

Chapter V

MISMANAGEMENT AND
OTHER TROUBLES

WEAKNESSES OF THE BANK

NOTWITHSTANDING the popularity of the institution, the rapid accumulation of deposits, and the good intentions of the founders and some of the later officials, there were grave weaknesses in the system, some of which existed almost from the beginning. The trustees were not bound to any responsibility by the charter, nor were they obliged to have a financial interest in the institution; the system was too rapidly expanded, and several branches were established that did not pay expenses; some of the officials were corrupt, and more were inefficient; many Negroes were appointed to positions which they were not competent to hold; the accounts were badly kept, and inspections were infrequent; the connection of the officials of the notorious District of Columbia government with the bank made people suspect corruption; the bank's connection with the Freedmen's Bureau brought discredit upon the former and involved it in politics; the better trustees in disgust withdrew or neglected their duties, and control passed into the hands of the District of Columbia clique; many bad loans were made and