

MADRAS RECORD OFFICE.

Government of Madras.

Judicial DEPARTMENT.

G.O. No. 1828	Press ~~Mis~~
Dated 21-11-1886	

195-196

6/6

Not to be folded or roughly handled

No. 195. Read the following letter from the Acting Advocate General, to the Chief Secretary to Government, Fort Saint George; dated Madras, 13th November 1866.

I have the honor to report the result of four cases in which I prosecuted, on behalf of Government, at the Sessions which have just closed.

2. The first case arose out of the Clothing Department. Moonian, a Lascar, whose business it was to carry back and forwards the cloth issued to the cutters out, abstracted a portion of it, and sold it to a man named Subroya Chetty. The case was clearly proved before the Magistrate, and both prisoners pleaded guilty. Moonian was sentenced to 18 months' rigorous imprisonment; Subroya Chetty had already been sentenced in another case to seven years' transportation for receiving stolen goods, and I did not press for any further punishment in respect of this transaction.

3. The second was a Post Office case. On the 27th July, Mr. Laybourn posted in the Mount Road Post Office a letter for London, containing a draft for £10, granted by the Madras Branch of the Oriental Bank on their London House. The prisoner, Chinnasawmy, was the Peon who stamped the letters, and carried them in the evening to the General Post Office. On the 30th July, he presented the draft at the Oriental Bank. On being arrested, he, after denying all knowledge of it, pointed out a well in which he said the draft would be found, and it was found accordingly. He was convicted, and sentenced to five years' rigorous imprisonment.

4. The third case was that of Vijiaragavoloo Naidoo, late Manager of the Estates Department in the Military Secretary's Office. He was charged with seven distinct acts of embezzlement of sums of money received into this Department. In

	Rs.	A.	P.
1. Shortt's Estate.	1,722	8	10
2. Grostate's "	116	1	5
3. Morant's "	79	15	8
4. Phillip's "	3,379	10	9
5. Phillip's "	3,885	4	2
6. {Back Rupees 480}	600	0	0
{Cook... .. " " 120}			

the six cases noted in the margin, the fraud was effected by cashing the document under which the money was payable, instead of having it credited to the particular estate to which it belonged. It

also appeared that he had misapplied a sum of Rupees 626-12-9, which belonged to Shortt's estate, by appropriating it in discharge of money due to other estates, which it will no doubt be discovered that he had previously plundered. In fact, one of the items to which this sum was apportioned was the item No. 3 above named. He was further shown to have similarly misapplied a sum of Rupees 510-3-1 belonging to Spicer's estate, repaying out of it, amongst other sums, Rupees 100 to Shortt's estate. The seventh instance of embezzlement by him was of a sum of Rupees 49-8-2, remitted to the Military Estate Department in cash, on account of one Armourer Lawrence. He received the money from the messenger who brought it, and never accounted for it.

5. This case has already been the subject of a communication from the Military Secretary, and as it may be the subject of reference to me hereafter, at the close of the inquiry which is now going on, I need not enter into further details. The case was fully proved, and the prisoner

See Proceedings, Madras Government, No. 3725, 25th October 1866.

not certain - but see
Another

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was convicted, but recommended to mercy, on the ground that the principle of accounts in the office was so vicious as to offer undue temptation to crime. He was sentenced to three years' rigorous imprisonment, and a fine of Rupees 1000, with further imprisonment of two years in default of payment.

6. The last case was that of Manuel Alvarez, a Receiving Clerk in the Telegraph Department, who was indicted for embezzling Rupees 467. He was acquitted, and upon the evidence I think the jury could not have done otherwise. It was proved that, on the 1st, 3rd, 5th, and 7th of October, he had become responsible for the issue of telegraph messages to the amount of Rupees 959-1-0. It was also shown that, on the 3rd and 5th October, he paid to Mr. Douglas, the Assistant Superintendent, sums equal to Rupees 307-8-0. Further, it was shown that, on breaking open his box on the 9th, when he absented himself from duty, a sum of Rupees 293-15-0 was found in it, either in cash or in unpaid bills, representing messages sent on credit. Further, it was alleged by the Accountant, Mr. Dent, though no specific proof of the statement was offered, that, of this Rupees 293-15-0, a sum of Rupees 120 was con-

Messages.	Rs.	A.	P.
Payments	307	8	0
Found in box	173	15	0
Total	477	10	0
	461	7	0

tingency money deposited by Dent in the prisoner's box. If so, the gross deficiency would be as noted in the margin.

