

# The Warrenton Army Frauds

by

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In 1783 Robert Morris, Superintendent of Finance, reported to Congress that the public debt resulting from the Revolution stood at \$35,327,769.53 1/8. As staggering as the amount seemed at the time, it would have been much higher if Congress had not taken preventative measures three years earlier. In April 1780, on the brink of bankruptcy, a destitute Congress asked the states to compensate their own Continental Line soldiers for back pay not received, and to make up the losses suffered for being paid in depreciated currency. Intended only as a temporary measure, Congress planned to resume payment of the American Army in August 1781. Unfortunately for the states, by the time August arrived, Morris had different designs for the money. In his 1783 report, Morris reported that arrearages and half pay due the officers and soldiers from August 1, 1781 to December 31, 1783 was \$11,300,000.<sup>1</sup>

Faced with the staggering amount of back pay and subsistence due the soldiers, Congress appointed John Pierce as the federal commissioner and Joseph Howell as his deputy, to travel from state to state and settle the Federal Government's accounts with the soldiers. Individual states were to appoint commissioners, approved by Congress, to aid the federal agents in the settlements. Pierce and Howard began their duties in the northern states where, as North Carolina Representative Hugh Williamson wrote, "[they] never turned out a Serjeants guard of Militia without obtaining the sanction of Congress or of some Continental officer."<sup>2</sup> During the time the accounts were being settled in the northern states, most of the southern states continued to liquidate their own accounts in the same manner as requested by Congress in April 1780. As a result, most, if not all, of the \$1,673,000 due Pennsylvania soldiers, the \$833,000 due the Massachusetts Line, and the \$210,000 due New York soldiers was paid by the Federal Government. Conversely, most of the \$1,754,000 claimed by the Virginia Line was paid by the state, who, in return, submitted the claim to the Federal Government hoping to get reimbursed.

Reflecting the sentiments of many southerners, in a 1784 letter, North Carolina representative Richard Dobbs Spaight, protested to North Carolina governor Alexander Martin, that "[North Carolina] assumed to her citizens the payment of claims for supplies and services rendered the United States, of the same nature with those assumed in other States by Congress."<sup>3</sup> Assuming the burden of her war debt, like most other southern states, the North Carolina legislature authorized boards of auditors to settle the officers' and soldiers' accounts. As a result of five distinct boards of commissioners appointed by the General Assembly between 1782 and 1785, by the time federal commissioner John Pierce arrived in North Carolina in 1785, most of the accounts already had been settled.

During the sitting of the board established in 1785 to meet at Warrenton, a theme regularly seen in North Carolina's compensation of her soldiers appeared. Citizens from Dobbs County and the surrounding area informed the Governor and the Legislature of alleged abuses perpetrated through speculation in fraudulent soldiers' accounts. The General Assembly acted on the information, investigated the accusations, and found sufficient evidence to prosecute the accused. In addition, the Legislature ratified a law to try those indicted for defrauding the public. In January 1787, the Court of Oyer and Terminar heard the trials at Warrenton and found many of the men guilty of the charges against them thereby satisfying the public's petitions for redress of the crimes committed. The story of the Warrenton Frauds began during the closing days of the American Revolution.

As the war drew to a close, North Carolina found herself with a tremendous debt to her Continental soldiers. During the war many North Carolinians serving in the Continental Army labored with insufficient clothing, food, arms, or pay. In 1782, attempting to relieve the State's debt, the General Assembly appointed three men, John Hawks, James Coor, and William Blount, to serve as a board of commissioners to discharge the arrearages due the soldiers and allowed the board members twenty-four

shillings per day for their services. In accordance with this law, the board met at Newbern and settled soldiers' accounts for depreciation of pay, subsistence, and clothing due prior to August 18, 1780. The law stipulated that

Each officer and soldier shall received indented certificates, one or more being for twelve months pay and subsistence, which shall be negotiable in prompt payment for any public property that may be immediately sold, and shall receive another certificate or certificates, for the balance, which shall be paid off by any treasurer of the State, as soon as the situation of the finances will permit.<sup>4</sup>

In practice, the commissioners settled the accounts accordingly: One-fourth of the account was paid by the commissioners through the issuance of "due bills" and the remaining three-fourths of each account was satisfied through the issuance of a certificate that drew six percent interest per annum until an unspecified date, on which the certificate could be cashed. When presented to the Treasury, the due bills were exchanged for cash. The fifth section of this law states that "any person who shall counterfeit any certificate shall be deemed guilty of forgery, and suffer accordingly." In view of the events that occurred at Warrenton in 1786, it is unfortunate that this part of the law was omitted when the General Assembly established later boards.

When the Legislature convened in April 1783, Governor Alexander Martin informed the members that many of the State's public accounts remained unsettled from the previous year. Additionally, the state's "quota of the Continental Debt was unpaid and no provisions made to discharge the same."<sup>5</sup> Trying to remedy the problem, the General Assembly allocated an additional £75,000 in April 1783. The legislature then appointed Willie Jones, Henry Montfort, and Benjamin McCulloch<sup>6</sup> to act as paymasters for the officers and soldiers of the North Carolina Line. Payment of accounts were to follow the same method established the previous year. To ensure the faithful performance of their duties, the General Assembly required each man to enter into bond, with sufficient security, in the sum of £50,000.<sup>7</sup>

By virtue of an additional law passed during the same session, the General Assembly increased the duties of Jones, Montfort, and McCulloch. As paymasters, the men were to pay the soldiers' accounts and did not have the authority to investigate the validity of the claim. However, the Legislature, unsatisfied with the conduct of the previous commissioners, established a second board and appointed Jones, Montfort, and McCulloch to replace the original board members (James Coor and John Hawks had stopped settling accounts prematurely thereby leaving numerous accounts unfulfilled and William Blount never attended any of the board's activities). Since the meeting location of the commissioners prohibited many claimants from attending to present their claim, the Legislature moved the site of the second sitting from Newbern to Halifax. The General Assembly also extended the time period from which officers and soldiers could submit their claims. The previous deadline of August 18, 1780 was extended to January 1, 1782.<sup>8</sup>

Although the Legislature allocated additional money to satisfy the debts, moved the office to a more centralized location, and extended the time period for claims, the General Assembly provided the commissioners no guidelines for authenticating accounts. Many former soldiers had neither the ways nor the means to travel to Halifax to settle their accounts. Therefore, they often contracted with others to present their account to the commissioners. This process allowed one man to present the account of several former soldiers, draw their due bills and certificates, and then, after subtracting his fee, give the original claimant his money. As will be seen, numerous individuals made a profit by rendering such services to the soldiers. Additionally, the commissioners had to approve any account that was endorsed by a former officer or soldier since they had no means to check the authenticity of the accounts.

