POOR DOCUMENT

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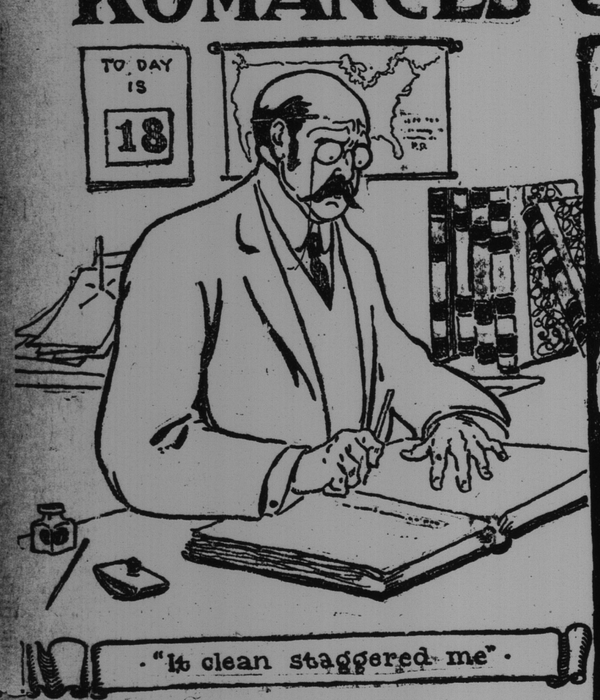
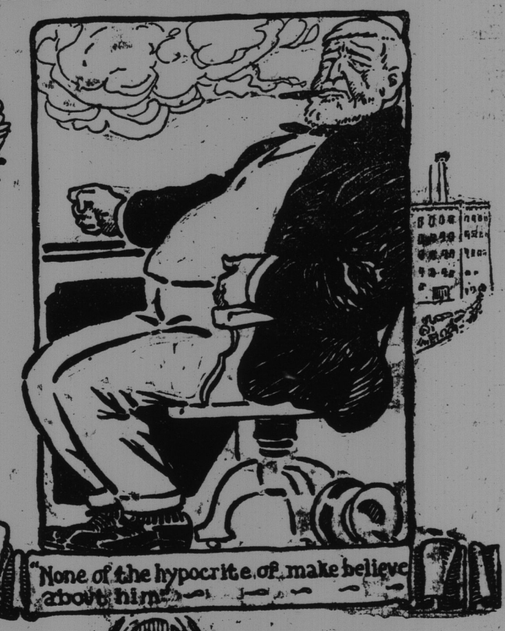
ROMANCES OF THE EXPERT ACCOUNTANT



"It clean staggered me"

"Oh, the divvie fly away wid figures!"

A dear old gentleman



"None of the hypocrite or make believe about him"

"No lawyer in mine, if you please," said the widow.

A Few Tales Told by One of Them to Show the Dramatic Stories of Human Life That May Be Unearthed by Looking Into a Man's Ledger.

Cash Balances That Tell Tales of Cunning or Intrigue as Bewildering as Any in Novels.

Other Accounts That Hide Stories of Amazing and Delightful Honesty Such as Is Expected Only in Fairy Tales.

The Old Irishman's Soap Box That Turned Out to Be a Treasure Chest Indeed.

(By Julius Muller.)

"Very romantic. Very romantic," said the modest man wid the amiably appreciative manner, as he looked at the soldier from the Philippines and the Washington correspondent and the first mate of the New York-Frisco clipper in undisguised admiration.

They had been telling stories. Then, being polite persons, they demanded one from him.

"Of course, I haven't ever had anything like those experiences of yours happen to be," said the modest man. "I'm only an expert accountant, you know, and in my line we just grind through sets of books and get muddled over figures. So probably I could hardly tell anything that would interest men like you."

A polite murmur of dissent encouraged him, and he went on:

"For instance, I've just finished going through the books of a New York concern that failed recently, owing a pile of money. A good many big business men were hit hard by the failure, but what hit most of them harder than the financial loss was the fact that the concern had opened its books to them freely whenever it asked for credit, and each time showed excellent balances. Of course, a thing like that bothers a merchant, because a good part of the business of making money nowadays is to tumble to new ways of getting stuck before you're stuck. Having been stuck before they tumbled this time, the next best thing for them to do was to find out what the game was, so it couldn't be played on them again.

"So they hired me to look over the books. I ran over the balances for half an hour or so, and everything looked so straight that I would have passed the business as being in first class condition if I hadn't known better. The money owed to them, according to the books, was nearly a hundred thousand dollars more than the money they owed to others, and the accounts were all with excellent houses. It clean staggered me for a little while.

A VERY SIMPLE SCHEME.

