles by the corrupt Washington contractors ' ring and with those who wanted to get back at Columbus Alexander , an avid reformer and critic of the Grant Administration . In 1876 Grant dismissed Babcock from the White House under public pressure due to Babcock 's unpopularity . Babcock continued on in government and became Chief Light House Inspector . In 1883 , Babcock drowned at sea at the age of 48 while supervising the building of Mosquito Inlet Light station .

= = Scandal summary table = =

= = Nepotism = =

Grant was accused by Senator Charles Sumner in 1872 of practicing nepotism while President . Sumner 's accusation was not an exaggeration . Grant 's cousin Silas A. Hudson was appointed minister to Guatemala . His brother @-@ in @-@ law Reverend M.J. Cramer was appointed as consul at Leipzig . His brother @-@ in @-@ law James F. Casey was given the position of Collector of Customs in New Orleans , Louisiana where he made money by stealing fees . Frederick Dent , another brother @-@ in @-@ law was the White House usher and made money giving out insider information . In all , it is estimated that 40 relatives somehow financially prospered indirectly while Grant was President .

= = Liberal Republican @-@ Democratic reform = =

= = = Liberal Republican = = =

The Liberal Republican movement initially began out of dissatisfaction with the centralized federal government controlled by the Radicals , a faction of the Republican Party who favored African American civil rights , a patronage system , high tariffs , and disenfranchising former confederates . It was the Radicals who sponsored the Presidency of Ulysses S. Grant . Senator Schurz , did not favor federal military intervention in Southern affairs or protecting blacks , and he was against miscegenation . In 1870 , Senator Carl Schurz and B. Gratz Brown , Governor of Missouri , broke away from the Radicals and officially founded the Liberal Republican Party . The founders argued that dependent citizens , corruption , and centralized power endangered people 's liberty . The party advocated confederate amnesty , civil service reform , and free trade . As the party grew nationally prominent persons joined including Charles Francis Adams , Jr . , Senator Charles Sumner , and editor of the Missouri Democrat , William M. Grosvenor . Grant , who was persuaded that the Liberal Republicans were bolting from the Republican Party , used the patronage system to purge them out of office in Missouri .

In 1872 , the Republican party split completely in half with Horace Greeley nominated by the Liberal Republicans and Ulysses S. Grant again nominated by the more conservative Radicals . A few prominent Democratic Party leaders supported the Liberal Republican cause in Missouri . The result being that the Democratic Party endorsed the reformer and Liberal Republican presidential candidate Horace Greeley . Grant , though , remained very popular in the nation and won the national election of 1872 by a landslide . However , as more scandals broke out the Liberal Republicans became a party of reform who , along with the Democrats , wanted to purge the government from corruption . The wave of reform was beginning in 1875 with the Democrats controlling the House of Representatives . Eventually , Grant put reformers on his cabinet as House investigations in 1875 were beginning to expose the Whiskey Ring depleting tax revenues in the United States Treasury Department . Newspapers exposed bogus agents in Interior Department in 1875 . Navy Department corruption was exposed in 1876 . These Grant reformers included

Benjamin Bristow as Secretary of Treasury (1874) , Edwards Pierrepont as Attorney General (1875) , and Zachariah Chandler as Secretary of the Interior (1875) . No reformer was appointed to the Navy Department , however .

The Liberal Republican movement lasted from 1870 to 1875 and at times it is difficult to distinguish between party members , both Democrat and Republican , who adopted all or parts of the Liberal Republican reform agenda . President Ulysses S. Grant signed the Amnesty Act of 1872 , a Liberal Republican platform , that gave amnesty to former Confederates . Another instance occurred when the Democratic Party reluctantly and chaotically melded with the Liberal Republican Party in the presidential election of 1872 , in support of the reformer , Horace Greeley . The height of the Liberal Republican era in the U.S. Congress was from the periods of 1873 to 1875 with 7 Liberal Republicans in the Senate and 4 Liberal Republicans in the House of Representatives .

