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# Empire's Embezzlers: Fraud and Scandal in U.S.-Occupied Cuba, 1900–1902

Alvita Akiboh 

Department of History, Yale University, New Haven, CT, USA  
Email: [alvita.akiboh@yale.edu](mailto:alvita.akiboh@yale.edu)

## Abstract

*In 1900, news of U.S. postal officials committing fraud in Cuba became a scandal that influenced the political, legal, and governmental trajectory of U.S. imperialism. Anti-imperialist Democrats used the frauds to undermine Republican pro-imperialists on the eve of the 1900 election. Prominent Republicans hoped to contain the scandal through swift punishment, but when the accused refused extradition, the resulting Supreme Court case, though rarely discussed, became the first of the Insular Cases. In 1900, it was not yet clear whether the U.S. empire would be run by self-interested actors or self-proclaimed progressive reformers. The commitment to progressive imperialism observed later in other colonies was, at least in part, worked out in this postal frauds case, as individuals chose how to respond to the scandal. Their actions were guided as much by scandal and the pursuit of self-interest as they were by lofty ideals about good government.*

The last thing President William McKinley needed on the eve of the 1900 election was an imperial scandal. Pro-imperialist Republicans who had railed against Spanish colonial corruption boasted about victory in the 1898 war and clean government in the resulting territorial occupations, especially Cuba.<sup>1</sup> But in May of 1900, the public learned that Republican appointees in Cuba's postal service had committed fraud. The frauds became a scandal for the administration from the Director-General of Posts in Cuba to the Postmaster General to McKinley himself. One democratic newspaper argued it was “the hardest blow that has yet been given to expansion as advocated by the republican administration.”<sup>2</sup> The frauds need not have become a scandal, but various groups, including anti-imperialist Democrats, the partisan press, and even prominent Republicans, stood to benefit from fanning the flames. The resulting scandal would influence the political, legal, and governmental trajectory of U.S. imperialism.

The U.S. military government that ruled Cuba from 1898 to 1902 was run by officials appointed by and answerable to the War Department.<sup>3</sup> The Department of Posts, however, used military government funds but operated autonomously from the military government, under the authority of the Post Office Department. Though McKinley appointees headed both departments, military officials distrusted the arrangement, especially military governor

<sup>1</sup>Harper's *Pictorial History of the War With Spain* (New York, 1899), 2, 24, 41–2, 75; Henry Cabot Lodge, *The War with Spain* (New York, 1899), 29.

<sup>2</sup>“Cuban Scandal,” *Houston Daily Post*, May 11, 1900, 1.

<sup>3</sup>Leonard Wood, “The Military Government of Cuba,” *Annals of the American Academy of Political and Social Science* 21 (Mar. 1903): 28.

of Cuba Leonard Wood—army surgeon, commander of the famous Rough Riders, and self-proclaimed progressive reformer.<sup>4</sup> Wood ordered the audit that revealed the postal frauds, which, due to the partisan nature of appointments, had been committed by fellow Republicans: Charles F. W. Neely and Estes G. Rathbone.

For Democrats, turning the frauds into a scandal was an opportunity to ruin the Republican Party's reputation, oust Republicans in the 1900 election, and dismantle the empire they had begun to build. Newspapers around the country of all political affiliations, motivated by partisan loyalty, a duty to expose corruption, or the lure of a sensational story, also benefited from turning the frauds into a scandal. The frauds were front page news from New York to Nashville, St. Louis to San Francisco, and Illinois to Idaho.<sup>5</sup> The *Washington Post* alone ran over eighty stories on the frauds between May and December 1900—almost half on the front page.<sup>6</sup> In “a nation that organized its politics through parties and its parties through newspapers,” as Michael Schudson has argued, it is worth paying attention to newspapers—not because they told people what to think, but because they told people what to think *about*.<sup>7</sup> James Carey's ritual view argues “news is not information but drama” that invites vicarious participation.<sup>8</sup> Consistently reading about this scandal invited people to imagine their place in the dramatic contest of Wood vs. Rathbone, Republicans vs. Democrats, the spoils system vs. progressivism, and empire vs. democracy.

The size of the scandal transformed the frauds into an early test for how the United States, and Republicans in particular, would manage imperial corruption. Initially, newspapers speculated Republicans would not punish their own, especially given Rathbone's close friendship with Marcus Hanna, the wealthy and powerful head of the Republican national machine.<sup>9</sup> Republicans did not have to turn on their own. They might have tried to scapegoat the two Cuban postal workers, Eduardo Moya and Jorge Mascaró, implicated in Neely's fraudulent schemes, relying on then-popular ideas about the legacies of corrupt Spanish rule or Cubans' lack of capacity for administration.<sup>10</sup> Or Republicans might have tried to dismiss the frauds as typical; fraud was rampant at the time, especially among postal officials in the West.<sup>11</sup> Indeed, while much scholarship has emphasized the “boomerang effect” of imperial policies coming home, the frauds in Cuba echoed domestic schemes like the Star Route Scandals of the 1870s and 1880s, in which private companies and postal officials conspired

<sup>4</sup>Howard Gillette, Jr., “The Military Occupation of Cuba, 1899–1902: Workshop for American Progressivism,” *American Quarterly* 25, no. 4 (Oct. 1973): 410–25; Jack C. Lane, *Armed Progressive: A Study of the Military and Public Career of Leonard Wood* (Novato, CA, 1978).

<sup>5</sup>A sampling of coverage: “Rathbone to Be Relieved,” *New York Times*, May 14, 1900, 1; “Will Be Removed from His Position,” *Nashville American*, May 14, 1900, 1; “Revelations in Cuban Postal Steal Stir the Administration,” *St. Louis Post-Dispatch*, May 16, 1900, 1; “Cuban Frauds Growing,” *San Francisco Chronicle*, May 9, 1900, 1; “Postal Frauds in Cuba,” *Chicago Daily Tribune*, May 8, 1900, 1; “Rathbone Is Fired,” *Elmore Bulletin* (Rocky Bar, ID), June 28, 1900, 1.

<sup>6</sup>Search results from Proquest Historical Newspapers.

<sup>7</sup>Michael Schudson, “Preparing the Minds of the People: Three Hundred Years of the American Newspaper,” in *Three Hundred Years of the American Newspaper*, ed. John B. Hench (Worcester, MA, 1991), 425.

<sup>8</sup>James W. Carey, *Communication as Culture: Essays in Media and Society* (New York, 2009), 17.

<sup>9</sup>Timothy Shenk, *The Realigners: Partisan Hacks, Political Visionaries, and the Struggle to Rule American Democracy* (New York, 2022), 122–44.

<sup>10</sup>Gerald F. Linderman, *The Mirror of War: American Society and the Spanish American War* (Ann Arbor, MI, 1974), 114–74; María DeGuzmán, *Spain's Long Shadow: The Black Legend, Off-Whiteness, and Anglo-American Empire* (Minneapolis, 2005); María Dolores Elizalde, “Imperial Transition in the Philippines: The Making of a Colonial Discourse about Spanish Rule,” in *Endless Empire: Spain's Retreat, Europe's Eclipse, America's Decline*, eds. Alfred W. McCoy, Josep M. Fradera, and Stephen Jacobson (Madison, WI, 2012), 148–59.

<sup>11</sup>Daniel Carpenter, *The Forging of Bureaucratic Autonomy: Reputations, Networks, and Policy Innovation in Executive Agencies, 1862–1928* (Princeton, NJ, 2001), 94–143; Edward J. Balleisen, *Fraud: An American History from Barnum to Madoff* (Princeton, NJ, 2017), 128–39, 209–24.

to split the profits of exorbitant mail-carrying contracts.<sup>12</sup> While many condemned nineteenth-century corruption, it did not lead the public to question continental expansion altogether. If, as Kirsten McKenzie has argued, scandals reveal “the moral values of a group and the boundaries of acceptable conduct,” the outsize reaction to postal fraud in Cuba revealed that the U.S. public would not tolerate this kind of corruption in the new overseas territories.<sup>13</sup> As the president of the U.S. Civil Service Commission argued, “We do not feel personally responsible for misgovernment in New York or Philadelphia, but every American citizen will feel a personal responsibility for misgovernment in Havana” and “any party daring to apply the partisan spoils system to the government of our colonies or dependencies will be hurled from power by the aroused conscience of the American people.”<sup>14</sup> To salvage their party’s reputation, prove their commitment to progressive, clean government, and avoid being “hurled from power,” prominent Republicans chose to advocate punishment.

For generations, scholars have examined the relationship between U.S. imperialism and progressivism, showing how U.S. colonies served as laboratories for progressive policies in everything from education to infrastructure in the early twentieth century.<sup>15</sup> But in 1900, it was not yet clear whether U.S. colonies would be run by progressive reformers. In this era of so-called “new imperialism,” when, as Jane Burbank and Frederick Cooper note, imperial powers were at least *claiming* to adopt “professional bureaucracies and law-bound, rule-bound forms of government,” the postal frauds scandal made a mockery of U.S. claims about introducing clean government in former Spanish colonies.<sup>16</sup> As we follow this case, we see that what was really on trial—in U.S. and Cuban courts, and in the court of public opinion—was what kind of empire the United States wanted to be. The official commitment to progressive imperialism observed later in other colonies was, at least in part, worked out in this case as certain officials, eager to distance themselves from the scandal and prove their commitment to clean colonial governance over corruption, created a dichotomy between supposedly self-interested actors like Neely and Rathbone and self-proclaimed progressive reformers like Wood, using the contrast to legitimize colonial rule by the latter.

When Neely challenged the constitutionality of his extradition to Cuba for trial, what began as a political scandal became a legal debacle that called into question the United States’s capacity for imperial administration. As Katherine Unterman has argued, “to govern the empire, the

<sup>12</sup>On the “boomerang effect,” see Alfred W. McCoy and Francisco Scarano, eds., *Colonial Crucible: Empire in the Making of the Modern American State* (Madison, WI, 2009); Julian Go, “The Imperial Origins of American Policing: Militarization and Imperial Feedback in the Early 20th Century,” *American Journal of Sociology* 125, no. 5 (Mar. 2020): 1193–254. On the Star Route Scandals, see Cameron Blevins, *Paper Trails: The US Post and State Power in the American West* (Oxford, UK, 2021), 81–93.

<sup>13</sup>Kirsten McKenzie, *Scandal in the Colonies: Sydney & Cape Town, 1820–1850* (Melbourne, 2004), 8.

<sup>14</sup>John R. Proctor, quoted in Gillette, “The Military Occupation of Cuba,” 411.

<sup>15</sup>Herbert Croly, *The Promise of American Life* (New York, 1910), 169, 303, 308–10; William E. Leuchtenburg, “Progressivism and Imperialism: The Progressive Movement and American Foreign Policy,” *Mississippi Valley Historical Review* 39, no. 3 (Dec. 1952): 483–504; Gillette, “The Military Occupation of Cuba”; Patricio N. Abinales, “Progressive-Machine Conflict in Early Twentieth Century U.S. Politics and Colonial-State Building in the Philippines,” in *The American Colonial State in the Philippines: Global Perspectives*, eds. Julian Go and Anne Foster (Durham, NC, 2003), 148–81; Julian Go, *American Empire and the Politics of Meaning: Elite Political Cultures in the Philippines and Puerto Rico during U.S. Colonialism* (Durham, NC, 2008), 32–4, 41–2; Michael Adas, *Dominance by Design: Technological Imperatives and America’s Civilizing Mission* (Cambridge, MA, 2006), 136; Julie Greene, *The Canal Builders: Making America’s Empire at the Panama Canal* (New York, 2009), 8–9, 180–225; Colin D. Moore, *American Imperialism and the State, 1893–1921* (Cambridge, UK, 2017), 2, 189–230.

