

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	1133	Press
		~~Mis.~~
Dated	17-7-	1867

181-281

17/18

Not to be folded or roughly handled

17th July 1867.

No. 186. Read the following letter from W. ROBINSON, Esq., Inspector General of Police, Madras, to the Chief Secretary to Government, Fort Saint George; dated Madras, 24th June 1867, No. 1051.

Account Department.

I have the honor to report that a series of frauds and misappropriations have been discovered in the District Police Office in Kurnool, and brought home to Chatterpathy, Inspector in charge of the accounts, &c. The frauds and misappropriations were committed from time to time during the years 1864 and 1865.

2. Chatterpathy has been convicted on several counts, based on a few special items of embezzlement, by the Session Court of Nundial, and sentenced, on the 30th April, "to be kept to rigorous imprisonment for one year, and pay a fine of 500 Rupees, with six months similar imprisonment additional in default."

3. The Judge's decision, together with Superintendent's report, is herewith submitted.

4. All the accounts of the District, for the two years above specified, have been carefully and diligently examined by Captain Reid, the present Superintendent of Kurnool, aided by an able and experienced Officer, Subba Row, Head Quarter Inspector of Bellary. The re-

	Rs.	A.	P.
Unadjusted balances of advances from Treasury	407	10	0
Due to Superannuation Fund (embezzled)	85	13	5
Passed in account current on false bills	312	4	0
Overcharged in contingent bills	93	1	11
Total	903	13	4

search occupied many weeks, and was conducted with unremitting industry. So far as can now be traced, the misappropriation committed by Chatterpathy during the above period amounts to Rupees 903-13-4, as per margin.

5. The frauds were managed by entering fictitious payments in the Cash Book, by frauds in respect of the wages of men in the reserve, by submitting false bills supported by forged vouchers, and by withholding payments into the Treasury of sums due on account of Superannuation Fund, wages not paid, and the like. It is not clear that the signature of Captain Robinson to bills has not been forged.

6. Attention was first drawn to the matter by the fact that the office of the Superintendent of Police, Kurnool, kept up, contrary to orders and the practice of every other District, a current account of unadjusted balances with the Deputy Collector in charge of the Treasury. This practice is against the rules of this as well as of the Finance Department, and I cannot understand how the Deputy Collector allowed it, or the Superintendent, who signs all these papers, permitted so grave an irregularity to continue. When prompt adjustment of these outstanding

	Rs.	A.	P.
Rupees	453	7	2
Subsequently adjusted	43	13	2
Balance	407	10	0

balances was required and insisted on towards the end of 1865, it was found that a deficiency of Rupees 407-10-0 could not be accounted for.*

7. Captain Robinson became aware that there was something wrong in the management of the accounts in his office in December 1865. He placed the Head Quarter Inspector in charge of the accounts for a time, but made no sifting inquiry or report on the matter; and he finally left the District, on sick certificate to England, in March 1866, without clearing up matters. In the meantime, Chatterpathy was allowed to retain his place as Accountant in the office, of which he took advantage to make away with important records from which his rogueries might have been more readily traced; and he was able to keep up a condition of confusion and uncertainty which baffled detection even after Captain Robinson's departure, for this clever swindler succeeded in blinding, for a time, Lieutenant Trevor, who took charge of the District between the dates of Captain Robinson's leaving and Captain Reid's taking charge.

8. At first, it was thought that the deficiency was only in the adjustment with the Deputy Collector, and amounted to the above some of Rupees 407-10-0 only. For this Chatterpathy's security provided in part, and on the deficiency being intimated to Captain Robinson, he remitted the balance, viz., Rupees 243-8-9. Some further part has been recovered since the balance was intimated to Captain Robinson.

	Rs.	A.	P.
Unadjusted advances	407	10	0
Security deposit	207	15	0
Balance of Inspector Chatterpathy's pay	12	11	5
	220	13	5
Rupees	166	12	7
Paid by Captain Robinson	243	8	9
Recovered since by bills and interest on security deposits	56	13	2
	186	12	7

9. But before reporting the matter to Government I ordered further inquiry, with a view to ascertaining whether other embezzlement had not been committed and to criminal prosecution. Chatterpathy then hastily absconded to the Hyderabad country. Pending his capture, which was cleverly effected in October last, nothing beyond the examination of accounts, &c., could be effected. This even was rendered exceedingly tedious and difficult by the fact that certain important papers had been previously made away with by Chatterpathy, as above noticed. At length, however, the man has been brought to justice.

10. I must now explain how a man in the position of Chatterpathy could misappropriate moneys, falsify the accounts, and even submit false bills and forged vouchers, without prompt detection.

11. The position of Chatterpathy in the office was that of the Accountant, whose duty it is to check all pay and contingent bills, and keep the Account Current and Cash Book, &c., under the direction of the Head Quarter Inspector. He ought to have nothing to do with cash transactions, the cash-chest being under the Superintendent, in the keeping of the Head Quarter Inspector, who supervises all accounts, bills, &c. The payment of men of any Division by the Accountant is strictly forbidden (Circular Memorandum, No. 153, of 25th February 1865). The Office Accountant has no control of money or payments.

12. The question then arises how an irresponsible (it will be observed that this was Chatterpathy's defence, and a reasonable one had the facts not proved that he assumed and exercised the fullest control) person like Chatterpathy came, in the accurate words of Captain Reid, to have "virtually uncontrolled command of the cash-chest", and "unite in himself the functions of Cashier and Auditor"? How came he "to be entrusted with the payment of the men of the A Division and School (in direct contravention of orders) as well as the audit of the same (their Pay Bills)"? It will be observed that, in awarding punishment, the Judge took into consideration "that the woful want of check in the office subjected him to a temptation which it was not fair to put on him": a systematic swindler escaped condign punishment in consequence of gross laxness and persistent neglect of his superiors.

13. So far as the responsibility of subordinates goes, the discreditable state of things brought to light is attributable to the Head Quarter Inspector, Mr. Williamson. His position and duty required him to hold a responsible control over all money transactions, to watch and check all receipts, disbursements, bills, and vouchers, and also the accounts in general. He ought to have had the control of the cash-chest, subject to the Superintendent's close supervision. But Mr. Williamson "neglected", in the words of Captain Reid, "to supervise or in any way check his (Chatterpathy's) proceedings, notwithstanding that that Officer (Mr. Williamson) so far complied with the regulations as to initial, for form's sake, the daily totals of expenditure, of which, however, he was confessedly ignorant and heedless." The Court remarked that the facts showed "unmistakably that independent control was exercised by the prisoner;" and, animadverting on the "carelessness which Mr. Williamson has exhibited in all matters connected with the control of the Pay and Account Department (of his office)", the Court found him on the evidence before it "totally neglectful of his duty." He (Mr. Williamson) appears, remarked the Court, "to have been simply passive, and to have signed or initialled all that was put before him, blindly relying on the prisoner, and exercising no sort of control upon either the expenditure or the accounts. The prisoner has, in short, been Treasurer, Accountant, Paymaster, all in one." All this, of course, indicates an almost incredible degree of heedless inefficiency on the part of Mr. Williamson; but no want of integrity has been established or is suspected. He has been reduced and sent to a less responsible berth.

