L. & M.
000—28-10-97.

Local & Munl. (1898) Department.

MISCELLANEOUS.

G.O., No. 569 M

DATED 14-3-98

INDEXED.

DESPATCHED

[Despatch Abstract.]

Cannanore Municipal Accounts

Requesting, with remarks, the Accountant General to have the accounts of the Cannanore Municipality thoroughly examined, the Auditor being detained there for such period as may be necessary and to report the result to Government.

BACK PAPERS.

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

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
G.O.	3261	d/98					

L. & M.
300—2-12-97.

Detention of the Auditor at Cannanore for a thorough examination of the accounts of the Municipality

LOCAL AND MUNICIPAL DEPARTMENT.

Papers to be read in Proceedings:—

Again G.O., No. , dated 189 .

Again G.O., No. , dated 189 .

Current No. 872.2 of 1898, dated 17th February 98, from the Chairman Mc Cannanore

" " " 189 , " , "

" " " 189 , " , "

Secy.

Mis. ORDER. No. 569 Mis/98 14/3/98

Secy.

Please despatch this soon.
Sd/
14/3/98

The Accountant-General is requested to have the accounts of the Cannanore Municipality thoroughly examined, the auditor being detained there for such period as may be found necessary and to report the result to Govt. If the work takes an unusually long time and is likely to interfere with the audit of the accounts of the other municipalities, the Accountant-General may propose the appointment of a temporary auditor at the cost of the Cannanore Municipality.

2. The Govt. is pleased to note the testimony borne by the Collector

to the good work done by the present Chairman, Rt. Rt. Kunhambu.

V.R.
11/3/98

H. T.
H 38.

To The Chairman M.C. Cannanore
thro' the Collector of Malabar
.. .. Accountant General.

Ovpt 16/3/98

Local & Munl. (189) Department.

CURRENT No. 874/h

Forwarded
H. L. Humphrys
Sd. Asst. Collr
Zella
11/2/98

SECRETARIAT GOVERNMENT
23 FEB
LOCAL & MUNICIPAL DEPARTMENT

Forwarded
Collector
Order

From
The Chairman
Municipal Council.
Cannanore

No. 1933.

Dated 7th February 1898.
Received 23-2-98
Registered
Enclosures 6
Spare copies

8 FEB 98

COLLECTOR
14-FEB-1898
MALABAR

SUBJECT.

Applying for reasons stated within, to pass orders to depute the auditor at the Municipal Office, Cannanore for 2 months.

18/2 a 11/3/98

BACK PAPERS.

G.O.	No.	Department.	Date.
Lo	2380	Re	29-10-97
"	336	Ret	7-2-98
"	204	Ret	11-2-98
"	384	Ret	16-2-98
"	770	Re	22-6-98
"	569	Ret	16-2-98

FURTHER PAPERS.

G.O.	No.	Department.	Date.

No 1005. Received June 11 98

Cannanore.

From

The Chairman
Municipal Council
Cannanore.

To

The Accountant General
Madras.

Sir,

With reference to the audit notes on the accounts of this Municipality for 1895-96 and the replies thereto sent to the Inspector of Local Fund Accounts from this office on the 2nd December 97, I have the honour to state certain facts in connection with the state of this office and to request that you will be good enough to make the necessary arrangements to detain the Auditor when he comes here ~~next time~~ to inspect the accounts for 1896-97 for a period of two months or thereabouts so that a thorough scrutiny of all accounts may be made and to see whether other frauds than those already detected have been committed.

