

The Charity-Mongers of Modern Babylon: Bureaucracy, Scandal, and the Transformation of the Philanthropic Marketplace, c.1870–1912

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Abstract This essay sheds new light on the supposedly familiar world of Victorian philanthropy by considering charity in relation to market regulation. Focusing on the “charity fraud,” we suggest that in the shaping of this exclusive and paradoxical marketplace, charities eagerly seized fraud denunciations to advertise and authenticate their legitimacy. This reflected the massive changes in the charitable world since the days of paternalist social relations and, paradoxically, illustrates the extremity of the problem facing the donating public: if one could not be entirely certain of a local charity, how could he or she discern between the national organizations that undertook fundraising for international disasters? This contest for legitimacy and the exposure of fraud shaped a contested but oddly virtuous exchange market: by the turn of the twentieth century, charities not only published account sheets but debated them publicly, too.

The history of Victorian and Edwardian philanthropy is ostensibly well known, and the study of its transformation has long been central to the “social history paradigm.”¹ This essay contends that one of the most important factors in the history of charitable practice has been overlooked: namely, the contemporaneous development, in the absence of formal state regulation, of a self-policing philanthropic marketplace.² By focusing on changing notions of poverty, the resistible rise of welfare ideology, and the social return of philanthropic patronage, historians of philanthropy opened up key debates on class, social rights, and Christianity in Victorian and twentieth-century British society.³ Over the last

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¹ See Brian Harrison, “Philanthropy and the Victorians,” *Victorian Studies* 9, no. 4 (1966): 353–74 and David Owen, *English Philanthropy, 1660–1960* (Cambridge, MA, 1964); Alan J. Kidd, “Philanthropy and the ‘Social History Paradigm,’” *Social History* 21, no. 2 (1996): 180–92; F. M. L. Thompson, *The Rise of Respectable Society: A Social History of Victorian Britain 1830–1900* (London, 1988); Martin Daunt, “The Future Direction of British History: Thinking about Economic Cultures,” *History Workshop Journal* 72, no. 1 (2011): 222–39.

² The ideal of organized charity remained a Utopian one. Gertrude Himmelfarb, “Bentham’s Utopia: The National Charity Company,” *Journal of British Studies* 10, no. 1 (1970): 80–125.

³ This article does not address the “scientific” revolution in charity or the respective importance of Guilds or other forms of charitable organizations that have a long-established historiography. Charles

thirty years, this historiography has dwelled on the nature of philanthropy, the religious underpinning of charity, and the shift from reparation to prevention, with a particular interest in the development of social work.⁴ More recent studies of twentieth-century nongovernmental organizations have highlighted the status of charities and voluntary organizations as self-conscious agents of social and political change.⁵ Until the scholarship of Martin Daunton and Peter Mandler, however, economic and social historians' focus on the implications of Victorian and Edwardian charity often meant giving little attention to charitable work per se.⁶ The fund-raising, management, advertising, and accountability practices that shaped the moral universe of Victorian charity have received even less consideration.⁷

This essay sheds new light on the supposedly familiar world of Victorian philanthropy by considering charity in relation to market regulation. We argue that Victorian charity needs to be evaluated anew, as a dynamic and creative competitive market, with national and local operators, small and large operations, and clearly identifiable "actors" who sought to protect and amplify the inequalities of this particular market. Located in the context of broader financial regulation in the modern period, the charity market was in no way laggard: fully audited books and the employment of actuaries could be seen in the charitable sector as early as the 1860s and 1870s, when such practices were at the cutting edge of business customs. Historians of accounting have noted both the lack of common accounting cultures until late in the nineteenth century, and the dearth of historical understanding for the development of auditing practices among charitable ventures.⁸

The development of financial and administrative practices as normative within the charitable marketplace was inextricable from the phenomenon of "charity fraud," that is, the perceived misuse or misappropriation of donations. As we demonstrate,

Loch Mowat, "Charity and Casework in Late Victorian London: The Work of the Charity Organisation Society," *Social Service Review* 31, no. 3 (1957): 258–70; Michael J. Moore, "Social Work and Social Welfare: The Organization of Philanthropic Resources in Britain, 1900–1914," *Journal of British Studies* 16, no. 2 (1977): 85–104.

⁴ See for example, Frank Prochaska, *The Voluntary Impulse: Philanthropy in Modern Britain* (London, 1998) and *Christianity and Social Service in Modern Britain: The Disinherited Spirit* (Oxford, 2006); Gertrude Himmelfarb, *Poverty and Compassion: The Moral Imagination of the Late Victorians* (New York, 1991).

⁵ See for example, Matthew Hilton and James McKay, eds., *The Ages of Voluntarism: How We Got to the Big Society* (Oxford, 2011) and Nick Crowson, Matthew Hilton, and James McKay, eds., *NGOs in Contemporary Britain: Non-State Actors in Society and Politics since 1945* (Basingstoke, 2009).

⁶ Peter Mandler, ed., *The Uses of Charity: The Poor on Relief in the Nineteenth-Century Metropolis* (Philadelphia, 1990); Martin Daunton, ed., *Charity, Self-Interest and Welfare in the English Past* (London, 1996).

⁷ The morality of consumption and market regulation more broadly has been addressed. See, in particular, David Craig, *John Ruskin and the Ethics of Consumption* (Charlottesville, VA, 2006) and Lawrence Busch, "The moral economy of grades and standards," *Journal of Rural Studies* 13, no. 2 (2000): 273–83. With regard to charity, anthropologists have recently appropriated E. P. Thompson's model of "moral economy" to study the production and circulation of emotions, values, norms, and obligation in relation to humanitarian aid. See Didier Fassin, *Humanitarian Reason: A Moral History of the Present Times* (Berkeley, CA, 2012). See also, E. P. Thompson, "The Moral Economy of the English Crowd in the Eighteenth Century," *Past and Present* 50, no. 1 (1971): 76–136.

⁸ Derek Matthews, *A History of Auditing: The Changing Audit Process in Britain from the Nineteenth Century to the Present Day* (London, 2006), 16–17.

in the absence of a legal framework to police the charitable marketplace, “charity fraud” was a slippery construction, defined in symbiosis with, and opposition to, shifting notions of “best” or “virtuous” practice. Charities eagerly seized fraud denunciations of competitor charities to advertise and authenticate their legitimacy. This shaped a contested but oddly virtuous exchange market: by the turn of the twentieth century, charities not only published account sheets but debated them publicly, too.⁹ As innovative administrative practices became increasingly normalized, the boundaries of “fraud” expanded to include organizations unable or unwilling to keep pace. The dynamic and extra-legal character of this process meant that definitions of charity fraud and attempts to regulate it were neither fixed nor resolved: charity fraud remained a discursive product of those who took the trouble to denounce it.¹⁰

This article draws on the exposés of charity frauds published by the journal *Truth* and the little used “Enquiry department” archives of the Charity Organisation Society (COS) which interrogated, among other things, the auditing practices of charities on a national scale, to illustrate how self-regulation of the charitable marketplace developed in a vacuum of state regulation. Indeed, most philanthropic enterprises remained entirely unregulated by the state until the Charities Act of 1960.¹¹ A case study from the start of the twentieth century illuminates how mechanisms for identifying fraud developed by *Truth* and the COS were applied at a regional level. The limited success of those mechanisms demonstrates the constantly shifting boundaries of fraud and highlights the extremity of the problem facing the donating public: if one could not be entirely certain of a local charity, how could one discern between the national organizations that undertook fund-raising for international disasters?¹² That, at the start of the twenty-first century, charities, and their critics, remain preoccupied with authenticating business practices as a signifier of legitimacy and competition highlights just how important the innovations of the Victorian period were.¹³



In his pioneering article on charity and the Victorians, Brian Harrison noted that snobbery and self-aggrandizement combined to make the financial administration of charitable management, the “grubby aspects” of philanthropy, a source of waste and duplication. Further, a new category of crime emerged in the latter half of the

⁹ The concept of virtuous marketplace is borrowed from Victoria E. Thompson, *The Virtuous Marketplace: Women and Men, Money and Politics in Paris, 1830–1870* (Baltimore, 2000). It also refers to the constitutive role of virtue in the language of relief work. See Deborah Mindry, “Nongovernmental Organizations, ‘Grassroots,’ and the Politics of Virtue,” *Signs* 26, no. 4 (2001): 1187–211.

¹⁰ The notable exceptions were specific war charities that were regulated and registered as a result of two acts in 1916 and 1940 respectively. The 1940 act was repealed by the 1992 Charities act. In contrast, the 1872 Friendly Societies Act formally subjected organizations such as Friendly Societies to auditing and transparency rules.

