The Great Texas Treasury Robbery, June 11, 1865

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by Patrick Cox

One of the boldest robberies in Texas history was conducted during the chaotic period immediately after the downfall of the Confederacy in the spring of 1865. The robbery of the state treasury occurred on June 11, 1865, following the evacuation of most Confederate state government officials and prior to the arrival of Union occupation forces. A group of desperadoes were only partially successful in the looting, thanks to a small volunteer company organized by Captain George R. Freeman, a Confederate veteran from Hamilton, who forced the robbers’ flight.

As news of the surrender of Confederate forces reached Texas in the late spring of 1865, civil government and law enforcement quickly began to disappear. After failing to convene the Texas legislature to repeal the secession ordinance, Governor Pendleton Murrah and many Confederate officials fled to Mexico. As a result, citizens in the Austin area organized to protect the populace and property from the increasing threat of violence that accompanied the breakdown of civil justice. Captain Freeman organized a small company of thirty volunteers to protect the state capital until the arrival of Union occupation forces.¹

Freeman's company was formed in May 1865, to counter a riotous mob in control of Austin. "I found the public stores sacked and the whole city in turmoil," Freeman wrote.² After a series of unsuccessful attempts by citizens to maintain order, Freeman’s volunteers gained control and restored the peace. The group was then disbanded, but subject to call if needed by the remaining local and state authorities.

According to Freeman, on the night of June 11, 1865, he was informed by former Confederate General Joe Shelby that a robbery of the state treasury was imminent. "As we talked, the blows of the robbers upon the safes in the treasury could be distinctly heard," Freeman stated. A prearranged signal was then given to the volunteers by church bell to convene at the Christian Church, located at the southern end of Congress Avenue. A total of nineteen volunteers responded to the alarm, many of whom were attending church services as the alarm sounded.³

The treasury building was located northeast of the Capitol, so by the time the troop arrived, the robbers were in the building breaking into the safes. As Freeman’s men approached the building, a brief gunfight erupted in which one of the robbers was wounded mortally by Al Musgrove and Fred Sterzing. Musgrove stated in his account that when they shot the member of the gang, "We ordered him to come out. He came out bent almost double and fell upon the floor. The whiskey oozing from the hole in his body could be plainly smelled."⁴ Freeman was wounded in the arm. Of the estimated thirty to forty desperadoes participating in the

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break-in, all but the one wounded man escaped. The thieves fled west of Austin toward Mount Bonnell, carrying with them about $17,000 in specie, more than half of the gold and silver in the state treasury at the time. 5

The wounded man was identified as Elex Campbell, a member of a group headed by a man known only as Captain Rapp. The band had moved into Austin during this turbulent period with the state treasury as its target. Apparently the group timed the robbery to occur the day after General Shelby’s Confederate troops left Austin, and hoped the blame would fall on those veterans who were heading south for Mexico. One eyewitness account stated that except for the identification of the actual robbers by the wounded man, “they would have believed Colonel Joe Shelby’s men did the job.” 6

Shortly after the robbery and again in later years, a debate arose over Shelby’s involvement. A few days after the event, the general came into town after hearing a rumor of his collusion in the robbery. Shelby told an assembled gathering in the middle of Austin that if he heard any more intimations that he or any of his men were connected with the robbery, he would “burn the city to the ground.” Musgrove, the volunteer from Freeman’s company, remarked, “Shelby was a man of his word, and his threat effectually dispelled the rumor.” Shelby’s widow portrayed his role as being much larger in saving the remaining assets of the treasury by actually participating in the attack. 8 Freeman stated in his report that Shelby’s men who returned to Austin after the robbery were instructed to remain outside the public buildings. “I requested them to camp on the capitol grounds till morning, to be called upon if needed, which they did. But they were not called upon,” Freeman reported. 9

According to an audit delivered to Governor A.J. Hamilton in October 1865, a total of $27,525 in specie and $800 in Louisiana bank bills were located in the treasury at the time of the robbery. Over $2 million in United States bonds and coupons and other securities belonging to the state’s school fund were also in the vaults at the time. 10 The robbers failed to escape with any of the securities. Freeman reported that $25,000 in United States coupons clipped from the bonds were found on the floor of the treasury after one of the robbers apparently dropped the package in his attempt to escape. 11

Except for robber Elex Campbell, who died in the shootout, none of the other members of Rapp’s company were captured and brought to justice. The $17,000 stolen was never recovered, although some of the money, lost by the robbers between the treasury building and Mount Bonnell just to the west of Austin, was found. Although rumors persisted that some of Rapp’s gang were Austin residents, no formal charges were filed “due to the unrest of the times and the generally disorganized state of the law enforcement machinery.” 12 Captain Freeman and his company of volunteers were later recognized by the state for their service in defending the public treasury.
NOTES


4Eugene C. Dealey, "Outlaws Tried to Loot Austin Treasury 56 Years Ago," Dallas Morning News, 1921 (Article obtained from Laura Hamner Collection, v. 4, Barker Texas History Center, undated).

5Frank Brown, Annals of Travis County and of the City of Austin (Austin: Texas State Archives, 1865 Vol., publication undated), p. 23.

6Lafayette Rogers, "Memories," (Austin: Texas State Archives, undated). Freeman and Rogers could only identify the gang leader as Captain Rapp; no first name was ever reported.

7Dealey, "Outlaws."


9Brown, Annals, p. 21.

10E.M. Pease and Swante Palm, "The State Finances of Texas During the Civil War," Report to Governor A.J. Hamilton (Austin, Texas State Archives, October 30, 1865), p. 32.

11Brown, Annals, p. 21.

12Dealey, "Outlaws."