M.R.O. 1—77,006—8-6-37.

(1) Number of pages 12

(2) Date of repair 2. 3. 40

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	277	Press / Mis.
16-17.		
Dated	3-3-	1873.

16-17 7/8

Not to be folded or roughly handled

No. 16. Read the following letter from the Officiating Deputy Director-General of the Post Office of India, to the Chief Secretary to Government, Fort St. George, dated Calcutta, 24th January 1873, No. 5419 :—

Intimation having reached me of the abstraction of hoondies from a letter in transit by post, and addressed to Bombay, under very suspicious circumstances, Mr. Turton Smith, a Police Officer attached to the Postal Department, was deputed specially to investigate the case. His inquiries have brought to light an extensive system of fraud, under which gangs of dishonest men combine by forgeries and false personation to cheat native bankers, whose correspondence they obtain while in transit through the post by corrupting the subordinates of the Postal Department. Letters, thus obtained, are altered at will to suit the fraud contemplated.

2. I enclose copy of a communication, No. 0009, dated the 30th December 1872, addressed to this office by Mr. Smith, in which the procedure in frauds of the kind under notice has been described by an account of three typical cases.

3. The most effective check to the spread of these frauds lies in warning the class of men usually selected by the gangs as their victims, *i. e.*, the native bankers, and in advising them to adopt special precautions when their suspicions may be aroused. This course has been suggested in the tenth paragraph of Mr. Smith's letter, and I trust that His Excellency the Governor will be pleased to make the matter as widely known as possible, by the use of the vernacular press, by circulating translations of Mr. Smith's letter among the native banking community, or by any other means which may seem proper.

From TURTON SMITH, Esq., Assistant Inspector-General of Police, on duty with Punjab Postal Department, to the Director-General of the Post Office of India, dated Poona, 30th December 1872, No. 0009.

You are aware that cases of cheating by personation, supported by forgeries, committed with the assistance of officials in the Post Office, have occurred recently in the North-West Provinces, Central India, and the Bombay Presidency. I have now information of an attempt made in Madras. Owing to one or two of the frauds having latterly been successful, and to the sudden increase in their numbers, I have reason to fear they may yet extend over a larger area.

2. In order that the method of the frauds may be understood, I give particulars of three cases, which, in themselves, sufficiently illustrate the whole.

First Case.—A, a banker of Dhar, near Indore, carried on business with B, a banker in Bombay. A remitted to B four hoondies, each of the value of Rupees 2,500. The letter and two hoondies were stolen in transit, and the remaining two forwarded, with a letter containing the business details of the stolen letter, but intimating remittance of two hoondies only ; this letter was signed with a careful imitation of A's signature. B, on receiving the forged letter and the two hoondies, wrote a letter acknowledging the receipt of Rupees 5,000. This letter was intercepted in transit, and the figures altered so as to convey an acknowledgment for Rupees 10,000.

3. During a period of forty days, the theft and alteration of letters or substitution of forgeries continued, the object being to conceal the theft of Rupees 5,000, obtain the encashment of the hoondies by the forgers, and to advance another and separate fraud.

4. To obtain payment of Rupees 5,000, the forgers wrote to B, under A's imitated signature, saying that A had despatched an agent, C, to Poona with hoondies for Rupees 5,000, wherewith to make purchases, and that, A being unknown in Poona, the bankers would not cash the hoondies for C till he was accredited by some firm of respectability. B was requested to certify to C's character, and, after receipt of several forgeries, B did accredit C through his Poona agents, but directed them at the same time to keep control over the money. C, supposing suspicion was

aroused, borrowed Rupees 400 of the amount and absconded. In this manner B had unsuspectingly been made to facilitate the encashment of hoondies stolen from himself!

5. The separate fraud was this. In one of the several forgeries referring to C, the pretended agent of A, B received hoondies for Rupees 2,500, wherewith he was directed to purchase silk urgently required by A. B referred to the bankers on whom the hoondies were drawn, and ascertained the hoondies were genuine, and would be acknowledged on their maturing. He purchased the silk and despatched it, but before the hoondies matured, the bankers on whom they were had been warned not to cash the firsts of exchange, as they had been stolen in transit by post. On presentation, the hoondies were dishonoured.