¹¹ The Charities Act of 1960 also repealed various mortmain and charitable Trusts Acts of 1853, 1856, and 1860.

¹² The charitable donors’ predicament, who to trust, mirrored that of investors in the capitalist market. See James Taylor, *Boardroom Scandal: The Criminalization of Company Fraud in Nineteenth-Century Britain* (Oxford, 2013).

¹³ John H. Hanson, “Strategic Management and Fundraising: A Planning Model for Resource Development in the Nonprofit Organisation,” *International Journal of Nonprofit and Voluntary Sector Marketing* 2, no. 4 (1997): 315–23, at 323.

nineteenth century, “charity fraud,” whereby smiling swindlers quietly misappropriated charitable funds. According to Harrison, these frauds were rarely exposed for fear of frightening off subscribers.¹⁴ Harrison was laboring under a misapprehension. Since the publication (and revision) of that essay, patronage and networking practices among charitable committee members have received considerable critical attention, but charity fraud, variously conceived, remains little understood.¹⁵ The Charity Commission, established in 1853, dealt only with endowed charities, that is, charitable trusts set up by wills, rather than those that raised money by direct appeal to the public.¹⁶ Cases of fraudulent fund-raising brought to court generally fell under arcane Tudor vagrancy laws and were overwhelmingly at the petty end of the scale.¹⁷ Ignored by law enforcers and beyond the remit of state control, the bureaucratic management of charitable associations, relief funds, and myriad small organizations was left to the scrutiny of a self-regulating marketplace at the turn of the twentieth century.

As Anna Clark argued so persuasively, the history of regulation and reform bears a close relationship to that of scandal.¹⁸ The philanthropic marketplace was no exception and, as this essay demonstrates, relied heavily on allegations of financial or administrative abuse to define best practice. The public had long turned to the press to make the complex world of finance “imaginatively visible,” to act as adjudicator of “trustworthy” financial systems and, through the circulation of information (in some cases, rumor), to affect changes to financial practices.¹⁹ In the absence of robust legislation, fraud had to be presented and proclaimed—a process that increasingly raised issues of measurable accountability and performance, or effectiveness, to identify and define boundaries between the licit and illicit. In this context, “authentic” charities urged the public to give donations less from their heart, and turn instead to careful discrimination based on identifying sound financial practice.

By the final quarter of the nineteenth century, the number of charitable schemes operating across Britain had exploded. In his survey of English philanthropy, David Owen estimated that London charities alone expended up to seven million pounds annually by the late 1860s.²⁰ As the *Times* speculated in 1888, however, a “handsome share” of annual donations simply “leak[ed] away.” Donors had no machinery for discerning the “wholesome” charity from the “shifty or shiftless,” a discriminatory language more commonly applied to recipients. That the newspaper

¹⁴ Harrison, “Philanthropy and the Victorians,” 364.

¹⁵ Brian Harrison, *Peaceable Kingdom: Stability and Change in Modern Britain* (Oxford, 1982), 217–59.

¹⁶ Hugh Cooke and R.G. Harwood, *The Charitable Trusts Acts, 1853, 1855, 1860, the Charity Commissioners Jurisdiction Act, 1862; the Roman Catholic Charities Acts; Together with a Collection of Statutes Relating to or Affecting Charities, including the Mortmain Acts* (London, 1867); Mae Baker and Michael Collins, “The Governance of Charitable Trusts in the Nineteenth Century: The West Riding of Yorkshire,” *Social History* 27, no. 2 (2002): 162–83, especially 165; A. H. Oosterhoff, “The Law of Mortmain: An Historical and Comparative Review,” *University of Toronto Law Journal* 27, no. 3 (1977): 257–334. These rules applied best to hospitals and schools: see, in particular, Keir Waddington, *Charity and the London Hospitals, 1850–1898* (London, 2000).

¹⁷ See for example *Times*, 5 July 1872; *Manchester Guardian*, 16 March 1898. See also, Rachel Vorspan, “Vagrancy and the New Poor Law in Late-Victorian and Edwardian England,” *English Historical Review* 92, no. 362 (1977): 59–81.

¹⁸ Anna Clark, *Scandal: The Sexual Politics of the British Constitution* (Princeton, NJ, 2004), 2–15.

¹⁹ Mary Poovey, ed., *The Financial System in Nineteenth-Century Britain* (Oxford, 2003), 3–5.

²⁰ Owen, *English Philanthropy*, 218.

turned to this anxiety in the month before Christmas was no accident: the festive season, the peak of the charitable campaign calendar, highlighted the sheer number of fund-raising schemes and the inability of the public to gauge their legitimate expenditure of funds.²¹ Correspondence to the editor noted that the public discriminated between charities on the basis of patrons or well-known figures on committees, an inadequate safeguard as few patrons, or even committee members, were engaged in the everyday operation of charities.²² Many charities, in fact, were “altogether unreal” in that they amounted to “one-man” organizations. At the other end of the spectrum, large and “splendid” institutions pleaded longevity and size as guarantors of credibility.²³

Nationally, the most vigorous regulatory agent was the COS. Founded in 1869, it had well known ambitions to “rationalize” the multiplicity of overlapping charitable agencies and apply supposedly “scientific” principles to the distribution of relief and charity.²⁴ In the former it made little headway over the ensuing decades, and by pursuing the latter, it would eventually find itself locked in an ultimately losing battle with quite divergent philosophies, notably Fabianism.²⁵ However, as David Owen noted, one achievement of the COS over its lifetime was its “war on charity malpractice” in which it vowed to police fund-raisers as diverse as the begging letter writer and the “fly-by-night” charity.²⁶ To this end, the COS employed a variety of regulatory tools that, in the process, helped to define what “fraud” and “legitimacy” in the context of charity actually meant.

First, the Society produced two separate publications aimed at guiding the benevolent through the philanthropic field. The *Charities Register and Digest*, issued for sale from 1882, followed in a line of similar attempts to provide basic information on assorted provident agencies, including Sampson Low’s *One Shilling Guide to the Charities of London* (published periodically from 1850), Herbert Fry’s *Shilling Guide to the Charities of London* (annually from 1863) and Thomas Hawksley’s *Charities of London* (1869).²⁷ While acknowledging this lineage, the COS version was far more comprehensive. Fry’s first edition had 175 pages while his 55th, issued in 1919, had 359; already in 1890, the COS register contained almost 1,000 pages and boasted a national remit. The register gave details of the aims and management

²¹ *Times*, 10 December 1888. On the emotional charge of the festive season see Tara Moore, “Starvation in Victorian Christmas Fiction,” *Victorian Literature and Culture* 36, no. 2 (2008): 489–505; and Neil Armstrong, *Christmas in Nineteenth-Century England* (Manchester, 2010), 99–123.

²² *Times*, 17 November 1888.

²³ *Ibid.*, 7 December 1888.

²⁴ Charles Loch Mowat, *The Charity Organisation Society, 1869–1913: Its Ideas and Work* (London, 1961); Helen Dendy Bosanquet, *Social Work in London, 1869–1912: A History of the Charity Organisation Society* (London, 1914); Robert Humphreys, *Sin, Organized Charity and the Poor Law in Victorian England* (New York, 1995).

²⁵ A. M. McBriar, *An Edwardian Mixed Doubles. The Bosanquets Versus the Webbs: A Study in British Social Policy 1890–1929* (Oxford, 1987); Charles Stewart Loch, *Charity and Social Life* (London, 1910); Owen, *English Philanthropy*, 239–46; Keith Laybourn, *The Guild of Help and the Changing Face of Edwardian Philanthropy: The Guild of Help, Voluntary Work and the State, 1904–1919* (New York, 1994).

²⁶ Owen, *English Philanthropy*, 229.