<sup>16</sup>Jane Burbank and Frederick Cooper, *Empires in World History: Power and the Politics of Difference* (Princeton, NJ, 2010), 287–88, 321; Alfred W. McCoy, Francisco A. Scarano, and Courtney Johnson, “On the Tropic of Cancer: Transitions and Transformations in the U.S. Imperial State,” in *Colonial Crucible: Empire in the Making of the Modern American State*, eds. Alfred W. McCoy and Francisco Scarano (Madison, WI, 2009), 11–2.

United States had to be able to punish people who committed crimes.”<sup>17</sup> Here, it was incapable of compelling a U.S. postal worker to a U.S. territory for trial. Paul Kramer has argued that “scholars often associate empire with a tone of bombastic confidence” and “absolute power,” while, as this case demonstrates, “just as characteristic were expressions of powerlessness, anxiety, and dread.”<sup>18</sup> Scholars typically portray anti-imperialists as concerned with whether the United States *should* govern overseas colonies, but this scandal reveals a different strain of anti-imperialism rooted in anxiety about whether the United States *could* govern overseas colonies.<sup>19</sup> The postal frauds scandal, then, functioned as scandals often do—by, in Nicholas Dirks’s words, “point[ing] to the underlying tensions and anxieties of an age.”<sup>20</sup>

Neely’s appeal went to the U.S. Supreme Court, where, although not prominently discussed in the legal scholarship, *Neely v. Henkel* became the first of the *Insular Cases*—a series of Supreme Court cases meant to determine the relationship between the United States and its colonies.<sup>21</sup> “Foreign in a domestic sense” has become the shorthand for the *Insular Cases* decisions, and while *Downes v. Bidwell* is most often cited as the source of that declaration, the Court first articulated that idea in *Neely* four months earlier.<sup>22</sup> Indeed, Christina Duffy Ponsa-Kraus has argued that the *Neely* decision, particularly the Court’s “account of why Cuba was a ‘foreign country’ while at the same time subject to U.S. sovereignty,” laid the groundwork for its thinking in the later, better-known *Insular Cases*.<sup>23</sup> And Bartholomew Sparrow has suggested that “contributing to the Court’s decision may have been the size of the scandal caused by *Neely*.”<sup>24</sup> Because Democrats and the press made the frauds a scandal and Republicans pursued punishment in Cuba, the Supreme Court was forced to define Cuba’s status—a decision that stifled the ambitions of those who still sought annexation even after the 1898 Teller Amendment’s promise of independence.<sup>25</sup>

The scandal did not, as Democrats hoped, bring down the Republican Party or its new empire. McKinley won reelection, and, though Cuban judges found them guilty, the perpetrators did not serve out their sentences. For moralists, the story lacks a satisfying ending. But for historians, it reveals much about the intertwined nature of the U.S. political and imperial systems. Alfred McCoy has argued that although our historical actors were “fascinated” by scandal, “historians have found surprisingly few worth recounting”—the postal frauds in Cuba included.<sup>26</sup> Studying this scandal highlights the influence of domestic politics, public opinion,

<sup>17</sup>Katherine Unterman, *Uncle Sam’s Policemen: The Pursuit of Fugitives Across Borders* (Cambridge, MA, 2015), 99.

<sup>18</sup>Paul A. Kramer, “Power and Connection: Imperial Histories of the United States in the World,” *American Historical Review* 116, no. 5 (Dec. 2011): 1383.

<sup>19</sup>E. Berkeley Tompkins, *Anti-Imperialism in the United States; The Great Debate, 1890–1920* (Philadelphia, 1970); Michael Patrick Cullinane, *Liberty and American Anti-Imperialism: 1898–1909* (New York, 2012); Stephen Kinzer, *The True Flag: Theodore Roosevelt, Mark Twain, and the Birth of American Empire* (New York, 2017).

<sup>20</sup>Nicholas B. Dirks, *The Scandal of Empire: India and the Creation of Imperial Britain*, (Cambridge, MA, 2006), 29.

<sup>21</sup>Two exceptions are James Edward Kerr, “The Insular Cases: The Role of the Judiciary in American Expansionism,” (Ph.D. diss., Saint Louis University, 1982), 65; and Bartholomew Sparrow, *The Insular Cases and the Emergence of American Empire* (Lawrence, KS, 2006), 133–36.

<sup>22</sup>*Downes v. Bidwell* 182, US 222, at 341 (1901).

<sup>23</sup>Christina Duffy Burnett, “A Note on the *Insular Cases*,” in *Foreign in a Domestic Sense: Puerto Rico, American Expansion, and the Constitution*, eds. Christina Duffy Burnett and Burke Marshall (Durham, NC, 2001), 390.

<sup>24</sup>Sparrow, *The Insular Cases*, 136.

<sup>25</sup>Louis A. Pérez, *Cuba between Empires, 1878–1902* (Pittsburgh, 1983), 274–81.

<sup>26</sup>Alfred McCoy, *Policing America’s Empire: The United States, the Philippines, and the Rise of the Surveillance State* (Madison, WI, 2009), 46. The last academic treatments of the scandal were David F. Healy, *The United States in Cuba 1898–1902: Generals, Politicians, and the Search for Policy* (Madison, WI, 1963), 139–142; Russell H. Fitzgibbon, *Cuba and the United States, 1900–1935* (New York, 1964), 62–63.

and personal actors—both U.S. and Cuban—on U.S. imperial policy.<sup>27</sup> We see that, at least initially, overseas imperialism was a partisan endeavor heavily shaped by individual actor's personal goals. McKinley's desire to be reelected, Wood's presidential ambitions, and Cuban lawyers' and judges' desire to prove their fitness for self-government led them to pursue punishment. Neely's appeal for self-preservation called the legitimacy of the entire empire into question. The size of the scandal led the Supreme Court to sanction U.S. imperialism. Rathbone and Hanna's vengeance derailed Wood's career. In all these ways, scandal and the pursuit of self-interest influenced the nature and trajectory of U.S. imperialism.

During the 1898 war, McKinley directed U.S. Postmaster General Charles Emory Smith to provide postal facilities for U.S. troops as they traveled to Cuba, Puerto Rico, and the Philippines.<sup>28</sup> After the cessation of hostilities, military occupation could be justified under the umbrella of "pacification," but the presence of a civilian institution like the post office in Cuba, reported the *Times*, could "be taken as a declaration of our intention as to the government of the island," and thus "be resented by the native population."<sup>29</sup> Before the United States entered the war, Cubans fighting for independence from Spain were successfully running their own postal system, which had been praised by a *Harper's Weekly* reporter.<sup>30</sup> By the end of 1898, calls for Cuban independence had been replaced by paternalistic imperial rhetoric.<sup>31</sup> In 1899 another *Harper's Weekly* reporter, Franklin Matthews, would write that the Cuban postal service was "honeycombed with corruption." Indeed, Matthews devoted an entire chapter of his book, *The New-Born Cuba*, to postal service because, in his words, "the condition of the postal system of a country is always an indication of the standing of that country, not only in commerce, but in civilization."<sup>32</sup> This idea that the United States must "civilize" Cuba through postal reform justified postal officials remaining in Cuba after the war.

McKinley ordered that the Department of Posts in Cuba be headed by a Director-General of Posts appointed by and answerable to the Postmaster General. The Director-General could use military government funds to appoint employees, set salaries, and establish post offices without needing approval from the military governor.<sup>33</sup> This arrangement confused the island's first military governor, John R. Brooke, who could not believe that the president would place part of the government "outside the authority of the Military Governor."<sup>34</sup> The arrangement was anomalous but not unique; the Commandant of the Navy and the Marine Hospital also operated outside the military government's authority.<sup>35</sup>

<sup>27</sup>Daniel Bessner and Fredrik Logevall, "Recentring the United States in the Historiography of American Foreign Relations," *Texas National Security Review* 3, no. 2 (Spring 2020): 41.

<sup>28</sup>William McKinley, "Order of the President, Dated July 21, 1898, Authorizing the Extension of the Military Postal Service Over Territory in Possession of the United States Army," *Annual Reports of the Post-Office Department, 1898* (Washington, DC, 1898), 27.

<sup>29</sup>"Still Another Problem," *Times* (DC), Aug. 12, 1898, 5.

<sup>30</sup>F. D. Pagliuchi, "A Glimpse of the Cuban War," *Harper's Weekly*, Vol. XLII, No. 2148, Feb. 19, 1898, 174.

<sup>31</sup>Bonnie M. Miller, *From Liberation to Conquest: The Visual and Popular Cultures of the Spanish-American War of 1898* (Amherst, MA, 2011), 144–8.

<sup>32</sup>Franklin Matthews, *The New-Born Cuba* (New York, 1899), 162, 169.

<sup>33</sup>Order by direction of the President, declaring the powers and duties of the Director-General of Posts for the island of Cuba, June 15, 1899, Box 11, Records Relating to the Cuban Postal Service, 1896–1908, Record Group 28: Records of the Post Office Department, US National Archives and Records Administration, College Park, MD [hereafter RG 28-Cuba].

<sup>34</sup>Major General Brooke to AGWAR, Washington, June 26, 1899, Box 1, RG 28-Cuba; Rathbone to Smith, June 28, 1899, Box 9, RG 28-Cuba.

<sup>35</sup>Wood to Root, April 26, 1900; Wood to Root, May 23, 1900, Box 170, Vol 2, Elihu Root Papers, Library of Congress, Washington, DC [hereafter Root Papers]; Wood to Root, June 8, 1900, Box 28, Leonard Wood Papers, Library of Congress, Washington, DC [hereafter Wood Papers]; Rathbone to Smith, Apr. 28, 1900, Box 8, RG 28-Cuba.



While Governor Brooke questioned this arrangement, most saw no issue because Estes Rathbone was Director-General of Posts.<sup>36</sup> As Chief Post Office Inspector, he had played a key role in developing the Post Office Department's new reputation as a responsible, moral force after nearly two decades of scandal.<sup>37</sup> With Rathbone's impressive record (including experience in the Treasury Department, Pension Bureau, and as an Ohio state senator), Matthews happily reported in *The New-Born Cuba* that "officials at Washington gave him unlimited authority."<sup>38</sup> At first Rathbone did seem incorruptible, refusing to bow to requests and even threats to grant postal jobs to well-connected U.S. citizens in Cuba.<sup>39</sup>

However, Matthews failed to mention that Rathbone had recently been implicated in a political scandal with his longtime friend and powerful Republican leader Marcus Hanna. After the Ohio state legislature elected Hanna to the U.S. Senate in 1898, both Hanna and Rathbone faced accusations of bribing an Ohio representative for his vote.<sup>40</sup> Indeed, Rathbone was still under congressional investigation when he started as Director-General of Posts of Cuba on January 1, 1899. In late February the Senate Committee of Investigation decided not to proceed with the investigation for lack of evidence.<sup>41</sup> Rathbone's work in Cuba seemed to dispel any lingering associations with the short-lived scandal. High-ranking Post Office Department officials praised his "magnificent administration" both publicly and privately.<sup>42</sup> In his 1899 report, Postmaster General Smith wrote that "the vast improvement of the postal service is recognized on all sides" and "presents to people the visible evidence, perhaps more universal and palpable than any other exemplification, of the beneficent character of American administration."<sup>43</sup> The next year's report would be very different.