Due to the tremendous number of accounts presented in 1783, many were still unpaid when the General Assembly met in June 1784. The Assembly created a third board of commissioners and allocated an additional £10,000 to assist in settling the existing accounts.<sup>9</sup> However, if this sum still proved insufficient, the commissioners were required to continue settling accounts and keep an accurate record of what had been paid and what amount remained due so the state could "settle and obtain full credit with the United States."<sup>10</sup> When Willie Jones declined to serve an additional year on the board, the Legislature appointed John Macon to assist Montfort and McCulloch. The amount of the commissioners' bonds was lowered to £30,000 for this sitting, and the Legislature allowed the commissioners twenty-four shillings per day and an additional "one per cent, to be divided among them, and no more" for the "risque and trouble of receiving and paying the [soldiers'] accounts" as payment for their services.<sup>11</sup>

Additionally, the General Assembly, attempting to rectify its earlier oversight, established guidelines for the settlement of accounts. To assist the board in its duties, the law placed restrictions on the types of certificates the commissioners could liquidate. Accounts exhibited by former officers had to be certified by General Jethro Sumner, or some other field officer who continued in service to the end of the war. Soldiers' claims were to be endorsed by a captain, or other commissioned officer, and countersigned by a field officer who served until the completion of the war. The law prohibited soldiers who deserted and then rejoined the Army from receiving pay for the time period during their desertion, and any soldiers who deserted and who did not rejoin, was denied payment from the time of their desertion.<sup>12</sup>

In November 1784, the General Assembly, tiring of the increasing number of accounts and allocations made for the soldiers, mandated that the "board for settling and liquidating the accounts of the officers and soldiers" would continue to sit and exercise the "powers with which they are invested by law" until February 1, 1785. At that time, the fourth board would "be dissolved and entirely annihilated." If the existing appropriations proved inadequate, the commissioners were required to settle any further accounts by issuing claimants certificates worth three-fourths of the original account.<sup>13</sup>

Once again the time and money constraints proved insufficient to settle the existing accounts. In November 1785, the Legislature retracted its November 1784 mandate. "Owing to the shortness of the time given for" settling army accounts, the General Assembly appointed Montfort, McCulloch, and Macon as a fifth board of commissioners to liquidate the remaining army accounts. In addition to accounts of soldiers who served the entirety of the war, the board could also liquidate accounts of men who were enlisted for only twelve months. To satisfy the existing accounts, the General Assembly allocated an additional £100,000. This time the Legislature required no bond of the commissioners, and directed that the board sit for the first ten days of April, May, and June of 1786. Any claim not exhibited during this time would "forever hereafter be of no effect."<sup>14</sup> For this final liquidation, the commissioners moved their offices to Warrenton.

During this sitting of the board of commissioners irregularities in the settlement of soldiers' accounts were reported. Although no accusations came forward prior to the meeting of the fifth board, it is probable that irregularities happened during the first four boards since wide-spread speculation in army certificates was occurring on the national level during this time. On June 9, 1786, Secretary of State James Glasgow informed Governor Richard Caswell that "the Comrs have passed so many accounts that the validity of them are questioned and payment stopt by the Treasury."<sup>15</sup> Although additional correspondence does not survive, numerous other people apparently related similar information to the Governor. On July 6, 1786, Caswell informed the Council of State that he had received "sundry complaints . . . concerning the conduct of the Commissioners for Liquidating the army accounts."<sup>16</sup>

After considering the Governor's request for guidance, the Council advised Caswell to request that Treasurer Memican Hunt stop payment of any certificates passed by the commissioners since the previous General Assembly. The Council also suggested that all of the accounts and vouchers in the possession of the board of commissioners be sent to Fayetteville for the next session of the Legislature.<sup>17</sup> Acting on this advice, Caswell wrote the commissioners and the treasurer on July 12 informing them of the Council's resolution. He then directed each man attend the next session of the Assembly to present their accounts and vouchers.<sup>18</sup> As an additional measure, the Governor requested that Mann Phillips be questioned concerning the activities of the men implicated in the frauds. By November 2, Phillips' deposition had been taken. After receiving Phillips' statement, the Council recommended that it also be laid before the General Assembly.<sup>19</sup>

When the Legislature met on November 20, 1786, "there was considerable excitement throughout the State" due to the reports of frauds in the settlement of army accounts.<sup>20</sup> After each house chose its presiding officer, the Assembly informed the governor that they were ready to begin business. In his opening message to the Legislature, Governor Caswell informed them of the reported abuses.

The frequent and repeated observations of individuals and the clamor of the people at large respecting the conduct of the Commissioners for liquidating the army accounts, and their suggestions of many fraudulent accounts being passed, induced me to state the matter to the Council who advised me to direct the Treasurer to stop the payment of any Certificate granted on accounts passed by that Board since the sitting of the last Assembly, and also advised me to direct the Commissioners to transmit to the present Assembly all such accounts and vouchers as were lodged in their office since that period. This advice I have pursued, and I flatter myself these officers have and will comply therewith, though report says that the Treasurer has not attended to it, and the clamors of the people have since been greater than before, and some illiberal suggestions have been thrown out against several of your principal officers. It is therefore, in my Judgement necessary to satisfy the people, who in a free Government like ours consider themselves as having a right to expect it in such cases by you, Gentlemen, who are the Guardians of their rights, entering into a minute inquiry of the Conduct of their officers as well as the justice of the Claims which have been allowed, and if on an Investigation of the Facts any of the officers shall be found to have acted unworthily, or those who have exhibited accounts have obtained Certificates or received money from the Treasury unjustly, you will hold up the first as proper objects of the resentment of the Public, and direct the latter to be prosecuted so as the public may obtain that justice they are entitled to.<sup>21</sup>

The next day, November 21, the House of Commons received a petition signed by one hundred sixty-eight "Constituents" from Dobbs County and the surrounding area complaining of the frauds. Since the petitioners felt that the state's population would be taxed to provide the money for the certificates, they requested that the Legislature would "relieve [them] from the Oppression" and "make such Examples of the offenders" that like practices would not occur again.<sup>22</sup> An examination of the names of the petitioners and those accused of fraud produces two interesting themes: A county deeply divided against itself; and a nation deeply divided.

During the revolution and in the early years of statehood, many of the state's leaders resided in the Dobbs County area. Richard Caswell, the state's first governor, James Glasgow, the first secretary of state, and Abraham Sheppard, Colonel of the Tenth North Carolina Continental Line represent a few of the powerful families that resided in the area. As these families intermarried, their power increased. As a

result, many of their kin held important jobs at the county level. This had been a bone of contention for numerous years in Dobbs County. Local legend has it that even the sheriff would not venture into the northern part of the county for fear that he might be attacked. A study of the petitioners reveals that the majority of them are men whose families had perpetually been kept from office by the ruling families. Five years after the exposure of the Warrenton Frauds, in 1791, Dobbs County was split into two distinct counties by the names of Glasgow and Lenoir. Although the nation's division did not lead to the abolishing of a county, it had more immediate repercussions.

During the time of the frauds, the nation was deeply entrenched in ratification of the Federal Constitution. North Carolina proved to be one of the toughest areas for ratification. Once again, an examination of the men involved in the Warrenton affair can be roughly divided along party lines. The petitioners favored state's rights (and eventually supported the Anti-federalist), while those accused supported a more centralized government and endorsed Federalist beliefs. Shortly after the closing of the trials in March 1787, Dobbs County turned into a war zone. The New Bern District Court Dockets are saturated with assault and battery cases from the months following the trials. This open season on political enemies eventually led to claims of election fraud in the selection of the Dobbs County representatives to the 1788 Constitutional Convention, and, as a result, all of the County's representatives were denied a seat. Despite the intention of the petition, three days after it reached the General Assembly, members acted with respect to the frauds.

On November 24, the Assembly, to assist in the investigation of the frauds, passed a resolution requiring Henry Montfort to send for the books and papers of the commissioners. The Legislature also directed Colonel Guilford Dudley, of Cumberland County, to furnish twelve men to guard the books while they were on the road. Finally, John Craven, who had acted as clerk for the board of commissioners, was required to appear before the Legislature for questioning.<sup>23</sup> The next day, both houses of the Assembly met in joint session to prepare an initial resolution concerning the frauds.