²⁷ Low’s and Fry’s guides went through several editions and name changes. Sampson Low, *Low’s One Shilling Guide to the Charities of London: Corrected to April 1863* (London, 1863); Herbert Fry, *The Shilling Guide to the London Charities for 1864–65* (London, 1864); Thomas Hawksley, *The Charities of London and Some Errors of the Administration* (London, 1869).

structure of known charities and ostensibly invited would-be benefactors to make independent judgments as to which of the listed institutions might best carry out the work they wished to see done. The introduction outlined the COS philosophy and urged donors to give only to those agencies that conformed to it. "A list of charities," it noted, "without some knowledge of the modes in which their benefits ought to be turned to account, is like a pharmacopoeia without knowledge of the elements of medicine."²⁸

While the Register had its uses, the COS also produced a more explicit "Cautionary Card" from at least the early 1870s. This was a "blacklist" of charities considered beyond the pale of charitable support, which was privately distributed, chiefly to COS subscribers.²⁹ A charity could be included on the Cautionary Card for numerous, not always clear, reasons. The knowledge base of both the register and the Cautionary Card was nonetheless the same. Since its inception, the COS had operated an "Enquiry Department" at its central office in London, which was closely supervised by the COS secretary (for most of the relevant period, C. S. Loch) and employed a number of visitors who, as the name suggests, investigated charitable causes to gauge their worth.³⁰ These visitors then produced reports of varying length and detail on individual charities that could be sent in response to public requests for information. Such requests might be made from a variety of motives. To some correspondents, it seemed almost habitual to refer all appeals received to the authority of the COS; for others, only especially suspicious circulars were queried; and for many subscribers, the COS was contacted only in instances where the appellant's name was recognized from the Cautionary Card.³¹

The greatest number of queries Loch received was in response to another ingeniously deployed weapon in the COS arsenal: the press "advertisement." Concentrating on charities the COS considered the most egregious, generally prominent "one-man" outfits, this practice involved placing a simple notice, usually in the classified columns of the *Times*, along the following lines: "Persons receiving appeals from [named individual and/or institution] are requested before responding to them to communicate with the Secretary, Charity Organisation Society, 15, Buckingham street, Adelphi."³² This prompted two responses. First, it tended to attract a flood of correspondence from those who had been the targets of the charity's appeals, enabling the COS to put its case against their continued support privately and directly.³³ Second, it planted a seed in the minds of readers, who might never get in touch with

²⁸ *Annual Charities Register and Digest* (1890), vol. 2.

²⁹ Samples of Cautionary Cards available in COS archives. For example, Cautionary Card (1897), A/FWA/C/A/03/035; Cautionary Card (1907), A/FWA/C/A/03/043/01, London Metropolitan Archives (hereafter LMA).

³⁰ Charles Stewart Loch, initially a COS volunteer, became secretary in 1875, serving until 1914. According to his obituary, "He made the COS. He was the COS." *Times*, 25 January 1923.

³¹ COS correspondence: letter from Miss S. M. Arnott, undated, Hostel of St. Luke, A/FWA/C/D/225/1, LMA; Harry Smith to COS, 28 June 1897, Mission to Fallen Women, A/FWA/C/D/009/2, LMA; W. Tweed to COS, 13 December 1901, Gordon Boys Orphanage, A/FWA/C/D/178/1, LMA.

³² See, for example, undated news cutting, Great Arthur Street Mission, COS, A/FWA/C/D/26/008, LMA; news cutting, March 1882, National Union for the Suppression of Intemperance, A/FWA/C/D/86/001, LMA.

³³ See, for example, a sequence of responses to a COS *Times* advertisement against Reuben May, 1880–81, Great Arthur Street Mission, A/FWA/C/D/26/6-9, LMA.

the COS, that the given charity was, in some degree, untrustworthy. Both techniques, the COS hoped, would lead to a reduction in the charity's income. This advertising reached only a limited section of the population, *Times* readers, but it was an influential section, including those whose net worth attracted constant charitable appeals, and who were likely to be solicited to lend their names to charity committees.³⁴ From the COS's point of view, it was significant that such publicity could be achieved without giving the "advertised" charity any basis on which to engage in lengthy, and perhaps counterproductive, libel action. The infamous Barnardo arbitration case of 1877, which exonerated "Dr." Barnardo of COS charges of misappropriation of funds, had probably been as damaging to the COS's reputation as Barnardo's, if not more so. The "advertisement" that raised public suspicion but made no allegation against persons or organizations was a neat and effective trick.³⁵

This reflects the extent to which, Barnardo notwithstanding, the press rather than the courts became the main public arena in which charity fraud was combated, even as it was also (at least partially) perpetrated there.³⁶ Indeed, the COS soon had a journalistic comrade in arms. From 1876, Henry Labouchere published the weekly newspaper *Truth*, a curious mix of society gossip and investigative exposures, with an estimated weekly circulation, by the 1880s, of 30,000.³⁷ Labouchere was by far the most proactive and risk-taking agent in terms of publicizing supposed charity frauds. An initial, typically gung-ho, series from its first issues named several alleged "Charity-mongers of modern Babylon," many already known to the COS.³⁸ Among the concerns *Truth* targeted as unworthy of public support were the ubiquitous begging letter imposter and the "padrone" of the "Italian slave trade."³⁹ As the paper pointed out, however, successful as these practices were in extracting money, they were "excelled by the ingenious managers and secretaries of certain sham Associations and Missions, the nominal objects of which have a

³⁴ For a superb example of this, see the archives of the 3rd Duke of Sutherland held in Staffordshire County Record Office (hereafter SCRO), Series D 593/V/10. They include the full range of appeals received and patronized between 1880 and 1906 and show well the scale of targeted appeals to the wealthier members of society.

³⁵ On the Barnardo arbitration controversy, see Gillian Wagner, *Barnardo* (London, 1979), 86–172; Seth Koven, *Slumming: Sexual and Social Politics in Victorian London* (Princeton, 2004), 88–139. There were other ways of dealing with the risk of libel: one roman à clef, in vague terms, "exposed" a fraudulent charity mission; see H. W. Pullen, *The World of Cant* (London, 1892), 329–36; see also on this general topic Sean Latham, *The Art of Scandal: Modernism, Libel Law and the Roman à Clef* (Oxford, 2009).

³⁶ For the similarly dichotomous role of the press in the financial markets, see James Taylor, "Watchdogs or Apologists? Financial Journalism and Company Fraud in Early Victorian Britain," *Historical Research* 85, no. 230 (2012): 632–50.

³⁷ Henry Du Pré Labouchere (1831–1912) was Liberal parliamentary representative for Northamptonshire for twenty-five years from 1880 and an energetic journalist whose exposés often preempted those of W. T. Stead, the editor of the *Pall Mall Gazette*. Labouchere is best remembered for proposing the clause on homosexuality to the Criminal Law Amendment Act 1885, under which Oscar Wilde was tried. Gary Weber, "Henry Labouchere, *Truth* and the New Journalism of Late Victorian Britain," *Victorian Periodicals Review* 26, no. 1 (1993): 36–43 (37); Claire Hirshfield "Labouchere, *Truth* and the Uses of Anti-Semitism," *Victorian Periodicals Review* 26, no. 3 (1993): 134–42. See also, A. L. Thorold, *The Life of Henry Labouchere* (London, 1913).

³⁸ *Truth*, 5 July 1877–23 August 1877.

³⁹ *Truth*, 26 July 1877; *Truth*, 2 August 1877; *Padroni*, more usually associated with America, were middlemen who rented out the labor of their fellow Italian immigrants. See Joseph P. Cosco, *Imagining Italians: The Clash of Romance and Race in American Perceptions, 1880–1910* (New York, 2003), 15.

larger attractiveness than the diseases and poverty of the letter writers.”⁴⁰ Among many “one-man bands” singled out for opprobrium were, at the larger end of the scale, Dr “Bernardo” [*sic*] and Reuben May’s Golden Lane Mission in Great Arthur Street, and, perhaps more “fly-by-night” in nature, a German named William Christian who ran the Middlesex Soup Kitchen and James Colmer, who operated a Society for Finding Employment for Distressed Gentlewomen as Printers.⁴¹ The series signed off with the hope that the examples adduced would “serve as beacons” to warn a benevolent public against the “quicksands” of craft, deception, and villainy in charitable practice more generally.⁴²

Although the personnel of COS and *Truth* cooperated closely, Labouchere’s newspaper tended to publish and risk damnation in a manner that the more cautious COS avoided. Labouchere was sued for libel on numerous occasions, although few charity cases appear to have gone against him.⁴³ Nervous editors to whom they communicated cases of fraud frequently pressed the COS for legal guarantees of indemnity.⁴⁴ Other newspaper editors might seek advice from the COS on potentially fraudulent appeals from charities, and carry COS advertisements; the same editors might, frustratingly, continue to carry the appeals and adverts of charities on the COS blacklist.⁴⁵ In contrast, *Truth* traded on scandal and was sufficiently dedicated to the exposure of fraudulent charities that it eventually began producing its own Cautionary List.⁴⁶ It is worth noting that some newspapers carried clippings from *Truth* or reported *Truth*’s investigations, thereby advertising suspicious charities from a distance and without fear of litigation.⁴⁷ Not surprisingly, the COS harnessed Labouchere’s paper and on at least one occasion, discussions about preparing a file specifically for exposure in *Truth* took place.⁴⁸ As Loch told one inquirer, “we are in no way officially

⁴⁰ *Truth*, 9 August 1877.