14. The point to decide is, who shall make good the deficiency—whether the Superintendent or the Head Quarter Inspector?

15. Mr. Williamson was not responsible for allowing the irregularities of having a running account with the Deputy Collector, or of making the pay of the Reserve part of the Cash Book transactions; but he should have observed, with respect to the latter, that the amount withdrawn on this account was greater than the amount lodged. Again, in respect to false bills and forged vouchers, Mr. Williamson was the proper person to check these frauds, and so also in respect to overcharge in contingent bills. Mr. Williamson might, therefore, be held pecuniarily responsible,

and had Captain Robinson been reasonably careful, and exercised even ordinary supervision and check, I should have advocated this course.

16. But this was not the case. Captain Robinson thoroughly trusted Chatterpathy, and this led an easy-going, weak man, like Mr. Williamson, to do the same. He cannot have been ignorant that, practically, the finance transactions of his office were entirely in the hands of Chatterpathy, and I attribute the long continued course of successful villany which was pursued unchecked in the office at Kurnool to the inexplicable remissness of Captain Robinson. He permitted irregularities and departure from instructions in various ways, and thereby gave an opening for frauds to be practised. He failed to supervise and make his subordinates do their duty. Even when he found cause in December 1865 to doubt the integrity of his subordinate (Chatterpathy), Captain Robinson failed to report fully and fairly on the subject, or to take measures to bring Chatterpathy (as has since been done) to justice, although he was in the country until April 1866.

17. I regret that the circumstance of Captain Robinson being in Europe precludes my submitting with this any explanation that Officer may have to offer. There is some doubt as to whether Captain Robinson's signature has not been forged by Chatterpathy in the false bills. I purpose sending the bills to Captain Robinson, to ascertain this point.

18. I recommend that Captain Robinson, now in England, be held responsible for the sum ascertained to have been made away with, less the amount of Chatterpathy's security (Rupees 200) and interest thereon, and 500 Rupees the fine imposed (as a refund of property stolen from the Superintendent) in addition to one year's rigorous imprisonment. This, I have little doubt will be paid in April 1868. This will leave a balance due

	RS.	A.	P.
Defalcations, (Paragraph 4)...	903	13	4
Less Security deposit, &c. ...	220	13	5
	CS2	15	11
Fine...	500	0	0
	182	15	11

N. B.—I recommend that this sum (500 Rupees) stand in the account to the debit of Captain Robinson until 1st May 1868, when it will be ascertained whether it will be paid by Chatterpathy or not. A sick Officer in Europe cannot conveniently spare £50.

of Rupees 182-15-11. I hold at present Rupees 243-8-9 remitted by Captain Robinson, the balance of which might be refunded on the fine being paid. Previous to trial for embezzlement by the Session Court, Chatterpathy was tried by the Magistrate for absconding, and sentenced to three months' rigorous imprisonment and fine of three months' pay.* This is practically connected with the same case, so that there has been no loss to the State by the frauds of this servant. Captain Robinson will not return to Kurnool.

* Rupees 360.

19. I do not see any grounds for altering the tried practice of the Department, in respect to a small cash-chest being kept in each office, as recommended by Captain Reid. The present system works well, and obviates much accounting in the Collector's office. Of course, the most perfect system can be defeated. Forgeries and frauds will occur if aided by neglect, such as has occurred on the part of responsible Officers in Kurnool. These rogueries arose chiefly from local circumstances, not from defect of system.

20. The suggestion of the Judge, in paragraph 20 of his decision, may be adopted without inconvenience, and with some advantage. This will be done.

21. In conclusion, I must mention Captain Reid very favorably, for the way in which he has detected and conducted the prosecution of this serious offence; and also Subba Row, Head Quarter Inspector of Bellary, for the diligence and ability with which he unravelled these frauds of a very clever and unscrupulous person.

22. I regret the delay that has occurred in reporting finally on the case to Government. None occurred in tracing and working out the case, but the remissness and final departure of Captain Robinson to England, the absconding of the delinquent after destroying much documentary proof, change of Officers, and the intricate nature of the inquiry, all tended to delay the committal of the case. The trial was adjourned by the Session Court, and was only closed on 30th April. The recess prevented my obtaining the Court's decision, which has only now reached me.

From Captain J. B. REID, Superintendent of Police, Kurnool, to the Deputy Inspector General of Police, Central Range; dated Nundial, 29th May 1867, No. 246.

In forwarding, for the information of the Inspector General, the accompanying copy of Calendar in Case No. 6 of 1867, on the file of the Session Court of Nundial, I have the honor to report that the several sums quoted as items of defalcation in the different counts of the indictments, under Sections 409, 467, and 471, Indian Penal Code, against late Inspector Chatterpathy, do not form the whole of the embezzlements which have been traced to that Officer, but were merely taken as representative sums, showing the system he followed in the falsification of accounts, and the misappropriation of cash-chest money, during a period extending from March 1864 to the end of December 1865.

2. From close examination of the office Cash Book and the Accounts Current, it has been found, that, as far back as March 1861, Inspector Chatterpathy first began his course of fraud, by entering on the payment side of the Cash Book fictitious items of disbursement, to cover or account for sums which he withdrew from time to time from the cash-chest, of which he had virtually uncontrolled command, from the neglect of the Head Quarter Officer Inspector to supervise, or in any way check, his proceedings, notwithstanding that that Officer so far complied with the regulations as to initial, for form's sake, the daily totals of expenditure, of which, however, he was confessedly profoundly ignorant and heedless.

3. In a District Police Office cash-chest there is generally money which comes under the head of what is technically termed "other sources," for the most part made up of pay of men; cost of private guards; price of articles lost, damaged, or to be indented for on payment, and so

on ; besides the account current money proper, or permanent advance allowed by Chief Office. Moneys coming under either of these heads being only received for specific purposes, it would not be possible for a fraudulent Accountant to continue to withdraw money on false pretexts for any length of time undetected, without either repaying in cash with false entries on the debtor side of Cash Book, obtaining credit in account current for fictitious expenditure, and so lessening the amount of the permanent advance standing against him, or by obtaining command of money remaining either permanently or temporarily unclaimed in his hands.

4. Inspector Chatterpathy had recourse to all these expedients. Some sums he replaced by fictitious entries on the debit side of the Cash Book, at the same time returning the money into the cash-chest ; other sums he covered by passing false bills for sandals, supported by forged vouchers. He had a permanent advance of unclaimed money in the shape of sums, which, under the rules, had lapsed to the Superannuation Fund ; and he had a temporary, and constantly increasing, supply, in the current account which was kept with the Deputy Collector in charge of the Treasury, an account which, by the way, could not be wholly avoided. These moneys formed his Bank, which only broke when, on the introduction of the new system of payment, the Deputy Collector made a demand for prompt settlement of all unadjusted advances. These amounted at the time to Rupees 456-7-2 ; and Inspector Chatterpathy was then found a defaulter to the extent of Rupees 107-10-0.

5. The above are the main features of the embezzlement ; and, with reference to them, as directed by the Inspector General, I remark that gross carelessness on the part of the Head Quarter Office Inspector, who ought to have verified the daily totals of expenditure in the Cash Book before he initialled them, was the prime cause of the successful continuance of the frauds for such a length of time. I am quite at a loss to explain the success of the forgeries. No doubt, as is remarked by the Session Judge, the Superintendent might have been blinded by the forged vouchers attached to the bills, though I cannot help thinking that the Superintendent's signature also is forged. Chatterpathy is known to have practised imitations of it.