The audit notes referred to and the replies thereto must, I presume, have already enabled you to have a glimpse into the unsatisfactory state of affairs of this office, such as the practice of writing up the registers after the submission of the annual accounts and report and just before the audit, the nonadjustment of the advances for ~~the~~ several

Chairman

For President

G.O.	No.	Department	Date.

or theft of warrant books at the time of audit. There were two lists prepared by the menons at the time of last audit and handed over to the auditor, showing the items admitted by them to have been collected before the audit but not credited in the accounts. This omission on the part of the menons was not only not reported by the manager, but after the conclusion of the audit the amounts were allowed to be remitted into the office only by instalments on different dates with other large amounts. It is therefore clear that the manager and others of the office and collection staff (all of whom are either suspended or dismissed) intentionally connived at these malpractices and I think that to hide their malpractices the office staff must have robbed some of the important records. It is presumed that there may be other graver frauds, to detect which an able and experienced officer may be specially deputed. I wish I had myself, my manager and office staff the time to see into these, but as most of my time as well as of all others is taken up in usual daily routine we are unable to devote any time

I am certain that there cannot be a more convenient and in every way better arrangement than to entrust this special work to the auditor when he comes here next time. I have also to state that two menons and a peon who have been prosecuted for misappropriating tax collections are already under trial before the Joint Magistrate. A case against another peon is in the hands of the Police. Further the Joint Magistrate has been addressed and he has empowered the Police to enquire into another case, that against the Private Scavenging Inspector who also appears to have misappropriated tax collections and is strongly suspected of having done the same to a large extent in respect of the Scavenging fee collections.

In conclusion, I have only to express the hope that in view of the circumstances briefly stated above, you will consider the necessity to depute the auditor for this special work & request to make the necessary arrangements to at an early date. I am just going to apply to the District Magistrate to depute a clever Police officer for special duty to detect the supposed general fraud and theft committed by the Municipal Establishment.

I have the honour to be,
Sir,
Your most obedient servant
D. J. Coonjamboo
Chairman

(True Copy)

D/L Coonjamboo
Chairman

Chairman

for President

BACK PAPERS.

G.O.	No.	Department.	Date.

2/8 Mar 1898.

Fort St. George
Accountant-General's Office
7th January 1898.

From

W. J. F. Williamson, Esqr.,
Assistant Accountant-General and
Inspector of Local Fund Accounts,
Madras.

To

The Chairman
Municipal Council,
Cannanore.

Sir,

With reference to your letter No. 1665 without date, to the address of Accountant-General, I have the honour to state that the Auditor will be asked to look into the state of affairs as closely as the time at his disposal will allow but that I fear I cannot arrange to depute him for an exhaustive investigation without the orders of Government. If you, however, think a prolonged enquiry necessary you should apply to Government for their sanction.

I have the honour to be,
Sir,
Your most obedient servant
SJ. = Mitra
Asst. Acctt. General
for Inspector of Local Funds.

S.M.M.

(True Copy)

Chairman

G.O.	No.	Department.	Date.

1/87 Nov 1897

Malabar Collector's Office
Calicut 9th Jan: 98.

No. 10 M
Dis: 98

From

G. W. Dance Esqr.
Collector of Malabar

To

The Chairman
Municipal Council
Cannanore.

Sir,

In reply to your letter No. 1782 dated 7th January 98 informing me of the systematic frauds which were practised by the municipal subordinates during the time of Mr. Rego I have the honour to state that in my opinion you should make a clean sweep of the whole of the former municipal staff. I trust that you will succeed in getting some of them Criminally convicted.

2. I congratulate you on the ability and energy with which you have laboured to find out what was wrong, and to set it right. You have done so well that I do not think there is any neccesity for me to depute any one to make further enquiries into the matter as you suggest. I will ask the Police to give you any assistance you may require.

(True Copy)

I have the honour to be
Sir,
Your most obedient servant
Sd/ P. Rama Rao
For President.

Chairman

Mr Low I do to

3/8 wof 1898

No 1782.

Municipal Office
Cannanore, 7th ~~December~~ January 1897.

From

The Chairman
Municipal Council
Cannanore.

To

The Collector and District
Magistrate,
Malabar.

Sir,

I have the honour to bring to your notice the following facts and to request that you will be pleased to take such steps as you may deem necessary.

