

BROTHERS INDICTED IN COMPANY THEFTS

Officials of the Horni Signal Manufacturing Concern Are Accused of 'Milking' It

Paul P. Horni, president of the defunct Horni Signal Manufacturing Company at 421 West Fifty-fourth Street, which did more than \$17,000,000 in war work for the Government up to the cancellation of its contracts in 1945, and his brother, Joseph T. Horni, described as a "nebulous figure" in the company's Newark plant, were held in \$7,500 bail each yesterday in General Sessions in what District Attorney Frank S. Hogan charged was the "milking" of the concern that may reach hundreds of thousands of dollars.

The bail was furnished promptly by a bonding concern after the brothers had entered not-guilty pleas before Judge Jonah J. Goldstein.

Accused of \$15,700 Thefts

The brothers were accused in six counts in an indictment, handed up Thursday by the grand jury, of thefts of \$15,700 from the concern, which, it was alleged, never paid a dividend since it was incorporated in 1924. Mr. Hogan said the grand jury's investigation of the concern's financial management was "merely in its first stages."

Assistant District Attorney Francis C. Leffler and Joseph A. Gasarch, an accountant in Mr. Hogan's office, conducted the investigation that led to the indictments. Mr. Hogan's interest in the Horni corporation's affairs was aroused last month when a \$500 fine was imposed in the Municipal Term Magistrate's Court on the defunct corporation for its failure to pay some of its employes \$73,000 in wages for the first two weeks of last June. Magistrate William W. Hopkin imposed the nominal fine after it had been explained in court the wages had been paid by a Federal receiver from bills receivable, from which the fine also was paid.

But, at this proceeding, Andrew B. Crummy, a Newark lawyer, who had been appointed receiver for the corporation in the Newark Federal Court in June, announced it had been the practice to shift all the assets from its New York plants to New Jersey and remarked, incidentally, that no dividends ever had been paid to its stockholders, despite enormous sales to the Government in war products. At the same time Mr. Crummy revealed that Paul Horni had been dropped as associate receiver about a month after the Federal court appointment.

Gambling Debt \$6,100

Paul Horni, who is 57 years old, unmarried and lives at the Hotel Ambassador, is charged with grand larceny and forgery in counts growing out of his use, on Jan. 4, 1944, of a company check for \$6,100 to pay a gambling debt.

Mr. Hogan said that Horni was the only loser in a stud poker game and, at its close, made out his personal check for the amount to H. C. Canoll of the Monterey Hotel, Broadway and Ninety-fourth Street, who is in the mining business in Montana. Mr. Hogan added that Mr. Canoll became dissatisfied with the manner in which this check had been drawn. When he called on Horni the next day in the latter's office at 310 Hudson Street, Mr. Hogan went on, Horni destroyed the check and gave Mr. Canoll another for the same amount on the signal corporation, which, it was alleged, Horni charged off on its books to "engineering expenses."

Joseph Horni is charged in other grand larceny counts with obtaining \$3,090 of the concern's funds, between 1944 and 1945, on checks that had been attributed to "traveling expenses." It is charged that he ordered Charles W. McKernan, an "old pal," whom he had had installed in the Newark plant as a foreman, to sign blank vouchers from which checks were made out.

The brother, who is 41, and lives at 75 Sanford Place, Newark, is accused in other counts of having obtained another \$6,635 of the concern's money on Jan. 12, 1945, on three bills he ordered McKernan to present to the treasurer.

Accused Slayer Found 'Sane'

Special to THE NEW YORK TIMES.

MINEOLA, L. I., Feb. 8—Denvil E. Dotson, accused as the slayer of John E. West, Nassau County highway patrolman, was examined today by Dr. Richard H. Hoffmann, New York City psychiatrist, and was found "perfectly normal and sane." District Attorney James N. Gehrig announced.