⁴¹ *Truth*, 19 July 1877; *Truth*, 23 August 1877. The COS had extensive files on all of these institutions: Dr. Barnardo’s, A/FWA/C/D/10/1, LMA; Great Arthur Street Mission, A/FWA/C/D/26/1, LMA; London Society for Employment of Necessitous Gentlewomen, A/FWA/C/D/39/1, LMA; Middlesex Soup Kitchen, A/FWA/C/D/28/1, LMA. For a report on the COS investigation of Reuben May, see also *Christian Commonwealth*, 22 April 1886.

⁴² *Truth*, 23 August 1877.

⁴³ For Labouchere versus the Zierenbergs, proprietors of the St. James Home for Inebriates, see *Standard*, 14 December 1893; for the unsuccessful libel case taken by the begging letter writer G. Brooks see *Liverpool Mercury*, 18 December 1896; for a rare case that went against Labouchere see *Reynolds’ Newspaper*, 2 December 1894. Here, the plaintiff, a Reverend Macmillan, was granted only a farthing in compensation and told he should never have taken the case.

⁴⁴ Wontner and Co. solicitors to C. S. Loch, 2 November 1892, St James Home for Female Inebriates, A/FWA/C/D/70/6, LMA.

⁴⁵ Loch to *Times* editor, 16 February 1887, Great Arthur Street Mission, A/FWA/C/D/26/015, LMA.

⁴⁶ This was initially carried in the columns of the main paper as a “twelvemonth’s black list” from 1903; from 1906 it was a supplement to the paper; from 1907 it was available to buy separately. *Truth*, 22 January 1903; *Truth*, 6 February 1907; *Truth*, 12 February 1908. The association between *Truth* and scandal reportedly cost Labouchere a post in the 1892–95 Liberal government when Queen Victoria refused to sanction the editor and proprietor of *Truth* holding office under the crown. Herbert Sidebotham, Rev. H. C. G. Matthew, “Henry Du Pré Labouchere,” *Oxford DNB*, <http://www.oxforddnb.com>.

⁴⁷ See, for example, *Dundee Courier & Argus*, 4 January 1894; *Penny Illustrated Paper*, 26 January 1895; *North-Eastern Daily Gazette*, 27 August 1896; *Daily Dispatch*, 2 March 1908; *Swinton and Pendlebury Journal*, 10 September 1909.

⁴⁸ Arthur Newman to C. S. Loch, 9 March 1897, Christian Mission to the Fallen and Outcast Women, A/FWA/C/D/92, LMA.

responsible for the *Truth* book, but the editor constantly appeals to us for information, and is no doubt guided by it to a considerable extent.”⁴⁹

An active process of exposure, driven by two zealous national institutions, was therefore clearly in place. The question arises, however, as to what, precisely, the COS and *Truth* was exposing and with what ends in mind. It needs to be emphasized that the terms on which the COS and *Truth* cried fraud, while fairly well defined, were also broad. The question was not so much what constituted fraud per se but rather, as *Truth* asked, what constituted a “real charity?”⁵⁰ First, according to the COS and *Truth*, a charity needed to have a committee overseeing its fund-raising and relief work. This had to meet regularly and could not consist simply of respectable persons who lent their name to the enterprise without ever exercising functions of oversight. Second, the charity had to account for all the money it received and expended via a regularly published, readily available, detailed and, ideally, independently audited balance sheet. Third, the proportion of money expended on administration costs and other non-relief expenses ought not to be too high, although this point was difficult to define precisely. While other criteria might be taken into account in judging a charity, particularly by the COS (the level of overlap in provision of services, for example), these were the key facets of a charitable institution that could be considered “legitimate.” Any institution, however well intentioned, that did not conform to them could be publicly branded, in some measure, as fraudulent.⁵¹

To an extent this policing process also worked in reverse. Great Arthur Street Mission’s eventual adoption of COS-approved financial practices after Reuben May’s death, for example, saw it removed from the COS cautionary card after thirty years in 1911, even as the COS continued to regard its work as a “quaint survival of primitive Christianity” for which there was no real need.⁵² Of course, many large charitable schemes already had such accounting mechanisms in place. The Duke of Sutherland’s war relief fund, operating on the Ottoman side in the Russo-Turkish war as the Stafford House Committee from 1878, produced externally audited accounts and detailed expenditures: every invoice and expense could be justified.⁵³ Yet expecting smaller charities to emulate this example put them in a double bind: auditing and administrative procedures required significant resources, while, at the same time, “accountability” demanded that agencies demonstrate minimal operational costs and that the greater share of donations went directly to intended recipients.⁵⁴

In any case, the COS’s mechanisms for authenticating charities caused some confusion among the donor community. Loch received numerous letters from benefactors of particular institutions plaintively wondering on what grounds their favorite charity had been placed on the Cautionary Card. As he explained to one

⁴⁹ COS to J. P. Watson, 11 December 1914, A/FWA/C/D/57/1, LMA.

⁵⁰ *Truth*, 13 December 1877.

⁵¹ St Agatha’s Mission, A/FWA/C/D/31/1, LMA; League of Welldoers, A/FWA/C/D/283/1, LMA.

⁵² Note by J. W. B. Hunt, 9 November 1911, Great Arthur Street Mission, A/FWA/C/D/026/022, LMA; COS to the C. Mayell, Scotland Yard, 10 October 1927, Great Arthur Street Mission, A/FWA/C/D/026/022, LMA.

⁵³ Personal papers, of the 3rd Duke of Sutherland, D593/P/26/2/3, SCRO; Finance & Central Committee Records, D593/P/26/2/4, SCRO.

⁵⁴ L. J. Abbott and Y. Park, S. Parker, “The effects of audit committee activity and independence on corporate fraud,” *Managerial Finance* 26, no. 11 (2000): 55–68.

correspondent, names on the card were not to be taken necessarily as rogues; it was, he noted, rare to come across institutions that were completely nonexistent, and many were on the list not because any definite criminality could be detected but because they were grossly mismanaged.⁵⁵ The nuances of these distinctions may not always have been clear to the benevolent public, either in the stark cautionary lists or the sensational press denunciations. However, the culture of suspicion they engendered meant that even small voluntary organizations were increasingly expected by sections of the philanthropic public to adopt the infrastructure of “real charities” outlined above. Not having a committee or failing to publish detailed accounts was gradually established as suspect choices, allowing space for misappropriation of funds to take place. Charities that satisfactorily met COS or *Truth* criteria, however, might expect promotion in the very publications that exposed frauds and urged caution. Both the COS’s *Charities Register* and *Truth*’s Cautionary List juxtaposed identification of fraudulent outfits with advertisements for well-regulated and transparent organizations. The exposure of fraudulent practices in the charitable marketplace established the parameters of “legitimate” charity: it was two branches of the same work.⁵⁶



The social ills of Britain’s “Modern Babylons” made charitable intervention necessary, but the charities who claimed to address such problems were increasingly distant, diffuse, and difficult to sift.⁵⁷ From the perspective of the potential benefactor, who wished to transform the “love of self” into “God’s love for all” via the philanthropic donation, the navigation of such a vast marketplace must have been bewildering.⁵⁸ To put this in perspective, the examination of one case study highlights the complex process of identifying, proclaiming, and preventing charitable fraud at the turn of the twentieth century. As the case highlights, the blurred boundaries of poor administration and financial malpractice left donors vulnerable to unscrupulous fraudsters who, ostensibly, ran charitable schemes while creaming profits for personal use.⁵⁹

In March 1908 the Reverend Hugh Lloyd Jones (Lloyd Jones), Birkenhead, warned Herbert Lee Jackson Jones (Lee Jones), Liverpool, that he intended to sue him and his printer for defamation of character and libel. Lee Jones invited the

⁵⁵ Loch to Mr. Cruckenthorpe, 12 December 1900, St Giles Christian Mission, A/FWA/C/D/19/005, LMA.

⁵⁶ So much so that, as with Lee and Lloyd Jones, those who denounced others were also liable to investigation.