2. The Municipal Office was in a highly unsatisfactory and disorganised condition at the time I took charge and there were many important matters pending disposal, the principal of which being the Audit notes on the accounts for 1895/96 and the administration report for 1896/97. Though the Audit was made in December 96 during which many serious irregularities besides facts disclosing the commission of malfractices on a large scale were discovered and though the notes required on several points the Chairman's personal examination and investigation, yet no attempt was made to reply to the notes or ~~to~~ take the necessary actions as required therein. Mr. M. Sorabjee who was Chairman Delegate before I took charge informs me that it was when he took charge from Mr. J. H. Gwynne the

Deputy

Deputy Collector (then in charge of the Division) that he knew from Mr. Gwynne that the Audit notes were not answered. Mr. Sorabjee further says that though he required the manager (Mr. Isaacs now under suspension) several times by written order to get the replies ready Mr. Isaacs not only failed to do so but even kept back the fact that there were several points on which the Chairman's personal examination and investigation were required. These facts and that the Audit notes were pending replies were not brought to my notice by Mr. Isaacs until I knew it myself on receipt of the 4th reminder. Such an omission cannot but be intentional and leads me to believe by the facts disclosed that Mr. Isaacs and others that were interested in the matter had something to do or undo with a fraudulent motive before the Chairman commenced his examination and investigation of those matters that were specially brought to his notice. A similar motive seems to have actuated the same persons, in purposely delaying preparation of the Administration report for months after the due date, though many reminders had been received. In this connection I have to state that on the day I took charge from the Chairman Delegate, I questioned the 2nd clerk in the presence of the Chairman Delegate whether the Administration report had been sent, to which he said "no reminder has come." But only 4 or 5 days after this,

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I received the 3rd reminder from Government and when I questioned the Manager and the 2nd Clerk about it they denied having seen any previous reminders. These previous reminders never reached the Chairman Delegate. The inference clearly is that these reminders must have been intercepted and purloined from the tapal papers doubtless with the assistance of a peon or peons in their confidence and this cannot but be with an ulterior object.

3. When the 3rd reminder was received, I asked the Manager to expedite the report which he promised to do in a week, but week after week passed, and as often as I questioned about it, he as often promised to make it ready within 3 or 4 days or in a week on the plea that there were discrepancies to be adjusted and so forth. For such great delay, on his part I was obliged to threaten him by written order with heavy punishment and even with dismissal and though I often thought of carrying out my threat as to dismissing him and of applying to you to lend to me the services of one who could prepare the Administration report, yet his (Mr. Isaacs) promises to make it ready in a very few days made me think that there might be greater delay in the submission of the report if I dismissed him and got a new hand, the 2nd Clerk having been already suspended. I must state here that, considering the long experience and

abilities

abilities of Mr. Isaacs, it was quite possible for him to prepare the report within a week's time or at the most a fortnight. The delay must therefore have been wilfully and deliberately made by him, and it clearly shows that he was prepared to risk even his appointment in order to avoid a greater danger. During this time I noticed a peculiar conduct in Mr. Isaacs, which was that, when I insisted on or threatened him to get the report ready he used to be or pretended to be hard at work, not in the preparation of Administration report but in trifling matters and always trying to please me. This demeanour on his part excited my suspicions which gradually became stronger and led me to suspect that he might have some ulterior object in delaying the report, though I could not at that time find what it might be.

4. Now I should state that, Mr. Isaacs seems to me to be a very astute and clever man with a long experience in Municipal matters, and is an intelligent and fast writer, and that with all this he persistently disregarded the instructions of the Inspector of Local Fund Accounts and his assistants in their Audit notes, and allowed matters to drift from bad to worse for some years fast and arrears to accumulate

year

year after year.

