

LOCAL NEWS

HISTORY: Scammers hit gold with late 1800s fraud



There wasn't gold in the San Jacinto Mountains, much to the dismay of an Englishman who put up most of the money for a mining operation that proved to be a fraud.

By **NITA HILTNER** | Press-Enterprise
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One of the greatest mining frauds began in Southern California in 1887 when Richard Chilson and his son Eames developed the Hemet Belle Mine. Tunnels were dug and the San Jacinto Register reported in 1893 that the mine was valued at \$85,000 with 300 tons of ore left to dig.

“Pocket Mining in the San Jacintos” by XNGH Mike Johnson tells the whole sad tale.



A Danish immigrant, Lewis Hansen, and two partners found another mine just north of the Hemet Belle, known as the Little Lily Mine. He expanded his holdings and claims to other mines, then sold his holdings in December 1896 for \$120,000 to the Corona Mining and Milling Company, of which he was a partner.

Another partner was an Englishman, Harold Kenworthy, who had put up most of the money for the mining company. In honor of the wealthy Englishman, the town that sprang up near the mine was dubbed Kenworthy. It was the only gold mine in the San Jacinto Mountains.

Kenworthy was shown extremely high assay reports for the Chilson and Hansen mines, and he believed them. Hansen was selected to control the operations of the mining company and began spending Kenworthy's money on equipment and supplies, such as a portable sawmill powered by a gasoline engine and a 100-ton electric cyanide plant. He also brought redwood from Northern California to build the town of Kenworthy.

The Corona Hotel, a general store, assay office, sawmill, stamp mill and the cyanide plant made up the town. Kenworthy moved to the town bearing his name and began buying other mining claims, all worthless.

Two investors in the mining company sold their shares to Hansen for \$20,000, and he sold another one-twelfth interest in it to Kenworthy for \$10,000. In 1897, Hansen also began borrowing money from Kenworthy to operate the mines, which were not living up to expectations.

Perhaps Hansen knew all along that the gold just wasn't there in the amounts claimed. So, in 1898, he began selling his shares in the mines, five-twelfths to the general store owner's wife, Mrs. Lockwood. In February of that year, the last investor sold his shares to Kenworthy, who was still holding out hope and belief in the mines. Kenworthy and Lockwood were left holding all the shares in the collapsing mining company.

Kenworthy seemed gullible and perhaps unaware of tricks used to make the mines look promising, such as salting the mines. This was accomplished by using a shotgun to shoot gold dust onto mine walls.

After the collapse of the Corona Mining and Milling Company, Hansen still came out with a profit and continued his "mining career," but he never found another investor like Kenworthy.

Litigation on the mines went on for years, and the Corona Hotel was torn down, its lumber used for the Keen Camp resort nearby. When last heard from, the Kenworthys were living in British Columbia.



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