6. During the period the interceptal, alteration, and substitution of letters continued, the forgers regularly transmitted all business details of stolen letters, and also passed on many thousand rupees' worth of hoondies. The fraud was discovered on A sending an agent to B to inquire the cause of hoondies which he had drawn in favour of third persons to the full amount of his supposed credit having been dishonoured.

7. *Second Case.*—A, representing himself to be a trader, called on B, a banker of Mominabad, and, representing that he wanted money to make purchases, offered, at the exchange of the day, a hoondie drawn by him on C, a well-known banker of Bombay. B purchased the hoondie and agreed to pay its value to A on hearing from his Bombay Agent, D, that C had met the hoondie. B sent the hoondie to D, and in due time received a letter saying the amount of the hoondie had been realized from C, and the amount carried to B's credit. Shortly after, A called upon B and showed the original hoondie he had drawn on C, which now bore D's receipt, and was said to have been returned after payment by C. B then paid the sum agreed on. On B writing to D that he had received his letter apprising him that Rupees 1,500, the amount of the hoondie, had been carried to his account, D wrote that he had written that he re-enclosed the hoondie which had been dishonoured. It was then ascertained that D's original letter with the dishonoured hoondie had been stolen, a forgery substituted, and the hoondie presented by A with D's receipt for the amount forged.

8. *Third Case.*—A called on B, a banker of Raichore, said he wanted money, and offered for sale a hoondie for Rupees 600 drawn by him on C at Barsee. B purchased the hoondie and agreed to pay A the consideration on hearing from D, his agent at Barsee, that the hoondie had been duly met. B then sent the hoondie to D, with a covering letter. In transit, the Rupees 600 hoondie was withdrawn, and one for Rupees 10 drawn by and on the same persons was substituted; the numerals also in the covering letter were so altered as to represent the value of the hoondie to be Rupees 10 only. On the exchanged hoondie reaching D, a man called on him, said his name was C, and asked if a hoondie had not been drawn on him by A, of Raichore; he paid Rupees 10, the amount of the substituted hoondie. D now wrote to B, saying the hoondie for Rupees 10 had been paid; in transit alteration was made in the letter so as to represent the value of the hoondie as Rupees 600. After receipt of the altered letter from D, A called on B and presented the original hoondie for Rupees 600 drawn by him on C, with D's receipt forged; he said C had returned it after encashment. B hereupon paid to A Rupees 600, and thus sustained a loss of Rupees 590. The fraud was ascertained on after-correspondence.

9. I have reason to believe that the forgers apply very often unsuccessfully to Post Office officials to help them by stealing required letters, but, either from timidity or not knowing how to act, these officials do not bring the overtures to notice. I would suggest for your consideration whether the issue of a circular, briefly stating the nature of the frauds, directing postal officials to note particularly the appearance of persons making such overtures, and to report confidentially either to the District Superintendent of Police or to Inspecting Postmasters, might not be productive of some good.

10. If, also, through the several Governments, or otherwise, information of these frauds could be placed at the disposal of the vernacular press, and bankers be thus put on their guard, I think the frauds would soon cease. Any notice, such as that contemplated in this paragraph, might advise native bankers, if they suspected an attempted fraud, to note particularly the appear-

ance of the suspected person, so as to ensure an accurate description, should he abscond; carefully to preserve *the covers*, as well as letters suspected, which alone enable inquiry in the Post Office by inspection of post-marks; also, in case of suspicion, to send either a *registered* letter making inquiries or to use the telegraph, either of which precautions will, in all probability, prevent a successful issue to the fraud.

No. 17. ORDER THEREON, 3rd March 1873, No. 277.

Ordered that copies be furnished to the Newspapers, English and Vernacular, and that all Collectors of Districts be supplied with copies for distribution.

(True Extract.)

Chief Secretary.