While Governor Brooke had begrudgingly accepted the Department of Posts' autonomy, his successor, Leonard Wood, did not. Wood complained to his superior, Secretary of War Elihu Root, about the "absurd" situation of having "a virtually independent government in the Island."<sup>44</sup> He demanded that "the Director General of Posts should be COMPELLED to consult with the Military Governor concerning all the outlays of this Department, not as a matter of favor, but as a MATTER OF REGULATION."<sup>45</sup> Rathbone, in turn, wrote to Postmaster General Smith decrying the "grim determination on the part of the military authorities to absorb the Department of Posts."<sup>46</sup> In Washington, Root and Smith met several times to try and settle matters while "avoiding any possible clash" between their cabinet departments.<sup>47</sup>

<sup>36</sup>Order #534 Office of the Postmaster General, Washington DC, Dec. 21, 1898, Box 2, RG 28-Cuba.

<sup>37</sup>Blevins, *Paper Trails*, 81–8; "His New Post of Duty," *Washington Post*, July 3, 1891, 7; Carpenter, *Forging of Bureaucratic Autonomy*, 106; Marshall Cushing, *The Story of Our Post Office: The Greatest Government Department in All Its Phases* (Boston, 1893), 310–71, 525.

<sup>38</sup>Matthews, *New-Born Cuba*, 163–4, 181.

<sup>39</sup>Rathbone to Smith, Feb. 28, 1899, Box 8, RG 28-Cuba.

<sup>40</sup>"Report and Findings of the Senate Committee of Investigation appointed pursuant to S. R. No. 21, relative to charges of attempted bribery in the election of Marcus A. Hanna, as United States Senator, by the 73d General Assembly of Ohio," *Appendix to the Journal of the Senate for the Regular Session of the Seventy-Third General Assembly Commencing on Monday, January 3<sup>rd</sup>, 1898* (n.p.), 83–5.

<sup>41</sup>U.S. Congress, Senate, Committee on Privileges and Elections, *On the Charges of Bribery in the Election of Hon. M. A. Hanna to the Senate of the United States*, 55th Cong., 3rd sess., Feb. 28, 1899, S. Report No. 1859; Anne M. Butler and Wendy Wolff, *United States Senate Election, Expulsion, and Censure Cases, 1793–1990* (Washington, DC, 1995), 256–7.

<sup>42</sup>Heath to Rathbone, Jan. 27, 1899, Box 2, RG 28-Cuba.

<sup>43</sup>Report of the Postmaster General Charles Emory Smith, *Annual Reports of the Post-Office Department, 1899* (Washington, DC, 1899), 13.

<sup>44</sup>Wood to Root, Mar. 28, 1900, Box 170, Vol. 2, Root Papers.

<sup>45</sup>Capitalization in original. Wood to Root, Apr. 26, 1900, Box 170, Vol 2, Root Papers.

<sup>46</sup>Rathbone to Smith, Mar. 15, 1900, Box 9, RG 28-Cuba.

<sup>47</sup>Root to Wood, Mar. 24, 1900, Box 170, Vol 1, Root Papers; Smith to Rathbone Apr. 4, 1900, Box 4, RG 28-Cuba.

Things on the island were not as cordial. Wood was so convinced of Rathbone's misuse of military government funds that he enlisted a Cuban postal worker, Rigoberto Ramirez, to spy on the Department of Posts.<sup>48</sup> United States citizens and Cubans warned Rathbone that Wood harbored a personal grudge against him, fueled by jealousy and ambition.<sup>49</sup> Wood eventually decided to audit the Department of Posts. While he knew anything unearthed would implicate other Republicans, Wood wanted affairs in order, he explained to Root, "in case our Democratic friends in Congress attempt to in any way discredit the administration of affairs in the Island."<sup>50</sup> Wood's own inspectors expressed doubt about their right to conduct the audit, given the presidential order outlining the department's autonomy from the military government. But Rathbone allowed it, claiming they had nothing to hide.<sup>51</sup>

On May 4, 1900, Wood cabled Root the news of embezzlement in the Department of Posts.<sup>52</sup> The audit first exposed crimes by Charles Neely, the chief of the bureau of finance of the postal department. Postmaster General Smith immediately ordered Fourth Assistant Postmaster General Joseph Bristow to Cuba to investigate.<sup>53</sup> Bristow's investigation revealed that Neely had taken advantage of the Department's mission to "civilize" and "Americanize" Cuba's post offices by conspiring with a furniture company and printing company in his home state of Indiana to charge the military government exorbitant prices for post office materials.<sup>54</sup> Neely profited even more from selling a retired series of U.S. stamps overprinted with "CUBA"—stamps the Post Office Department had ordered destroyed—to stamp collectors. Neely instructed two Cuban stamp clerks in the Havana post office—Eduardo Moya and Jorge Mascaró—to make no record of the sales and to bring the money directly to him. Moya and Mascaró received none of the profits, and, when questioned, replied they "simply obeyed orders."<sup>55</sup> Bristow estimated that Neely embezzled, at minimum, \$131,713.89.<sup>56</sup>

Rathbone expressed shock at the news. The department had just been audited by William H. Reeves—a former postal and now military government auditor, and there were no irregularities.<sup>57</sup> Soon Reeves confessed he overlooked Neely's fraudulent schemes in exchange for "hush money." Reeves also scandalously alleged Rathbone was aware of and involved in Neely's schemes.<sup>58</sup> Initially Bristow believed Rathbone guilty only of "culpable carelessness and inexcusable neglect," until he discovered that Rathbone had charged a variety of personal expenses to the government, including a carriage, coachman, footman, and family vacation.<sup>59</sup> Rathbone did not deny these personal charges. As an imperial administrator, he argued that it was "the custom of all countries that high officials should be furnished with such personal attendants, and that they should be clothed at the expense of the public revenues."<sup>60</sup> Progressive reformers like Bristow felt differently, arguing that "it does not impress me at all pleasantly to see an American official sweeping through

<sup>48</sup>Wood to Root, Feb. 8, 1900, Box 170, Vol. 2, Root Papers; Rathbone to Smith, Apr. 21, 1900; Rathbone to Smith, Apr. 16, 1900, Box 8, RG 28-Cuba.

<sup>49</sup>Rathbone to Smith, Apr. 10, 1900, Box 8, RG 28-Cuba; Rathbone to Smith Apr. 12, 1900, Box 10, RG 28-Cuba; Rathbone to Smith, Apr. 16, 1900; Rathbone to Smith, Apr. 21, 1900; Rathbone to Smith, May 5, 1900, Box 8, RG 28-Cuba.

<sup>50</sup>Wood to Root, Feb. 8, 1900, Box 170, Vol. 2, Root Papers.

<sup>51</sup>Rathbone to Smith, Apr. 26, 1900, Box 8, RG 28-Cuba.

<sup>52</sup>Wood to Root, May 4, 1900, Box 170, Vol. 2, Root Papers.

<sup>53</sup>Smith to Bristow, May 16, 1900, Box 8, RG 28-Cuba.

<sup>54</sup>J. L. Bristow, *Report upon the Frauds and Embezzlements of Cuban Postal Officials, Submitted July 19, 1900* (Washington, DC, 1900), 11–14; Exhibit 26, Box 14, RG 28-Cuba.

<sup>55</sup>Edward F. Moya, late stamp clerk in the Havana Post office questioned May 30, 1900, Wood Papers, Box 204.

<sup>56</sup>Bristow, *Report upon the Frauds*, 7–8, 12, 16; Exhibit 27, Box 14, RG 28-Cuba.

<sup>57</sup>Rathbone to Smith, May 11, 1900; Rathbone to Smith, May 13, 1900, Box 8, RG 28-Cuba.

<sup>58</sup>Confession of W. H. Reeves, May 18, 1900, Box 204, Wood Papers; Bristow, *Report upon the Frauds*, 16.

<sup>59</sup>Statement of A. W. Lawshe, Assistant Auditor for the Island of Cuba, Havana, Cuba, June 28, 1900, Box 2, RG 28-Cuba.

<sup>60</sup>Bristow, *Report upon the Frauds*, 17–21.

the streets of Havana with an equipage equal to that of a European Lord” and that it would “be far better for the people of Cuba, to give them examples of genuine American simplicity.”<sup>61</sup> Rathbone claimed Postmaster General Smith knew and approved of the expenses, having made use of the carriage, coachman, and footman himself during an 1899 visit.<sup>62</sup> Smith turned on his appointee, calling Rathbone’s expenses “scandalous.”<sup>63</sup> The nation’s newspapers soon followed.

On Saturday May 5, 1900, police arrested Neely in Rochester, New York. After newspapers broke the story on Monday, May 7, coverage exploded.<sup>64</sup> Newspapers of all political affiliations and in all forty-eight contiguous states and territories as well as Hawai’i and Puerto Rico covered the story.<sup>65</sup> Through newspapers, Wood’s personal mission to root out irresponsible behavior in Rathbone’s independent Department of Posts became a scandal with the potential to turn public opinion against the Republican Party and its new empire just months before the 1900 election. The scandal damaged the government’s reputation at home, in Cuba, and abroad; when a Virginia newspaper wrote, “the eyes of the civilized world are beholding us,” they were not exaggerating.<sup>66</sup> British newspapers reported that the frauds had caused “genuine mortification and chagrin” for Republicans, throwing “cold water” on the “glib and confident party of American Imperialists.”<sup>67</sup> It can be difficult to identify the precise directional influence between the press, public opinion, and policy, but there is ample evidence that government officials cared a great deal about newspaper coverage.<sup>68</sup> The Post Office Department collected and scrapbooked some fifty newspaper clippings about the scandal.<sup>69</sup> Pro-imperialist Republican Connecticut Senator Orville Platt declared that “nothing has occurred in the history of defalcations that has made such an impression on the public mind as this.”<sup>70</sup>

A political cartoon originally published in the sensationalist Democratic *New York World* depicted an embarrassing scene in a “colonial kindergarten” classroom: the United States giving its pupil Cuba lessons in self-government—this day’s titled “Beware of Pickpockets”—while in the background Neely escapes with \$200,000 in “Cuban P.O. Receipts” (Figure 1).<sup>71</sup> Indeed, that the frauds occurred in the postal department was particularly embarrassing for the United States because, according to the *Indianapolis Journal*—a Republican newspaper from Neely’s home state—it was the “department which was most often pointed out as an illustration of the political honesty which the Americans came to Cuba to inculcate.”<sup>72</sup> The fact that the

<sup>61</sup>Bristow to Smith, June 4, 1900, Box 9, RG 28-Cuba.

<sup>62</sup>Exhibit 19, Box 14, RG 28-Cuba.

<sup>63</sup>Smith to Rathbone, May 12, 1900, Box 4, RG 28-Cuba.

<sup>64</sup>“Neely Mum,” *Dayton Daily News*, May 7, 1900; “Neely Wanted in Havana,” *Evening Times* (DC), May 7, 1900, 5; “Stole in Cuba,” *Topeka State Journal*, May 7, 1900, 8; “Charles F. Neely Released on Bail,” *San Francisco Call*, May 7, 1900, 9; “Embezzlement,” *Providence News*, May 7, 1900, 7; “Embezzlement Was an Ex-Official of the U.S. Government,” *Barre Evening Telegram* (VT), May 7, 1900, 1; “Embezzled Cuban Postal Funds,” *Las Vegas Daily Optic*, May 7, 1900, 1; “Cuban Postal Official Arrested,” *Albuquerque Daily Citizen*, May 7, 1900, 1; “Did Not Reach Canada,” *Toronto Star*, May 7, 1900, 1; “Postal Clerk Arrested Had Thousands in Trunk,” *Philadelphia Inquirer*, May 7, 1900, 6.

