

Financial (1899) Department.

ORDINARY MS.

G.O., No. 904

DATED 15-8-99

INDEXED.

8/9

[Despatch Abstract.]

Recording Procs. Rev. de St. approving the
recommendations of the Bd. of Rev in the matter
of the embezzlement of public money during
the recent famine operations in the Pathkonda
Taluk. Durnool St.

T
17-8-99

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Financial

Judicial (1899) Department.

CURRENT No. 2786

Mr

*Examiner Has for the
power to record writs of the
court Civil
8/8/99*

From

The Rev. Department.

Order
R

Record

No. 2775 His.

Dated 31-7-99.

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*583 gnd
26/4/97*

*1659
8/8/95*

Accd Genl (g+p)

SUBJECT.

Approving and sanctioning the Board's recommendations in the matter of the embezzlement of Govt. money during the recent famine operations in the Pattikonda Taluk of the Kurnool District.

BACK PAPERS.

G.O.	No.	Department.	Date.
(Smiles)	583	Int	26.4.97

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Proceedings of the Board of Revenue
(Land Revenue)

No. 350 Mis, dated 27th January 1899.

Read the following:-

1. Again Board's Proceedings No. 4586 (Sett) dated 27th July 1898, recording pending receipt of the further report promised, letter from the Collector of Kurnool submitting a copy of detailed report furnished to the Accountant-General regarding the defalcation of Rs. 600 in Pattikonda Taluk from the Imprest Money advanced for kitchen and grain dole expenditure and also a copy of judgment in Mulagundam defalcation case in which a sum of Rs. 3000 was misappropriated by a paymaster on Relief work.

2. Also Endorsement of the Settlement Department, Routine No. 2149, dated 3rd November 1898, transferring to the Land Revenue Department letter from the Collector of Kurnool, Dis. No. 237/F of 1898 dated 27th October 1898, submitting the further report on the defalcations at Pattikonda Taluk in connection with advances made to pay-masters, Kitchen Superintendents &c. during the late famine.

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Resolution

The Board resolves to submit for the orders of Government the papers read above which relate to the embezzlement of Government money during the recent famine operations in the Pattikonda taluk of the Kurnool District. The amounts embezzled are given below:-

(1) Rs. 3000 out of a remittance of Rs. 8000 sent from the Taluk Treasury to the paymaster on the road relief work at Mulagundam on the 10th August 1897 and received by the paymaster on the following day;

(2) Rs. 500 sent from the taluk treasury on 3rd July 1897

(for

(for expenditure on account of grain doles) to the Circle Inspector of Bayalu-Pattikonda through the paymaster on the Gonegundla road relief work;

(3) Rs.300 sent to a paymaster at Kodumur from the taluk Treasury on 27th June 1897 for expenditure by the Superintendents of the weavers' relief kitchen at Kodumur and the kitchen attached to the Kodumur road relief work.

2. Out of this amount (Rs.3600) a sum of Rs.1463 (as detailed in the margin) has since been recovered from the delinquents making the net total loss to Government Rs.2137. The Collector also anticipates a further recovery of about Rs.325 as Magisterial fines (to be credited to "Law and Justice") and of Rs.250 the security furnished by the paymaster concerned in case No.1. If these amounts are also recovered the actual loss will be reduced to Rs.1563. The persons who embezzled the amounts in cases (1) and (3) have been criminally prosecuted and punished as shown below:-

Case No.	Imprisonment (rigorous)	Fine
Case No.1		
1st accused	2 years	Rs.500
2nd accused	1 year	Rs.100
3rd accused	(acquitted)	
4th accused	1 year	Rs.200
Case No.3		
accused	6 months	Rs.300

Under the circumstances explained in para.3 below the offence in Case No.2 has not been brought home to any specified individual.