⁵⁷ The phrase “modern Babylon” to refer to the modern city became increasingly popular in this period as fears of degeneration peaked. See, for example, James Greenwood, *Unsentimental Journeys; or, Byways of the Modern Babylon* (London, 1867); Henry C. Pennell, *Modern Babylon, and Other Poems* (London, 1873); W. T. Stead, *The Maiden Tribute of Modern Babylon: The Report of the Secret Commission*, ed. Anthony E. Simpson (Lambertville, NJ, 2007).

⁵⁸ See Craig, *Ruskin and the Ethics of Consumption*, 240.

⁵⁹ It should be noted that some charitable schemes in this period openly advertised “for profit” returns, notably Octavia Hill’s guaranteed returns for “investments” on model lodging programs. The transparency of this model, and the distribution of dividends among shareholders, placed such schemes in an entirely different category to private individuals siphoning “profit” for personal use. See Susannah Morris, “Market Solutions for Social Problems: Working-Class Housing in Nineteenth-Century London,” *Economic History Review* 54, no. 3 (2001): 525–45; A. S. Wohl, “Octavia Hill and the Homes of the London Poor,” *Journal of British Studies* 10, no. 2 (1971): 105–31.

Reverend to “proceed at pleasure” and forwarded the name and address of his solicitor.⁶⁰ The legal threat was the culmination of a three-year feud between the men, much of which Lee Jones conducted through his charity’s journal, the *Welldoer*, and letters to the local press. Lloyd Jones operated a charity, the Gospel News Mission, also known as Elgin Street Mission and, prior to that, United Church Mission, in Birkenhead. Operational for around fifteen years, the Gospel News Mission purportedly provided breakfasts for poor children, parcels for poor widows, Christmas festivities and winter fuel for poor families in Birkenhead. Lee Jones’s charge against Lloyd Jones was that he had never been ordained and that he misappropriated the charity’s funds. Lloyd Jones was by no means the only target of Lee Jones’s suspicion. In 1905, Lee Jones had a “blacklist” of six “discreditable” charities operating in the Liverpool and Wirral region: three “missions” and three children’s homes.⁶¹ Lee Jones also ran a charity, the Liverpool Food Association (renamed the “Liverpool Food and Betterment Association” in 1898 and “The League of Welldoers” (LWD) in 1908), founded in 1893, delivering welfare services in the dockland area of North Liverpool.⁶² Similarity between the Gospel News Mission and LWD increased when Lloyd Jones changed his signature from “Hugh L. Jones” to “H. Lloyd Jones” around 1906: Lee Jones was known as H. Lee J. Jones. The two men, both in their thirties at the time of the scandal, were the founders, figureheads, and administrators of their respective charities and in direct competition for donations in the province. The LWD was a large and relatively successful outfit by regional standards, constantly expanding its remit in the first decade of the twentieth century, although the charity’s debts were well publicized.⁶³

Despite his “blacklist,” Lee Jones declared a “special” interest in Lloyd Jones’s exposure: if the two men were apt to be confused in the public mind, Lee Jones hoped public castigation of Lloyd Jones would distance the LWD from its competitor, the Gospel News Mission.⁶⁴ First, Lee Jones called the authenticity of “Reverend” Jones’s ministerial status into question.⁶⁵ Jones also mistrusted the changing and concurrent use of multiple names for a single charity (it was “not nicely” suggestive)

⁶⁰ Correspondence between Lee Jones and Lloyd Jones, M364 LWD/28/5/1, Liverpool City Archive (hereafter LCA).

⁶¹ M364 LWD/28/5/4, LCA. See Jones’s list in correspondence with Asst. Head Constable and Head Constable of Liverpool Police and editors of Liverpool press, 8 February 1905. The “questionable” charities were Pastor Black’s Children’s Homes and Mission; Mr. Baxter’s Old Forecastle Mission; Mr. Housley’s United Christian Mission; Rev. Hugh L. Jones’s Gospel News Children’s Mission; Mrs. Morris’s White Rock Home for Children; Mrs. H. S. Pike’s Shoeblack’s Home. Later investigations extended to include Mrs. Price’s Bethesda Mission and Training Home for Friendless Girls. M364 LWD/28/1/58, LCA.

⁶² For the sake of consistency with the archival references, this article will use the name League of Welldoers (LWD) throughout.

⁶³ For extent of charity’s debts, see assorted correspondence and documents in M364 LWD 15/40-41; 15/50-59; 15/61 and 15/107, LCA.

⁶⁴ Lee Jones’s anxiety about confused identities was not misplaced; the metropolitan-based Charity Organisation Society investigated whether Lee Jones was, in fact, Lloyd Jones. See Charity Organisation Society Enquiry department files, A/FWA/C/D/283/1, LMA.

⁶⁵ Lee Jones’s notes, M364 LWD/28/5/1, LCA. No record of ordination could be traced and in census returns for 1901 and 1911, Lloyd Jones’s occupation appeared as a publisher and “missioner.” Census of England and Wales, return for Hugh Jones, 8 Grey Rock Street, West Derby, 1901; Hugh Jones, 2 Elgin Street, Birkenhead, 1911.

and the absence of any public affiliation between the Gospel News Mission and a recognized denomination. Jones could also call on other allegations in the public domain against the “Reverend.” An article in the satirical journal *Porcupine* in February 1905 cast doubt on Lloyd Jones’s credibility, asking how donations to his Mission were spent.⁶⁶ In 1907 Lloyd Jones sought a reduction in a debt order only for the case to be thrown out, the judge concluding that Jones ran a business disguised as a charity in order to cheat his creditors. Lloyd Jones appeared to have pocketed ninety percent of the previous year’s Mission funds for personal use. Despite the judge’s description of Lloyd Jones as a predator upon the public, it was not within his remit to bring formal charges.⁶⁷ When Lloyd Jones next tried to fund-raise in Birkenhead Park, however, he met with public hostility and required police protection.⁶⁸ Lloyd Jones’s associates in the Mission were hardly worthy characters: one of his fund-raisers, James Baxter, carried previous convictions for collecting donations for an entirely bogus charity.⁶⁹

The crux of Lee Jones’s accusations of fraud rested on the opacity of the Mission’s balance sheets. Accounts for the year ending 30 September 1907 showed that the Gospel News Mission raised more than £170, sixty-five percent of which was disbursed on rent, coal, gas, cleaning, and Lloyd Jones’s “allowance.” The remaining thirty-five percent went to “general expenses,” into which costs for printing, postage, “incidentals,” furniture, the distribution of free meals, and outings for poor children factored. As Lee Jones observed, the (limited) objective of the charity was casually “lumped” with general expenses. Lloyd Jones’s annual “allowance” was five pounds more (£65) than the expenditure on “general” costs although Jones lived with his wife and five (soon to be six) children at the mission, supported by a domestic servant, and he undoubtedly benefitted from the “expenses” on rent, fuel and so on.⁷⁰ As Lee Jones observed, it was impossible to verify the authenticity of the reverend’s claims to distribute over five thousand meals per year. Two members of the “committee” rather than independent auditors signed the Gospel News Mission’s accounts. That one of the committee members, James McKinley, was barely literate hardly boosted faith in the administration of the Gospel News Mission.⁷¹ Transparency did not improve when, in 1910, Lloyd Jones appointed his nineteen-year-old son, a grocer’s assistant, as honorary secretary of the mission.⁷²

Despite Lee Jones’s collaboration with the Liverpool police in investigating several charities at this time, his efforts did not result in legal proceedings for fraud.⁷³ Neither Jones nor the police had any grounds on which to prosecute Lloyd Jones,

⁶⁶ *Porcupine*, 3 February 1905.

⁶⁷ Press cuttings from *Birkenhead News* and *Liverpool Courier*, 20 April 1907, M364 LWD 28/5/1-2, LCA.

⁶⁸ Press cutting, *Birkenhead News*, 1907, M364 LWD 28/5/1-2, LCA.

⁶⁹ Unspecified press cutting, 18 January 1902, M364 LWD/28/5/1, LCA and *Rotherham Advertiser*, 18 January 1902.

⁷⁰ Lee Jones’s notes, M364 LWD/28/5/1, LCA.

⁷¹ See letter from James McKinley to J. Griffin, editor of *Birkenhead News*, forwarded in correspondence to Lee Jones, 31 May 1908, M364 LWD/28/5/8, LCA.

⁷² Census of England and Wales, return for William Ellis Jones, 2 Elgin Street, Birkenhead, 1911; Gospel News Mission Appeal, 28 November 1910, M364 LWD/28/5/7, LCA.