<sup>65</sup>Search results from Proquest Historical Newspapers; Chronicling America: Historic American Newspapers, Library of Congress; and Newspapers.com by Ancestry.

<sup>66</sup>“A Warning,” *Free Lance* (Fredericksburg, VA), May 22, 1900, 2.

<sup>67</sup>“Cuba Under American Rule,” *Manchester Guardian* (Manchester, UK), June 6, 1900, 8. German newspapers critiqued U.S. imperial policy because of the frauds too: “The Berlin Vossische Zeitung on the Cuban Frauds,” *Boletín Mercantil de Puerto Rico*, June 5, 1900, 5.

<sup>68</sup>Louis A. Pérez, Jr., “Incurring a Debt of Gratitude: 1898 and the Moral Sources of United States Hegemony in Cuba,” *American Historical Review* 104, no. 2 (Apr. 1999): 358.

<sup>69</sup>Box 11, RG 28-Cuba.

<sup>70</sup>Platt quoted in “Carnival of Corruption in Cuba,” *Boston Daily Globe*, May 24, 1900, 1.

<sup>71</sup>“An Object-Lesson – *N.Y. World*,” *Richmond Dispatch*, May 13, 1900, 21. On “object lessons” in good government see Go, *American Empire and the Politics of Meaning*, 52.

<sup>72</sup>“Has Little to Say,” *Indianapolis Journal*, May 10, 1900, 2.





Figure 1. "An Object-Lesson," *New York World*; reprinted in *Richmond Dispatch*, May 13, 1900.

frauds occurred in the *only* civilian department in the occupation government also cast doubt on the United States's ability to run an entirely civilian colonial government in Cuba after a period of military occupation—an idea still on the table in 1900, despite the Teller Amendment's promise of independence.<sup>73</sup>

The postal department's autonomy from the military government soon came under scrutiny. Georgia Democrat Senator Augustus Bacon argued "the power conferred on [Rathbone] ... was so great that it had resulted in a disgraceful and mortifying condition of affairs." Bacon's Republican, but anti-imperialist, colleague Maine Senator Eugene Hale likened Rathbone's office to a "Roman proconsul" with "power unrestricted, unbridled."<sup>74</sup> An independent Virginia newspaper argued that the entire postal code of Cuba "might very well have been summed up in a single sentence to Mr. Rathbone: 'Take the Cuban postal system and run it to suit yourself.'"<sup>75</sup> The peculiar organizational structure and lack of accountability in Cuba prevailed in the postal departments and military governments of Puerto Rico and the

<sup>73</sup>Wood to Root, July 6, 1900, Box 28, Folder: 1900, Wood Papers.

<sup>74</sup>"Cuban Frauds Are Debated," *Omaha Daily Bee*, May 17, 1900, 2.

<sup>75</sup>"The Source of the Corruption," *Virginian-Pilot* (Norfolk), May 18, 1900, 4.

Philippines as well.<sup>76</sup> In “An Argument Against Imperialism,” an independent Georgia newspaper claimed that the postal frauds in Cuba “furnish a strong argument against the Republican party’s policy of holding the Philippines permanently,” because if the U.S. government could not handle Cuba “close at hand,” how would it manage the Philippines “thousands of miles [a]way”?<sup>77</sup> As Republican imperialists looked to replace military governments in Puerto Rico and the Philippines with more permanent civilian colonial governments, the postal frauds in Cuba called into question their capacity to govern other colonies in a clean, honest manner.

Some U.S. observers expected Cubans to take to the streets in protest, but Wood reported that “politically the Island is as quiet as a New England village.”<sup>78</sup> Cubans may not have protested the frauds, but they were not quiet either; various outlets reported that Cubans appeared “immensely pleased,” “delighted” even, at the hypocrisy.<sup>79</sup> The frauds, the *New York Sun* wrote, seemed “a good joke on the Americans, who have been preaching honesty to them.”<sup>80</sup> The *Cubano* wrote that “Cuba is not primarily interested, but she looks to see what the United States will do,” and particularly whether it would handle embezzlement differently than in “the former days” under Spanish rule when “criminals went scot free.” Some expressed ambivalence, acknowledging that “fraud is not the monopoly of any nation.”<sup>81</sup> As one woman put it, “The Spaniards stole everything, and now the Americans are stealing everything.” After independence, “Of course, the Cubans will steal, but then the money will stay in the country.”<sup>82</sup> Others used the frauds to weaken imperialist arguments for annexing Cuba. A Connecticut correspondent in Havana wrote that since “the only civil department not under military supervision turns out to be a gigantic fraud,” Cubans argued “that the postal frauds alone ‘settle the question of American occupation,’ contending that this must cease as soon as the military is withdrawn.”<sup>83</sup>

Southern Democratic newspapers sympathized with Cubans, drawing comparisons to their own experience of Republican occupation after the Civil War. As the Birmingham *Age-Herald* argued, “So much has been said about the dishonesty of Spanish colonial officers, and about the waste and slothfulness of Cubans, that they should be excused if they immensely enjoy this case of carpetbag stealing.”<sup>84</sup> While the term “carpetbagger” was originally used for northerners who came to the South during Reconstruction, newspapers began to apply the term to the perpetrators of postal fraud in Cuba. Even the northern Republican *Philadelphia Ledger* called Neely a “slick carpet bag politician,” and argued that the frauds were “an indication of what we might expect to become a frequent item of news when we shall get carpet bag governments fully established in our possessions.” The problem, the *Philadelphia Ledger* argued, was the United States had mixed partisan politics and imperial administration.<sup>85</sup> An independent Virginia newspaper agreed, encouraging McKinley to instead “follow the example of Great Britain and select colonial officials on account of their fitness, without regard to politics. Partisanry and the clamorings of greedy office-seekers for lucrative positions should be disregarded by the Administration—for this government cannot stand a smirched colonial policy.”<sup>86</sup> As the United States stepped onto the imperial stage, these observers wondered whether it

<sup>76</sup>“Cuban Postal Scandal,” *New-York Tribune*, May 9, 1900, 4.

<sup>77</sup>“An Argument Against Imperialism,” *Savannah Morning News*, May 16, 1900, 4.

<sup>78</sup>Wood to Root, May 12, 1900, Box 170, Vol. 2, Root Papers.

<sup>79</sup>Rafael Martínez Ortiz, *Cuba, los primeros años de independencia: la intervención y el establecimiento del gobierno de Tomás Estrada Palma*, vol. 1 (Paris, 1921), 131; “Fugitive Neeley to Resist Extradition,” *San Francisco Call*, May 15, 1900, 2; “Cuban Frauds Are on the Increase,” *Atlanta Constitution*, May 15, 1900, 1.

<sup>80</sup>“Cuba’s Postal Scandal,” *New York Sun*, May 9, 1900, 1.

<sup>81</sup>The *Cubano* quoted in “Neely Square,” *Indianapolis Journal*, June 5, 1900, 1.

<sup>82</sup>Quoted in Hermann Hagedorn, *Leonard Wood: a Biography*, vol. 1 (New York, 1931), 296.

<sup>83</sup>“Cuban Investigations,” *Waterbury Evening Democrat*, May 29, 1900, 3.

<sup>84</sup>“Postal Scandal in Cuba,” *Age-Herald*, May 15, 1900, 4.

<sup>85</sup>*Philadelphia Ledger*, quoted in “Carpet Bag Government,” *Scranton Tribune*, May 12, 1900, 4.

<sup>86</sup>“A Warning,” *Free Lance*, Fredericksburg, VA, May 22, 1900, 2.

would develop a reputation like Spain for allowing corruption or a reputation like Britain for keeping politics and imperialism separate.

On the eve of the election, politics were central for anti-imperialist Democrats and pro-imperialist Republicans. Bacon called for a senate investigation into the legitimacy of Cuba's military government, reminding his colleagues they only sent troops to pacify the island.<sup>87</sup> Bacon's request for congressional investigation into the postal frauds was not an over-reach; the Constitution granted Congress the authority to both govern territory and administer postal service. But Platt accused Democrats of pursuing an investigation "for partisan purposes."<sup>88</sup> On May 26, 1900, the Senate passed a resolution ordering the Senate Committee on Relations with Cuba to investigate all military government expenditures and receipts in Cuba.<sup>89</sup> But the inquiry moved slowly, with Platt directing the committee to compile information from various departments before going to Cuba to investigate.<sup>90</sup> Newspapers reported that "senators were startled at the magnitude of the work," inundated by poorly organized documents and unenthused at the prospect of "spend[ing] the heat of summer in Cuba at work taking testimony."<sup>91</sup>

Privately, Platt expressed anxiety to Wood about the scandal's influence on Congress. It had made it "a mighty bad time" to propose any new imperial legislation, and while Platt hoped to reach the end of the present session without incident, he told Wood, "The whole Congress is nervous, liable to take the bit in its teeth and say we ought to get out of Cuba." Platt wanted to conduct the investigation into the postal frauds "honestly and thoroughly," but admitted that in an election year, politics took priority. McKinley's presidential opponent William Jennings Bryan had made anti-imperialism central to the party's platform, and Platt knew the scandal threatened Republican electoral prospects. He asked that Wood "get along some way until ... the Presidential election will be past, and all this acute and nervous condition here will have gone by and we can discuss and act on the merits of the situation and not with reference to political advantage."<sup>92</sup>

The postal frauds scandal forced self-proclaimed progressive Republican imperialists to confront, and prove, their own pledges about prioritizing clean, honest government in the new territories. To distance themselves from the scandal, top Republican officials settled on the political usefulness of individualizing the scandal and advocating harsh punishment.<sup>93</sup> Wood wrote to Root, "The only chance to free ourselves of blame is to smash the offenders without regard to who they are."<sup>94</sup> Root agreed, instructing Wood "to scrape to the bone, no matter whose nerves are hurt by it."<sup>95</sup> Republican Senator Charles Fairbanks argued the accused should be "brought to the stake, as it were, so that our own people and the people of other nations can see that we intend to make an example of dishonesty."<sup>96</sup> At the formal opening of the Republican campaign in September 1900, Indiana Senator Albert J. Beveridge proclaimed, "If the opposition instances the postal frauds in Cuba, I admit and regret them. But does that prove our works as a regenerator of peoples and an administrator of governments a failure?" Embezzlement frequently occurred in the continental United States, but "Does

<sup>87</sup>"Called Up By Mr. Bacon," *Times* (DC), May 17, 1900, 2.

<sup>88</sup>"Senate Discusses Frauds in Cuba," *Seattle Post-Intelligencer*, May 24, 1900, 1-2.

<sup>89</sup>Senate Resolution, May 26, 1900, Box 9, RG 28-Cuba.

<sup>90</sup>"The Cuban Investigation," *San Francisco Chronicle*, May 31, 1900, 3.

<sup>91</sup>"The Cuban Investigation," *New-York Tribune*, June 2, 1900, 2; "Cuban Frauds Are Debated," *Omaha Daily Bee*, May 17, 1900, 2; "A Test of Character," *Scranton Tribune*, May 17, 1900, 4.

<sup>92</sup>Platt to Wood, June 1, 1900, Box 28, Folder: 1900, Wood Papers.