After selecting Richard Dobbs Spaight to act as chairman of the conference of the whole, John Hay, a Cumberland County Representative, opened business. After some debate the conference reported that, through the examination of depositions and other testimony, it appeared as though

John Price, William Faircloth, John McNeace [McNees], Thomas Butcher, Benjamin Sheppard, Timothy McKarty [McCarthy], Simeon Toatvine [Totevine], Thomas Price, Reddick Price, William Andrews, John Faircloth, Sherrod Barrow, Nathan Lasseter, Jesse Lasseter, John Shepperd, James Holmes, William Sanders, Jr., Thomas Donnaho, Tillman Dixon, Wynne Dixon, Charles Dixon, John Marshall, Arthur Pearce, Jr., and Philip Fishburn and sundry other persons

had defrauded the state by falsely procuring soldiers' accounts. The conference prepared a resolution that called for the Governor to issue a warrant for the arrest of the men accused and for their attendance at Fayetteville.<sup>24</sup>

To aid the General Assembly in their investigation, an additional resolution allowing the Governor to draw on the treasury to pay witnesses for their attendance passed the conference of the whole. The resolution named the following men as material witnesses:

John Row, Nathan Cobb, Hardy Robeson, Willis Pipkin, Mann Phillips, William Phelps, Thomas Jordan, Thomas Gray, Benjamin Exum, John Brown, Silas Holliman, Willoboy [Willoughby] Williams, Dixon Marshall, William Wrenfrow, Moses Holmes, John Morgan, John Smith, Benjamin McCulloch, Henry Montfort, John Macon, William

Sheppard, James Glasgow, Abram Sheppard, Jr., Abram Sheppard, Sr., Silas Holloway, William Williams, David Dodd, and John Stansil, Sr.<sup>25</sup>

Finally, the resolution mandated that the commissioners of army accounts furnish Governor Caswell with a list of all officers who signed accounts. Upon receiving this list, the Governor was to issue a proclamation requiring the North Carolina Continental Line officers to attend Fayetteville to appear and give testimony before the General Assembly.

On December 3, 1786, acting on orders issued by the Assembly, Major Richard McKinney and Captain David Dodd delivered some of the prisoners to Fayetteville.<sup>26</sup> To examine the prisoners, a House resolution of December 4 formed a committee consisting of Robert Rowan and John Ingram,<sup>27</sup> Representatives William Polk and Abner Neale, and two senators. The Senate readily agreed with this resolution and appointed Griffith Rutherford and Isaac Gregory to the committee. These men were allowed to seize and retain all "monies and papers of any kind" that they found in the possession of the prisoners.<sup>28</sup> The next day, the Legislature passed an additional resolution that called for Governor Caswell to issue a proclamation to stop the distribution or payment of any certificate issued by the board since January 1, 1786. Finally, in accordance with an another December 4th resolution, the sheriff of Cumberland County took the prisoners into custody.<sup>29</sup>

Feeling the state's army accounts already forwarded to New York would assist in the investigation of the frauds, Governor Caswell wrote to the state's delegates in Congress seeking their assistance in acquiring copies of the accounts and muster rolls. Caswell requested that the actual accounts or accurate copies be sent to North Carolina to aid in the apprehension of men accused of defrauding the state. Through the examination of the materials filed with the United States Government, the governor reasoned, the state could determine which men actually served during the time specified.<sup>30</sup>

The governor then informed the Legislature on December 8, that he had issued warrants for the accused and citations for the witnesses. He also stated that John Price, having learned of the charges levied against him, was about to flee. Upon receiving this information, Caswell ordered the sequestering of Price's estate by the sheriff of Dobbs County. The governor then requested the General Assembly inform the sheriff of its wishes concerning the property of Price which contained "upwards of twenty negroes . . . [and] sundry Horses."<sup>31</sup> As a result of Price's flight, the Legislature directed the committee for examining the prisoners not to allow any person accused of fraud free on bail unless so authorized. It also requested that the former officers of the Continental Line remain in Fayetteville to further aid the discovery of impropriety.<sup>32</sup>

On December 9, the Legislature directed Major Robert Fenner, agent for the final settlement certificates, and Secretary of State James Glasgow to furnish the committee of examination with a list of all the men's names lodged in their respective offices who served in the Continental Line. The committee of examination, having had time to examine the materials, issued an initial statement later that day. Reporting that, upon analysis of the evidence, it appeared that Arthur Pierce was innocent of the charges levied against him, General Rutherford made a motion that Pierce should be released. The General Assembly granted Pierce his freedom.<sup>33</sup>

The next day, the General Assembly received a letter from Captain Thomas Hogg giving his excuse for not adhering to the Governor's proclamation calling for the attendance by the former officers. After informing the members of his illness, he remarked that he may have countersigned some fraudulent accounts, but he did so on the integrity of the officer that had first signed the account. Closing, he



included a list of all the officers who had certified the soldiers' accounts which he countersigned.<sup>34</sup>

On December 11, the General Assembly instructed the sheriff of Dobbs county to seize and deliver to Fayetteville all the horses of John Price and William Faircloth as well as the "moveable property" of Simon Totevine, Thomas Butcher, and Nathan Lassiter. Furthermore, since the slaves of the accused were being held in the county jail, the Legislature ordered that the slaves be released from imprisonment to prevent further undue hardships.<sup>35</sup>

Later in the day, the committee of examination communicated that they were prepared to issue their findings. After agreeing to meet in the House of Commons' chamber, the Legislature met in joint session to receive the report. General Griffith Rutherford, speaking for the committee, stated that, through the examination of William Faircloth, Thomas Butcher, William Andrews, James Homes, Sherrod Barrow, Arthur Pierce, John McNees, John Sheppard, Benjamin Sheppard, John Macon, Andrew Armstrong, and Burwell Mooring, it had determined that "many wilful [sic] frauds have been committed by sundry persons in procuring soldiers' accounts."<sup>36</sup> The report contained the following:

1. Numerous individuals forged soldiers' accounts and orders;
2. Large rewards were offered to others to produce false accounts and orders;
3. The commissioners of army accounts passed on several accounts they knew to be false;
4. Treasurer Memican Hunt, after first refusing to pass false accounts, working through his clerks Absalom Tatum and Anderson Hunt, satisfied nearly as many accounts as he had money;
5. Though not based in any law, the treasurer deducted from five to twelve and a half percent of the claim in satisfying the accounts;
6. Commissioners Benjamin McCulloch and Henry Montfort contracted, prior to the re-establishment of the board in 1786, with individuals to pass their claim in exchange for one quarter of the claim;
7. McCulloch contracted with John McNees to pass sixteen to seventeen accounts and promised to liquidate the accounts even if the board had not been revived;
8. McCulloch asked and received from one third to one quarter of the amount to pass accounts and promised to have them paid, but the individual eventually had to pay an additional ten to twelve percent to the treasurer to withdraw their money;
9. Commissioner John Macon appeared not to be involved;
10. Colonel Archibald Lytle and Major Redding Blount, who signed most of fraudulent accounts, appeared not to have been involved;
11. Captain John McNees signed most of fraudulent accounts knowing them to be such; and
12. Captain Jesse Reed signed twenty blank accounts for Captain Sherrod Barrow in exchange for two military land warrants for 640 acres each.<sup>37</sup>

When Rutherford finished issuing the report, the General Assembly formed themselves into a committee of the whole and chose Elisha Battle to act as chairman. After concurring with the report and certifying

the depositions, the Legislature appointed Archibald Maclaine, John Hay, William R. Davie, Wyatt Hawkins, and William Hooper to act as a committee to arrange the testimony and depositions of the prisoners. With the passage of this resolution, the houses returned to their respective chambers to continue activities regarding the frauds.<sup>38</sup>

The first actions of the House of Commons was to appoint Stephen Cabarrus and James Martin to replace Polk and Neale on the committee of examination. Next, the House passed a resolution requiring the committee to furnish the governor with a list of the prisoners who should be allowed to post bail but then bound over as witnesses against the other prisoners. They also compiled a list of those accused who were still at large so the warrants could be issued for their arrest. Finally, the House recommended that Mann Phillips be arrested and confined until further order.<sup>39</sup>

When the Senate returned to its chamber, General Rutherford made a motion that Halifax County Senator Benjamin McCulloch be given a chance to present his defense of the charges against him. Since McCulloch was absent in town at the time Rutherford made the motion, the Senate sent word to him requesting his attendance. When McCulloch returned, he gave his testimony but failed to exculpate himself to the satisfaction of his peers, and was expelled from the senate.<sup>40</sup>