Again, Inspector Chatterpathy, from the beginning, united in himself the functions of both Cashier and Auditor ; while a third and potent cause of the success of the frauds is, no doubt, to be found in the ease with which it is possible to play upon the "other sources." Whenever the balance of cash in hand did not make up correctly in the Accounts Current at the end of a month, it was only necessary to strike out a few of the sums which ought to have been entered in the list on page 1 of the Account Current, or to add some imaginary ones as the case might be. This had been done to an extraordinary extent in every Account Current from March 1861 to December 1865. It could not have been done, of course, had the lists been carefully compared with the Cash Book ; but such comparison is tedious, and very likely to be imperfectly done in press of other business. Moreover, the list shown in one month's Account Current is only a partial check on the list shown in the succeeding month, as it is merely a note of sums remaining at the close of the month, and does not show sums which may have been received and again paid in the interval.

6. The Session Judge remarks on the want of check on "other source" moneys, and recommends a balance sheet, or something like the form used for account current money. In my opinion, the simplest remedy is merely to forbid any such money to be kept in hand at all. It can very well be lodged in the Treasury, and drawn when wanted, or remitted to any part of the District, if that be required, in the usual way, without cash being drawn. It is easy to go one step further, and abolish District Police Office cash-chests altogether. There is no real necessity for them. A cheque book and a balance in the Treasury is all that is needed, and would save Government some little risk, and Officers much trouble and anxiety ; while the addition to the work of the District Treasury Officers would be very slight, if any.

7. Among the minor features of Inspector Chatterpathy's embezzlement case must be remarked the fact, that, for several months, he was entrusted with the payment of the men of the A Division and School, as well as with the audit of the same, during the absence of the Reserve Inspector on sick leave. His opportunities arising from this cause were further increased by his being allowed, through oversight, I presume, to enter the A Division and School pay in the Cash Book, upon which he then drew, monthly, sums varying from 10 to 90 Rupees more than was due for these purposes. He did not steal the men's pay, but, having mixed it up with other money in the Cash chest, he took out more on pretence of paying the men than he had put in. The sums misappropriated in this manner form the second count of the indictment, under Section 409, Indian Penal Code.

8. Inspector Chatterpathy's security money with interest, and pay remaining due to him, amounting in all to Rupees 220-13-5, and the security money (Rupees 500) of Inspector Williamson, are the only assets we have to set against the defalcations which are :—

"OTHER SOURCES."

	RS.	A.	P.	RS.	A.	P.
Due Deputy Collector in charge of Treasury on						
account of unadjusted advances.....	407	10	0			
Lapsed to Superannuation Fund.....	85	13	5			
				493	7	5

"ACCOUNT CURRENT."

Passed on false bills.....	312	4	0
Overcharged in contingent bill..	98	1	11
	<u>410</u>	<u>5</u>	<u>11</u>
Total.....	903	13	4

The above is the total of known defalcations, and, with one exception, these are all sums either entered on the debtor side of the Cash Book, but never paid for the purposes specified in the debit entry, or sums taken to credit by passing false bills. The exception I refer to is where Rupees 75 is charged on a false bill for sandals, and boldly entered on payment side of the Cash Book, as disbursed for the same purpose. It is obvious that there may be many other similar entries, which it is not now possible to detect. It is not likely that so accomplished a swindler as Inspector Chatterpathy would have omitted to take every advantage of a method of embezzlement so little liable to detection in an Office where he had every thing his own way, and so difficult of detection afterwards, not being apparent from any amount of comparison of Cash Book with accounts current and contingent bills, because entered duly and regularly in all.

9. In conclusion, I beg again to recommend to the consideration of the Inspector General the entire abolition of District Police Office cash-chests. I should be very glad, instead of mine, to have a cheque book and a balance in the Treasury.

P. S.—Inspector Subba Row's very valuable services in the re-arrangement of our confused accounts is deserving of some recognition. His evidence at the trial materially contributed to the success of the case for the prosecution. His balance sheet is in a very slight degree incorrect—that from mere oversight ; but the system on which he worked, and the rapidity with which he brought his laborious duties to a conclusion, are highly creditable to him.

Proceedings of the Madras Government, Judicial Department,
27th July 1867.

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Number of the Case.	Name and description of the accused.	Copy of the charge or substance of the complaint.	Name of complainant.	Names of witnesses for the prosecution.	Names of witnesses for the defence.	Statement of the evidence and grounds of conviction.	Finding and sentence.	Date of offence.	Date of complaint.	Date of apprehension or appearance.	Date of commencing trial.	Date of sentence.	Explanation of delay.
6 of 1867.	C. Chatterpathy Moodelly, late That, Inspector of Police.	1st Count.—That, having, in his capacity of a public servant, been entrusted with property, to wit, Rupees 50, the property of Government, he committed a criminal breach of trust in respect of the said property, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.	Regina.	1. Captain J. B. Reid. 2. Venkatrayalu. 3. Sarandharaj Khan. 4. Mr. Williamson. 5. Mr. Varidon. 6. Isaf Saib. 7. Raja Mahomed. 8. B. Venkatrayu. 9. P. Venkatrayu. 10. Narasimlu Naidu. 11. Gorantlagadu. 12. P. Venkatigadu. 13. Nagadu. 14. C. Venkatigadu. 15. Srinivasachary. 16. Nabisaib. 17. Rama Row. 18. P. Rungu Row. 19. Hosur Subba Row.	1. H. Subba Row. 2. Subbramanin. 3. Balaram. 4. Venkatasamy Naidu. 5. Hanumanta Row. 6. Ginnada Row. 7. Mr. Williamson.	1. The prisoner is charged with from the criminal breach of trust, and with C. Chatterpathy isguil. fraudulently using of the offences spe as genuine documents in all the counts, which he of the indictment, knew to be forged, namely, that, having, 2. He plea in his capacity of a "not guilty," upon public servant, been all the counts, as entrusted with certain setting that he had property of Government, he committed neither control over, criminal breach of trust in respect of the nor access to, the said property; and that he fraudulently cash-chest, except used forged documents as genuine which he under the eye and knew to be forged documents; and that he direction of the thereby committed offences punishable under Head Quarter In-Sections 409, 467, and 471 of the Indian spector, and that Penal Code; and the Court directs that he he had no further prisoner C. Chatterpathy be kept to rigorous connection with the imprisonment for one year, and pay a cash-book and other fine of 500 Rupees, with six months' accounts than as a similar imprisonment additional in default.		15th April 1867.	9th March 1867.	27th Feb. 1867.	20th Jan. 1867.	15th April 1867.	

the prisoner C. Chatterpathy, on or about the 15th October 1864, committed criminal breach of trust in respect of the said property, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

2nd Count.—That, having, in his capacity of a public servant, been entrusted with property, to wit, Rupees 241-9-5, the property of Government, the said prisoner, on or about the 1st August 1864, and 28th February 1865, committed criminal breach of trust in respect of the said property or a part of it, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

3rd Count.—That, having, in his capacity of a public servant, been entrusted with property, to wit, Rupees 241-9-5, the property of Government, the said prisoner, on or about the 1st August 1864, and 28th February 1865, committed criminal breach of trust in respect of the said property or a part of it, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

4th Count.—That, having, in his capacity of a public servant, been entrusted with property, to wit, Rupees 241-9-5, the property of Government, the said prisoner, on or about the 1st August 1864, and 28th February 1865, committed criminal breach of trust in respect of the said property or a part of it, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

the prisoner C. Chatterpathy, on or about the 15th October 1864, committed criminal breach of trust in respect of the said property, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