<sup>93</sup>Michael Patrick Cullinane, *Liberty and American Anti-Imperialism: 1898-1909* (New York, 2012), 1-4, 51-74; Healy, *The United States in Cuba*, 142; McD, "Frauds in Cuba," *Waterbury Evening Democrat*, May 30, 1900, 2.

<sup>94</sup>Wood to Root, May 5, 1900, Box 170, Vol. 1, Root Papers.

<sup>95</sup>Root to Wood, May 9, 1900, Box 28, Wood Papers.

<sup>96</sup>"Plot Alleged," *Indianapolis Journal*, May 9, 1900, 1.



that prove our republican form of government a failure?” Beveridge instead painted Neely as a bad apple, proclaiming that his thefts were “the exceptions made conspicuous by their very isolation.” For every Neely, Beveridge argued, there was a Wood—“that type of great company of American administrators who shall, henceforth, make the American name even more glorious than it is to-day.”<sup>97</sup> Postmaster General Smith also adopted individualizing language, writing in his 1900 report that “this was the crime of the agents and not any fault of the system.”<sup>98</sup>

But systemic failure is exactly what many saw in Cuba. “Whenever a government becomes a spoiler of weaker powers, and begins operations as an imperial power, it may expect as a logical sequence that her citizens to some extent will follow her example of spoliation,” the *Nebraska Independent* argued. “Mr. Neely has taken a few thousands from Cuba’s postal revenues, while the government has sanctioned taking many thousands from the same people.... Who is the greater spoiler.”<sup>99</sup> A Democratic Missouri paper agreed, writing that while the McKinley administration tried to scapegoat Neely, “It is too late; the country is thoroughly aroused to the knowledge that it is all a piece of fraud off the bolt of imperialism.”<sup>100</sup>

At first it seemed the matter would be closed quickly, as police arrested both Neely and Rathbone without delay.<sup>101</sup> Wood was confident that Cubans were “impressed and pleased at prompt action and increased confidence will result.”<sup>102</sup> But Rathbone’s ties to the powerful Hanna made punishment politically tricky.<sup>103</sup> Together, Hanna and Rathbone had weathered the accusations of bribery surrounding Hanna’s election to the Senate, and together they countered these accusations against Rathbone, alleging that Bristow suppressed potentially exculpatory evidence in his official report and, furthermore, that the whole affair was a result of Wood’s personal vendetta against Rathbone and the autonomous Department of Posts.<sup>104</sup> People could draw a clear line from Rathbone to Hanna to McKinley, and began to question whether McKinley would punish the perpetrators or bend to Hanna’s will. And in an election year, public opinion mattered: “One can safely say,” the *Waterbury Evening Democrat* wrote, that if the administration did not “punish them to the fullest extent of the law that the people will, next November, punish severely the un-Americanism of a president who acts not according to the dictates of his own will, but according to the wishes of his dear little pa, Mark Hanna.”<sup>105</sup> McKinley stood firm against Hanna, writing to Wood: “I want you to uphold the honor of our country, whomever you may hit, even though it should destroy one of the pillars of the Republican temple.”<sup>106</sup>

But punishment, and thus absolution for the Republican Party, would be delayed. Wood and prominent Cubans, eager to demonstrate the efficacy of judicial reforms in the island, insisted on trying Neely and Rathbone in Cuba instead of the United States.<sup>107</sup> But Neely challenged his extradition to Cuba as unconstitutional.<sup>108</sup> The United States had extradition treaties with

<sup>97</sup>“For Expansion,” *Indianapolis Journal*, Sept. 26, 1900, 5.

<sup>98</sup>Report of the Postmaster General, *Annual Reports of the Post-Office Department, 1900* (Washington, DC, 1900), 19.

<sup>99</sup>“Administration Perplexities,” *Nebraska Independent*, May 17, 1900, 1.

<sup>100</sup>“Democratic Letter,” *Marble Hill Press*, June 7, 1900, 2.

<sup>101</sup>“Rathbone Under Arrest,” *Seattle Post-Intelligencer*, Aug. 3, 1900, 11.

<sup>102</sup>Wood to Root, May 12, 1900, Box 170, Vol. 2, Root Papers.

<sup>103</sup>Wood to Lodge, May 12, 1900, Box 28, Wood Papers.

<sup>104</sup>“Investigation of Official Conduct of E. G. Rathbone,” Senate Document No. 510, 59th Congress, 1st Session, June 26, 1906, 23–4, 29–34.

<sup>105</sup>McD, “Frauds in Cuba.”

<sup>106</sup>Quoted in Hagedorn, *Leonard Wood*, 369.

<sup>107</sup>The cases could have been tried in the United States, using *Jones v. United States* (1890) as precedent. Christina Duffy Burnett, “The Edges of Empire and the Limits of Sovereignty: American Guano Islands,” *American Quarterly* 57, no. 3 (Sept. 2005): 790–94.

<sup>108</sup>Neely to Rathbone, May 17, 1900, Box 8, RG 28–Cuba; “Neely Denies Guilt,” *Evening Star* (DC), May 8, 1900, 2; “To Fight Extradition,” *Times* (DC), May 11, 1900, 2. Wood tried to prevent this by having Root draw up two sets of extradition papers, one to the Governor of New York if Cuba was to be treated as domestic and one to the

foreign countries and interstate rendition between domestic states, but Cuba—an island under U.S. military occupation—procedurally slipped through the cracks.<sup>109</sup> To push the cases through, the U.S. Attorney General asked Congress to pass a law allowing for extradition to Cuba as though it were a foreign country.<sup>110</sup> Despite protestations from Neely's lawyers about its constitutionality, Congress passed the extradition law on June 6, 1900.<sup>111</sup> Neely's lawyers pushed his case, *Neely v. Henkel*, all the way to the U.S. Supreme Court, where the *Indianapolis Journal* called it “the first of the cases involving the constitutional relations between the United States and our new territorial acquisitions,” or, in other words, the *Insular Cases*.<sup>112</sup> Extradition, the Judge Advocate for the military government in Cuba argued, rested on “the question of sovereignty, and particularly the status of the United States and its Military Government, in the peculiar condition of affairs, with regard to this Island.”<sup>113</sup> Cuban newspapers followed along closely as the United States's highest court, through Neely's extradition case, began considering the question of Cuba's sovereignty on December 10, 1900.<sup>114</sup>

Neely's lawyers, led by John D. Lindsay, offered several arguments from Neely's constitutional right to trial by jury (nonexistent in Cuba) to the unconstitutionality of courts run by the executive branch via Wood's military government.<sup>115</sup> The Assistant Attorney General heading the prosecution, James Beck, shot them down. He asked the Court to imagine a U.S. citizen had set fire to Cuban homes, assassinated people, then fled to the United States. According to the defense's logic, Beck argued, the United States, “is such a cripple among nations that it is powerless to deliver such a criminal to the local authorities of Cuba to be tried for their offenses against life and property.”<sup>116</sup> Beck warned the justices that if they sided with Neely, it would make the United States appear weak.

Lindsay's larger arguments, however, pulled at a dangerous thread that threatened to unravel the legal foundation for not just the occupation of Cuba, but other occupied territories as well. Lindsay argued that if U.S. Congress had the authority to legislate for Cuba—as it had done with the June 6 extradition law—then Cuba was domestic to the United States. “Plainly a place cannot be ‘foreign’ to the United States if it is within the national jurisdiction and dominion, and subject to its absolute and undisputed sovereignty and control,” Lindsay argued. Thus, he deemed the extradition law *and* the whole occupation of Cuba unconstitutional.<sup>117</sup> Lindsay had identified a fatal flaw in the United States's imperial plans: its constitution did not address the legality of occupying foreign territory in perpetuity.<sup>118</sup> In his response, Beck introduced

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Secretary of State “in case of foreign country if necessary.” Root to Wood, May 17, 1900, Box 170, Vol. 1, Root Papers.

<sup>109</sup>Unterman, *Uncle Sam's Policemen*, 77–83, 97.

<sup>110</sup>“Fugitive from Cuba,” *Evening Star* (DC), May 18, 1900, 1.

<sup>111</sup>Act of June 6, 1900, ch. 793, 31 Stat. 656.

<sup>112</sup>“To Save Neely,” *Indianapolis Journal*, Dec. 9, 1900, 1.

<sup>113</sup>Report of Major E. S. Dudley, Judge Advocate, Division of Cuba, for year ending June 30, 1900, July 3, 1900, in *Annual Report of Major General Leonard Wood Commanding Division of Cuba, 1900*, 11.

<sup>114</sup>“Desde Washington,” *Diario de la Marina*, Dec. 16, 1900, 2.

<sup>115</sup>DeLancey Nicoll and John D. Lindsay, “Brief for the Appellant,” *Transcript of Record: Supreme Court of the United States, October Term, 1900, No. 387, Neely v. Henkel*, 98, 132; “Reports of Brigadier-General Leonard Wood, U.S.V., on Civil Affairs in the Provinces of Santiago and Puerto Principe, Cuba, 1899,” *1900 POD Annual Report*, 838; John D. Lindsay, “Petition for Writ of Habeas Corpus of Charles F. W. Neely,” *Transcript of Record: Neely v. Henkel*, 6–7.

<sup>116</sup>James M. Beck, “Brief for the United States,” *Transcript of Record: Neely v. Henkel*, 11.

<sup>117</sup>Nicoll and Lindsay, “Brief for the Appellant,” 121, 129–47, 174; Nicoll and Lindsay, “Supplemental Brief for the Appellant,” 10, 12; Lindsay, “Petition for Writ of Habeas Corpus of Charles F. W. Neely,” *Transcript of Record: Neely v. Henkel*, 6.

<sup>118</sup>For more, see Gary Lawson and Guy Seidman, *The Constitution of Empire: Territorial Expansion and American Legal History* (New Haven, CT, 2004).



arguments that would resurface in subsequent *Insular Cases*, claiming that while “internationally,” Cuba “was a part of the United States; constitutionally it was not.” Recognizing his obtuse logic, Beck quoted Shakespeare: “This was some time a paradox, but now the time gives it proof.” Beck also argued that “sovereignty is a political and not a judicial question” that should be left to the legislative and executive branches. If the Court sided with Neely, Beck again warned that it would “seriously cripple the United States” by limiting future imperial pursuits.<sup>119</sup> Following the case from Havana, the *Diario de la Marina* commented that the United States, “for political calculation or for inexperience, has created a new species of occupation.” Unlike Great Britain’s occupations, which they argued were “definite,” the *Diario* concluded, “Cuba is a real mess, which is demonstrated by the case of Mr. Neely.”<sup>120</sup>

Beck’s most passionate arguments for Neely’s extradition were not about the law at all, but about the public stakes of the scandal surrounding the case. The United States, he argued, was “a trustee, not only for the Cuban people, but for civilization. Upon it are both the duty and responsibility of providing a just and honest government for the Cuban people, and its position therefore is one peculiarly of trust and honor.” Having violated that trust and honor, “the public interests, as well as the fair fame of the Republic,” if not the law, “imperatively require that the said Neely shall be extradited to Cuba,” Beck argued. “Undue delay in bringing him to justice would further compromise this Government and injure it in the estimation of the Cuban people and of the world at large.”<sup>121</sup> Indeed, back in Cuba, Wood reported that delays in trying Neely had “absolutely destroyed the faith of the public” and were “rapidly converting public opinion” about the U.S. occupation.<sup>122</sup> The reputation of the entire U.S. government and the validity of its new empire was on the line, and Beck beseeched the court to rule accordingly.