"But I turned to the account with the house that had hired me to look over the books, and the whole secret was revealed. The ledger showed that my clients owed the bankrupt concern $9,000, whereas, of course, the truth was just the other way. And so it ran all through that set of books. The swindlers had simply kept their books in an order reverse to the regular practice. They had posted their debits in the column that all other business houses use for their credits, and vice-versa. Of course, every credit man who had looked over their balances was almost bound to be fooled.

"It was a simple trick, and a mighty successful one, both for getting credit and escaping criminal prosecution; for they calmly alleged that they didn't know that that was not the right way to keep books, and they pointed to the fact that the accountants who had examined them could have seen for themselves how the business stood if they had really examined instead of merely looking over the balances.

"That was true. But, of course, everybody is aware that few business men can afford to spend days in going over the books of a firm that asks for credit, and that the rule is to accept the balances, because the balances are found to show the true state of the man's business unless the books have been falsified, which would render the perpetrator liable to prosecution. Now, in this case the books hadn't been 'falsified.' The balances plainly showed a loss of a hundred thousand dollars; but everybody who looked at them thought that they showed that much profit, because they were in the column where profits are commonly carried.

"To prosecute them for making such a 'mistake' would have been rather difficult, so in the end the creditors took what they could get, and the swindlers went to another city and began life over again with a large nest egg. I wonder what their next trick will be.

"I suppose that I'm boring you," said he, apologetically.

But as he wasn't, and they demanded more stories, he continued:

NOT ALL CROOKED ACCOUNTS.

"Naturally, the greatest part of an expert accountant's business will seem to you to be the unravelling of crooked accounts and the discovery of cheating methods. But that isn't so. Some of the hardest accounts that I've been called in to clear up were accounts kept by men who were actually cheating themselves because they didn't make their entries right, and when it came to a showdown they couldn't prove that they had the good business that they really did have.

"The queerest and in all ways the most delightful thing came to my knowledge some years ago. In one of the smaller side streets north of the City Hall in New York a dear old Irishman kept a queer, dusty, cobwebby old dive of a barroom, where the customers sat around on beer kegs and boxes and drank the best liquor that ever was sold in a barroom in New York. The old man used to say, 'I drink my own liquor, and I love my health too much to drink any except the best.'

"He made a barrel of money, and after about twenty years, what with real estate and other investments, he figured that he was worth a good bit more than a million dollars. Then he decided to retire, and sold his old place to his two bartenders, who had started with him as boys. They paid him a good price, but nothing like what he could have had if he had accepted the offers that were made by outsiders. But he refused to listen to anything. 'Away, away wid ye,' he said. 'Them two boys o' mine helped me get rich, and it's them that'll get it.'

"They were Irishmen, too, and just the same kind as the old man. He told us a lot about how he was going to enjoy going travelling and never see the old dirty street again; but two days after the deed of sale was signed he was back in the place, and from that time until his death he could be found there almost every day, sitting at a little battered desk that was perched on a dry goods box in a cubby hole of a snuggery marked 'Private Office.' There he tinkered laboriously over his accounts, generally winding up with an 'Oh, the divvle fly away wid figures!' after he had smeared himself liberally with ink.

"THE DIVVLE'S OWN."

"It was 'the divvle fly away with figures,' indeed with him. For instance, when the sale was being closed there wasn't a scrap of paper to show what the business amounted to. All the 'accounts' that the old man had were a small mountain of receipted bills stuck on a rusty hook on the wall. Some of them were yellow with age, and so fly-specked that they couldn't be read. He was unable to come within ten thousand dollars of what his last year's income had been, even in a guess.

"'Sure,' said he at last, 'I s'pose I must have spint it. Ah, me good lads, let it go. Charge it off and throw it off the price of the place.'

"Well, we were sitting in the snuggery with the old man one evening, about a month after the sale had been made, when one of the new proprietors went down cellar to look for something. In groping around on a rafter his hand closed on a little bundle, and he brought it up stairs with him. 'Look at this,' said he. 'This was a roll of bills. The amount was several hundred dollars.

"'There's some o' your money, I guess,' said he. 'Sure,' said the old man; 'I reminder now that I once shoved a roll up there because it kept fallin' out o' me pocket whilst I was potterin' around.'

"But he didn't reach out to take it. 'No, no,' said he. 'Ye bought the place wid all that was in it, me boy,' and he stuck to that till his two successors threatened to throw him out of the place for good unless he accepted his own money.

"Well, gentlemen, that wasn't the last time that they found treasure trove. Money was constantly being unearthed, until we got so that we used to joke about it. Whenever a man happened to look at the ceiling, or anywhere else, the rest would shout: 'Aha! He sees money!'

"I believe that the money that was found thus and returned to the old fellow amounted to several thousand dollars. Finally he died. One day, about a year after his death, one of the proprietors wanted some kindling wood early in the morning, and he smashed up an old soap box that had been used for a footrest in the snuggery for more years than I could remember. Many a time have I had my feet on it.