The following day, December 12, the Legislature continued to act quickly regarding the frauds. The Senate appointed Frederick Hargett and James Gillespie to replace Rutherford and Gregory on the joint committee of examination. The Senate then authorized Governor Caswell to issue a proclamation offering a reward of £100 for the apprehension of John Pierce. Additional copies of the proclamation were to be sent to the governors of Virginia, South Carolina and Georgia.<sup>41</sup>

At the same time, the House of Commons, incensed over the allegations concerning a member of its House, gave Representative Henry Montfort until Thursday, December 14, to answer the charges against him and show why his seat should not be declared vacant. Next, they passed a resolution to inquire if any Blank Land Warrant had ever been issued from the secretary of state's office. According to the resolution, Colonel John Mitchell, of Onslow County, and Mann Phillips were to be examined to determine if James Glasgow or any of his deputies were connected with any of the fraudulent accounts created in the Secretary's office.<sup>42</sup>

On December 13, John Hay presented a bill aimed at bringing the accused to justice. The bill authorizing Governor Caswell to call a special court of Oyer and Terminar to try those accused of fraud. Established for a twenty day term, the court was to begin hearing cases on the last Monday of January 1787 at Warrenton. Any cases not tried during the twenty day session were to be bound over to the next session of the county or superior court, where ever the judges felt the authority lay.<sup>43</sup>

Any man convicted before the Warrenton court was required to enter into bond with sufficient security in double the amount of the due bills which he drew from the office of the commissioners. This bond was to ensure that those accused would not leave the state or transport their property out of the state for a period of twelve months after the trials and then to the end of the next assembly. Furthermore, if any convicted man left the state, or escaped from prison, he forfeited his estate and would "suffer death without benefit of clergy." Finally, the bill established another board of commissioners to re-examine all accounts passed by the Warrenton board in 1786.<sup>44</sup>

When the Legislature reconvened the next morning they continued actions in response to the frauds. Having received and reviewed a petition from Treasurer Memican Hunt,<sup>45</sup> the Senate proposed to have the General Assembly meet in joint conference on Saturday December 23 to hear Hunt's rebuttal. To

prepare for his defense, the Senate proposal allowed the treasurer copies of the sections of the committee report that alluded to his actions.<sup>46</sup>

In preparation for hearing the reply of Henry Montfort's defense of his activities, the House of Commons requested the attendance of Senator John Macon, also a commissioner, to give testimony on behalf of the state. After hearing both men's accounts, the House felt that Montfort had not exonerated himself and declared his seat in the House vacant.<sup>47</sup>

On December 16, the committee of examination reported that the charges against Secretary of State James Glasgow were unfounded and should therefore be dismissed. They also reported that, through the examination of Colonel James Armstrong, it appeared that John Bonds had withdrawn the pay of James Crimor, a twelve month soldier. On the 18th, Bonds, a Nash County Representative, asked for a leave of absence to prepare his defense and was granted until the 27th to arrange his testimony.<sup>48</sup>

As the General Assembly session drew to a close, a flurry of action was taken concerning the frauds. On December 27, John Faircloth, Jesse Lassiter, Reddick Price, and a few other unnamed men were released for lack of evidence concerning improprieties in their activities. Next, on the 28th, the Assembly met in joint session to hear the committee of examination's final report. According to the committee's findings, nearly all the accounts presented to the board of commissioners by Thomas Butcher, John Price, William Faircloth, Simon Totevine, and William Sanders were false. Although many more individuals were involved, the aforementioned men were the principal conspirators. Finally, the committee reported that the following men withdrew the stated sums from the treasury:

Benjamin McCulloch	£23,132.0.14
Henry Montfort	6939.2.7
William Faircloth	6935.8.11
Thomas Donoho	1790.0.4
William Sanders	1997.6.8
John McNees	476.14.2
Total amount	£41,271.6.8 <sup>49</sup>

Later that same day, the Legislature again met in joint session to hear the testimony of Memican Hunt. After hearing Hunt's remarks, Chairman Battle dismissed the houses to their respective chambers since, he felt, most of the legislators had already formed an opinion of Hunt's guilt or innocence. Hunt received no censure from the General Assembly for his activities. Hunt was up for re-election by the Legislature in 1786, however. Although he received a nomination, he did not win an additional term. In his place, the Legislature elected John Haywood treasurer, a position he would hold until his death in 1827.<sup>50</sup>

In preparation for the trials, the Legislature ordered Abner Neal and William Polk to collect depositions and evidence and deliver them to the attorney general. Next, acting in accordance with the section concerning the appointment of commissioners of the recently passed law to prosecute the frauds, the General Assembly elected James Coor, John Herritage, and Frederick Hargett as commissioners to re-examine the accounts passed in 1786.<sup>51</sup>

Acting in accordance with the wishes of the General Assembly, the governor issued a proclamation calling for the arrest of John Marshall.<sup>52</sup> Caswell offered a reward and reimbursement of expenses incurred in returning Marshall. Additional copies of the proclamation to the governors of South

Carolina, Georgia, and Virginia. Finally, the Assembly ordered Henry Montfort to deliver the books and papers of the commissioners to the comptroller and then ordered the comptroller to attend the Court of Oyer and Terminar. After taking these actions, the Legislature ended its session and turned the prosecution of the frauds over to the court.<sup>53</sup>

In the views of some, the scope of the frauds became purely political once the matter was placed in the hands of the General Assembly. Although the General Assembly heeded Governor Caswell's charge to satisfy the desires of the people who elected them by punishing those accused of fraud, not everyone in the state agreed with the Legislature's actions. William Blount, in response to an earlier letter from his brother John Gray Blount, lamented

Must not every thinking man view our Republican Government as the Most intolerable of all Tyranny? Can any Man be safe in his house while the Legislature are setting? I do not mean to say whether the Persons confined by the Legislature have suffer'd or not according to their Demerit<sup>54</sup>

When the Court of Oyer and Terminar convened, the party loyalties again came into play. On Monday January 29, 1787, two of the judges commissioned by Caswell, Superior Court judges Samuel Ashe, an Anti-federalist, and John Williams, a Federalist, met at Warrenton to begin the trials with Attorney General Alfred Moore acting as counsel for the state.<sup>55</sup> Samuel Spencer, an Anti-federalist, arrived soon afterward and presided as the third judge during the trials. William R. Davie, and James Iredell, two of the most able attorneys in the state at the time, acted as counsel on behalf of the defense. Though both men were staunch Federalists like most of the defendants, Iredell had further motive in the case of Benjamin McCulloch, they being first cousins of the half blood.<sup>56</sup> On January 31, James Iredell informed his wife Hannah that no charges were yet brought. Furthermore, he felt that the charges against his cousin, Benjamin McCulloch, were greatly exaggerated. By February 4, indictments had been handed down only against Butcher and Price.<sup>57</sup>

However, over the next few days, several more indictments were presented and cases tried. On February 13, Iredell informed his wife that Price, Butcher, and Reid had been convicted and that "H. Montfort has been acquitted, but poor B. McCulloch convicted." Although Montfort and McCulloch were tried on basically the same charges, Iredell felt that both the "People and Courts" had strong prejudices against McCulloch from the outset. Sadly, he reported that he felt that McCulloch would not only be fined but also imprisoned.<sup>58</sup> When it came time for the decisions, Judge John Williams surprised everyone by going against party lines.

After McCulloch had been convicted but before judgment could be passed, Iredell received a passionate letter from Alexander, the father of Benjamin McCulloch. The elder McCulloch pleaded with Iredell, to get his son's "fine as low as possible, and for God Sake let there be no imprisonment." If there were confinement, he continued, "I am Shure I shall not Survive many days."<sup>59</sup> Unfortunately, Iredell could not fulfill his wishes.