Justice John Marshall Harlan delivered the court’s opinion on January 14, 1901, which upheld the June 6 extradition law, the appropriateness of Neely being tried in Cuba without a jury, and, perhaps most importantly, the legality of continued occupation.<sup>123</sup> The Supreme Court’s justices would split 5–4 in later *Insular Cases*, but here they offered a unanimous decision: Cuba was foreign to the United States despite being under U.S. occupation, and Neely could be extradited to face justice there. Addressing the press after winning his case, Beck stated: “The government regards the decision as important, not merely because it definitely decided its right to extradite Neely from Cuba for trial, but because it defines the nature and validity of its occupancy in Cuba.”<sup>124</sup> Having successfully limited the scandal to these individual cases of embezzlement, Beck had convinced the highest court in the land to legitimize occupation of Cuba for as long as the executive and legislative branches saw fit. While the case concerned Cuba, which had already been promised its eventual independence, the decision in effect granted the United States the ability to pursue potentially endless military occupation elsewhere in the future.

Initially, *Neely v. Henkel* appeared a success for Republican imperialists, having affirmed Neely’s extradition and the legitimacy of military occupation governments in Cuba and elsewhere. But the decision to pursue punishment in Cuba in this case had unintended consequences. While Neely’s case was making its way through the U.S. courts, Cuba’s economy was faltering and Wood, Platt, and fellow Republican imperialist Senator Henry Cabot Lodge were pursuing congressional legislation to reduce U.S. duties on Cuban sugar and tobacco.<sup>125</sup> But the day after the

<sup>119</sup>Beck, “Brief for the United States,” 14–6, 46–7.

<sup>120</sup>“Desde Washington,” *Diario de la Marina*, Dec. 16, 1900, 2.

<sup>121</sup>Beck, “Brief for the United States,” 6–7.

<sup>122</sup>Wood to Root, Dec. 5, 1900, Box 28, Wood Papers; Wood to Root, Jan. 8, 1901, Box 29, Folder 1901-4, Wood Papers.

<sup>123</sup>“Charles F. W. Neely v. William Henkel,” *Supreme Court Reporter*, vol. 21, Nov 1900–July 1901 (St. Paul, 1901): 306–7.

<sup>124</sup>“Against Neely,” *Indianapolis Journal*, Jan. 15, 1901, 3.

<sup>125</sup>Wood to President Roosevelt, Oct. 28, 1901, Box 29, Folder 1901, Wood Papers.

Supreme Court's decision in *Neely v. Henkel*, Lodge wrote to Wood that the decision hampered their plans: "The difficulty is this: Cuba is a foreign country, as the Supreme Court has just decided." Because the Supreme Court had ruled Cuba foreign, "It is therefore impossible to reduce the duties on Cuban products by law. We can only do it by a reciprocity treaty after the establishment of a government."<sup>126</sup> Wood, Lodge, and Platt all favored the annexation of Cuba to the United States, but *Neely v. Henkel* meant the economic development that would benefit U.S. businessmen and the pro-U.S. Cuban planter class would require Cuban independence.

On January 26, 1901, almost nine months after his initial arrest, Neely arrived in Cuba.<sup>127</sup> Root wrote that he hoped Wood would "be able to carry off the trial promptly and successfully," but it would be another year before the trial began in January 1902.<sup>128</sup> Throughout 1901, the press and public continued to speculate that powerful politics were behind the delay.<sup>129</sup> Neely publicly fueled these conspiracies, telling the press he was "being railroaded to protect higher officials."<sup>130</sup> While McKinley publicly distanced himself from Rathbone, Rathbone claimed he remained in the president's good graces and it was just a performance for "the opposition press" until the election was over.<sup>131</sup> But Rathbone's promised salvation did not come after McKinley's reelection. He remained detained in Cuba awaiting the start of his trial.

There was plenty of blame to go around for the delays. The prosecution of the case required coordination between multiple entities in the federal government and the military government in Cuba, including the translation of all evidence into Spanish for the trial.<sup>132</sup> Key witnesses refused to travel to Havana or give depositions, claiming that Cuban courts had no jurisdiction in the United States and could not compel them to testify.<sup>133</sup> Root was inundated with inquiries about the delays, to which he replied "that, after taking nearly a year, by the orderly course of American procedure, to get Neely back to Havana, we were in no position to throw stones at the Cuban courts for following their regular course of procedure in bringing him to trial."<sup>134</sup> But most people in the continental United States, including Root, did not understand the procedure of the Cuban courts.

The Cuban courts had been a point of criticism for the U.S. occupation government, and reform was one of Wood's primary goals as governor.<sup>135</sup> In late 1900, Wood removed five justices from the Havana Audiencia—the city's highest court—for corruption. Three of the five justices who would decide the postal cases were appointed to their positions by Wood: José María de la Torre, Eduardo Azcarate, and the President of the Audiencia of Havana, Carlos E. Ortiz. In November 1901, Wood issued a new order that gave the military governor, rather than the President of the Audiencia, the power to assign justices to cases, effectively granting Wood the power to hand-select the justices who would decide the postal cases.<sup>136</sup> As Rathbone would later charge: "The courts of Cuba were part of the military government of Cuba. They

<sup>126</sup>Lodge to Wood, Jan. 15, 1901, Box 29, Folder: 1901, Wood Papers.

<sup>127</sup>"Neely Taken to Cuba," *Times* (DC), Jan. 27, 1901, 2.

<sup>128</sup>Root to Wood, Jan. 19, 1901, Box 170, Vol. 1, Root Papers.

<sup>129</sup>"The Neely Case," *Washington Times* (DC), July 27, 1901, 4; "Why the Difference?" *Lexington Intelligencer* (Lexington, MO), July 20, 1901, 4; "What Has Become of Neeley?" *Rock Island Argus* (Rock Island, IL), July 30, 1901, 2; "Neely and Rathbone," *Age-Herald* (Birmingham, AL), July 26, 1901, 4.

<sup>130</sup>"Is Neely the Scape Goat?" *Waterbury Democrat* (Waterbury, CT), Jan. 28, 1901, 1.

<sup>131</sup>Fosnes to Smith, Sept. 30, 1900, Box 9, RG 28-Cuba.

<sup>132</sup>Wood to Root, Apr. 11, 1901, Box 170, Vol. 2, Root Papers.

<sup>133</sup>"Refuse to Give Depositions," *Stark County Democrat* (Canton, OH), Aug. 9, 1901, 2.

<sup>134</sup>Root to Wood, Apr. 4, 1901, Box 170, Vol. 1, Root Papers.

<sup>135</sup>J. E. Runcie, "American Misgovernment of Cuba," *North American Review* 170, no. 519 (Feb. 1900): 290, 293; Report of Leonard Wood, Commanding the Department of Santiago and Puerto Principe, Sept. 20, 1899, in *Annual Report of Major General Leonard Wood Commanding Division of Cuba, 1900*, 8; Wood to Root, Sept. 26, 1900, Box 28, Wood Papers; Wood, "The Military Government of Cuba," 7–8, 30.

<sup>136</sup>Order No. 238, Nov. 5, 1901, *Report of the Military Governor of Cuba on Civil Affairs, Vol. II. Civil Orders and Circulars, 1901*, 645–647.

were created by the military governor. Their judges were appointed by the military governor and were removable at his pleasure.”<sup>137</sup>

Initially U.S. officials opposed trying U.S. citizens in Cuban courts, believing they could not get a fair trial, but Wood was adamant about having “Island affairs settled by their own courts.”<sup>138</sup> The Cuban lawyers and judges involved understood that all eyes would be on the Cuban justice system in the postal frauds case. Ortiz, as w president of the Audiencia, selected prominent Havana lawyer and associate justice Arturo Hevia y Diaz to serve as prosecuting attorney in the case.<sup>139</sup> Throughout 1901, Hevia worked tirelessly, holding daily hours-long meetings with his team to prepare the prosecution’s case.<sup>140</sup> In his updates to the anxious Secretary Root, Wood remarked that Hevia was “honest, hardworking and extremely intelligent,” and that he seemed to “appreciate the fact that his reputation and future standing are at stake in this case.”<sup>141</sup>

Hevia was the authority on Cuban law and procedure, and he decided to try the accused together and permit letters requisitorial as evidence—common practices in Cuba but not the United States. Root pushed back and, when Hevia refused to concede, ordered a War Department report on Hevia’s proposed course of action.<sup>142</sup> The law officer who prepared the report acknowledged, “Mr. Hevia writes with full knowledge of the criminal procedure and practice in Spanish jurisdictions, and I read in comparative ignorance thereof.” But he still suggested that “while these prosecutions are to be conducted pursuant to the Spanish law in force in Cuba, it seems desirable that, so far as safely can be done, the procedure should harmonize with American ideas and established practices.”<sup>143</sup> Wood argued that the “radical difference in procedure here,” particularly the lack of jury trials, necessitated different rules and procedures.<sup>144</sup> Root, knowing the accused’s powerful allies would be watching the proceedings closely, insisted it was the War Department’s responsibility to ensure the accused had “a fair and impartial trial, according to the ideas embedded in our American constitutions.”<sup>145</sup> But the question of whether a U.S. citizen deserved a “fair and impartial trial” according to U.S. or Cuban customs had already been decided in *Neely v. Henkel* when Justice Harlan proclaimed: “When an American citizen commits a crime in a foreign country, he cannot complain if required to submit to such modes of trial and to such punishment as the laws of that country may prescribe for its own people.”<sup>146</sup> Hevia refused to cave to War Department pressure and

<sup>137</sup>Investigation of Official Conduct of E. G. Rathbone, Senate Document No. 510, 59<sup>th</sup> Congress, 1<sup>st</sup> Session, June 26, 1906, 141.

<sup>138</sup>Judge Advocate of Military Government of Cuba quoted in Report of Brigadier General Fitzhugh Lee, Commanding the Western Department of Cuba, in *Annual Report of Major General Leonard Wood Commanding Division of Cuba, 1900* (Havana, 1900), 8; Wood to Root, June 8, 1900, Box 28, Wood Papers.

<sup>139</sup>Carlos Ortiz, President of Audiencia of Havana to Military Governor, October 14, 1901, Box 204, Wood Papers; J. B. Hickey, Assistant Adjutant General, Order No. 260, June 29, 1900, *Report of the Military Governor of Cuba on Civil Affairs, Vol. 9, Civil Orders and Circulars, 1900*, 541; William Belmont Parker, *Cubans of To-Day* (New York, 1919), 611.

<sup>140</sup>Fosnes to Col. H. Scott, Adjutant General, May 13, 1901, Box 204, Wood Papers.

<sup>141</sup>Wood to Root, April 4, 1901, Box 170, Vol. 2, Root Papers.

<sup>142</sup>Wood to Root, May 7, 1901, Box 170, Vol. 2, Root Papers; Root to Wood, Nov. 9, 1901; Wood to Root, Dec. 6, 1901, Box 170, Vol. 1, Root Papers; Attorney General P. C. Knox to Root, Apr. 19, 1901; Lindsay to Knox, Apr. 22, 1901; Knox to Root, Apr. 24, 1901; Root to Knox, Apr. 30, 1901, Box 29, Folder 1901-2, Wood Papers; Wood to Root, May 28, 1901; Wood to Root, May 30, 1901, Box 170, Vol. 2, Root Papers.