= = = Democratic Party = = =

The Democratic Party reform movement in Congress , although initially a minority after the American Civil War , began during their investigation into the Grant Administration following the Black Friday gold speculation scandal in 1869 . The Democratic reform movement sought to expose the corruption in the Grant Administration and to do this needed a majority in the House of Representatives . Following the inability of the Grant Administration and Republican Congress to stop the damaging economic effects from Panic of 1873 , in addition to the unpopularity of the Republican Reconstruction Acts , the Democratic Party , on March 4 , 1875 gained a majority in the House of Representatives . Having gained the majority , the Democrats became the reforming party . For the next two years they investigated corruption scandals in the Grant Administration to increase their chances of winning the 1876 presidential election .

= = Causes of national corruption = =

The scandals in the Grant Administration were indicative of greater national moral decline . According to one respected historian , C. Vann Woodward , there are three primary forces that caused national corruption during this time period . The most compelling event that lead to corruption was the Civil War itself , unleashing a torrent of human depravity , deaths and unscrupulously gained riches enabled by persons who rose from deserved obscurity to powerful military and civilian positions . These men ? the claim agents , speculators , subsidy @-@ seekers , government contractors , and the all @-@ purpose crooks ? were born from the war and entered politics after the fighting stopped . The second generator of corruption was the opening of the West and South to unrestrained exploitation that caused older parts of the country to fall into moral confusion . The third cause , according to Vann Woodward , was the rapid rise of American industrialism , which loosened the nation 's standards and values . Americans found themselves released from discipline and restraint by the rapid growth of industrial wealth after the Civil War .

= = Legacy = =

The nation and the constitution survived the rising tide of financial and political corruption during President Grant 's two terms in office from 1869 to 1877 . With slavery no longer the clear moral issue for the American people , and absent the dynamic leadership of Abraham Lincoln taken by an assassin 's bullet , the nation for a while floundered in the seas of financial and political indulgence . The high @-@ water mark of the flood of corruption that swept the nation took place in 1874 , after Benjamin Bristow was put in charge to reform the Treasury . In 1873 , Grant 's friend and publisher , Mark Twain , along with coauthor Charles Dudley Warner , called this American era of speculation and corruption the Gilded Age . Between 1870 and 1900 , the United States population nearly doubled in size , gainful employment increased by 132 percent , and non farm labor constituted 60 percent of the work force .

Inevitably , Grant 's low standards in cabinet appointments , and his readiness to cover for

associates or friends involved in condemnable behavior , defied the popular notion of a government free of corruption and favoritism . Stemming the flood of corruption that swept the nation during Grant 's presidency and the Reconstruction period would have required the strength of a moral giant in the White House . Grant was no moral giant . In fairness , the booming economy that proceeded after the Civil War enveloped the whole nation in a chaotic frenzy for achieving financial gain and success . The caricature and cliché of the Grant Presidency is eight years of political plundering and that little was accomplished . Grant , however , was committed to complete the unification of a bitterly divided country torn by Civil War , to honor Abraham Lincoln , and give full citizenship rights to African Americans and their posterity .

An analysis of the scandals reveals the many powers at Grant 's disposal as the President of the United States . His confidants knew this and in many situations took advantage of Grant 's presidential authority . Having the ability to pardon , accept resignations , and even vouch for an associate in a deposition , created an environment difficult , though not impossible , for reformers in and outside of the Grant Administration . Grant himself , far from being politically naive , had played a shrewd hand at times in the protection of cabinet and appointees . Examples include not allowing Benjamin Bristow to move the Tax Revenue Supervisors and relinquishing immunity in the Whiskey Ring cases , made Grant a protector of political patronage . In fairness , Grant did appoint cabinet reformers and special prosecutors that were able to clean up the Treasury , Interior , War , and Justice departments . Grant , himself , personally participated in reforming the Department of Indian Affairs , by firing all the corrupt clerks . No reforming cabinet member , however , was installed in the Department of Navy .

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