But no proof whatever was offered that the prisoner had not paid the full amount, viz., Rupees 385-15-0, due from the 1st October, which would reduce the deficit to Rupees 91-10-0. Further, the prisoner suggested that, in searching his box, some of the bills for unpaid messages might have been lost, and the jury seemed rather to grasp at this suggestion. Finally, the whole system of doing business, and of accounting, in the Telegraph Department appeared to be so loose, that, even if the prisoner had been guilty, it would have been difficult to prove the fact, and almost impossible to make the jury understand that it was proved.

7. One great difficulty arose from the system of giving credit. A certain number of messages issued were represented, partly by money, partly by unpaid bills, which had to be left in the hands of the clerks for subsequent collection. This made it impossible to close each clerk's account from day to day. It also left it in his power, if charged with a deficit, to assert that some of the messages were unpaid, and either to forge bills for them, or to assert that they were lost. A strict system of cash payments would infinitely facilitate the detection of fraud.

8. Another difficulty arose from the manner in which the clerks are worked. Each Receiving Clerk is on duty for 24 hours at a time, and this period is supposed to commence and end at midnight, i. e. to be commensurate with the Calendar day. Practically, the Clerk comes at 10 A. M. and works on till about the same hour next day, so that he is held responsible for one period, while he really is present for a different period. This necessitates the passing on of money from one Clerk to another, in a manner which greatly complicates the proof in case of defalcation.

9. Further, there seems to be an utter absence of any check, either upon the receipts or payments by the Clerks. The counterfoils of all messages issued are kept in books, but messages are being issued on the same day from half a dozen books. The Receiving Clerk does not sign each counterfoil, but only initials the back of the counterfoil of the last message issued by him before midnight.

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He then goes on receiving messages on account of his successor, which he never initials at all. Further, when he gives up money to the Officer in charge, as he is supposed to do each day, he is not even expected to give up an amount equal to the value of messages indicated by the counterfoils, part being still outstanding on credit; nor does it appear to have been the practice to count the money at the time it is given up, or to make any entry of the actual sum received from the Clerk.

10. I would suggest, for the consideration of Government, the entire abandonment of credits; that Receiving Clerks should be held responsible for the hours they are actually on duty, and not for any fictitious period; that they should initial the counterfoil of every message for which they receive money, and that, before leaving duty each day, they should sign a form, showing the office numbers of all the messages they have issued, and the amount of money received in respect thereof; finally, that each Clerk should, in person, give up the money for which he is himself responsible, and sign a form stating the amount so given up. Should these suggestions be adopted, frauds will be difficult to perpetrate, and easy to detect and prove.

No. 196. ORDER THEREON, 21st November 1866, No. 1828.

Paragraphs 2, 4, and 5 of the foregoing letter will be communicated to the Military Department, and paragraphs 3 and 6 to 10 to the Public Department.

(True Extract).

Chief Secretary.

To the Military Department.

„ Public Department.

„ Acting Advocate General.

Exd. J. H. Burns.

95. Read the following letter from the Acting Advocate General, to the Chief Secretary to Government, Fort Saint George; dated Madras, 13th November 1866.

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distinct acts of embezzlement of sums of money received into this Department. In the six cases noted in the margin, the fraud was effected by cashing the document under which the money was payable, instead of having it credited to the particular estate to which it belonged. It

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Contd to the Journal Public - Nov. 5. p. 1.

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Payments	307	8	0
Found in box	293	15	0
Total	477	10	0

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7. One great difficulty arose from the system of giving credit. A certain number of messages issued were represented, partly by money, partly by unpaid bills, which had to be left in the hands of the clerks for subsequent collection. This made it impossible to close each clerk's account from day to day. It also left it in his power, if charged with a deficit, to assert that some of the messages were unpaid, and either to forge bills for them, or to assert that they were lost. A strict system of cash payments would infinitely facilitate the detection of fraud.

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and a few other points - Another

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Paras 2/4 3/5 of the fore-
going letter will be com-
municated to the Military
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