On Saturday, February 17, for his actions, Benjamin McCulloch was ordered to pay a fine of £4,000 and spend twelve months in the Halifax District jail. He also had to enter into bond in the sum of £500 to ensure his good behavior for seven years. For their actions, fines and sentences were handed down against the other defendants in the following manner: John Price, £1,000, twelve months; John Sheppard, £400, nine months; James Holmes, £30, six months; Jesse Reid, £20, three months and Mann Phillips, £25, twelve months. The *Charleston Morning Post* reported that, with the exception of McCulloch and Reid, all the men were to stand at the pillory for an hour each in the towns of Halifax

and Warrenton. (No mention of the fines or sentences of John McNees, Thomas Butcher, Timothy McCarthy, William Faircloth, or Simon Totevine, were located by the author).<sup>60</sup>

Remarking in horror at the sentence McCulloch received, Iredell wrote his wife

Never did I receive such a shock as in that arborous & inhuman sentence passed in B. McCullochs £4000 Fine & 12 months Imprisonment in Halifax Gaol. Through his whole Trial he met with the greatest tyranny & injustice from 2 of the court. I need not say which. He was charged I am sure beyond his real offense - all the people here speak with the utmost horror & resentment of his sentence How can I bear to see his pour [sic] miserable family! I have had 2 letters from his father, dreadful beyond what I have ever read<sup>61</sup>

Popular reaction to the verdicts was mixed. While the original petitioners and the Legislature were satisfied with some of the results, others were not as excited. United States Representative Hugh Williamson echoed the sentiments of many of those who disapproved of the results. Remarking on the outcry expressed on the return of the judgments, Williamson stated, "I have some Reason to believe that the subsisting Tryals at Warrenton may occasion a Small Revolution in the Sentiment of People respecting some of your very popular Members [of the Legislature]. It is said that Davie is [their] Professed Champion."<sup>62</sup>

John Steele, a merchant from Salisbury, took Williamson's sentiments even farther. Commenting on the results of the trials, Steele wrote Iredell

It was not necessary for you to have mentioned to me the extreme pain which the situation of BMC. gave you. . .It is needless to add more on that subject - you can readily imagine how I feel on the occasion without my informing you - The subject is too disagreeable to dwell on - I wish I was ignorant of it - I think of it by day - It is represented to me in my dreams, which are wont to make it nothing but a fantom - The blushing morn establishes the reallity & renews my grief<sup>63</sup>

Alexander McCulloch continued his attempts to gain his son's freedom. In the middle of February, he wrote Judge Samuel Ashe and requested that Ashe pardon Benjamin McCulloch. Ashe replied that, although he shared the old man's grief, he could not issue his son a pardon since the prosecution was directed by the Assembly. If Alexander still wished a pardon, McCulloch should petition the Legislature.<sup>64</sup>

In an April 29 letter to Iredell, Alexander continued to work for the release of his son, but he also underscored some of the public reaction to the judges in the case. McCulloch asked Iredell to

Speake to the Govr. about Beney's releasement, fir it is Certain if he is keep'd much longer it will be his Death, and you can informe him the propriety of it, and that maney people calls out against the Judgment, and the Judges. pray see him as Soon as possible, at least before he has an oppertunity of seeing any of the Judges. . .the fine will be paid tomorrow.<sup>65</sup>

In the weeks following the trials, Governor Caswell received numerous petitions concerning the conditions of the prisoners. Most petitioners complained of the exorbitant sentences and fines. In some cases they even prayed that the prisoners be release from the cells "whose stench [was] intollerable."<sup>66</sup>

On March 14, Caswell laid the petitions before the Council of State. Since some of the members of the Council were absent, the attending members suggested that the governor call another council in April. Until that time, the Council refused to act on the petitions. However, when the Council met in April, they advised Caswell not to pardon the prisoners.<sup>67</sup>

The failure to gain pardons for the prisoners did not quiet those who felt the men had been persecuted beyond the measure of the law. Caswell himself reflected on the situation of the prisoners when he stated that "humanity Shuders at the reflections of a long confinement in a loathsome Jail especially a person in a low declining State of Health."<sup>68</sup> Sheriff John Whitaker of Halifax, who was in charge of the prisoners' subsistence, informed the governor of the clamor of the people concerning the length of the sentences. He also informed the Governor that food supplies and funds for additional food were dwindling. He then requested a voucher from the Governor to purchase additional food stores. If Caswell could not grant the request, he applied to the governor for the prisoners release declaring "Humanity Shudders at their Confinement Especially when they are like to starve."<sup>69</sup>

Three months after the trials, Judge Williams' actions were still the topic of debate among staunch Federalists. On June 19, Davie sarcastically wrote Iredell regarding the trials and the judges' actions.

I was agreeably surprised at the unexpected firmness and independance of Judge Williams; he has deceived the whole party they counted on him as "dead sure" how misterious are the ways of providence - this is the affect of the Fayetteville business - Mr [Redding] Blounts case is a remarkable instance of the deep political sagacity of our Judges, and the high and delicate sence they have of their duty, what a blessed trio for the reformation of morals ,and to preserve and promote the happiness of a community - so all actions are to be deamed laudable or criminal by their consequence to the society without any aspect to the cause or motive<sup>70</sup>

When the General Assembly met in November 1787, additional measures were taken as a result of the frauds. Henry Montfort, who had been acquitted by the Warrenton Court, petitioned the Legislature to have his estate released. As a result of his exoneration at the hands of the court, the Assembly granted the request.<sup>71</sup> Next, as a result of a Senate Resolution, the Assembly authorized Governor Samuel Johnston, James Iredell's father-in-law, to release Benjamin McCulloch from prison, pardon him of his offenses, and remit the remainder of his sentence and fine. As a result, any of the other men in prison could also petition the governor for pardon. To receive the exoneration, the men had to prove that they had complied with the judgments by paying their fines and entering into bond with sufficient security.<sup>72</sup> McCulloch satisfied this requirement by entering into bond, with James Glasgow and Benjamin Sheppard as his securities, in the sum of £8,749.16.9.<sup>73</sup>

It was also during the November 1787 session that the House of Commons finally heard the case of John Bonds. After summoning Henry Hines and Ann Strickland from Nash County, the House Committee of Privileges and Elections took depositions and examined witnesses in the matter. On Friday, December 14, 1787, the case against Bonds was presented to the House. Colonel James Armstrong reported that, upon applying to the Commissioners of Army Accounts for the pay of James Crimor, he learned that John Bonds had already claimed the account. When Armstrong questioned Crimor about this, Crimor stated that he knew no Mr. Bonds. Armstrong then applied to Bonds for the soldier's pay. Bonds informed him that he had withdrawn no such money.