<sup>143</sup>Report on the question of inserting a charge of “conspiracy” in the criminal complaints against Neely and Rathbone and the inadvisability of joining both defendants in one complaint, which shall include all the charges, submitted May 21, 1901. Case No. 2652, Division of Insular Affairs, War Department, Box 170, Vol. 1, Root Papers.

<sup>144</sup>Wood to Root, May 7, 1901, Box 170, Vol. 2, Root Papers.

<sup>145</sup>Root to Wood, Nov. 9, 1901, Box 170, Vol. 1, Root Papers.

<sup>146</sup>“Charles F. W. Neely v. William Henkel,” *The Supreme Court Reporter*, Volume 21, Nov. 1900–July 1901 (St. Paul, MN, 1901), 307.

remained confident that his plan, based on his expert knowledge of Cuban procedure, would result in the conviction of all parties.<sup>147</sup>

Despite skeptical claims that political connections would save the accused from trial, the cases began to move forward in late 1901. Neely, Rathbone, and Reeves had their hearing in the court of first instance in October—a preliminary trial in the Spanish legal system that U.S. officials compared to a grand jury inquest, in which judges heard witnesses and the prosecuting attorney recommended the degree of punishment.<sup>148</sup> By late December, the government had compelled a handful of witnesses from the United States to testify in the trial in the Havana Audiencia that would begin in the first week of January 1902.<sup>149</sup>

From January to March, Havana's *Diario de la Marina* provided daily summaries of the proceedings, many of which were reprinted in U.S. newspapers. The Audiencia heard testimony from postal employees, inspectors, hotel owners, and Rathbone's household employees.<sup>150</sup> Rathbone and Neely denied all accusations.<sup>151</sup> Reeves—the auditor who had confessed to taking bribes from Neely—turned state's witness against Neely and Rathbone. But Reeves's testimony was riddled with inconsistencies, and he confessed he never actually witnessed fraudulent activities himself; his testimony was based entirely on what (he claimed) Neely had told him.<sup>152</sup> In keeping with Cuban procedure, as one of the accused, Reeves was able to level these accusations against Rathbone and Neely without being under oath.

As Root feared, people in and from the continental United States eyed the unfamiliar proceedings with suspicion. A *Collier's Weekly* article titled "Cuban Justices Trying Americans" invited readers to sympathize with the accused, who faced imposing "judges, attorneys and official clerks all wear[ing] black silk robes, gathered in back like a priest's cassock" while "questions are put in Spanish, with rhetorical gestures, to the witness, who must wait until the interpreter, plainly, without gestures, puts them to him in English."<sup>153</sup> By implying something might be getting lost in translation, *Collier's* implied the accused might not be getting a fair trial.

In Havana, U.S.-run newspapers debated Wood's influence on the trial. The *Havana Sun* accused Wood of "absolute despotism" and called the trial "a farce," arguing that Wood's appointees would rule how he wanted them to.<sup>154</sup> The *Havana Post* defended Wood, condemning the *Sun* for engaging in "news paper trials," as if the press's role in the case was a recent

<sup>147</sup>Wood to Root, May 7, 1901, Box 170, Vol. 2, Root Papers.

<sup>148</sup>Fosnes to Col. Scott, Adjutant General, July 8, 1901; Root to Knox, July 22, 1901, Box 204, Wood Papers.

<sup>149</sup>Transcript of Record and exhibits in the case of Estes G. Rathbone, Late Director General of Posts, Box 204, Wood Papers; "Declaraciones," *Diario de la Marina*, Dec. 21, 1901, 3; "As Witnesses Against Neely," *Indianapolis Journal*, Dec. 21, 1901, 6; "La Causa de Neely," *Diario de la Marina*, Dec. 23, 1901, 2.

<sup>150</sup>"La Causa de Correos," *Diario de la Marina*, Jan 7, 1902, 4, 6; "La Causa de Correos," *Diario de La Marina*, Jan. 23, 1902, 4; "La Causa de Correos," *Diario de La Marina*, Jan. 25, 1902, 4; "La Causa de Correos," *Diario de La Marina*, Jan. 26, 1902, 2; "La Causa de Correos," *Diario de La Marina*, Jan. 28, 1902, 4, 6; "La Causa de Correos," *Diario de La Marina*, Jan. 29, 1902, 6; "La Causa de Correos," *Diario de La Marina*, Jan. 30, 1902, 4; "La Causa de Correos," *Diario de La Marina*, Feb. 4, 1902, 5; "La Causa de Correos," *Diario de La Marina*, Feb. 6, 1902, 5; "La Causa de Correos," *Diario de La Marina*, Feb. 7, 1902, 4.

<sup>151</sup>Transcript of Record and Exhibits, Box 204, Wood Papers. On Rathbone's testimony, see "La Causa de Correos," *Diario de La Marina*, Jan. 14, 1902, 6; "La Causa de Correos," *Diario de la Marina*, Jan. 15, 1902, 5, 7; "La Causa de Correos," *Diario de La Marina*, Jan. 16, 1902, 4; "Cuba Postal Frauds," *Waterbury Democrat*, Jan. 16, 1902, 1; and "La Causa de Correos," *Diario de La Marina*, Jan. 17, 1902, 5. On Neely's testimony, see "La Causa de Correos," *Diario de La Marina*, Jan. 18, 1902, 6; "La Causa de Correos," *Diario de La Marina*, Jan. 19, 1902, 2; "Neely on the Stand," *Mexican Herald* (Mexico City), Jan. 19, 1902, 1; "La Causa de Correos," *Diario de La Marina*, Jan. 21, 1902, 4; and "La Causa de Correos," *Diario de La Marina*, Jan. 22, 1902, 4.

<sup>152</sup>Transcript of Record and exhibits, Box 204, Wood Papers; "La Causa de Correos," *Diario de la Marina*, Jan. 7, 1902, 6; "Reeves Back on the Stand," *Omaha Daily Bee*, Jan. 12, 1902, 2; "Reeves's Testimony," *New York Tribune*, Jan. 12, 1902, 3; "Cuban Postal Frauds," *Indianapolis Journal*, Jan. 12, 1902, 1.

<sup>153</sup>Franklin Clarkin, "A Trial of Americans by Cubans," *Collier's Weekly* 28, no. 22 (Mar. 1, 1902): 11.

<sup>154</sup>"Despotism 400 Years. Three of 'Woodism,'" *Havana Sun*, Feb. 23, 1902, Box 19, RG 28-Cuba.

phenomenon. The *Sun* countered that since May of 1900, “the postal cases have very much been tried through the newspapers, by the prosecution.”<sup>155</sup> And newspaper commentary on the case continued to matter to government officials. The new head of Cuba’s postal department, M. C. Fosnes, tried to dismiss the *Sun*’s “frantic tirades” against Wood (which, he posited, may have been ghostwritten by Rathbone himself). Fosnes argued that the military government “could receive no higher or more sincere testimonial of duty well done than the lusty screaming of the Rathbone-Neely print which calls itself the Havana Sun,” but still felt obliged to offer Root a six-page refutation of the *Sun*’s claims.<sup>156</sup>

The *Collier’s* reporter who traveled to Havana in February reported low attendance at the trial because “public plundering is nothing new or strange to people ruled so long by the Spanish.”<sup>157</sup> But the *Diario de la Marina* reported a huge public audience on March 1, 1902, to hear closing arguments from Rathbone’s lawyer, José Antonio Gonzalez Lanuza — “one of Cuba’s most celebrated lawyers,” according to the *Havana Sun*.<sup>158</sup> The audience got the drama they hoped for: Lanuza scandalously accused the prosecution of offering Reeves a pardon in exchange for false testimony against Rathbone.<sup>159</sup> Then, he proclaimed, “the whole case was simply one of political persecution” in which justice had flown out the window.<sup>160</sup>

After 182 witnesses, oral arguments ended on March 8, 1902.<sup>161</sup> On March 24 the Havana Audiencia found Neely, Rathbone, and Reeves guilty. Justice José Maria de la Torre delivered the thirty-one-page decision and announced that each would be sentenced to ten years in prison, plus \$35,000 fines for Rathbone and Reeves and \$56,000 for Neely. On Hevia’s recommendation, the Audiencia acquitted Mascaró and Moya, the two Cuban stamp clerks Neely ordered to illegally sell retired stamps.<sup>162</sup> Despite Root’s misgivings, Hevia had successfully managed the case and preserved his reputation, eventually becoming a justice on Cuba’s Supreme Court after independence.<sup>163</sup> The *Diario de la Marina* speculated that “the result looked for has been obtained. Mr. Rathbone can not be now a serious obstacle to the achievement of any ambition”—presumably, of Wood’s.<sup>164</sup> Rathbone’s lawyers immediately appealed his case to the Supreme Court of Cuba.<sup>165</sup>

While many had clamored for punishment, Post Office Department officials were “amazed at the severity of the sentences.”<sup>166</sup> But the *Indianapolis Journal* reminded Republican readers that “aside from the moral turpitude of the crime or the amount of money it involved it felt that the Nation was disgraced.”<sup>167</sup> The widely read Democratic *Philadelphia Record* agreed, framing the outcome in paternal imperial rhetoric: “the penalty has wisely been made severe enough to

<sup>155</sup>“We Know It Hurts, But We Can’t Help It,” *Havana Sun*, Mar. 11, 1902; “Much Ado About Nothing,” *Havana Post*, March 9, 1902, Box 19, RG 28-Cuba.

<sup>156</sup>Fosnes to Root, Mar. 15, 1902, Box 31, Folder: 1902-5, Wood Papers.

<sup>157</sup>Clarkin, “A Trial of Americans by Cubans,” 11.

<sup>158</sup>“Lanuza Opens for Defense,” *Havana Sun*, March 1, 1902, Box 19, RG 28-Cuba.

<sup>159</sup>“La Causa de Correos,” *Diario de La Marina*, Mar. 1, 1902, 3; “La Causa de Correos,” *Diario de La Marina*, Mar. 3, 1902, 3; “La Causa de Correos,” *Diario de La Marina*, Mar. 5, 1902, 2–3; “Cuban Postal Frauds,” *Indianapolis Journal*, Mar. 5, 1902, 1–2.

<sup>160</sup>“Lanuza Opens for Defense,” *Havana Sun*, Mar. 1, 1902; “The Diario de la Marina Sums Up the Argument Made by the Attorney in Defense of General Rathbone,” Mar. 4, 1902, Box 19, RG 28-Cuba.

<sup>161</sup>“La Causa de Correos,” *Diario de la Marina*, Mar. 10, 1902, 2; “Neely Et Al. Found Guilty,” *Evening Star* (DC), Mar. 25, 1902, 2.

<sup>162</sup>Decision of Audiencia in Neely et al case, Mar. 24, 1902, Box 204, Wood Papers.

<sup>163</sup>William Belmont Parker, *Cubans of To-Day* (New York, 1919), 612.

<sup>164</sup>“The Diario de la Marina Sums Up the Argument Made by the Attorney in Defense of General Rathbone,” Mar. 4, 1902, Box 19, RG 28-Cuba.

<sup>165</sup>Jado to Wood, Mar. 29, 1902, Box 204, Wood Papers.

<sup>166</sup>“Cuban Justice Severe,” *Indianapolis Journal*, Mar. 25, 1902, 1.