2nd Count.—That, having, in his capacity of a public servant, been entrusted with property, to wit, Rupees 241-9-5, the property of Government, the said prisoner, on or about the 1st August 1864, and 28th February 1865, committed criminal breach of trust in respect of the said property or a part of it, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

3rd Count.—That, having, in his capacity of a public servant, been entrusted with property, to wit, Rupees 43-6-4, the property of Government, the said prisoner, on or about the 29th April 1865, committed criminal breach of trust in respect of the said property, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

Proceedings of the Madras Government, Judicial Department,
17th July 1867.

wit, Rupees 43-6-4, the property of Government, the said prisoner, on or about the 29th April 1865, committed criminal breach of trust in respect of the said property, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

4th Count.—That, having, in his capacity of a public servant, been entrusted with property, to wit, Rupees 100-0-0, the property of Government, the said prisoner, on or about the 31st May 1865, committed criminal breach of trust in respect of the said property, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

5th Count.—That, having, in his capacity of a public servant, been entrusted with property, to wit, Rupees 12-4-0, the property of Government, the said prisoner, on or about the 2nd June 1865, committed criminal breach of trust in respect of the said property, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

6th Count.—That, having, in his capacity of a public servant, been entrusted with property, to wit, Rupees 100-0-0, the property of Government, the said prisoner, on or about the 14th September 1864, committed criminal breach of trust in respect of the said property, and that he thereby committed an offence punishable under Section 409 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

7th Count.—That the prisoner, on or about the 7th July 1864, fraudulently used the forged bills of the Mounted Police. Sarandharaj Khan (3rd witness), the bill marked (X) as genuine, knowing it to be forged, and that he thereby committed an offence punishable under Sections 467 and 471 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

8th Count.—That the prisoner, on or about the 7th August 1864, fraudulently used the forged bill marked (W) as genuine, knowing it to be forged, and that he thereby committed an offence punishable under Sections 467 and 471 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

9th Count.—That the prisoner, on or about the 26th October 1864, fraudulently used the forged bill marked (O) as genuine, knowing it to be forged, and that he thereby committed an offence punishable under Sections 467 and 471 of the Indian Penal Code, and within the cognizance of the Session Court of Nundial.

Committed by A. Sudarshana Row, Deputy Magistrate of Kurnool.

her 1864. The Rupees 50 must, therefore, be either a *bona fide* expenditure, overlooked and still outstanding, or a defalcation, and that it is a defalcation is made clear by the fact that the expenditure is not covered by a corresponding entry on the debit side, and yet the balances correspond. The 19th witness explains very clearly the way in which charges are adjusted and entered. "The cash balance," he says, "in the account current, plus the balance of other sums, ought to correspond with the cash balance of the Cash Book." The Cash Book shows an expenditure of Rupees 123-12-10 on one side, while only Rupees 73-12-10 is entered on the other. How were the balances to be preserved? The mode adopted (see evidence of the 1st and 10th witnesses) was this—a smaller balance of cash in hand was shown than was proper, and this again was done by omitting the amounts required from what is designated "other sources." These latter are sums held temporarily in deposit, for which the office has not to account to the Chief Office in Madras. They are entered separately on the first page of the account current, but there is no separate

rate debtor and creditor account kept in respect to them, and it is only by gleaming the information from the Cash Book that it can be ascertained how money received under this head is disposed of. With this difficulty of exercising a proper check, there must be constant opportunity for tampering with the balances. Some of the items such as "pay to Constables", &c., in deposit, could only be available for a time perhaps to temporarily cover a deficit at a time when the balances had to be adjusted, but pay due to men deceased or discharged, cost of articles lost, and such like, might disappear altogether without much danger of the balances. The 19th witness, who is the Bellary Head Quarter Inspector, and has the appearance of being an efficient and trustworthy Officer, was deputed by the Inspector General to go over the accounts for the years 1864-65. This occupied him three months.

He states that many of these "other sums" have improperly disappeared from the accounts, and thus made to cover defalcations on the credit side. He cannot state precisely how this particular sum of Rupees 50 was covered, but can point out the *whole* of the defalcations on the one side, and all the omissions from "other sums" on the other. The account for March 1864 (exhibit Z Z) was selected at random, and he shows what sums are omitted from it which ought to have appeared. It was not thought necessary to enter further into these, though the prosecutor was prepared to do so, as the investigation would have been protracted to an indefinite period, without any material advantage. It was accordingly intimated that it would suffice if in this and other similar cases he could prove defalcation, for if he could show the possibility of withdrawing the money without destroying (i. e. ostensibly) the balances, it was comparatively immaterial how it was done. In regard to this 1st charge, looking to the 3rd witness' sworn testimony that he received Rupees 73-12-10 only; to the improper disappearance of the remaining Rupees 50 from the account current, without being recovered and replaced on the debit side of A; and to the significant fact that the balances still correspond (which would not have been the case if the expenditure had been *bona fide*), I can come to but one conclusion, viz., that there is a clear case of fraud against the person whose immediate and responsible duty it was to prepare the cash accounts and to control the expenditure, and this person, as I shall show below, can be none other than the prisoner.

6. *2nd Charge*.—The sum here stated to have been misappropriated is made up of six different items, and amounts in all to Rupees 241-9-5. (1st Item).—In A there is an entry to debit, under date 6th August 1864, of Rupees 1536-0-8, for pay of the Reserve for July. On the same date, and on 11th idem, there are entries to credit on this account, amounting to Rupees 1418-7-8, that is to say, there are Rupees 92-7-0 on the expenditure side uncovered by a corresponding entry on the debit, and yet the balances agree. It will be seen from G 1, the audited pay-bill, that the exact amount required was drawn from the Treasury. The prisoner has been in the habit of keeping Goshwaras in Telugu, showing stoppages of pay and other such particulars, and a number of these might have been of use in giving details of lump sums, appear to have been made away with from the Superintendent's Office at the time the inquiry was set on foot. Here it would have been satisfactory to know how the sum of Rupees 1418-7-8 was made up. The pay of the Constables named in A in the entry of the 11th is included in the pay bill, and it would thus appear as if it was twice entered under expenditure. Whether this was so cannot now be ascertained with certainty. It is sufficient to know that the whole Rupees 92-7-0 is *fictitious*. It is clear that when the entries to credit in respect to any particular item are larger than the corresponding entries to debit, the total balances must be, *pro tanto*, thrown out, and equilibrium can only be restored by in some way (such as that noticed above) making a corresponding deduction from the amount for which the cash-chest has to account. The above item cannot be a *bona fide* payment, because, first, it is in excess of the amount shown by the pay abstract to be required, as well as of that drawn for disbursement under this head, and because, secondly, if it had been *bona fide* expended and somehow left unadjusted, the balances would not have corresponded. (2nd Item).—This is precisely similar in form to the 1st, the amount, Rupees 36-1-0, being derived from similar fictitious entries, as will be seen on comparing the August pay bill (G 2) with the Cash Book entries for September 1864. (3rd Item).—Here, also, there is an excess of so-called expenditure amounting to Rupees 25-7-0, uncovered by entry on the debit side, and uncorroborated by the pay bill (G 3.) (4th Item).—A comparison of the entries in the Cash Book (p. p 186-187), referring to the pay for October shows that Rupees 0-6-5 more was taken from the Cash-chest than was required for the purpose to which it purported to be applied. (5th Item).—The December entries (p. 196) show receipt on account of school pay, amounting to Rupees 761-12-0, and expenditure on this account, and for purposes properly included under this head, amounting to Rupees 775-6-9, or Rupees 10-10-0 in excess. In those connected with the pay of the Reserve, in the same page, we have Rupees 1357-1-6 debited or received, and Rupees 1372-8-6 credited or paid out—an excess of Rupees 15-7-0, or a total excess and defalcation of Rupees 26-1-0. (6th Item).—The entries on p. 202, referring to the January pay, show a similar defalcation, amounting to Rupees 61-2-0, the credit under this head being Rupees 1381-6-3, the debit only Rupees 1323-3-3. In all these cases the balances are made to correspond.