⁷³ Correspondence between Jones and Asst. Head Constable Liverpool Police, 16 August 1907, M364. LWD/28/5/4, LCA. Some proceedings were brought against suspect children’s charities for neglect. See

or others, in courts of law because the organizations under scrutiny ostensibly disbursed *some* charity, albeit a paltry percentage of funds procured. It is notable that one of the few successful legal cases against a charity's fraudulent financial dealing at this time, the "Shaftesbury Institute," a supposed children's home and mission in Manchester, resulted from charges of begging under false pretenses, brought under archaic vagrancy law, against one woman aided and abetted by the charity's committee, rather than scrutiny of the organization's administrative practices.⁷⁴ In the absence of police prosecution, Jones turned to the press to discredit Lloyd Jones and denounce his practice as scandalous.

Since 1905, Lee Jones had pressed editors of the city's papers *Evening Express*, *Liverpool Courier*, *Daily Post*, and *Mercury* with recommendations that they develop a localized "blacklist" to prevent newspapers inadvertently promoting suspect charities by running appeals or stories about the charity, copy that was often submitted, as Lee Jones knew only too well, by the charity rather than independent reporters. The fact that philanthropic news articles provided such easy (unverified) copy for newspaper editors thwarted others' attempts to combat fraudulent practice. Other charities that Jones investigated at this time, such as the Bethesda Children's Homes and White Rock Children's Home, frequently sent photographs of smiling waifs with cheery stories of "good works" for inclusion in the press, a process that simultaneously legitimated and promoted the organization.⁷⁵ It was high time, Jones urged, that local and regional charities were "placed upon a proper footing."⁷⁶ That Jones's appeal effectively duplicated national "blacklist" schemes, most notably, those run by the COS, illustrates Jones's doubt about the value of schemes that demanded members of the public be proactive in seeking information about charities they sponsored. Similarly, Jones's lobbying of newspapers to take a lead in denouncing fraud replicated Labouchere's utilization of *Truth* as a "beacon" against deception but demonstrated the need for local responses to local charities. His action raised the very pressing problem of how far the public trusted a charity's legitimacy simply because it was local and, imaginatively at least, familiar. The vast majority of donors gave to charitable schemes on impulse rather than decisions made in full awareness of "sound" financial mechanisms.⁷⁷

Jones was exasperated that his previous warnings to newspaper editors against specific charities had been ignored. Indeed, unless supported by the police, anxieties about "fraud" or "misappropriation" were difficult to authenticate. Nevertheless, Jones's petitioning bore some success, with some editors rejecting copy from

especially, details of prosecution against White Rock Home for child neglect, M364 LWD/28/3/10-11, LCA.

⁷⁴ See *Manchester Guardian*, 19 August, 7 September 1908; *Times*, 8 September 1908.

⁷⁵ See, for instance, collected press cuttings relating to Bethesda and White Rock Children's Homes, M364 LWD/28/1/21 and 27, LCA; M364 LWD/28/2/24, LCA. For the complex appeal of waifs to the public see especially Anna Davin, "Waif Stories in Late-Nineteenth-Century England," *History Workshop Journal* 52, no. 1 (2001): 67-98; Lionel Rose, *The Erosion of Childhood: Child Oppression in Britain, 1860-1918* (London, 1991), 80-90.

⁷⁶ Balance sheet and commentary reprinted in *Welldoer*, March 1908, M364 LWD/28/5/1, LCA.

⁷⁷ Jones was aware of national "cautionary list" schemes; copies of the *Truth Cautionary List* scheme, discussed below, and correspondence with the editor of *Truth* are collated in his archive, M364 LWD/28/5/6, LCA and he corresponded with the editor of this list regarding several of his "questionable" charities: M364 LWD/28/1/12 and LWD 28/1/2; M364 LWD/28/2/15; M364 LWD/28/3/15-18, LCA.

organizations on his blacklist.⁷⁸ The material rejected by editors was usually balance sheets that bore no evidence of independent audit, or unauthenticated reports of recipient relief. This suggests an increasing awareness among newspaper editors of mechanisms for testing an organization's credibility.⁷⁹ The difficulty for Lee Jones was that newspaper editors were neither consistent nor courts of law. When financial reports appeared legitimate enough, newspapers tended to run with the story. Certainly, following the run of disastrous publicity in 1907, Lloyd Jones staged a Gospel News Mission Christmas party that he claimed was in collaboration with well-established, national organizations, notably the Band of Hope and Salvation Army. This lent Jones the sheen of legitimacy although the credibility of his claims concerning collaboration with other organizations is doubtful.⁸⁰

Lloyd Jones was relatively confident in his enterprise although he failed to pursue his action against Lee Jones for libel. His assurance rested on the lack of clarity over legitimacy in the charitable marketplace. Who, he asked, had authorized Lee Jones as "cock of the walk" to legitimate charities? Charitable "fraud" was subjective and Lloyd Jones exercised "no more tomfoolery" in philanthropic endeavor than Lee Jones "or anyone else." It was "scandalous" that Lee Jones should accuse him of fraud while "squandering" the funds of the LWD and failing to publish a list of subscribers.⁸¹ The LWD ran highly successful fund-raising bazaars: what, asked Lloyd Jones, happened to all that money? Both charities claimed the support of a committee but were, in practice, the respective empires of Jones and Jones. Both men lived in the headquarters of their organization. Lloyd Jones suspected that Lee Jones's energetic persecution of small charities was to disguise shortcomings in the LWD. He had a point.

The boundaries of legitimacy and fraud were opaque and the public had little machinery by which to discriminate. The Liverpool charity market was crowded and highly competitive.⁸² Despite his increasing efforts to toe the bureaucratic line, Lee Jones was investigated by the COS on several occasions. From the outset, the Liverpool branch of the COS had kept a watchful eye on the charity's operations, especially as Jones, in his early twenties, was relatively unknown to the city's elite. The Anglican Venerable Archdeacon Madden and the Liberal MP William Rathbone, for instance, were suspicious of Lee Jones's motives (to "play shop" in the slums) and his

⁷⁸ Jones's petitioning echoed the Newspaper Society's monthly circular that warned editors of fraudulent advertisers. See Jonathan Silberstein-Loeb, "Puff Pieces and Circulation Scams: Middlemen and the Making of the Newspaper Advertising Market, 1881–1901," *Business Archives* 103 (2011): 77–92.

⁷⁹ See, for instance, Lee Jones's correspondence with editor of *Liverpool Courier*, 20 December 1907, regarding Pastor Black's Children's Homes and J. Griffin, editor of *Birkenhead News*, 31 May 1908, regarding Reverend Jones, M364 LWD/28/5/8, LCA.

⁸⁰ *Liverpool Courier*, 26 December 1909. Jones was adept at transforming the mundane into something extraordinary: a routine letter from the Royal palace congratulating the correspondent on good works was trumpeted as a personal endorsement of the Mission from the King and Queen. See cuttings from *Birkenhead News*, 1911, M364 LWD/28/5/1, LCA.

⁸¹ Correspondence between Lloyd Jones and Lee Jones 9 October 1907, M364 LWD/28/5/17–18 and 23, LCA.

⁸² Charity in Liverpool was divided largely along sectarian lines, between Catholic and non-Catholic organizations. See John Belchem, *Irish, Catholic and Scouse: The History of the Liverpool Irish* (Liverpool, 2007). Lee Jones, in all his literature and promotional materials, explicitly refused to affiliate with any denomination, creed, ethnic, or confessional group.

“promiscuous” giving during the early years of the LWD’s operation.⁸³ Lee Jones came to the attention of the national COS in 1905 following an inquiry from Charles Dowding, a vicar from the Lake District who thought a newspaper advertisement for the LWD read “fishily.” Loch made inquiries to the Liverpool branch, even asking if Lee Jones had anything to do with Lloyd Jones. Although they found nothing untoward with the LWD, the COS could not recommend it because the charity’s debts meant it was not self-supporting.⁸⁴ The difference with Lee Jones was that, unlike Lloyd Jones, far from profiting from the charity, he kept it functioning by sinking his and his mother’s private capital into the venture.⁸⁵

For Lee Jones, the exposure and policing of local organizations in the local press was pivotal to raising public awareness, not only of “discreditable” schemes but also of the very need to discriminate. In this sense, his zeal for exposing suspect charities was self-legitimizing. By identifying what was wrong with other charities, Lee Jones implicitly stated what was right about his. This was not lost on other organizations. Following initial press features on Lloyd Jones in 1905, the secretary of the Birkenhead Cinderella Society, a welfare scheme for children, wrote to Lee Jones declaring his intention to “take up the pen” against the “Reverend.” In the same letter, he “justified” the operation of the Cinderella Society and expressed “fraternity” with Lee Jones.⁸⁶ Such correspondence suggests an anxiety to authenticate charitable enterprise, partially at least, by participating in the exposure of others.⁸⁷

The parochial conflict between Jones and Jones illuminates the violent controversy and libelous dispute that could exist between charity entrepreneurs at the turn of the twentieth century. Immediately significant at a regional level, the case study also highlights the voluntary bureaucratic machinery for identifying fraud, validating charitable practice and regulating finance, which had emerged piecemeal within the charitable marketplace over the previous thirty years. Lee Jones’s motivation in pursuing “suspect” charities may have been self-interested but his campaigns borrowed heavily from mechanisms of voluntary administrative scrutiny that had emerged at a national level since the 1870s. That he appropriated such mechanisms on behalf of a presumably ignorant public suggests the limited success of these modes of scrutiny. Nevertheless, the case demonstrates that the COS’s parameters for identifying and proclaiming fraud, especially the scrutiny of charitable organizations’ administration, were increasingly normative.

