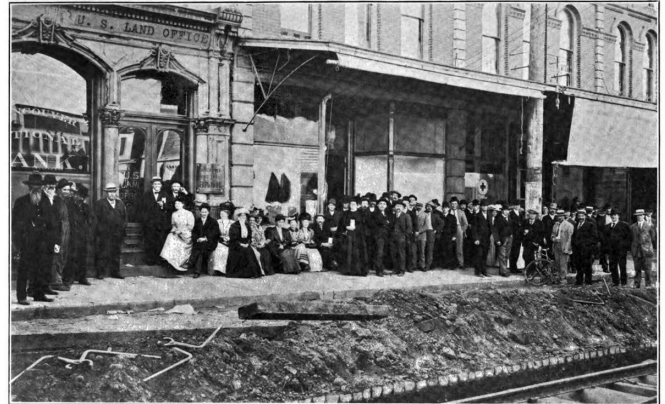
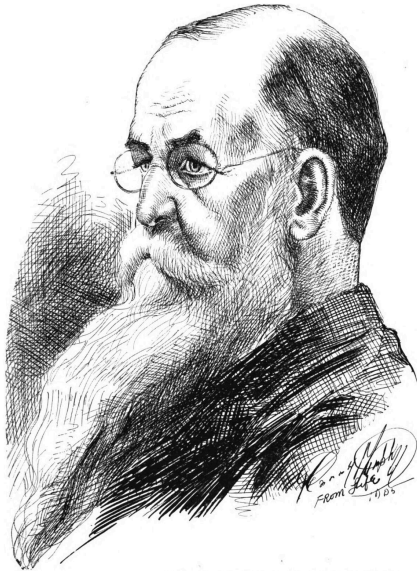
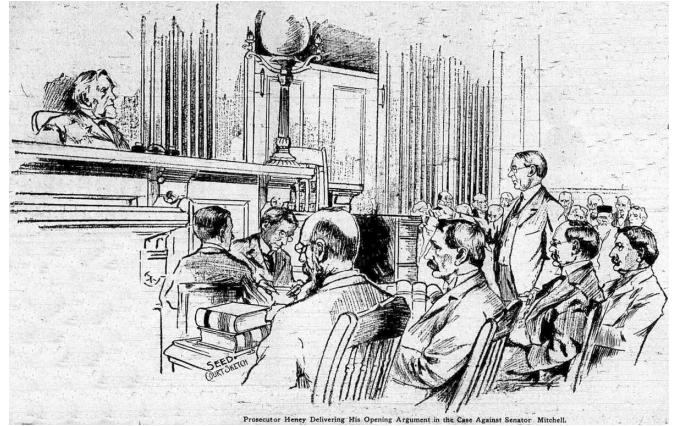
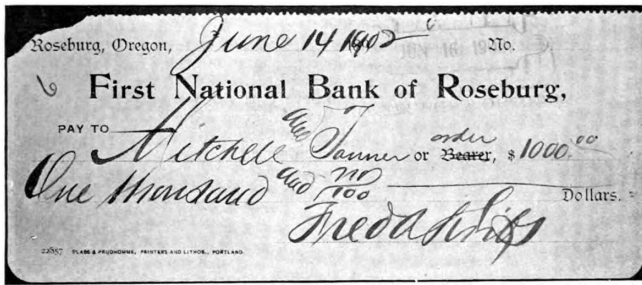


Offbeat Oregon: Frontier land-fraud swindlers plundered Oregon thoroughly

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On the morning of Dec. 7, 1904, Stephen A.D. Puter had just arrived at the office of U.S. Marshal Jack Matthews. He was expecting some friends to come by ... and bail him out of jail.

Puter had just been convicted of masterminding a plan to swindle the U.S. government out of thousands of acres of prime timberlands. He had not yet been sentenced. Like all convicts, he had the option of either staying in jail until sentencing, or posting bail. In his case, bail was set at \$4,000. He figured his friends — or, rather, unindicted co-conspirators — would be by shortly to help him raise the funds.

No one came.

It was starting to dawn on Puter that no one was going to come.

To be sure, he called his brother and asked him to pay a few social calls on his friends and business associates. The brother, as Puter may have expected, soon reported back: None of the old cronies wanted to have anything to do with him any more.

Over the next few days, after he'd come up with his bail by borrowing it from family members, Puter learned more details about why they were all so reticent. There was, as he'd well known, a new investigator in town from Washington, D.C., sent by the new Theodore Roosevelt administration and tasked with putting a stop to the rampant land frauds that had been going on for decades all across Oregon and the West.