THE TREASURE CHEST.

"When I came in that day the two Irishmen looked actually scared. 'Look here,' said they. 'What do ye suppose has happened to us?' They trotted out the box from behind the bar. It was filled chock-a-block with securities, deeds, bonds and cash. 'Sure,' said they, 'what'll we do wid it? Think of the risk of havin' a lashin' o' money around like this that don't belong to us!'

"I went over the stuff, and my rough estimate made the value of the find at least a hundred thousand dollars. We got a cab and took it to the lawyer who had the old man's estate. To cut the story short, the find finally turned out to amount to nearly $175,000. And do you know, those two Irishmen got highly insulted, and threatened to punch the lawyer's head because he suggested that he would counsel the heirs to pay them a reward for their honesty. 'What,' said one of them, 'pay me for not bein' a thafe? A nice kind of a hairpin you must be!'

"Now, gentlemen, that story is literally true; and, queer as it is, it isn't any queerer than a hundred others that you could find any day in any big city. In my own experience there was a real side-piece to this one, only a few blocks away. The same kind of old Irishmen played parts in it—two fine old boys, simple as children and shrewd as old Nick. They arrived here poor, and started a little cheap restaurant near Greenwich street, in the produce and meat district. They kept it open day and night, and in the course of years they got rich. At last one of the old chaps died, and as it was an ordinary partnership the business should have been liquidated under the law.

"But the surviving partner didn't know anything about that, and for a year or so the survivor ran the business, which was a big one by that time. Whenever the widow wanted any money she would send for it, and he'd send her any sum she asked. She didn't ask much because she was living almost as simply as in the old days.

A SIMPLE TRANSACTION.

"At last the old man got tired, and decided that it was too hard to run the business alone. So he went to the widow and said: 'Now, Ellen, my dear; it's help I'm needin' in the business. An' sure it's me that's the unlucky man for havin' lost Jim's services, God rest his fine old soul! Now, I'm by way of thinkin' that it would be only fair that you should sell out your interest to me. What do ye say?'

"'Why, right ye are, me lad,' said the widow. 'Sure, 'twould be wrong in me intirely to be lettin' you do all the work and me drawin' nothin' but money.'

"'But how about payin' ye what's right?' asked the old boy. 'Me mind misgives me but what ye had ought to get a lawyer to look after your rights, and yit I do hate them fellers.'

"'No lawyer in mine, if you please,' said the widow. 'Sure ye ought to know more about it than any one else. Just you pay me what's right, and God bless ye.'

"Then the old fellow tried to figure out what would be 'right,' and after a week of headache he asked me to try it for him. When I asked for his accounts I couldn't get a scrap of paper except a pile of bank books of almost every savings bank in the city. He didn't even have bills, for he paid everything in cash, which he was able to do, owing to the nature of his business.

"'Well, well,' said he, scratching his head, when I told him that I couldn't tell what the value of the business was unless we opened a set of books and got some idea by watching the balances for a few months. 'Well, well! But I'm afraid of thim bookkeepers. And, besides, I could never tell what the books was all about. It would be like giving my whole business into some one else's hands, and I'm too old to do that. Well, thank ye kindly. I guess I'll be going uptown a bit ways.'

ROBBING THE LAWYERS.

"And this is what he did uptown. He went to the window of his old partner. 'Ellen, my dear girl,' said he, 'I ain't rightly able to tell ye what the business be worth, and one of them experts that I asked he mixed me up more than I was already. But 'tis worth at any rate something like $200,000. And there's in the neighborhood of $300,000 in the bank. Now, I'm thinkin' that, maybe, considerin' I've lost Jim's services—and an iligant wowrker he was rest him!—that maybe it would not be wrong if I was to say to you that I'll give ye $250,000 and we'll call it square.

"'All right, all right, if ye say so,' said the widow. 'Whatever ye think is right will do me.'

"That is the way those two simple souls arranged the division of a business that would have fattened a regiment of deserving lawyers if it had been settled in the right way.

"They aren't all as ingenuous as that. Once I went through the books of a small manufacturing business that had been sold to a trust by a nice, simple-hearted old chap. The books had showed a snug little balance, but after he had been bought out on the basis of it the profits shrank mysteriously, and the bank balance and the book balances showed a woeful discrepancy.

"After poking around in the figures set down laboriously in the honest scrawling fist of the simple-hearted old gentleman, I found the way in which he had showed such a pretty balance. He had paid himself a fat little dividend each year over and above his salary, and to avoid showing it in the cash balance, he had paid it in notes. Then he had turned around and loaned those notes back to the business. Of course, the moment he sold out he collected all the notes in cash, and cleaned out the whole place.

A DEAR OLD GENTLEMAN.