7. *3rd and 4th Charges*.—The two entries of Rupees 49-6-1 on the credit side of A, under date 29th April and 31st May 1865, are fictitious. If these sums had been *bona fide* expended, they would have appeared in the accounts current for those months (K 1 and J 1), but they do not. The Hazoor 2nd English Clerk (18th witness) deposes that no such sums were received in the Treasury for remittance, and produces his English Pay Books (W W-X-V-V), in cor-

roboration of his statement. The Head Accountant (17th witness) also produces his Telugu account for April (T T), written by himself, showing that the first of the above sums was not received. The Inspector of the Assistant Superintendent's Office (10th witness), to whom these payments purport to have been made, corroborates this. There is no entry of these amounts in his accounts current for May and June (K 2-3).

8. *5th Charge*.—An entry in A, dated 2nd June 1865, shows an expenditure of Rupees 13-8-0, being balance due for 98 pairs of sandals, at 12 Annas per pair, after deduction of Rupees 60 previously advanced. Thus, the total was Rupees 73-8-0. The bill in prisoner's hand-writing (R), in support of this charge, is made out at the rate of 14 Annas per pair, and amounts to Rupees 85-12-0. This increased amount appears in the account current for July (S, in the 2nd column, to be *adjusted by bill*, and in that for August (T) in 1st column as *adjusted*. By thus getting a larger amount passed than was entered in A on the expenditure side, opportunity was afforded to make away with the difference—in fact, simple misappropriation of this difference had just the effect of making the balances agree. It is proper to notice here that the evidence of the 2nd witness, who has charge of the Store Department, is not available in this count, as he was absent at the date of the purchase. The annual statement, moreover, for 1865 was not prepared by prisoner. I cannot, however, reconcile the preparation of a bill for a larger amount than that entered as spent, and the fact of the balances corresponding notwithstanding, with any other supposition than that the bill was purposely and fraudulently drawn out, so as to cover both the real charge entered in A, and a further misappropriated sum of Rupees 12-4-0.

9. *6th Charge*.—The sum of Rupees 100 entered in A, under date 14th September 1865, would, if *bona fide* sent to the Treasury, as stated, have appeared in the account current for September (I 3) in the Treasury Day-Book (R R), and in the sub-division account current (I 1). It appears in none of these accounts, and the writers (9th and 10th witnesses) of the latter two depose that this sum was not received by them. The 1st witness states that the Treasury receipt given for the remittance made on this date is not to be found.

10. *7th, 8th, and 9th Charges*.—These charges must, to some extent, be dealt with together. (7th Charge).—Here we have an entry on the credit or payment side (p. 167) of Rupees 75 for 100 pairs of sandals. This is duly entered in the accounts current for July (C) and September (E)—in the former as an amount to be adjusted by bill, in the latter as adjusted. The bill (L) in prisoner's hand is put in, and attached to it is a voucher (V) which purports to be the chucker's receipt. The reasons for believing V to be a forgery, and the entry to be fictitious, will be given further on. (8th Charge).—At page 173 of A, on the credit side, is an entry of Rupees 12-12-0 for 17 pairs of sandals. In the account current for the month (L), instead of this sum, appears Rupees 87-12-0 for 117 pairs, to be adjusted by bill. In that for October the charge appears as *passed*. The expenditure is supported by the passed bill (M) and receipt attached (W), but Rupees 75 of the amount does not appear on the credit side of the Cash Book, and is fictitious. (9th Charge).—In this case a sum of Rupees 150 for sandals was passed on a bill (N) supported by a so-called receipt (O). The transaction is duly entered in the accounts current for October (I 1), November (P), and December (Q), but no where appears on the payment side of the Cash Book.

11. The 2nd witness, who is the Store Inspector, deposes that he has charge of that department; it is he who orders the sandals, settles the price with the chucker, pays them, and takes their receipt. He states that the whole of the sums entered in V and O, and Rupees 75 of that in W, are fictitious, and that no sandals were received for those amounts. His Telugu accounts (A A and C C) bear him out in this. It was the prisoner's duty and practice to prepare in English the annual statement, for transmission to the Chief Office in Madras, and this statement is based upon the Telugu store account. His statement for 1864 (X) gives a total of 1559 pairs of sandals made up in the district; the Telugu accounts show only 1159, or a difference of 400, which is exactly the number making up the total in connection with these three charges, viz., under 7th charge, 100; under 8th, 100; and under 9th, 200. Then, in regard to the vouchers themselves, the prisoner's own brother (his 2nd witness) admits that the signatures in W and O are in prisoner's own hand, and the evidence shows that the English part (though not the signatures) of V is also by him. The 2nd witness (for the prosecution) adds that of the men named in V and O, two, Govindagata and Ramudu, never supplied sandals to the Police Force, and that he remembers that the 17 pairs referred to in the 8th charge were supplied by one man—Marigadu, he thinks, or Fakirgadu. W contains 4 names, but not either of those just given. The prisoner offers no evidence on the subject. The parties being fully free from risk of detection. The 19th witness explains very clearly how the amount of a passed bill is made available. The result of a bill, false or true, being *passed* is that its amount disappears from the account current as adjusted, and is deducted from the permanent advance—in other words the cash-chest has to account for so much less. There is always a standing advance on the left side of A, and an entry on the right side kills a corresponding amount. In the 7th charge the expenditure is fictitious, and the amount of the bill has been misappropriated. The other two cases are different. Those sums do not appear in the Cash Book under the head indicated in the passed bills and vouchers; they must, therefore, have appeared in some other shape (equally fictitious of course), for, if they had not, the book would not have balanced. Looking then to these considerations, to the evidence of the 2nd and other witnesses, and to the fact

17th July 1867.

that taking receipts was no part of the prisoner's duty, I have no hesitation in coming to the conclusion that these vouchers were fabricated for the purpose of blinding the Superintendent of Police, and obtaining his signature to the bills.

12. We come now to the consideration of the general evidence showing the prisoner's connection with these transactions. He states his duties to have been to prepare the Criminal Ledger and Criminal Statistics, to carry out the orders of the Head Quarter Inspector, and to *fair copy*. The Inspector General, on the other hand, defines the duty as follows:—(Vide U, p. 1) "The 2nd Office Inspector must be a *practised Accountant*. He will have immediate charge of the Pay and Expenditure Department. He will check all pay and contingent bills, and keep the account current. He will also supervise the accounts and indents of the Store and Clothing Department, the executive duties of which are conducted by the European Inspector of the Reserve."