3. The circumstances in which the money was embezzled in each of these cases are summarized below:-
Case (1) : On the 10th August 1897, a remittance of Rs.8000 was sent (apparently without any indent therefor) to the paymaster at Mulagundam, while the figure "5000" was entered as the amount remitted in the advice despatched to the paymaster. This discrepancy between the actual amount received and that advised tempted the paymaster, according

to his confession before the Magistrate to misappropriate the surplus. The office copy of a receipt for Rs.5000 is stated to have been found in the paymaster's file: but no receipt actually reached the taluk office, which, in fact, does not appear to have called for an acknowledgment from the paymaster. On the 30th August 1897, he resigned his appointment and the relief work at Mulagundam was closed on the 27th September 1897. The fraud was not, however, discovered till the 19th October 1897 when the whole of the famine accounts were overhauled in the taluk office.

Case No.2: On the night of the 3rd July 1897, a number of remittances were ready to be despatched to several paymasters. At the same time an urgent reminder for a sum of Rs.300 was received from the Circle Inspector, Taranikallu, and it is alleged that the taluk officials placed the sum of Rs.300 in a box already containing Rs.4000 and consigned the remittance to the paymaster of Gonegundla. An entry of the additional amount is stated by the Deputy Collector to have been found in a corner of the office copy of the advice sent to the paymaster and the taluk officials maintain that separate intimation was given to the Circle Inspector concerned; but the Divisional officer doubts the genuineness of the entry in the office copy and there is nothing to show that a separate advice from the taluk office was received by the Circle Inspector. On the other hand when the latter subsequently complained that his indents had not been complied with his attention was not drawn by the taluk office to the above remittance. There is thus no evidence against the Circle Inspector. As regards the paymaster's share in the transaction, the receipt of the amount was not acknowledged by him nor was it included in the advice despatched to him along with the remittance. The Divisional officer, therefore considers that in the absence of any evidence to show that the money duly reached the paymaster, he cannot be held responsible for it, much less criminally prosecuted.

Case (3) The accused in this case was a paymaster on the famine road relief work, Kodumur. The case against him is that

he misappropriated a sum of Rs. 300 composed of two items sent on 27th June 1897 from the taluk treasury, viz., Rs. 200 intended for the Superintendent of the Weavers' relief kitchen at Kodumur and Rs. 100 for the Superintendent of the kitchen attached to the relief work. This defalcation was chiefly due to the fact that the Tahsildar took no active measures when he had reason to suspect the correctness of the accounts maintained by the paymaster concerned, and did not notice the irregularity on the part of the paymaster in keeping in his own hands the advices addressed by the taluk to the Superintendents of the kitchens. This case was not also brought to light till after the close of the famine.

4. The chief irregularities which brought about these defalcations are noticed below with the explanations of the responsible taluk officers,

- M.R.Py. Narayana Rao (Tahsildar)
- „ P.N. Lakshminarasimha Chari (Special Deputy Tahsildar)
- „ B. Krishna Rao (Taluk Head Accountant.)

(1) The practice of remitting money intended for Circle Inspectors, Kitchen Superintendents, &c. through paymasters and also sending the advices of such remittances by the same circuitous channel

The Tahsildar considers that the practice of remitting money through paymasters would not have been objectionable, provided a separate advice of the remittance was despatched direct to the officer for whom it was intended. The excuse pleaded by the Taluk Head Accountant that there were no peons to carry the advices to the addressees is untenable, for, as pointed out by the Tahsildar, they could have been despatched by post. The Tahsildar disowns responsibility in the matter as the practice was not authorized by him, nor was he otherwise aware of it. The Head Accountant states that it did not occur to him that this practice was likely to lead to fraud.

(2) Omission to see that the money remitted was duly acknowledged by the officer to whom it was sent.

The Tahsildar states that he found some acknowledgments almost every day in his tappal and naturally presumed that all remittances were being duly acknowledged. He had no reason to suspect that the contrary was the case as the office did not bring to his notice any instance in which acknowledgments had not

The Special Deputy Tahsildar who was in charge of the current duties of the office while the Tahsildar was more specially engaged on famine work states that, when the matter was brought to his notice, he issued ^{one} ~~two~~ or two circulars to the effect that no remittances would be sent unless the previous ones were regularly acknowledged: but this ^{had} not the desired effect. The remittances, had however, to be sent to prevent the coolies from being starved. He adds that it was the Head Accountant's duty to see that all acknowledgments were received as they were due.