⁸³ Correspondence between Lee Jones and key local figures 1893–1910, M364LWD/11-22. Rathbone thought that the elite had a responsibility to lead efforts to relieve the poor. See William Rathbone, *Social Duties: Considered with Reference to the Organization of Effort in Works of Benevolence and Public Utility* (London, 1867).

⁸⁴ *Guardian*, 15 March 1905. League of Welldoers, A/FWA/C/D/283/1, LMA. Margaret Simey in her history of charitable effort in Liverpool was less forgiving, arguing that Jones had all the “skill of an advertising agent,” was combative in denouncing others, but had no regard—in his first decade at least—for accounting of income and expenditure. See Margaret Simey, *Charity Rediscovered: A Study of Philanthropic Effort in Nineteenth-Century Liverpool* (Liverpool, 1992), 119–23.

⁸⁵ M364 LWD 15/145 and 20/29-35; for instance, M364 LWD 15/38; 15/78-79; 15/81-85 and 15/5-6.

⁸⁶ Correspondence with John Rowland, 21 February 1905, M364 LWD/28/5/12, LCA.

⁸⁷ For practices associated with “naming and shaming,” see Andy Croll, “Street Disorder, Surveillance and Shame: Regulating Behaviour in the Public Spaces of the Late Victorian British Town,” *Social History* 24, no. 3 (1999): 250–68.

While a notion of “charitable legitimacy” was diffused repeatedly by *Truth* and the COS, there were several factors, as the “Reverend” Lloyd Jones case attests, that prevented the complete excision of fraud from the charity marketplace on a national scale. First, there was the remarkable ingenuity and adaptability of would-be fraudsters who wore the sheen of respectability by gathering a nominal committee and publishing some kind of balance sheet. At least one of *Truth*’s warnings to the naively benevolent actually offered reassurance to the imposter: “So long as you are content, patient, and not too greedy,” it noted, “you need hardly fear scandal.”⁸⁸ This may also explain why the COS was careful in the distribution of its detailed reports on charities: correspondents who requested a report were questioned closely about their motivation for doing so, for fear that COS investigations would give clues to the would-be swindler in avoiding detection.⁸⁹ It is notable that Lee Jones’s pursuit of Lloyd Jones may have raised public suspicion for a time but was hardly successful in ridding the Northwest of a resourceful fraudster. In 1914, the national magazine *John Bull* catalogued Lloyd Jones’s “astonishing” record of chicanery, dating from at least 1892.⁹⁰ At the time of publication, Lloyd Jones had moved premises and was running Saint Jude’s Mission Church. Once again, he appeared to have the apparatus of an authentic charity, a meeting room, “children’s home,” and balance sheet available on request. On inspection, these were each of dubious legitimacy: there were no children in the home, no flock at the Mission, and accounts were authenticated by the secretary and treasurer of the Mission, roles filled at that time by Lloyd Jones himself.⁹¹

Indeed, the second problem facing the presumptive regulators of the charity marketplace was the continued absence of legislation to deal with fraud in the charity sector. Tudor vagrancy law was hardly appropriate for regulating sophisticated, ever-changing modern fund-raising practices and the Charity Commission could barely cope with its limited remit of regulating endowed charities. Those promoting regulation of the charitable market were divided on the means to achieve it. While the COS lobbied the home secretary for an extension of the Charity Commission’s powers, *Truth* echoed Liberal MP Joseph Chamberlain’s criticism of the “irresponsible body” and called for its powers to be “pared down.”⁹² The shortcomings of the Charity Commission did not stifle calls for state regulation of the voluntary charity sector, although an attempt by Lord Shaftesbury to introduce legislation to “prevent frauds on charitable funds” in 1873 was thwarted. Members of Parliament felt that the proposed accounting regulations would be too onerous to what they still, anachronistically, imagined the voluntary sector to be: small groups of benevolent women in country parishes. Moreover, opponents to the bill deemed that protecting “fools” who were taken in by rogues should not take precedence over allowing

⁸⁸ *Truth*, 25 March 1880.

⁸⁹ Loch to George Prior, 6 August 1885, Great Arthur Street Mission, A/FWA/C/D/26/012, LMA.

⁹⁰ That newspapers performed a contradictory role in promoting and exposing frauds is underscored here; the editor of *John Bull* was the fraudulent Horatio Bottomley. See Alan Hyman, *The Rise and Fall of Horatio Bottomley: The Biography of a Swindler* (London, 1972).

⁹¹ “A Reverend Rascal,” *John Bull*, 4 July 1914, 8, M364LWD/28/5/21, LMA.

⁹² *Times*, 2 July 1880; *Truth*, 24 May 1900. Labouchere had long been a strong ally of Chamberlain. On the Charity Commission’s inadequacies, see Owen, *English Philanthropy*, 215–46.

genuine charities to flourish without excessive state regulation.⁹³ Parliament, forced to act against fraud in other sectors, remained unwilling to regulate the charity marketplace, perhaps mindful that a kind of moral economy, overseen by the COS and others, was developing in lieu of any such action.⁹⁴

Yet the self-appointed arbiters of that moral economy continued to lobby for legislative backing and stricter judiciary.⁹⁵ In its “charity-mongers” series of articles, *Truth* had noted “Socially as well as financially the injury worked by fraudulent charities is so serious, and yet so very difficult of detection, that the necessity for legislative interference is unquestionable.” As the newspaper reflected, manipulators of frauds were “among the cleverest scamps of the day,” and knew just how far they could go to escape the law. Shaftesbury had continued to press for a charity fraud bill that would allow any subscriber of £20 to a voluntary fund to summon the charity manager before a court to reveal accounts and expenditure, but *Truth* thought it unlikely the bill would get parliamentary time that year.⁹⁶ *Truth* and the COS repeated the call for charity registration or licensing and a charity inspector on several further occasions, at one point stressing that this was not suggested “out of tenderness for those who waste their money on such institutions,” but rather for the sake of intended beneficiaries of donations who were the “real victims” of misappropriated or squandered funds.⁹⁷ Both *Truth* and the COS compared the situation extant in the charity sector with that in private companies, imagining that much more stringent legislation was in place to deal with fraud and embezzlement in the financial sector; although historians disagree on how effective these laws were.⁹⁸

There were obvious and pressing reasons for the COS and *Truth* to repeat calls for statutory regulation. As a charity, the COS, like Lee Jones, had a clear financial interest in attempting to shut out allegedly fraudulent competitor organizations from the charitable marketplace, but also took on a considerable financial burden in doing so. If the state were to regulate the sector, the COS might be relieved of some of this outlay. Moreover, an 1890 *Truth* article pointed out the potentially high costs to the newspaper editor and proprietor of denouncing alleged fraudsters. If the recently exposed Walter Austin, head of the London Cottage Mission went ahead with threatened libel action, Labouchere lamented “I have still before me a certain expenditure of many hundreds—probably thousands—of pounds, the prospect of recovering any of which, assuming everything in my favor, is extremely remote.” For this reason, he went on, “no man in his senses” would “make a public charge of dishonesty” against

⁹³ H. L. Hansard, “Prevention of Frauds on Charitable Funds Bill,” 3rd series, 216 (London, 1873), 1848–51; Bosanquet, *Social Work in London*, 119–21.

⁹⁴ Michael French and Jim Phillips, *Cheated not Poisoned? Food Regulation in the United Kingdom, 1875–1938* (Manchester, 2000); Oliver MacDonagh, *Early Victorian Government, 1860–1870* (London, 1977).