13. The evidence of the Reserve Inspector (2nd witness), of Mr. Varion who is also an Inspector (5th witness), of the two office orderlies (6th and 7th witnesses), and of Nabisaib who had more to do with the locking, sealing, and opening of the cash-chest, and the actual disbursements, than any one else, shows that the prisoner was in the habit of paying the Reserve, and of making payments generally, and that he did this of his own authority. It may perhaps be doubtful whether all the names of Reserve men who could not write were entered by the prisoner himself. It is possible that the 10th witness and others have been mistaken in some of them, and have attributed to prisoner a number which was written by his brother, the land-writing of the two being remarkably similar; though, of course, there is the suspicious fact that the brother, while asserting that he made some of the signatures in the July pay abstract, admits that he was absent on leave from March to September. But a sufficient number of these signatures are by prisoner to indicate that he was much, probably principally, connected with these payments. He admittedly sealed the cash-chest daily with his own ring. The keys appear to have been always kept at night by the Head Quarter Inspector, for the purpose, it is said, of preventing access being had to the chest, except during office hours, the prisoner's seal was, however, meanwhile on the padlock.

14. The prisoner, naturally enough, attaches importance to the fact that Mr. Williamson, the Head Quarter Inspector, gave a receipt for the cash balance when he received charge of the office from his predecessor, and has never formally, *i. e.* by a similar document, been relieved of liability, and he adds that he (prisoner) never received charge of either money or accounts. He argues from this that Mr. Williamson had sole responsible charge, but this inference must of course, give way before facts showing unmistakably that independent control *was exercised* by prisoner. I conceive this to be just another instance of that carelessness which Mr. Williamson has exhibited in all matters connected with the control of the pay and account department. The prisoner is unquestionably right when he says that by initialling or signing these accounts Mr. Williamson made himself responsible for their correctness, and could be made to account for deficiencies; but we are not at present directly concerned with this. It is the *fact* we have to fix upon the proper person. It is perfectly clear that Mr. Williamson either was himself the guilty party, or was totally neglectful of his duty, and I think the whole tenor of the evidence goes to show him to have been culpable in the latter degree only. He appears to have been simply passive, and to have signed or initialled all that was put before him, blindly relying on the prisoner, and exercising no sort of check or control upon either the expenditure or the accounts. The prisoner has, in short, been Treasurer, Accountant, and Paymaster, all in one.

15. The prisoner asserts that a rough Cash Book, in the form laid down by the Inspector General, in p. 4 of the Circular Memorandum attached to the fly-leaf of the Cash Book, was all along kept by Mr. Williamson. The latter however, the Reserve Inspector, and the 5th witness declare positively that no such book was kept till December 1865, and the 6th and 15th witnesses, who are respectively office orderly and Superintendent's Moonshie, never saw such a book. All of these were in a position to know what the practice was. The prisoner's object, of course, is to show that Mr. Williamson kept the cash accounts, while he (prisoner) merely paid out money as a subordinate, and *copied* the items from the rough into the fair Cash Book. The evidence he adduces upon the point is vague and too meagre to be of much value. His 2nd witness deposes that such a book *was* kept, but he does not know English, and can give no particulars regarding it. He also contradicts the 7th witness for defence, when speaking of the use to which it was put and the mode of entering items in it. He is prisoner's younger brother. The prisoner's 7th witness states that the cash-chest was only opened with Mr. Williamson's permission, and twice adds that no payments were made in his absence. He then goes on to say there was a rough Cash Book kept, in which *all* payments were entered by Mr. Williamson when there, by prisoner at other times, which must be taken to imply that Mr. Williamson was *not* always present. He also, lower down, again speaks of payments being made when Mr. Williamson was absent. But it will suffice to remark here that this witness exhibited such a marked bias, and gave his deposition in a manner so suspicious as to deprive his evidence of any value it might otherwise have possessed. The 3rd defence witness, who was a sort of Moonshie to Mr. Williamson between 1863 and 65, deposes as follows:—"I never saw any other rough Cash Book but the one now shown me (A). I don't know whether there was a rough Cash Book, or whether this only was kept. * * * There has been a rough Cash Book kept for some time, perhaps a year and a half; I never saw one before." This exactly accords with the case for the prosecution. In December 1865, when it became known that some-

thing was wrong, Mr. Williamson was directed to assume charge, and from that time a rough Cash Book has been kept, but *before that, i. e.*, during the years in which these defalcations occurred, it is denied that any existed. The evidence of the 6th defence witness is not of much importance, as he only entered the office a few days before the cash-chest and books were formally placed in Mr. Williamson's charge. He, however, states that, during that short interval, he on one occasion wrote in A the entries for several days, this being done in *prisoner's house* and at *his dictation*. I am not sure myself that some kind of memorandum, in addition to the Goshwaras above adverted to, must not have been necessary. The cash transactions are by no means numerous, and entries of receipts and disbursements might generally be made at the moment directly into A, but sometimes this might not be convenient, and some note must then have been made. This might have been in Telugu, and on scraps of paper not intended to be filed or retained; but whether or no, it is not shown, and (looking at the evidence) it is not probable that Mr. Williamson kept any rough Cash Book—one clearly ought to have been kept, and in English, but I do not see that it was his business to himself prepare it.

16. The prisoner lays stress upon the fact that he was often absent for days at a time, and on one occasion for several weeks, and he files the attendance book in proof of his statement. I do not doubt it. He argues that as he could not have made disbursements and kept the cash accounts at those times, Mr. Williamson must. This also is possible, though it is not shown that Mr. Williamson had recourse to the cash-chest. There is the significant fact in connection with the entries made during the prisoner's longest absence, the one chiefly relied on, that Mr. Williamson began *without a balance* on either side, and that the prisoner, on his return, cancelled all the entries, and himself wrote them afresh *headed by the proper balance*. The fact of money having been received and paid out is not irreconcilable with Mr. Williamson's denial that he opened the cash-chest, for no payments were made before the 6th September, and on that date Rupees 199-1-6 were received, a sum which more than covered all disbursements till prisoner returned.

17. The way in which the prisoner turned over the accounts and cross-examined as to the balances, &c., showed him to have a perfect acquaintance with the system of accounts. More than once when his Vakeel was maundering wearily over trivial points, he broke in with pertinent searching questions, and cross-examined the witnesses with an acuteness that would have done credit to a practised lawyer. It is inconceivable that a man like this, drawing a high salary, would be set down to collate reports, to prepare statistical tables, and to *fair copy*. The whole of A for the period embraced in these charges (with the exception of a few entries not exceeding a page in all) is written by him, and the daily totals bear his initials, as well as those of Mr. Williamson and frequently of the Superintendent. When questioned as to the letters C, C., he asserted that they stood for "*copied Chatterpathy*." On being then asked what the letters indicated on page 244, where the entries were made not by him, but by his 7th witness, he very ingeniously shifted his ground and said "Oh! on that page the letters mean *compared Chatterpathy*." I need, however, only observe that, for the 17 months between January 1864 and May 1865, the monthly balance sheet in A, the most important part of the account, was invariably signed by him in full—in 14 instances with in three without, Mr. Williamson's countersignatures. Between June and the end of 1865 no balance sheet was given. His 7th witness admits that the letters stand for prisoner's name Chokkampi Chatterpathy.

18. There are other minor points in the evidence which, but for the length to which this resumé has already run, I might have noticed, but I must leave these to speak for themselves. Enough has, I think, been said to show that prisoner and no other is the guilty person. Even if there had been a doubt as to his being the principal culprit, it would still be impossible to conceive how he, a sharp and practised accountant, could be unaware of what was going on.

19. In awarding punishment, I have taken into consideration the fact that the prisoner has already been deprived of his post, and is not likely to be again employed under Government. It is clear too that the woful want of check in the office subjected him to a temptation which it was not fair to put upon him.