The Head Accountant explains that he was unable to enforce the rules as there was not a sufficient staff of peons to fetch outstanding acknowledgments. This irregularity was noticed by the Treasury Deputy Collector during his inspection, but he took no steps to remedy it, apparently because the Head Accountant informed him that the weekly reports and accounts received from the paymasters, &c., enabled him (the Head Accountant) to verify the receipt of remittances.

(3) Sending remittances without reference to the indents submitted by the officers concerned or without any indent at all and failure to enforce the rules regarding the punctual submission of accounts.

(4) Drawing funds from the general treasury balance instead of on cheques issued by the P.W. officers for expenditure on relief works.

^{These} These two irregularities are allied to each other. The rule is that the Tahsildar (i.e. in this case the Special Deputy Tahsildar) should be allowed a fixed imprest for expenditure which should be recouped from cheques issued by the Executive Engineer on receipt of paid vouchers from the Tahsildar. The Tahsildar should distribute his imprest in like manner among the paymasters. What really happened was that the paymasters being generally illiterate and unsystematic (better men were not available) did not submit paid vouchers until long after the date of payment, whereas, under para. 48 of Appendix VI to the Famine Code, extracts from the permanent nominal rolls, and

abstracts should be despatched on the same day on which the pay is disbursed. Nor did the paymasters apply for money till after they had ceased to be in funds. As the Executive Engineer would not issue cheques till paid vouchers were submitted, the Tahsildar fell back upon the general treasury balance and seeing that the paymasters persistently failed to submit their indents in time, he sent them money ~~without~~ without indent, in order, it is alleged, to preserve the coolies from starvation. The Tahsildar defends his procedure on the grounds that this was the only course open to him under the circumstances and that he was not the only sinner in this respect. He also adds that the objectionable practice was stopped for some time but had eventually to be revived. This explanation does not apply to advances made to kitchens in which case supplies are generally made in the first instance by the contractor who submits bills and recovers payment from the taluk. The Tahsildar states, however, that the irregular practice in regard to kitchens was not authorized by him.

(5) Failure in the taluk office to check the weekly accounts submitted by paymasters, &c., with the taluk accounts.

The Tahsildar confesses that this method of verification did not strike him; but the Head Accountant has no excuse, if, as the Deputy Tahsildar states, he informed the Treasury Deputy Collector that he was actually in the habit of exercising this check (vide Remarks against No. 2).

There were also a few minor irregularities which need not be dwelt upon in detail.

5. The Tahsildar attributes most of the irregularities noticed above to the "totally inefficient and insufficient staff" he had to work with. He pleads that he had to attend to his ordinary duties as well as to famine relief until May 1897, relief works having been started in that taluk in January 1897; and that for each relief work that was started he had to spare one or his clerks as paymaster until he had almost exhausted the number of clerks in his office. He states that out of 12 clerks' places in the taluk, nine were vacant during 1897 for periods ranging from 52 to 153 days. The Special Deputy Tahsildar, who was in charge of the current duties

of the office from 9th June to 15th November 1897, and the Head Accountant have also submitted a similar explanation: the main points mentioned by them being the insufficiency of the staff of clerks and peons, the confused state of the office, a heavy jamabandy, the pressure of famine work, &c. The Divisional Officer also bears out the taluk officers in their statements regarding heavy work and the inadequacy of the office staff, and is of opinion that there was no indolence or wilful negligence on the part of any of the officers. The Board would draw the attention of Government in this connection to paras. 42 to 48 of the Deputy Collector's report and suggest that in cases like that now in question the establishments of the revenue offices in a famine affected area should be strengthened from the very beginning of the distress.

6. Regarding the recoveries to be made from the taluk officers responsible for the loss, the Divisional officer proposes to exonerate the Tahsildar from all blame in the matter, apparently in consideration of the fact that all the defaultions occurred after he was relieved of his current duties by the Special Deputy Tahsildar. In the case of the Special Deputy Tahsildar and the Head Accountant, he is of opinion that the gross carelessness evinced by these two officers in not even sending a proper advice for the remittance of Rs. 300 (in case No. 2) should not be left unpunished. He therefore proposes that they may be required to make good that amount in equal shares. The Collector recommends the adoption of the Divisional officer's proposal with reference to case No. 2 and with reference to the other two cases he is of opinion that all the three officers, viz., the Tahsildar, the Deputy Tahsildar and the Head Accountant should make good among them and in equal shares half the net actual loss to Government (not taking the recoveries under "Law and Justice" into consideration). He suggests that the other half may be written off the accounts.