⁹⁵ *Times*, 10 December 1888; *Times*, 17 December 1888.

⁹⁶ *Truth*, 19 July 1877.

⁹⁷ *Truth*, 25 March 1880; *Truth*, 20 November 1890; *Truth*, 20 April 1905.

⁹⁸ *Truth*, 25 March 1880; *Truth*, 14 August 1890. For some, the legislation was “tardy and ineffective”; more recently James Taylor has disputed this, suggesting that more cases (approximately ten per year), of corporate crime came before the courts in the late nineteenth century than is generally imagined. Taylor, *Boardroom Scandal*. See also John Briggs et al., *Crime and Punishment in England: An Introductory History* (London, 1996), 187–88; and George Robb, *White-Collar Crime in Modern England: Financial Fraud and Business Morality, 1845–1929* (Cambridge, 1992).

such fraudsters, leaving the average “charity-swindler” little to fear from exposure in the press.⁹⁹

Further to parliamentarians’ “fools” remarks, the longer a publicity campaign against a supposed charity fraudster went on, the more frustrated campaigners became with a public that gave money without asking questions or heeding warnings. As a former superintendent of police who thwarted a bogus Manchester mission in 1888 later reflected, many people sent large donations annually to institutions they knew nothing about when “a little inquiry” would often show that a considerable portion of their money was “squandered” in expenses, and that the intended recipients received only “the pittance which is left.”¹⁰⁰ Likewise, charting Lloyd Jones’s history, *John Bull* proclaimed him an “imposter of the first rank.”¹⁰¹ That it did so in 1914, over twenty years after Jones’s first scam and almost ten years after the local scandal, suggested that however much the public was alerted to rogue philanthropists, they were woefully susceptible to imposters who, with little fear of legal prosecution, could make considerable profit from perpetual reinvention in an ever-proliferating and unregulated charitable market. By 1915, Lloyd Jones had moved to another address in Birkenhead and was operating the British Tract Enterprise, ostensibly raising money for soldiers at the front by selling soldiers’ wallets and assorted pamphlets.¹⁰² As early as 1908, the Reverend Samuel Hawkes urged Lee Jones to abandon his efforts at pursuing Lloyd Jones and the purveyors of the Bethesda Mission and Home for Friendless Girls: the police were impotent and both cases had been “so fully” set before the public, that if people were wronged by the fraudsters, they “deserved to suffer.”¹⁰³

Thus, while continuing to call vainly for legislation, independent agencies that sought to regulate charities placed some responsibility for charitable fraud on the shoulders of the public. *Truth* increasingly assigned blame for fraudsters’ success to these unquestioning donors, particularly “early subscribers by whose help the swindle is started”; those who had their attention called to the truth by a body like the COS but went on giving regardless; and committed annual subscribers who never received any financial report that would “bear investigation”. Such outright “negligence” made donors culpable in the perpetuation of fraud.¹⁰⁴ Donors, the COS told readers of its *Charities Register*, had to learn to discriminate not only between “useful” charities but also those that were well regulated.¹⁰⁵ In a legally unregulated but highly public and information-saturated charity marketplace, the onus was on charitable donors to act responsibly and to exercise what is now termed “intelligent giving.”¹⁰⁶



⁹⁹ *Truth*, 20 November 1890.

¹⁰⁰ Jerome Caminada, *Twenty-Five Years of Detective Life* (Manchester, 1895), 236.

¹⁰¹ “A Reverend Rascal,” *John Bull*, 4 July 1914, 8. M364LWD/28/5/21, LCA.

¹⁰² Lloyd Jones fund-raising material, M364 LWD/28/5/9, LCA.

¹⁰³ Samuel Hawkes to Lee Jones, 18 May 1908, LWD M364, 28/1/5, LCA.

¹⁰⁴ *Truth*, 14 August 1890.

¹⁰⁵ *Annual Charities Register and Digest* (London, 1890).

¹⁰⁶ See Joanna L. Krotz, *Town and Country: A Guide to Intelligent Giving. How You Can Make a Difference in the World* (New York, 2009); see also web-based donor guides at <http://www.thinknpc.org> (New Philanthropy Capital, which has now subsumed the sometimes controversial <http://www.intelligent-giving.com>) and <http://www.charitynavigator.org>.

Fraud debates and scandals raised essential questions of legitimacy, authenticity and respectability. By narrowing the range of possible answers to these questions, the COS and *Truth*, as well as those policing the parochial boundaries like Lee Jones, introduced normative capitalistic approaches to what had often been considered a pre-modern form of exchange. The alms giving of old did not entail such publicly monitored accounts or the demonstration of efficient relief. This market logic entailed a degree of caveat emptor assessment of charities by the givers. Yet it is not evident that this drive towards regulatory practices responded to genuine public anxieties. Rather, regulation emerged as a mechanism to control an expanding but highly competitive market devoid of normal regulatory dimensions, enabling individual organizations to proclaim virtue through advertising 'best practice' and identify fraud by pointing at those who did not conform.

Press scandals served as an expurgatory exercise through which purity and order could be reestablished, albeit tentatively. To patrol charitable administration as a unique, morally pure, sphere of activity was to set tight limits to the range of people and expertise allowed to compete for public generosity. Paradoxically, it also entailed a more jaundiced worldview in which the hydra of fraud would always grow new heads and false identities, making policing a necessary but thankless task. This was recognized by those who did the "cleaning up." After the conviction of William Harper Bradshaw, "one of the most disgraceful cases in the fertile annals of charitable imposture," who ran a seaside children's home, ostensibly, but unknowingly patronized by several peers and MPs, *Truth* editorialized "The charity world is full of Bradshaws. I have at least half a dozen of them under my observation at the present moment."¹⁰⁷ Later, recalling the exposure of Walter Austin, it complained that "as soon as one is down another springs up in his place."¹⁰⁸

This lament did not entail a call for the abolition of charity and one could think about *Truth's* efforts as merely a way of limiting fraud to what accountants now call "an optimal level," the threshold of tolerated abuse below which further regulation would stifle innovation and enterprise, while allowing "legitimate" charities to grow.¹⁰⁹ The idea of the market as, in Stephen Hopgood's phrase, "the most efficient mechanism" for meeting public needs was in the ascendant then as it is now, but the late nineteenth- and early twentieth-century regulators sought to harness ideas of a "good marketplace" in order to close it to the "discreditable."¹¹⁰ In the story of Lee Jones versus Lloyd Jones, it is unclear whether the so-called clergyman delivered any of the relief for which he obtained funding. His status as a "one-man band" and his lack of transparency and accountability attracted suspicion. Ironically, these were the same reasons that the COS repeatedly investigated his adversary, Lee Jones. The COS and *Truth* attempted to shape a moral economy for the charity market but, in

¹⁰⁷ *Truth*, 10 July 1890–14 August 1890.

¹⁰⁸ *Ibid.*, 20 April 1905.

¹⁰⁹ Michael R. Darby and Edi Karni, "Free Competition and the Optimal Amount of Fraud," *Journal of Law and Economics* 16 no. 1 (1973): 67–88.

¹¹⁰ Stephen Hopgood, "Saying No to Wal-Mart? Money and Morality in Professional Humanitarianism," in M. Barnett and Thomas G. Weiss, eds., *Humanitarianism in Question: Politics, Power and Ethics* (Ithaca, NY, 2008), 98–123. See also, David B. Farber, "Restoring Trust after Fraud: Does Corporate Governance Matter?," *Accounting Review* 82, no. 2 (2005): 539–65; and Derek Matthews, *A History of Auditing: The Changing Audit Process in Britain from the Nineteenth Century to the Present Day* (London, 2006), 16–17.

the absence of adequate criminal law, their main focus was formal and fetishized bureaucracy. In order to flourish, charities increasingly tapped into the idea of the philanthropic marketplace as uniquely virtuous in intent, if not in practice.

This essay revises the historiography of Victorian charities, which has tended to take a class-based or “recipient” perspective or an “invention of the social” focus, by addressing the call issued by Harrison, first in the 1960s and again, in the 1980s, to consider the “grubby aspects” of charity financial management. The vitality of the charity market prior to the First World War (which generated a new wave of international organizations for charitable fund-raising) was intrinsically rooted, paradoxically, in the limited and self-monitored but, nevertheless, dynamic development of financial and administrative bureaucracy. That the voluntary sector remains preoccupied in the twenty-first century with demonstrating legitimacy through auditing and accounting practices illustrates the significance of late Victorian and Edwardian attempts to establish bureaucratic norms.

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