20. Before closing, I deem it a duty to notice the fact that a number of the frauds now brought to light are directly attributable to the absence of any system of check in regard to what are styled "other sums" or "other sources." It is not for me to do more than point out the danger arising from this, but I would suggest whether, if the addition of a regular debtor and creditor account be thought undesirable, some such mode of entry as is prescribed for passed bills might not be advantageously adopted for these sums. A column might be opened in the 1st page of the account current, showing the items of the previous month's account which have since been paid off. The entry of the date of disbursement would facilitate reference to the Cash Book, and an effectual check would be established.

OOTACAMUND, 30th April 1867.

To the Superintendent of Police for his information.

(True Copy).

(Signed) L. FORBES,
Session Judge.

17th July 1867.

No. 187.

ORDER THEREON, 17th July 1867, No. 1133.

In the above letter the Inspector General of Police reports that a series of frauds and misappropriations have been discovered in the Police Office at Kurnool, and brought home to Chatterpathy, the Inspector in charge of the accounts. These fraudulent misappropriations extend over a considerable period of time during the years 1864 and 1865.

2. Chatterpathy has been convicted, on certain selected items, of embezzlement, and sentenced to rigorous imprisonment for one year, and to pay a fine of 500 Rupees, with six months' similar imprisonment additional, in default of payment of fine. The total amount of the embezzlements, so far as can be traced, is Rupees 903-13-4.

3. The means adopted by Chatterpathy for effecting this embezzlement were by fictitious entries in the Cash Book, by frauds in respect of wages of men in the Reserve, by false bills supported by forged vouchers, and by withholding payments into the Treasury due to Superannuation Fund, wages not paid, &c. Captain Robinson, late Superintendent of Police, suspected that something was wrong in the accounts of his Office in December 1865, but left for England in 1866, without clearing up matters, Chatterpathy still retaining his office as Accountant. As pointed out by Mr. Robinson, extraordinary facilities were afforded to the Accountant for practising these frauds, by his being allowed, most irregularly, to have virtually uncontrolled command of the Cash Chest, and uniting in himself the functions of Cashier and Auditor. This discreditable state of things was attributable chiefly to the Head Quarter Inspector, Mr. Williamson, who should have held responsible control over all money transactions, and have watched and checked all receipts, disbursements, bills, and vouchers, and also the accounts generally. This Officer should have had the control of the cash-chest, subject to the close supervision of the Superintendent. Although there is no suspicion that Mr. Williamson connived in the Accountant's frauds, he would appear to have entirely neglected the proper supervision of the accounts.

4. The Inspector General would have held Mr. Williamson pecuniarily responsible, but that he considers the lax system which prevailed in the Kurnool Police Office to be mainly attributable to the want of ordinary care shown by the Superintendent, Captain Robinson. The Inspector General states that Captain Robinson permitted irregularities and departure from instructions in various ways, and thereby gave an opening for frauds to be practised. He failed to supervise, and make his subordinates do their duty. Captain Robinson had reason, in December 1865, to doubt the integrity of Chatterpathy, the Inspector in charge of the accounts, but, from that date until his departure for England in 1866, he failed to report fully on the matter or to bring the Inspector to justice.

5. Captain Robinson should, therefore, in the opinion of the Inspector General, be held responsible for the defalcations, namely Rupees 903-13-4, less the amount of Chatterpathy's security (200 Rupees) and interest thereon, and 500 Rupees fine imposed on him, which will probably be recovered in April 1868. This will leave a balance due of 182-15-11.

6. On the first discovery of a minor discrepancy in the accounts, Captain Robinson remitted Rupees 243-8-9 to make good any ascertained deficiency; Chat-

terpathy was also fined 300 Rupees for absconding; so that, as pointed out by the Inspector General of Police, there will be no eventual loss to the State by these frauds.

7. Although concurring with the Inspector General of Police that the successful frauds practised by the Accountant are in a great measure due to the inexplicable remissness of the late Superintendent of Police in Kurnool, Captain Robinson, the Government resolve to defer deciding on the relative amount of responsibility for the repayment of the defalcation attaching to Captain Robinson and Mr. Inspector Williamson, until Captain Robinson's return from furlough, when he will have an opportunity of affording explanation. It seems probable that many of the signatures on false bills are forgeries of Captain Robinson's name.

8. In the report submitted by Captain Reid, the present Superintendent of Police at Kurnool, it is proposed by that Officer to guard against future fraud by abolishing entirely the present system of Police cash-chests, and that all moneys, hitherto kept in the Police cash-chest under the head "other sources," consisting of pay of men, cost of private guards, price of articles lost and damaged, account money proper (a permanent advance allowed by the Chief Officer &c., &c.), should be lodged in the Collector's Treasury, and that these moneys should be drawn as required by cheques on the Treasury, under the signature of the Superintendent. Mr. Robinson objects to this proposal, the present system of retaining a small cash-chest in each Police Superintendent's office having been found successful, and obviating much accounting in the Collector's Office, which would result from the adoption of Captain Reid's suggestion. The Government are disposed to believe that the additional labor which would devolve on the Collector's Treasury by the abolition of the Police cash-chests would be more than compensated by the greater security afforded against such frauds as have been practised in the Kurnool Police Office. They, therefore, request that the Inspector General of Police will, in communication with the more experienced Officers of the Mofussil Police, take Captain Reid's suggestion into further consideration.

9. The Government take this occasion to press upon the Inspector General of Police the advantage which would result from a reduction in the number of accounts kept in various branches of the Police Department. The system of accounting at present observed appears cumbrous, while it would seem to have failed in the prevention of long continued frauds, such as have been brought to notice in the case under review.

10. The Government will be glad to receive from Mr. Robinson a report on the best means of simplifying and improving the accounts of the Police, and suggest that this question, also may be referred, for their opinion, to those Officers whom the Inspector General may select to report on Captain Reid's proposal.

(True Extract).

Acting Chief Secretary.

To the Inspector General of Police.

„ Revenue Department.

Ed. J. H. Burns.

91
Jus^t DEPARTMENT.

No. 1127.

From The Inspector General of Police - Madras

Dated 24 June 1867.

FOR ORDERS.

The Inspector General sums up his report of this unpleasant matter by attributing the defalcation & embezzlement of Chatterjee to the irrefragable responsibility of Captain Robinson, late Superintendent of the Karnool District, and proposes to hold that officer personally responsible for the sum of Rs 903-13-4, which amount, so far as appears from an examination of the Head Quarter accounts, is the amount misappropriated by Chatterjee.

He finds no good reason for objection.

from the S. G's proposal, but I do not
think it honest to act on what Captain
Robinson, on his return from Fashang, has
had an opportunity of showing that a
personal responsibility does not attach to
him.

Captain Reed, the present Sup^t of Harrow,
and Jacoba Row, the Quarter Inspector
of Mellany are entitled to commendation
for the energy & diligence with which they
appear to have pursued the way for the
prosecution of Chatterbury; and to have secured
his conviction in the Sepoy case.

In para 9 of his com^d, the S. G intimates
that he does not see any ground for altering
the practice of the Dep^t in regard to the
retention in each Police Office of a small
departmental Cash (keir), as recommended
by Captain Reed in para 6 of his report to
the S. G.