7. The Board has given its most careful consideration to the above proposals. It has no doubt that all the three officers were

absolutely to blame in the matter: the Tahsildar should not have allowed his office to be so depleted; nor should he have failed in the course of his inspection as Taluk Relief Officer to examine the accounts of his paymasters, especially as he knew what sort of men some of them were. It is true he was not in a position to exercise direct control over his office, yet if he had properly discharged his outdoor duties and regularly inspected the accounts of the paymasters and relief officers, the frauds could have been promptly detected and their authors dealt with much more satisfactorily than is now possible. As regards the Special Deputy Tahsildar and Taluk Head Accountant, there seems to be no excuse whatever for the way in which they dealt with Government money in utter disregard of all rules and the dictates of common sense. If they had not neglected the cardinal principle of obtaining receipts for remittances sent such frauds might not have happened at all. The recoveries recommended by the Collector are however so considerable in amount that the Board hesitates to endorse them in full, lest they should cripple the Deputy Tahsildar and Head Accountant for life, and tempt them to dishonesty, of which there is at present no charge against them. It, therefore, recommends that one-third of the net actual loss after taking credit for the amount already mentioned and any sums may be collected as fines and credited to "Law and Justice" should be recovered from the three officers in equal shares and that the remaining two-thirds be written off the accounts. The amount which the Board proposes to remit may appear large but, on the other hand considering the magnitude of the transactions which have entailed the loss it doubts if such large operations have ever been carried through with so little loss to Government due to direct dishonesty.

(True Extract)

(Signed) Lionel Davidson,
Ag. Secretary.

To
The Secretary to Government, Revenue Deptt, with records be ret'd.
Sett. B.P. 4586 d/ 27-7-98 & Collector's report and all
its encls.
Copy to the Accountant-General.
(True Copy)

[Signature]
for Ag. Secretary to Government.

CURRENT No. 2786

P. 4,000-18-10-98.
16

REVENUE DEPARTMENT

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read Proceedings of the Board of Rev.
Land Revenue, No. 550 Mis., dated 27th January 1899.

Also Endorsement of the Public Works Department, No. 494 D.,
dated 19th June 1899 on letter from the Examiner Public Works
Accounts, Madras and Coorg, No. 1836 B/X, dated 10th June 1899.

Order thereon No. 3775 Mis., dated 31st July 1899.

The Board's recommendations in the concluding para of the
above Proceedings are approved and sanctioned.

(True Extract)

[Signature]
for Ag. Secretary to Government.

To
The Board of Revenue (L.S.) with encls.
Accountant-General.
Financial Department.
Public Works Department, with Examiner's office note
No. 1836 B/X, d/ 10-6-99.

C. No 2786. 2. June 1896. 1896.
Note. pp 8-31 1896-1897

Under the order of the Govt of India in the resolutions recorded in G.O. Nos 749 and 750, Res. dated 26th Dec 1896, famine expenditure is finally adjusted in the accounts, and not treated as advances recoverable. Any recoveries subsequently made are taken in abatement of charges.

2. The amounts in question, viz, Rs 3,000 and 600 have been held in the Examiners and the Aet funds books under objection for want of vouchers. The Revenue G.O. dispenses of this objection. Recoveries hitherto made and which may hereafter be made will as stated above, be taken in abatement of charges.

3. Under art 279. C.A. Code, Govt has the power to write off finally the amounts in question the expenditure abetting to ^{head} 33. Famine Relief, which is wholly

Wholly Provincial.

It is submitted that the
Paper has merely to be

Order No. 904 of 15-8-99.

Receives

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8/17/99

9

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12/18/99

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DATED

CURRENT No.

ENCLOSURES TO C. No.

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LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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