Armstrong then returned to the Commissioners for the pay. Again he was informed that Bonds had already presented and liquidated the account. Armstrong again queried Bonds and Bonds told him that

he had only withdrawn the pay of a Thomas Crimor. He supposed the clerk had mistakenly written the soldier's name as James Crimor instead of Thomas. Bonds, however, paid the full amount of the soldier's claim to Armstrong.<sup>74</sup>

The committee produced many additional witnesses that provided information proving that Bonds withdrew the pay of numerous soldiers, none of which he was entitled to, and then the committee concluded its report. After accepting the report, the House vacated Bonds seat and issued an order to Nash County that an election be held the following March to fill the seat.<sup>75</sup>

The final action taken by the 1787 - 1788 General Assembly concerned the passing of a law that amended the 1786 law enacted to try the accused. Since the estates of the men found guilty in Warrenton were held in trust by the state, the prisoners' creditors were unable to garnish the estates for any money due them. As a result, the creditors felt greatly injured. To remedy the problem, the new law required those convicted to enter into bond with security in the amount of the due Bills and certificates, plus interest, they had been convicted of withdrawing illegally. The men were given until the following March to comply to the law. If they failed to do so, they would be returned to jail and have their estates seized again.<sup>76</sup>

There were several cases that were not tried before the Warrenton court and these were bound over to the district superior courts. The case against John Bonds was carried over to the April Term of the Halifax District Court. When Bonds appeared for his trial, he learned of additional indictments against him. Although Bonds desired that the trials begin, the state postponed prosecution until further witnesses could attend. At various sessions between 1787 and 1789, Bonds appeared for trial, but the state did not proceed due to an insufficient number of witnesses. Finally, the charges against Bonds were dismissed and the indictments thrown out of court.<sup>77</sup>

The cases against William Sanders and Thomas Donoho did not appear in court until the April 1788 session of the Hillsborough District Court. Although William Sanders pleaded not guilty to the charges levied in the indictment, a jury found him guilty of fraudulently withdrawing soldiers' accounts. Thomas Donoho was tried on two separate indictments of fraudulent withdrawals. Although the jury found him not guilty of the charges levied in the first indictment, he was found guilty on the other charge. The judges sentenced Sanders and Donoho to twelve months in the Hillsborough District jail and fined them each £300.<sup>78</sup>

Two additional cases was brought during the same period of the Hillsborough court. Although charges were brought against Absalom Tatum, a clerk in the Treasurer's office, for paying false accounts, a jury found him not guilty of the charges. Finally, in the case against former Treasurer Memican Hunt, after his attorney William R. Davie moved for a new trial, Attorney General Alfred Moore, entered a plea of *nolle prosequi* on behalf of the state, and no further actions were taken against Hunt.<sup>79</sup>

Sanders and Donoho petitioned Governor Samuel Johnston in 1788 in accordance with the 1787 resolution concerning pardon. The governor laid the petition before the General Assembly for their instruction. Since Sanders and Donoho had complied with the sentence in respect to paying the fines, the Legislature passed a resolution requesting the governor to issue a pardon to the men remitting the remainder of their sentence.<sup>80</sup>

The following year, John Rowe, a former soldier, petitioned the Legislature to recover his pay which William Faircloth had withdrawn from the treasury. Since he had a "wife and 12 Children, and [was] unable to Support them by labour," Rowe brought suit against Faircloth. The General Assembly

approved the petition and ordered that the "Goods and Chattels Lands & Tenements of William Faircloth" be seized to satisfy Rowe's claim.<sup>81</sup>

In 1790 John Bonds petitioned the Assembly requesting reimbursement for the costs he incurred in his appearances before the Halifax District Court between April 1787 and 1789. Bonds stated that, although the indictments presented against him failed to produce a conviction and charges were eventually dismissed, he was required to pay court costs before he was released. Bonds' requested reimbursement for the court costs and personal expenses incurred during a "molicious [sic] prosecution" by the state. After some consideration, the request was denied by the General Assembly on the grounds that the charges against him had been dropped.<sup>82</sup>

The General Assembly also approached the re-examination of the Warrenton accounts. Although the 1786 Assembly voided the more than two thousand accounts passed by the Board, the state still forwarded the accounts to the United States government.

When the General Assembly met in 1790, the Commissioners appointed to re-examine the accounts still had not acted. On December 15, the Legislature appointed Abishai Thomas and James Taylor to settle the accounts. For nearly the next year, Thomas and Taylor examined the Warrenton Commissioners' books and the soldiers accounts. (Subsequent historians have surmised two theories as to why North Carolina forwarded the account for settlement in the first place. One theory suggests that the North Carolina officials knew the accounts would be re-examined by the state in the near future and feared that the United States government would not accept accounts at a future date, so the state forwarded the account to get reimbursed. The other explanation is that, knowing the state would satisfy the accounts in the future, the state's leaders wanted to have a sum on which to base their settlements. Whatever the reasoning, North Carolina forwarded the account to the United States' Commissioner of Army Accounts to receive a settlement.)

Sometime in July 1791, Oliver Wolcott asked Abishai Thomas for an explanation of the Warrenton Accounts. In a July 29 letter, Thomas informed the Comptroller of the Federal Treasury of the events surrounding the certificates. He further informed the Comptroller that he and Taylor planned to have their examination of the account finished by October. The legitimate claimants would then have from October until the General Assembly met again in December to present their accounts. After December, the General Assembly had mandated that all claims not exhibited by that date would be "forever excluded from liquidation or exchange."<sup>83</sup> By the time he received this information, the Comptroller had already examined and passed on 499 of the accounts. At the end of his account, the Commissioner penned

Thus far the Commissioners proceeded on the examination of the Warrenton Settlements, when understanding that the State of No Carolina had disclaimed & rendered null & void the proceedings of the Commissioners at Warrenton.<sup>84</sup>

On November 16, 1791, nearly five years to the day after Governor Caswell charged the Legislature to bring the accused to justice, Taylor and Thomas completed their examination.<sup>85</sup>

To compile their report Taylor and Thomas examined each of the 2,005 accounts liquidated by the commissioners at Warrenton in April, May, and June 1786. Although the initial liquidation had been in English remission, the men reported that the total accounts settled amounted to 572,472 dollars, 17/90ths and 1/2 farthing.<sup>86</sup> 1,311, or sixty-five percent, of the accounts were for men whose names never appeared on any muster roll. Approximately thirty-six of the men served in the dragoons. The agents



reported that they had never seen, nor did they ever expect to see a muster of the cavalry. Ten to twelve percent of the accounts were duplicates of ones previously settled at Halifax. An additional ten to twelve percent were liquidated for periods of service in excess of what was actually performed. Finally, Taylor's and Thomas' findings indicate that less than fifteen percent of the accounts presented to the board in 1786 were good and accurate.<sup>87</sup>

Shortly after Thomas and Taylor presented their account, it was reported that, prior to the publication of their account in October, the men secretly sold the list of accurate accounts to speculators. On December 29, 1791, Thomas wrote some of his associates who were in the General Assembly to gain their assistance in suppressing the rumors. Thomas requested that the men instigate a Legislative review to prove his and Taylor's innocence. As a result of the complaints, the General Assembly appointed a committee to examine the accusations. Although the committee met only once and found no improper actions on the part of the state's agents, John Taylor resigned his appointment as a result of the complaints and the inactivity of the committee.<sup>88</sup>

In 1792, equipped with Taylor's and Thomas' various reports, John M. Binford, Jesse Franklin, and Brittan Sanders, acting as another board of commissioners, met to settle the Warrenton Accounts. This board met in Hillsborough and allowed only 675, or thirty-four percent, of the original accounts. Total accounts liquidated equaled only £27,293.13.<sup>89</sup>

In November 1786, after numerous citizens from eastern North Carolina informed Governor Richard Caswell that the Commissioners of Army Accounts allegedly had participated in the liquidation of fraudulent soldiers' accounts, he charged the Legislature to satisfy the people's cry for justice. The Assembly's inquiry provided sufficient evidence that the purported fraud had occurred. To bring the accused to justice, a Court of Oyer and Terminar heard cases in early 1787. Most of the men indicted were convicted, fined, and sentenced to jail. Historian Griffith J. McRee stated that "The moral result of the trial was most salutary; it vindicated the supremacy of the law, and . . . proclaimed to the world, that in North Carolina neither wealth nor influence could shelter any man from the penalties of crime."<sup>90</sup> At a time when speculation in army certificates was rampant nation-wide, the trial of speculators in North Carolina served as a back-ground for political unrest which had been brewing for many years. As a result of numerous petitions, many of the men were pardoned and had their sentences remitted shortly after being convicted. Additionally, since the Federalist Party remained in relative control of North Carolina for the next decade, many of the accused returned to the former places of power in the legislative branch of the state's government.

