

Commodity Futures Trading Commission
CEA CASES

NAME: SECRETARY OF AGRICULTURE V. ERNEST V. MALTBY

DOCKET NUMBER: GFA-4

DATE: 1934

DOCUMENT TYPE: SUMMARY OF CASE

NOTE: PROCEEDING BEFORE THE GRAIN FUTURES COMMISSION UNDER THE GRAIN FUTURES ACT

GFA Docket No. 4

United States, complainant

vs.

Ernest V. Maltby, defendant

The Rural Grain Company was suspended from membership on the Chicago Board of Trade on June 7, 1930, a result of bankruptcy arising from speculation on the part of Ernest V. Maltby, general manager.

A criminal information was filed in April 1931 in the United States District Court for the Northern District of Illinois.

Mr. Maltby, as manager of Rural Grain Company, was charged with failure to evidence grain futures contracts by a record in writing. It was alleged that his own personal trades in grain futures were concealed on the books of the company under names of purported customers. The company failed while the investigation was in progress. Mr. Maltby disappeared, was apprehended in October 1931 by Federal agents, and returned to Chicago for trial. In the meantime, Mr. Maltby was arrested on State charges of embezzlement.

On March 25, 1932, Justice attorneys recommended that the action be dismissed for lack of evidence to support a charge of failure to keep proper records. The case was closed with no further action by the Grain Futures Administration.

On February 8, 1933, Mr. Maltby was found guilty of embezzlement by the State of Illinois. The case was retried on November 28, 1933, and Mr. Maltby was found innocent. He was tried on a second count of embezzlement by the State of Illinois and was found innocent on December 6, 1934.

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