"When we confronted him with the evidence of his duplicity he had the nerve to reply that if we said much he would sue us for interest on the notes as originally made, and then for interest on the notes as a loan. Of course, he would have lost such a suit, but it would have been a black eye to the trust financiers to have their greenness get out in court. So they swallowed the pill, and no doubt by this time they have sold the business to some other sucker.

"A few years ago I was called in by a big manufacturer whose accounts were peculiar in that they were long term ones: that is, he paid his own bills only once a year, and his customers paid him at equally infrequent intervals.

"His books had been run fairly well as far as routine went, but they hadn't been really balanced in three or four or five years, because he kept a locked secret book of paper and notes which he had out, and he never allowed his employes to stick their noses into that part of his business.

"He always intended to balance his books, but kept putting it off day after day and month after month until they were in a pretty snarl. Then he called me in; and as he and I were old acquaintances, he turned the secret book and all else over to me without hesitation.

"Well, inside of two days I knew two things: one was that for two years my man had been selling his manufactured product for less than it cost him to make it up, and in some cases for less than the raw material cost him. And the second thing was that he had been 'blowing' the capital, and that, what with the paper that he had afloat and the bills for material, he had just two thousand dollars between himself and failure, instead of being worth, as he thought, anywhere from fifty to eighty thousand dollars.

"I locked the doors of the office and told him. For a moment he gasped, and the sweat came out on his face. Then he whistled. Then he said: 'If I can get unlimited credit for another year, I can stave things off and maybe win out.' 'Yes,' answered I; 'but how are you going to get the credit? You cannot dare show any one these books, and you can't get more credit without a showdown.'

"'Can't I?' said he. 'You just watch me, son.'

BRANCHING OUT, INDEED.

"Three days afterward I went into his office, and there on the biggest wall was a mighty blue print showing the plans of a vast factory. In the corner of it was a beautiful watercolor depicting the factory building. It was a stunner.

"'What's this?' I asked.

"'Why, that's the new factory that the boss is going to put up,' said the cashier.

"The 'boss' came in at that moment, and winked at me when he saw me looking at the plans. In his private office he said: 'You know where I'm going to build that? In the block at so-and-so.'

"'Where did you get the money?' I asked, admiringly.

"'Tut, tut,' said he. 'Don't you know that we were two thousand dollars to the good? Well, with twelve hundred of it I bought a year's option on that land. And the other eight hundred I paid for those plans. The architect worked day and night on them.'

"'But you can't take the option up and you can't raise money enough to build!' gasped I.

"'Son, son,' said he, indulgently. 'I haven't the faintest intention of building.'

"'But now you've spent the two thousand,' I insisted. 'How are you going to pay off your people tomorrow?'

"'My dear boy,' said he, 'it was bread cast upon the waters. I invited the cashier of the bank to meet me today in the office here and accompany me to luncheon. The plans had just been hung. Of course he saw them, and of course he asked me all about it. But I couldn't tell anything—couldn't afford to. That made him hungry. He began to throw out hints about his bank, wanted to know whether I'd decided yet on the question of financing the thing, and so on. Well, I told him the honest truth: that I hadn't given it a thought. That impressed him, and, to be brief, I borrowed ten thousand before you came in.'

"The factory was so immense, and the property selected for the site was so well known, that the thing soon became the subject of talk everywhere. People who had about made up their minds to refuse farther credit till they got a look-in at the books hastened to change their minds, because they feared to lose the business of a man who was about to branch out so stupendously. It was the old story over again. Arouse a man's greed, and he shuts his eyes almost wilfully to patent facts. Anybody could have found out for the asking that our hero had only an option on that land. But apparently nobody ever did.

WINNING ON THE THIN BLUFF.

"At any rate, before the year was over he had been elected a director in the bank—a bank, by the way, whose directorate was made up of aristocrats of the most exclusive type. It was queer enough to see this fellow sitting among them, chewing tobacco and spitting it without extreme regard, and cursing like a pirate—for you must know that his manners were beastly.

'He didn't know any different, but he couldn't have done better had he done it by design, for the aristocrats used to whisper to each other: 'Rude and uncultivated, but sterling, bluff manners. None of the hypocrite or make-believe about him.' Sort of diamond in the rough, you see.

"Well, he got them, one by one. When they had let themselves into various schemes of his good and deep, he calmly told them the whole truth, and kindly explained that unless they helped him out he would 'bust,' and that he would take good care to have their company. The poor old innocents were horrified, and, by Jove, they actually built the new factory for him. On the strength of that he sold his old one, and made a nice pile. The innocent purchaser stood to be badly stuck, by the way, but he got a smashing big order by sheer luck, and actually won out.

"The two factories are part of a great trust now, and the diamond in the rough is practically the whole thing. He froze his aristocratic side-partners out long ago; even froze them out of their own bank. And it was all done on a bogus blue print."

"Well, by George, your business isn't so unromantic, after all," said the soldier and the correspondent and the sailor.