To all Collectors.
To the Inspector-General of Police.
,, Chamber of Commerce, Madras.
,, Trade Association, Madras.
To all Newspapers, Presidency and Mofussil.

Exd. J. H. Burns.

Govt. of {1873} Madras.

FINANCIAL.

To

THE COLLECTORS OF THE SEVERAL DISTRICTS,

&c., &c., &c.

Dated March, 3rd.

Read.

G. O., 3rd March 1873, *No.* 277.

MARCH.

Nos. 16-17.

Directing that copies of papers from the Officiating Deputy Director-General of the Post Office of India, bringing to light an extensive system of fraud practised with the assistance of subordinates in the Postal Department, be furnished to the Newspapers, English and Vernacular, and to all Collectors of Districts for distribution.

No. 5419.

FROM

F. R. HOGG, ESQ.,

Offg. Deputy Director General of the Post Office of India,

To

The Chief Secretary to the Government of Madras

Calcutta, the 24th January 1873.

SIR,

Intimation having reached me of the abstraction of hoondies from a letter in transit by post, and addressed to Bombay, under very suspicious circumstances, Mr. Turton Smith, a Police Officer attached to the Postal Department, was deputed specially to investigate the case. His enquiries have brought to light an extensive system of fraud, under which gangs of dishonest men combine by forgeries and false personation to cheat native bankers, whose correspondence they obtain, while in transit through the post, by corrupting the subordinates of the Postal Department. Letters, thus obtained, are altered at will to suit the fraud contemplated.

2. I enclose copy of a communication, No. 0009, dated the 30th December 1872, addressed to this office by Mr. Smith, in which the procedure, in frauds of the kind under notice, has been described by an account of three typical cases.

3. The most effective check to the spread of these frauds lies in warning the class of men usually selected by the gangs as their victims, *i. e.*, the native bankers, and in advising them to adopt special precautions when their suspicions may be aroused: this course has been suggested in the tenth paragraph of Mr. Smith's letter, and I trust that His Excellency the Governor will be pleased to make the matter as widely known as possible, by the use of the vernacular press, by circulating translations of Mr. Smith's letter among the native banking community, or by any other means which may seem proper.

I have the honor to be,

SIR,

Your most obedient Servant,

Fred. R. Hogg

Offg. Depy. Director General of the Post Office of India.

with 6 spare copies

Police 1872 Department.

No. 0009.

From

TURTON SMITH, Esq.,
Asst. Inspector General of Police, on duty with Punjab Postal Department,

To

A. M. MONTEATH, Esq.,
Director General of the Post Office of India.

Dated Poona, the 30th December 1872.

Sir,

You are aware that cases of cheating by personation, supported by forgeries, committed with the assistance of officials in the Post Office, have occurred recently in the North-West Provinces, Central India, and the Bombay Presidency. I have now information of an attempt made in Madras. Owing to one or two of the frauds having latterly been successful, and to the sudden increase in their numbers, I have reason to fear they may yet extend over a larger area.

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I am, Sir,

Your most obedient Servant,

(Sd.) TURTON SMITH,

Asst. Inspector General of Police,

Fil. 1873 Sept.

From

The Offg. Deputy Director
General of the Post Office
of India.

No. 549.

Dated 24th January 1873
Recd. 27th " "

65 C

No. 372

Forwards copy of a
letter by Mr. Norton Smith,
a Police Officer, bringing to
light an extensive system
of fraud in the Postal Dept.,
and requests that translations
of the letter may be cir-
culated among the
native banking community
so that the matter may be
made as widely known as possible.

With an order

3. ~~February~~ March 1873 No. 277

[illegible]

R. 3/3/73

Govt. of {1873} Madras.

Financial

Re Collns of the several Dts.

Dated March 3.
Recd. Encl.

G O. 3 March 1873. No. 277.

Nos. 16. 17.

Directing that Copies of papers from the Offg Dr. Director-Genl. of the Post Office of India bringing to light an Extensive System of Fraud practised on the Postal Dept. be furnished to the Newspapers, English & Vernacular, & to all Collns of Dts. for distribution.