SHORTAGE OF $201,000 IN KENTUCKY BANK

Bookkeeper Gone with Sum Equal to Twice the Capital Stock.

DIRECTORS COVERED THE CRIME

Asserted Everything Was All Right— Defaulter Operated Ten Years— Exposed by Jealous Woman.

CINCINNATI, Nov. 18.—United States Bank Examiner Tucker to-day took possession of the German National Bank at Newport, Ky., and posted a notice that the bank would remain closed pending an examination. Examiner Tucker also announced, unofficially, that Frank M. Brown, the individual bookkeeper and assistant cashier, was missing, and that a partial investigation showed that Brown was short about $201,000.

Brown had been with the bank eighteen years, was one of the most trusted men ever connected with this old bank, and it is stated by the experts that his peculations extended back as far as ten years. The capital stock of the bank is only $100,000. Brown's alleged shortage is double that amount, and more than the reserve and all the net assets, including their real estate.

While Alvord got away with $700,000 in New York, he did it in a large bank, but Brown did not have so much to go on, and seems to have gone the full limit for a small bank in a city of less than 30,000 inhabitants. The First National Bank of Newport was wrecked two years ago by Cashier Youtsey, and now, with the German National closed, Newport has only one bank left.

For two weeks there have been rumors that Brown was short, and some depositors withdrew their accounts. Three weeks ago the Bank Examiners made a good statement for the bank, and the officers and Directors allayed suspicion by referring to the report of this examination and to their last statement.

Last Wednesday Brown left, and it was announced that he had gone hunting on a vacation. He did get a ticket for Odin, Ill., but it is learned now that he did not go there, and it is generally believed that he is out of this country with plenty of money in his possession.

The experts have been at work all the past week, while the officers and Directors have been making announcements that everything was all right. Last Friday the officers and Directors over their own names published in the papers of this city a statement that the bank had been found to be all right and that the rumors about Brown were false.

They continued making these statements to the press as late as last midnight, but the statements were not accepted by The Commercial-Tribune, which exposed the alleged defalcations, and caused a panic in Newport to-day so that the bank had to be taken in charge by the Examiner.

The wildest scenes were witnessed in Newport to-day, and serious trouble is feared to-morrow.

Brown, it is alleged, was living a fast life, with wine, women, and gambling in his repertoire. His career was not cut short by any discovery at the bank until a jealous woman exposed him. He is a widower with one son, aged ten years, who lives with Brown's father, Paris C. Brown, ex-Mayor of Newport, and one of the leading business men of Cincinnati.

Last Summer Brown visited Yellowstone Park, and a woman in Cincinnati with whom he is said to have associated wanted to accompany him, but this was denied her. When she ascertained some time afterward that another woman was with Brown on his Western trip, the Cincinnati woman gave the bank officials some information that brought about a crisis.

The only farewell letter that Brown is known to have left was to this woman, whose apartments are on Ninth Street, in Cincinnati, and in this letter he admits that he had secured about all that he could get, and that the time had come to say farewell. Brown, it is said, was a great poker player, with the limit never too high, and he had been a plunger on horse races for years. His bets on the races, it is reported, were frequently too high for the poolrooms in Covington, Ky., and he had brokers in both Chicago and New York.

The officers of the German National Bank are all wealthy and responsible men, and they will be able to make the losses good. Among the Directors is Paris C. Brown, who is the missing bookkeeper's father, and is well known.

The cashier of this bank is also paying teller, and Brown relieved him as paying teller when the cashier went to his dinner. It is stated that Brown did most of his work during the noon lunch of the cashier.

There was quite a run on the bank yesterday, notwithstanding the announcement that everything was all right. A larger crowd is expected to-morrow, in spite of the notice posted that the bank is closed pending investigation, and some fear that there will be serious trouble, even to the extent of violence.

Bank Examiner Tucker took charge on Sunday because of the panic in Newport that followed at once upon the publication of Brown's absence and alleged defalcation. The excitement in Newport up to a late hour to-night was intense.

There are about 1,500 depositors, among them being the nine building associations which have the savings of many poor people. These classes talked more to-day about the statements given out last Thursday and since then than about Brown's operations.

Brown wrote to a woman in Cincinnati that he was bound for South America, but The Enquirer will say to-morrow that it has good authority for alleging that Brown sailed from New York yesterday and that his destination is China.

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Originally from the *New York Times*, November 19, 1900