<sup>167</sup>“The Cuban Postal Embezzlements,” *Indianapolis Journal*, Mar. 26, 1902, 4.



demonstrate a determination to protect the dependent communities which may for a longer or shorter time be under American care from official malversation.”<sup>168</sup> In 1900, the postal frauds made Democratic newspapers question whether the United States should be an empire. By 1902, Democratic newspapers argued that these guilty verdicts offered proof that the United States could “protect” those under U.S. rule from bad actors. Indeed, the verdicts established overseas territories as a place where corruption common in the continental United States would not be tolerated. The *Louisville Courier-Journal* joked, “It might be well to send our embezzlers to Cuba for trial or to annex a few Cuban courts for work in this country.”<sup>169</sup>

After the two-year delay, many were shocked the accused had finally been convicted. Neely’s Indiana friends were certain he “would slip out of punishment,” and soon they would be proved right.<sup>170</sup> When the trial concluded in March 1902, the U.S. military occupation was nearing its end, with Cuba scheduled to become formally independent on May 20.<sup>171</sup> Cuba’s sovereignty would be severely limited by the Platt Amendment, which, among other things, gave the United States the right to intervene in Cuba.<sup>172</sup> But in the postal cases, the transfer of formal sovereignty mattered a great deal, foreclosing attempts by Rathbone and Neely to appeal their cases through the U.S. courts. With less than two months to negotiate Rathbone’s release, Hanna first asked President Theodore Roosevelt for a pardon. Roosevelt declined; in fact, it was unclear whether Roosevelt had the authority to pardon someone convicted in a Cuban court given the Supreme Court’s ruling that Cuba was a foreign country. Next, Hanna sought to get Rathbone a trial in the United States where, Hanna assured the press, evidence not permissible under Cuban procedure would lead to his acquittal.<sup>173</sup> Wood argued vehemently against efforts to take the case out of the Supreme Court of Cuba, arguing to Roosevelt that “to remove [Rathbone] from the jurisdiction of this court would be almost a national calamity, inasmuch as it would forever in the minds of all people familiar with this case be equivalent to a declaration that an American with strong political influence, although a thief, cannot be punished except as his friends prescribe.”<sup>174</sup> Rathbone and Hanna charged “political conspiracy”—especially after learning that Wood indeed *had* granted Reeves a pardon in exchange for his testimony against Rathbone.<sup>175</sup> Wood insisted the trial had been fair according to Cuban procedure, but Hanna used his influence to spread these rumors, tarnishing Wood’s reputation.<sup>176</sup>

As Hanna pulled strings and Wood stood his ground, the press speculated about conflict in the highest echelons of the Republican Party. The Republican *Wichita Daily Eagle* called Hanna and Rathbone going up against Wood, Roosevelt, former Postmaster General Smith, and Fourth Assistant Postmaster General Bristow “a Battle of Political Giants.”<sup>177</sup> The Democratic *Tucson Citizen* wondered if Hanna was so eager to protect Rathbone lest Rathbone reveal damning details from the 1898 bribery case that got Hanna elected.<sup>178</sup>

<sup>168</sup> *Philadelphia Record* quoted in “The Cuban Convictions,” *Omaha Daily Bee*, Mar. 30, 1902, 18.

<sup>169</sup> *Louisville Courier-Journal* quoted in “The Cuban Convictions,” *Omaha Daily Bee*, Mar. 30, 1902, 18.

<sup>170</sup> “Cuban Justice Severe,” *Indianapolis Journal*, Mar. 25, 1902, 1.

<sup>171</sup> “Cuban Republic’s Birthday,” *NY Tribune*, Mar. 26, 1902, 1.

<sup>172</sup> Treaty Between the United States and the Republic of Cuba Embodying the Provisions Defining Their Future Relations as Contained in the Act of Congress Approved March 2, 1901, Perfected Treaties, 1778–1945; General Records of the United States Government, Record Group 11, NARA-DC. For more, see Louis A. Pérez, Jr., *Cuba Under the Platt Amendment, 1902–1934* (Pittsburgh, 1986).

<sup>173</sup> “Otro Proceso,” *La Lucha* (Havana), May 7, 1902; “Friends of Rathbone Strive to Secure a Pardon for Him,” *San Francisco Call*, Apr. 1, 1902, 3.

<sup>174</sup> Wood to President Roosevelt, May 10, 1902, Box 31, Folder: 1902-5, Wood Papers.

<sup>175</sup> “Rathbone Charges Conspiracy,” *Evening Times* (DC), Mar. 26, 1902, 1; “Summary of the News: Foreign,” *Houston Daily Post*, Apr. 23, 1904, 2; “Investigation of Official Conduct of E. G. Rathbone,” 143–44.

<sup>176</sup> Hagedorn, *Leonard Wood*, 379.

<sup>177</sup> “A Battle of Political Giants,” *Wichita Daily Eagle*, Apr. 3, 1902, 4.

<sup>178</sup> “Hanna and Rathbone,” *Tucson Citizen*, Apr. 2, 1902, 2.

Others speculated that Hanna might be blackmailing Roosevelt.<sup>179</sup> But Roosevelt, like McKinley before him, stood firm. The Republican Party had staked its reputation on punishing the postal frauds in Cuba, and after a delay of almost two years, would not go back on its word now.

In the end, Roosevelt did not have to risk his party's reputation. On June 7, 1902, the new congress of the formally independent Republic of Cuba passed a bill granting general amnesty to all U.S. citizens convicted of crimes during the period of military occupation.<sup>180</sup> Rathbone had already been released on \$100,000 bail—an amount the press speculated must have been paid for by powerful friends.<sup>181</sup> On June 12, 1902, at 5:20 p.m., Neely walked out of the Havana prison into the pouring rain.<sup>182</sup> Four friends had come to see him released—Rathbone notably not among them. Neely reportedly smiled as he left prison, calling “adios” to the guards and shaking hands with prison officials “who congratulated him on his good fortune.”<sup>183</sup>

The postal frauds case concluded that day, but the afterlife of the scandal continued to influence the personal trajectories of those involved and the trajectory of U.S. imperialism overall. Rathbone was not satisfied with amnesty and petitioned for congressional investigation of his case.<sup>184</sup> He compiled some 200 pages of documents to prove his innocence, but he was never granted a new trial or exonerated.<sup>185</sup> Unable to clear his own name, Rathbone swore to “use every means at my command to secure investigation of General Wood’s reprehensible conduct while in Cuba as its military governor.”<sup>186</sup> Rathbone’s vendetta altered the course of U.S. imperial history. When Wood came up for promotion to major general in 1903, historian Alfred McCoy writes that Hanna “turned the pro forma proceedings into a full-blown investigation of Wood’s rule in Cuba.”<sup>187</sup> The first accusation Hanna raised during those proceedings was that Wood mishandled Rathbone’s trial.<sup>188</sup> Hanna died before the confirmation vote, with a colleague suspecting that the stress of the hearings precipitated his demise. The Senate confirmed Wood’s promotion, but the scandal of the hearings irreparably damaged his reputation. Roosevelt sent Wood into “exile” with an appointment as Governor of Moro Province in the southern Philippines—“a marked demotion,” McCoy notes, that derailed Wood’s path to the presidency.<sup>189</sup>

The postal frauds case taught Wood a valuable lesson about the usefulness of scandal, and he continued to court scandal in the Philippines, stoking controversy about Muslim enslavement, ordering the Bud Dajo Massacre, and later creating a corruption scandal about the Philippine National Bank—all of which he used to justify continued U.S. rule in the Philippines.<sup>190</sup> If

<sup>179</sup>“Hanna, Rathbone and the President,” *St. Louis Republic*, May 14, 1902, 8.

<sup>180</sup>“Investigation of Official Conduct of E. G. Rathbone,” 138.

<sup>181</sup>“No title,” *Bisbee Daily Review* (Bisbee, AZ), Apr. 25, 1902; “No title,” *The L’Anse Sentinel* (L’Anse, MI), Apr. 26, 1902, 6.

<sup>182</sup>“No title,” *Diario de la Marina*, June 13, 1902, 4.

<sup>183</sup>“Neely Quits the Jail,” *Evening Times-Republican* (Marshalltown, IA), June 12, 1902, 2.

<sup>184</sup>“Rathbone Confers with Mr. Hanna,” *Washington Times* (DC), June 25, 1902, 5; “Senator Pleads for Rathbone,” *San Francisco Call*, June 29, 1902, 24; “E. G. Rathbone’s Petition,” *New York Times*, June 29, 1902, 3; “Gen. Wood Is Accused by Estes G. Rathbone,” *New York Times*, August 6, 1906, 2.

<sup>185</sup>“Investigation of Official Conduct of E. G. Rathbone,” 73–95, 95–6, 106–10, 140–1.

<sup>186</sup>E. G. Rathbone to President Theodore Roosevelt, Mar. 24, 1903, “Investigation of Official Conduct of E. G. Rathbone,” 205; “Rathbone Blames Wood: American Convicted of Fraud in Cuba Makes a Statement,” *New York Times*, Mar. 15, 1903, 9.

<sup>187</sup>McCoy, *Policing America’s Empire*, 116–9.

<sup>188</sup>Exhibit A: Argument of M. A. Hanna, Senator from Ohio, in opposition to the promotion of Gen. Leonard Wood, “Investigation of Official Conduct of E. G. Rathbone,” 213–6.

<sup>189</sup>McCoy, *Policing America’s Empire*, 120–1.

<sup>190</sup>Michael Salman, *The Embarrassment of Slavery: Controversies over Bondage and Nationalism in the American Colonial Philippines* (Berkeley, CA, 2001); Peter Gordon Gowing, *Mandate in Moroland: The American Government of Muslim Filipinos, 1899–1920* (Quezon City, Philippines, 1983), 141–66; Paul A. Kramer, *Blood of Government: Race, Empire, the United States, and the Philippines* (Chapel Hill, NC, 2006), 218–20; Daniel

Hanna and Rathbone had not so seriously damaged Wood's reputation, he might have become president. Instead, Wood spent the last years of his life as Governor-General of the Philippines, personally setting the Philippine independence movement back decades.<sup>191</sup> This case reminds us that matters as consequential as the legitimacy of military occupation, whether occupied territory was foreign or domestic, whether U.S. imperial administration would follow the spoils system or progressive models, and who would govern the empire were worked out in a scenario where most actors were just as concerned with the next election, their own career prospects, or even petty personal revenge as they were with imperial strategy or ideals about good government.

While this imperial scandal was a product of the unique turn-of-the-century political landscape, the public reaction and political maneuvering—particularly Democratic attempts at accountability and Republican efforts to quickly move on from the scandal—reverberate into the twenty-first century. In subsequent imperial scandals, from the Philippines to Iran-Contra to Guantanamo and Abu Ghraib, the press and public also clamored for punishment and a reevaluation of U.S. imperialism. But imperialists were again able to place blame on a few bad actors, dole out light punishments, and keep the U.S. imperial system intact.<sup>192</sup> The postal frauds case shows how, in the two years between the scandal becoming public and the accused being pardoned, the question changed from whether the United States should be an empire to how to punish bad actors within the imperial system. As the scandal of embezzlement and not the scandal of empire took center stage, U.S. imperialism itself was legitimized in the process.<sup>193</sup>

**Alvita Akiboh** is an assistant professor of history at Yale University in the United States. Akiboh specializes in the history of the United States and the World, particularly U.S. overseas colonies in the Caribbean and the Pacific. Her first book, *Imperial Material: National Symbols in the US Colonial Empire*, is forthcoming with the University of Chicago Press in November 2023.

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<sup>191</sup>Kramer, *Blood of Government*, 388–90; Lumba, *Monetary Authorities*, 102–12.

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<sup>193</sup>Dirks, *Scandal of Empire*, 31.