My own belief is that Captain Reed's
suggestion is a valuable one & that, if
adopted, to the production of considerable

general convenience. A perusal of the
papers in the packet suffices to prove,
that, in the absence of such boxes, there would
have been an absence of many such fraudulent
acts as Chatterbury has been enabled to
commit because the box was present.
No doubt, also, as Captain Reed has
stated, the relief from the change of these
cash boxes, would be relief from much
trouble & anxiety & the probability of
money embarrassments. The S. General
objects that the present system operates
much accounting with the Collection Office.
It may be so, though it is obvious to remark
that a little more accounting of the kind
objected to, and the Chatterbury frauds
might have been prevented? Any how, it
is clear on reading these papers, that the
false Dep^t, like most other departments of
the State, is already clogged with a mass of
claim accounts which whatever they may be,
if not paid, or if they were inefficient to
prevent ^{check} Chatterbury's ^{fraudulent} ^{embarrassments}. It seems
to me that a young institution like our Police,

Should not in early years, be travelled by
a monster of its own creation. I would
therefore desire the S. General to bring
under his special consideration the accounts
now kept by his department with a view to
branches, with a view to determining whether they
are not susceptible of improvement or reduction
in bulk.

I would further request the S. General,
in coming with the most intelligent and
substantial of his Superintendents, to reconsider
the objection taken to Captain Reid's suggestion
for dispensing with cash chests and report
the result.

I propose this as the S. General's business, of
Captain Reid, proportion too much in the
"de volo, sic jussu" style, without meeting
the special reason on which Captain Reid
based it.

Yours.

W.D.

I agree with the views expressed above.
I would not doubt Mr. Robert's opinion with
what he has but an opportunity of expressing
himself. I would not doubt Mr. Robert's
what we have heard his opinion.
The Inspector General, shall report up the
local cash chests which shall be altered & reduced.

Indicial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter
from the Inspector General
of Police -

(Here enter 24th June 1867 No. 1051)

Order thereon No 1133 of 17 July 67

In the above letter the
Inspector General of Police
reports that a series of frauds
and misappropriations have
been discovered in the Police
Office at Purnool and
brought home to Chatterpaty
the Inspector in charge of
the Accounts. These fraudulent
misappropriations extend over
a considerable period of time
during the years 1854 and 1855.
2. Chatterpaty has been
convicted, on certain selected
items, of embezzlement and

W.D.

sentenced to rigorous imprisonment for one year and to pay a fine of 500 Rupees with six months similar imprisonment additional, in default of payment of fine. The total amount of the embezzlements so far as can be traced is 903-13-4.

The means adopted by Chatterpaty for effecting the embezzlement were by fictitious entries in the Cash Book, by frauds in respect of wages of men in the reserves, by false Bills supported by forged vouchers, and by withholding payments into the Treasury due to Superannuation Fund, wages not paid for Captain Robinson, late Superintendent of Police, suspected that something was wrong in the accounts of his Office in December 1865 but left for England

in 1866 without clearing up the matter. Chatterpaty still retaining his office as Accountant. Appointed out by Mr. Robinson, extraordinary facilities were afforded to the Accountant for practising these frauds by his being allowed most irregularly to have virtually uncontrolled command of the Cash Chest and uniting in himself the functions of Cashier and Auditor. This deplorable state of things was attributable chiefly to the Head Quarter Inspector Mr. Williamson who should have held responsible control over all money transactions and have watched and checked all receipts, disbursements, bills and vouchers and also the accounts generally. This Officer should have had the control of the Cash

Cash chest subject to the close supervision of the Superintendent. Although there is no suspicion that Mr. Williamson connived in the Accountants' frauds, he would appear to have entirely neglected the proper supervision of the accounts.

The Inspector General would have held Mr. Williamson pecuniarily responsible, but that he considered the lax system which prevailed in the Hurmool Police Office to be mainly attributable to the want of ordinary care shown by the Superintendent Captain Robinson. The Inspector General states that Captain Robinson permitted irregularities and departure from instructions in various ways and thereby gave an opening

Captain Robinson had known, in December 1865, to doubt the integrity of his Chatterpathy the Inspector in charge of the accounts, but from that date until his departure for England in 1866, he failed to report fully on the matter or to bring the Inspector to justice.

Rs 220. 13. 5.

for fraud to be practised. He failed to supervise and make his subordinates do their duty. Even when he found cause in December 1866 to doubt the integrity of his Subordinate Chatterpathy, ~~Captain Robinson~~ he failed to report fully and on the subject or to take measures to bring Chatterpathy to justice although he remained in the Country until April 1868. Captain Robinson should therefore in the opinion of the Inspector General be held responsible for the defalcations namely Rupees 903-13-4, ^{the amount} of Chatterpathy's security (200 Rupees) and interest thereon, and 500 Rupees fine imposed on him which will probably be recovered in April 1868. This will leave a balance due of 182-15-11.

Rs.

6 On the first discovery
of a minor discrepancy in
the accounts Captain
Robinson remitted Papers
213-8-9 to make good any
ascertained deficiency, Chal-
lenger was also fined 300
Papers for absconding,
so that, as pointed out
by the Inspector General
of Police, there will be
no eventual loss to the
State by these frauds.

Although concurring
with the Inspector General
of Police that the successful
frauds practised by the
Accountant are in a great
measure due to the in-
explicable remissness of
the late Superintendent
of Police in Hurmool
Captain Robinson the
Government resolve to defer
deciding on the relative
amount of responsibility

for the repayment of the ^{total}
-cation attaching to Captain
Robinson and Mr. Joseph
Williamson until Captain
Robinson's return from
furlough when he will
have an opportunity of
affording explanation. It
seems probable that many
of the signatures on false
bills are forgeries of Captain
Robinson's name. — See

8 In the report submitted by
Captain Reid the pre-
sent Superintendent of
Police at Hurmool it is
proposed by that Officer
that to guard against
future fraud ~~abuse~~
~~fraud~~ ^{by} ~~abuse~~ ^{by} ~~abuse~~ ^{by} ~~abuse~~
the present system of Police
Cash Checks and that
all monies, hitherto kept
in the Police cash chest
under the head other monies
consisting of pay of men

security afforded against such frauds as have been practised in the Thurnrool Police Office. They therefore suggest that the Inspector General of Police will, in communication with the more experienced officers of the Metropolitan Police, take Captain Reid's suggestion into further consideration.

The Government take this occasion to press upon the Inspector General of Police the advantage which would result from a reduction in the number of accounts kept in various branches of the Police Department. The system of accounts at present observed, appears cumbersome while it would seem to have failed in the prevention of long continued frauds such as have been brought

combons?

cost of private guards, price of articles lost and damaged, account money proper (a permanent advance allowed by the Chief Officer (yes, yes)) should be lodged in the ^{there} Collector's Treasury, ^{and that money} should be drawn as required ~~as required~~ by a cheque on the Treasury, under the signature of the Superintendent. Mr. Robinson objects to this proposal, the present system of retaining a small cash chest in ^{Police Superintendents'} each office having been found successful and obviating much accounting in the Collector's Office which would result from the adoption of Captain Reid's suggestion. The Government are of opinion that the additional labor which would devolve on the Collector's Treasury by the abolition of the Police Cash Chests would be more than compensated by the greater ~~expense~~

is known within N

brought to notice in the
case under review.

The Government will
be glad to receive from
Mr. Robinson a report on
the best means of simpli-
fying and improving the
accounts of the Police, and
suggest that this question
also may be referred for
their opinion, to those officers
whom the Inspector General
may select to report on Cap-
tain Reid's proposal.

W.H.

to the Insps Genl of Police }
" Caroline Departs } *depts*

Unapparent in
the office, it will

Chelms 1867-1868
12/1863.

Reuben Dwyer & Co.
of 4/10/69

March 17 July 1867.

186. 187.