This "new sheriff," Francis Heney, had had started his campaign by going after Puter, who was the most successful, prominent, and notorious of the crooked land agents. Now Puter, the "land fraud king," had been convicted along with several of his associates and lower-level financial backers; and the land fraudsters who had not yet been caught in Heney's dragnet were very much hoping that the government's thirst would be slaked by this high-profile win, and that Heney would move on and let them continue pillaging the public domain as before.

In other words, he was to be sacrificed to appease the gods in Washington D.C. He was to be thrown under the bus, branded a "bad apple" and socially disowned in order to protect the bigger fish involved and enable them to keep the good times rolling.

And how much bigger were those bigger fish? Well, several of them were out-of-state millionaires; two of them were members of the U.S. House of Representatives; and one was United States Senator John H. Mitchell.

Puter was good and angry about this situation by the time he made it out of jail, and determined to give his old "friends" a good scare for their pains at the very least. But although he doesn't say specifically, it looks as if Puter didn't actually decide to go into full-on vengeance mode until Mitchell started regularly using him as a whipping boy in press conferences about the land frauds.

This was stupendously galling to Puter, because at one point a few years earlier, he had actually paid Mitchell a \$2,000 bribe to lean on the lands department to approve some fraudulent applications.

"Had Sen. Mitchell held his peace, his name should never have been mentioned by me," Puter raged to a former business partner afterward. "But since he has seen fit to denounce me publicly, through the columns

of the daily press, discountenancing me in most scathing terms, I see no reason why I should protect him further.”

The business that Puter had made his career in was one that had been going on in Oregon since the very dawn of Oregon statehood. By the time Roosevelt’s administration decided to put a stop to it, the wealthy and well-connected had been stealing land from the state and federal governments for four decades.

Around the time the state was admitted to the union, legally almost all of it belonged to the federal government. This it was busily handing out to homesteaders, who could file claims on big chunks of it, “prove it up” by building cabins and raising crops, and claim title to it for just a nominal filing fee.

This system worked pretty well for the parts of the state that were suitable for small farms — the Willamette Valley, mostly — but it left big portions of the state out. Timberlands, especially, as well as most of the dryer portions of eastern Oregon, would not support a homesteader.

So, with an eye toward getting marginally farmable land and timberlands into productive use, the government created several new programs that were less rigorous. It also empowered the new state to claim the state’s “swamp lands” to be reclaimed for agriculture.

It was the “swamp lands” grant that gave Oregon its first real experience of wholesale land fraud. Maybe that was inevitable, since the whole idea of the grant was based on fantasy. The river bottomlands in the Mississippi Valley had included vast acres of malarial swamps which could be fairly easily reclaimed by building dikes and levees and draining them; but doing that was very expensive. The feds had found it convenient to have the states take that on; they would take the swamp, reclaim it, and sell the resulting farmland to help the state pay its bills and put the land into productive use.

Oregon had very little of that kind of swampland. But in 1870, the state legislature suddenly realized that if they redefined “swamp” to include bits of land that flooded once or twice in the spring, they could gin up a claim on vast amounts of the land in the state, which they could then hand over to their friends for super cheap.

Here's how the swindle worked:

A wealthy landowner — a sheep rancher, say — cultivated a state land agent and bribed or otherwise induced him to proclaim the banks and streambeds of every river, lake, or pond in the area he coveted as “swamp land.”

The landowner could then pay 20 cents per acre to reserve the property. After successfully “reclaiming” it, he would then be allowed to buy it outright for an additional 80 cents an acre.

So the landowner would take charge of the “swamp land,” wait six months for the dry season, proclaim it “reclaimed,” and purchase it.

In the case of our sheep rancher, this worked doubly well, because by snapping up all the land with water running on it, he left nothing behind but dry pasture. He could be pretty confident that no sodbusters would be able to successfully claim any of it under the Homestead Act, so he’d get to graze all his sheep on it for free.

But, you might object: With the state claiming huge swaths of “swamp land” that wasn’t really swampland, almost sight-unseen, wasn’t there a risk that the state would “claim” land that someone had already claimed?

Yes, and that happened a lot. In fact, it was one of the preferred outcomes of the scammers, because after the state had “sold” you someone else’s land, it would have to give you another piece of state property in lieu of the one you’d contracted for. And you got to pick which piece of “lieu land” you got.