## The Warrenton Army Frauds

## Endnotes

1. "Estimate of the Principal of the Public Debt to January 1, 1783." John Caranzariti et al, eds. *The Papers of Robert Morris*, projected 9 volumes (Pittsburgh: the University of Pittsburgh Press, 1968 - ) 7:543-545.
2. Hugh Williamson to Alexander Martin, September 30, 1784, Governors' Papers, Series 2, Alexander Martin, North Carolina Division of Archives and History, Raleigh, hereinafter cited as Governos' Papers, Martin.
3. Richard Dobbs Spaight to Alexander Martin, April 30, 1784, Governors' Papers, Martin.
4. *Laws of North Carolina, 1782*, April session, ch. 3, § 2, 3. William Blount never attended as a member during the setting of the board.
5. Alexander Martin to the Members of the General Assembly, April 19, 1783, Governor's Letter Book, Alexander Martin, State Archives, Division of Archives and History, Raleigh.
6. Jones and Montfort were brothers-in-law, while Montfort and McCulloch were first cousins.
7. *Laws of North Carolina, 1783*, April session, ch 1, § 13, 14.
8. *Laws of North Carolina, 1783*, April session, ch. 3, § 14.
9. *Laws of North Carolina, 1784*, June session, ch. 15, § 4.
10. *Laws of North Carolina, 1784*, June session, ch. 15, § 6.
11. *Laws of North Carolina, 1784*, June session, ch. 15, § 4, 8.
12. *Laws of North Carolina, 1784*, June session, ch. 15, § 7
13. *Laws of North Carolina, 1784*, November session, ch. 24, § 1, 3.
14. *Laws of North Carolina, 1785*, November session, ch. 13, § 1-4.
15. James Glasgow to Richard Caswell, June 9, 1786, Governor's Papers, Series II, Richard Caswell, State Archives, Division of Archives and History, Raleigh. During the late colonial period and early state period Glasgow and Caswell established a strong friendship. Both men acted as officers in the Dobbs County militia, served as leaders in the Provincial and State Governments, and formed several land speculation ventures.
16. Minutes of the Council of State, July 6, 1786, Minutes and Papers of Council, 1781 - 1790, Governor's Office Records, State Archives, Division of Archives and History, Raleigh.
17. Minutes of the Council of State, July 6, 1786, Governors' Council Minutes and Papers.
18. Richard Caswell to the Commissioners for Liquidating Army Accounts, July 12, 1786, Governor's Papers, Richard Caswell, State Archives, Division of Archives and History, Raleigh; Richard Caswell to Memican Hunt, July 12, 1786, Governor's Papers, Caswell.
19. Minutes of the Council of State, November 2, 1786, Governors' Council Minutes and Papers. Little is known of Mann Phillips. However, like many other men implicated in the Army Account Frauds, he was later implicated in speculating in the military land district in the Glasgow Land Frauds.
20. Walter Clark, ed., *The State Records of North Carolina*, 16 vols. (11-26) (Raleigh: State of North Carolina, 1895-1908), 18:iv.
21. Governor's Messages, Session of November 1786-January 1787, General Assembly Session Records, State Archives, Division of Archives and History, Raleigh.

22. Committee on Finance: Subcommittee Number 4, on application of the £100,000 emitted, Session Records, 1786-1787.
23. Clark, *State Records*, 18:17.
24. Committee of the Whole of Two House in Conference, November 25, re: abuses in Settlements of Army Accounts. Names in brackets appear as they were used by the individual.
25. Committee of the Whole of Two House in Conference, November 25, re: abuses in Settlements of Army Accounts.
26. Clark, *State Records*, 18:272-273. Although a list of the prisoners delivered to Fayetteville does not survive, through the examination of other sources it can be determined that Arthur Pierce, Simon Totevine, Nathan Lassiter, William Faircloth, Thomas Butcher and Benjamin Sheppard were among those arrested.
27. Rowan and Ingram were both Justices of the Peace in Cumberland County. These men were assigned to assist the Representatives and Senators since they could issue warrants and certify depositions.
28. Clark, *State Records*, 18:273, 274; House Resolutions, Session Records, 1786-1787.
29. Governor's Proclamation, December 21, 1786, Governors' Papers, Series 2, Caswell; House Resolutions, Session Records, 1786-1787. To assist the Cumberland sheriff, the Legislature allowed him to request from the county militia officer as many soldiers as he needed, up to fifty, to guard the prisoners.
30. Richard Caswell to the Delegates in Congress for the State of North Carolina, January 15, 1787, Governor's Papers, Caswell.
31. Richard Caswell to the General Assembly, December 8, 1786, Senate Resolutions, Session Records, 1786-1787.
32. Clark, *State Records*, 18:59, 61-62.
33. House Resolutions, Session Records, 1786-1787; Clark, *State Records*, 18:65, 301.
34. Thomas Hogg to the General Assembly, December 10, 1786, Miscellaneous Correspondence, Session Records, 1786-1787.
35. Senate Resolutions, Session Records, 1786-1787.
36. Clark, *State Records*, 18:71, 303.
37. Clark, *State Records*, 18:72-73, 304-305. The committee used the example of William Faircloth's accounts to illustrate some of the frauds:
- |                                                                                  |             |
|----------------------------------------------------------------------------------|-------------|
| Amount of William Faircloth's accounts laid before the board                     | £71369.7.11 |
| Amount deducted by the commissioners                                             | 23780.15.11 |
| Amount remaining for Faircloth in due Bills and Certificates                     | 47579.11.11 |
| One fourth of same, amount of due bills                                          | 11894.17.11 |
| Ten percent for the Treasurer paying                                             | 1189.9.9    |
| Out of £17842.6.11, the money part of Faircloth's account rendered, he drew only | 9705.8.2    |

There remaining in the hands of the commissioners	17842.6.11
And in money	5947.8.11

Clark, *State Records*, 18:73-74, 306.

38. Clark, *State Records*, 18:74, 306.

39. Clark, *State Records*, 18:307.

40. Clark, *State Records*, 18:74.

41. Clark, *State Records*, 18:79.

42. Clark, *State Records*, 18:308. Ten years later, Andrew Jackson informed Senator Alexander Martin of fraudulent activities in procuring bounty land warrants from the Secretary's office. These events became to be know as the Glasgow Land Frauds and led to the trail and conviction of Glasgow and one of his deputies. Russell S. Koonts, "'An Angel has Fallen!' The Glasgow Land Frauds and the Establishment of the North Carolina Supreme Court." *The North Carolina Historical Review*, 72 (July 1995)

43. *Laws of North Carolina, 1786*, November session, c. 2, § 1, 4.

44. *Laws of North Carolina, 1786*, November session, c. 2, § 5, 8, 12.

45. Hunt's petition reads, in part,

Your Memorialist conceiving his Character to be highly Impeached by the Report of the Committee appointed to examine prisoners, beg leave to be permitted first to be informed of the testimony on which the said report is founded, and then to be heard in his defense before a Committee of both Houses, in order that if he is so fortunate as to Justify himself for his conduct (of which he has no doubt) he may be restored to the confidence his Country has placed on him.

Committee for examination of the state prisoners, Joint Select Committee, Session Records, 1786-1787.

46. Clark, *State Records*, 18:88; The date to hear the treasurer's defense was changed several times by both houses. He finally presented his account on Thursday December 28. Joint Select Committee, Committee for examination of the state prisoners, Session Records, 1786-1787.

47. House Resolutions, Session Records, 1786-1787; Clark, *State Records*, 18:322.

48. The General Assembly ended session before Bonds gave his account. The House version of the report gives the soldier's name as James Crenor. Clark, *State Records*, 18:108-109, 335; When the House of Representatives finally herd the case of John Bonds, the soldier's name was given as James Crimor. Committee of Privileges and Elections, Report on the case of John Bonds, Session of November - December 1787, State Archives, Division of Archives and History, Raleigh; On December 26, the General Assembly agreed that James Glasgow's name and the depositions against him were to be struck from the report. Clark, *State Records*, 18:153, 374.

49. Committee on Finance: Subcommittee Number 4, on application of the £100,000 emitted, Session Records, 1786-1787. For a list of the accounts presented by William Faircloth, James Holmes, Thomas Butcher, Timothy McCarthy, John Price, John Sheppard, Henry Montfort, and William Sanders that the committee of examination determined to be fraudulent see *Revolutionary Army Accounts, Volume III*, page 100, folio 1 through page 108, folio 5, Treasurers' and Comptrollers' Military Papers, State Archives, Division of Archives and History, Raleigh.

50. Clark, *State Records*, 18:167; It is noteworthy that when John Haywood died, a committee of the

1827-1828 legislature examined the records in the Treasurer's office and discovered a deficit of \$68,906.80. *Dictionary of North Carolina Biography*, s.v. "Haywood, John."

51. House Resolutions, Session Records, 1786-1787; Clark, *State Records*, 18:220.
52. Marshall was listed in the General Assembly's initial report as guilty of receiving soldiers' accounts under false pretenses.
53. Richard Caswell to Edmund Randolph, January 20, 1787, Governor's Papers, Caswell; Senate Resolutions, Session Records, 1786-1787; House Resolutions, Session Records, 1786-1787.
54. William Blount to John Gray Blount, January 13, 1787, John Gray Blount Papers, State Archives, Division of Archives and History, Raleigh.
55. Samuel Spencer, the other Superior Court Judge in the state at this time period apparently arrived shortly afterwards since mention is made of three justices being present for the trials.
56. Information concerning the relationship of the Iredells and the McCullochs can be found in "The Genealogy of James McCulloch, prepared by himself." James Iredell, Sr. and James Iredell, Jr. Papers, Duke University Special Collections, Durham, NC, hereinafter referred to as Iredell Papers, Duke University.
57. James Iredell to Hannah Iredell, January 31, 1787, Samuel Johnston Papers, State Archives, Division of Archives and History, Raleigh.; James Iredell to Hannah Iredell, February 4, 1787, Johnston Papers. The only court records extant of Halifax District from the time of the trials are three dockets of Minutes in Equity, and one box of miscellaneous papers.
58. James Iredell to Hannah Iredell, February 13, 1787, Johnston Papers. One possible explanation of the prejudice shown to McCulloch could be his father's former place of importance. During the colonial period, Alexander McCulloch had served as a member of the Governor's Council. Alexander McCulloch was also the nephew of Earl Granville's land agent, Henry McCulloch. At this period in the state's history, many people still held contempt for Henry McCulloch and his speculation activity. *Dictionary of North Carolina Biography*, s.v. "McCulloch, Alexander." It is also interesting that John Baptista Ashe, Judge Ashe's son, was married to the sister of Henry Montfort.
59. Alexander McCulloch to James Iredell, letter fragment, Johnston Papers.
60. Petitions to the Council, Session Records, 1787; Governor's Papers, Caswell, Second Series. *The Charleston Morning Post*, March 26, 1787.
61. James Iredell to Hannah Iredell, February 19, 1787, Johnston Papers.
62. Hugh Williamson to John Gray Blount, February 16, 1787, Blount Papers.
63. John Steele to James Iredell, Mary 29, 1787, Iredell Papers, Duke University.
64. Samuel Ashe to Alexander McCulloch, February 24, 1787, Samuel Ashe Papers, State Archives, Division of Archives and History, Raleigh.
65. Alexander McCulloch to James Iredell, April 29, 1787, Iredell Papers, Duke University.
66. Petitions to the Governor, Governor's Papers, Caswell, Second Series; Petitions to the Governor, Governors' Council Minutes and Papers; Petitions to the Council, Session Records, 1787.
67. Minutes of the Council, March 14, 1787, Governors' Council Minutes and Papers; Minutes of the Council, April 14, 1787, Governor's Council Minutes and Papers. In a March 1, 1787 letter to William Blount, Caswell informed him that all prisoners except McCulloch and Sheppard stood in bail. John Sheppard, Caswell reported, had been "released from the pillory on the application of old Mrs. Hawkins

& other ladies who petitioned in his behalf." Richard Caswell to William Blount, March 1, 1787, Governor's Papers, Caswell.

68. Richard Caswell to John Whitaker, June 19, 1787, Governor's Papers, Caswell.

69. John Whitaker to Richard Caswell, July 15, 1787, Governor's Papers, Caswell.

70. William R. Davie to James Iredell, June 19, 1787, Iredell Papers, Duke University.

71. Senate Resolutions, Session Records, 1787; Clark, *State Records*, 20:518.

72. Clark, *State Records*, 20:408, 409.

73. Bond of Benjamin McCulloch, Governor's Papers, Caswell, Series II.

74. Committee of Privileges and Elections, Report on the case of John Bonds, Session Records, 1787

75. Committee of Privileges and Elections, Report on the case of John Bonds, Session Records, 1787.

76. *Laws of North Carolina, 1787*, November Session, c.7, § 1, 2.

77. Committee of Propositions and Grievances, Session of November - December 1790, State Archives, Division of Archives and History, Raleigh.

78. *State v William Sanders*, April 8, 1788, Minutes of the District Superior Court, Hillsborough District Superior Court Records, State Archives, Division of Archives and History, Raleigh; *State v Thomas Donoho*, April 10, 1788, Hillsborough District Court Minutes; *State v Thomas Donoho*, April 10, 1788, Hillsborough District Court Minutes.

79. Entered by the plaintiff, means literally "will prosecute no further." *Black's Law Dictionary*, s.v. "Nolle Prosequi"; *State v Absalom Tatum*, April 9, 1788, Hillsborough District Court Minutes; *State v Memican Hunt*, April 10, 1788, Hillsborough District Court Minutes.

80. House Resolution, Session of November - December 1788, State Archives, Division of Archives and History, Raleigh.

81. Committee of Propositions and Grievances, Session of November - December 1789, State Archives, Division of Archives and History, Raleigh.

82. Committee of Propositions and Grievances, Session Records, 1790.

83. Abishai Thomas to O[liver] Wolcott, July 28, 1791, Abishai Thomas Collection, State Archives, Division of Archives and History, Raleigh.

84. *Revolutionary Army Accounts, Volume III*, p 52, folios 4-5, Treasurers' and Comptrollers' Papers.

85. *Laws of North Carolina, 1790*, November session, c 13, § 1; Taylor and Thomas prepared an alphabetic volume that listed the soldiers' accounts and remarked on the validity of each entry. *Revolutionary Army Accounts, Warrenton*, Treasurers' and Comptrollers' Military Papers; *Revolutionary Army Accounts, Volume IV*, page 1, folio 1 through page 28, folio 2 Treasurers' and Comptrollers' Military Papers contains the journal of remarks where Thomas and Taylor made comments on questionable accounts.

86. The dollar in 1791 was made up of 90 parts instead of 100 parts.

87. *Revolutionary Army Accounts, Warrenton, 1786*, Treasurers' and Comptrollers' Papers, Military Papers.

88. Abishai Thomas to Francis Locke, Archibald McLain, William R. Davie, and Charles Johnston, December 29, 1791, Abishai Thomas Collection; John Taylor to the General Assembly, January 29,

1792, Miscellaneous Correspondence, Session of December 1791-January 1792, General Assembly Session Records, State Archives, Division of Archives and History, Raleigh.

89. *Revolutionary Army Accounts, Volume II*, p. 46, folio 1 - p. 73, folio 4, Treasurers' and Comptrollers' Papers, Military Papers.

90. Griffith J. McRee, *Life and Correspondence of James Iredell*, 2 vols. (New York: D. Appleton and Company, 1857), 2:156.





## The Warrenton Army Frauds