There were several other ways the state and federal governments could be hustled out of prime lands, too. The state wasn’t fully surveyed yet. The policy of the state and federal governments was to honor the claims of legitimate homesteaders even if their claims turned out to be in places that were set aside for other things — like local schools, land-grant universities, or government buildings. The government would give those homesteaders their pick of government-owned lands — “lieu lands” — in exchange. So people like Stephen Puter would hurry out to remote mountainous sections that were about to be surveyed, stake virtually worthless claims, and exchange them for valuable timberlands after the survey.

But probably the most common scam, and the one that Puter was especially adept at, was the “dummy entryman” swindle. In this, after a new timber-country township was surveyed, Puter would hire random sailors and North End layabouts to go down to the land office and file land claims in it, with Puter paying their filing fees.

These “dummies” would go to the land office, perjure themselves by swearing that they had inspected their claims and intended to “prove them up,” and then basically sign them over to Puter. Puter would bribe a land-office clerk to allow the transaction. He would then lump enough of the claims together to make a decent sized timber patch, and sell them to an out-of-state timber baron.

This kind of thing went on for decades.

So, how did it all end? Well, first of all, the state’s prime real estate started getting more and more scarce. At the same time, railroads and other organizations that had been given federal land grants were having trouble redeeming them because people like Puter were snapping them up fraudulently.

For the most part, the people participating in this swindle didn’t really think of it as a big deal. Everybody was making money, and everyone in the fraudulent marketplace was happy playing their part. The timber barons were getting prime timberlands for cheap, the land-office clerks were getting a nice sideline income, the timber brokers like Puter were greasing the wheels of commerce and getting well paid for it, and the land they were stealing was unsuitable for homesteaders anyway. So what if there were some weird, unreasonable requirements about residency and improvements and big operators not being allowed to buy land in bulk? Those requirements were for farmland, not timber. Who, they would have asked, were they hurting?

And in the early years at least, most Oregonians agreed with that. But by the turn of the century that had changed.

Happily ensconced in their little bubble of like-minded businessmen and politicians, the land thieves had gotten to be a bit out of touch with how their activities were playing with the public. As the new century dawned, the old “greed is good” ethos of the Gilded Age was wearing very thin. Members of the public, watching fat cats from out of state (or even out of country) take advantage of the situation to build vast absentee empires, were starting to notice.

That was the biggest change that led to the end of the land fraud era — a change in the attitude of regular Americans. The beginning of the end for the land fraudsters came in about 1902, when a random citizen — a Catholic priest, actually — wrote a letter to Interior Secretary Ethan Hitchcock, alerting him of a series of land frauds in the Tillamook area.

Things like this may have happened before; if they were, they were promptly shoved under a rug. But the Roosevelt administration was far more serious about things like land fraud than previous ones had been. Hitchcock took the report very seriously, and sent Secret Service investigators — including the legendary William J. Burns — to investigate.

The result was, some very highly placed heads started rolling at the General Land Office. Puter and his associates soon found familiar faces at the land office had disappeared, and their replacements were turning out to be a lot harder to bribe.

After investigator Haney flipped Puter, things moved fairly quickly. Puter's \$2,000 bribe to Sen. Mitchell had been in cash, so it was untraceable; but another land agent, Frederick Kribs, paid his bribes with checks, which Mitchell had been imprudent enough to accept and deposit.

Heney then went after Congressman John Williamson, who had apparently worked the system from within to acquire several thousands of acres of grazing land for his sheep ranch near Prineville, and Congressman Binger Hermann, the former commissioner of the General Land Office.

Dozens of other operators — land agents like Puter as well as several of their wealthy out-of-state customers — were also tried, and many were convicted. Mitchell and Williamson were among them, but both appealed immediately. Williamson's conviction was overturned on appeal and Mitchell's was dropped after he died from a dental abscess before his case could be heard. Hermann's trial ended with a hung jury.

So, no real high-profile characters spent significant jail time for the land-fraud scandals. But the government had made its point, and after those trials the age of easy land grabbing was over in Oregon.

Unfortunately, by that point most of the good land had been scooped up anyway.

(Sources: “Oregon Land Fraud Trials,” an article by Oliver Tatom published May 25, 2022, in The Oregon Encyclopedia; “Oregon’s Public Domain: The Sale of Oregon’s Lands,” an article by F.G. Young published in the March and June 1910 issues of Oregon Historical Quarterly; Looters of the Public Domain, a book by S.A.D. Puter published in 1908 by Portland Printing House)

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