5. There are yet other instances in proof of the Managers ulterior motives. In the Budget for the current year he contrived to show Rs 4,888 i e the whole balance of arrears as irrecoverable. Great suspicion is raised with regard to this from the Office copy of Statement IV B of the Budget. All the figures in it appear scored off and fresh figures inserted in red ink. The amount shown above is according to the corrections in red ink. The figure in black ink being only Rs 1,502-13-8. The whole of the first amount I think should have been in the next column i.e. the balance according to the Statement, as the late Chairman Mr. L. B. Rego says. It is so cunningly entered in the Column for "written off" instead of in the next Column of balance that should it have been inserted without the knowledge and permission of the Chairman or the attention of the Council was drawn to it and if anybody discovered it before the report was despatched, it could be possible to safely advance the plea that the insertion in the wrong column was a clerical error. Probably the insertion in red ink figures might have been made after the draft was passed by the Chairman and Council. In that case the appearance of the figures (in black ink) in the ~~wrong~~ column "written off" would not have raised any suspicion at all as the total amount was only

Rs

Rs 1,502-13-8. It can never be that all outstanding balance, except that pertaining to the current year, is irrecoverable. No sane man will think it so. But it is clear that there was no mistake about the column, as the remarks made in the Statement by the Manager in his own handwriting clearly show that it was intended to write off all those items standing in balance. It is highly probable that the remarks made by the Manager were added after the Statement was signed by the Chairman. At all events, there is a difference of ink in the remarks and in the body of the Statement. I addressed a letter on this matter to the late Chairman to which he has replied saying that he thinks that the amount of Rs 4,888 may be a mistake for balance. I quote his own words "I think it may be a mistake for balance, the Manager whom I held responsible for all office work might explain the figures better. It is he who prepared the Statement. It did not strike me that the amount was shown as irrecoverable". It is apparent (I think it cannot but be) that the amount was shown to be written off with no other than a deceitful intention which

is

is still clear by the fact that a large amount was collected and misappropriated. If a stronger evidence is required to show the intention of the Manager and others, it will be furnished by the following facts.

I understand that the late Chairman (Mr L. B. Rego) was induced to place before the Council a list showing about Rs 1000 to be written off the accounts as irrecoverable, which he refused to do as the list had not been scrutinised by him. I wrote to him about this and I enclose a copy of his letter in which he says that it was the Second Clerk who brought the list to him. The above list is nowhere to be found and nobody can account for its disappearance, but on searching rough Agenda papers I found that a list was included as a subject in the Agenda paper in the handwriting of Ramunny (2nd Clerk) for the meeting dated 11th October 96, and it was scored out. This fact shows at least that Mr Isaacs and 2nd Clerk Ramunny were trying to get the list passed by the Council without having previously obtained permission of Chairman Mr Rego, and that Mr Rego's statement is correct.

6. There has been more than Rs 2,000 accumulated during 7 years on account of advances unadjusted, which, in spite of the repeated instructions of the Auditors, has not been adjusted

though

though Mr. Isaacs every time promised to do it. As a matter of course the advances made in each year could have been adjusted that very year, if not at least in the year following. The omission to do this in spite of repeated orders goes to show that Mr. Isaacs had some special motive for it, and it is highly probable that it could not but have been a sinister one. I would have tried to solve this mystery and found out if any fraud was committed, but Mr. Isaacs and others who were in the office put every difficulty in this matter also. The new Establishment have not a moment at their disposal for attending to this extra work by every imaginable difficulty being put in their work by the late Establishment.

7. I find that the last Audit was held in December 1896. It appears from the Audit notes that the Auditor found from the Counterfoils of warrant books that the amounts were not remitted into the Office and being admitted (they could have done otherwise) that the amounts had been collected and were in the hands of Menons Haniff and Sheik Adam, now under trial before the Joint Magistrate he required lists A & B of such amounts being prepared, the one prepared by Haniff being on account of 25 items aggregating to Rs 123-6-8 and that prepared by Sheik Adam being on account of 21 items aggregating

aggregating to Rs 66-8-2. He required some other warrant books and the Office Establishment pretended they were not forthcoming. The natural presumption is that, as the Auditor by a closer examination found out that several amounts which had been previously collected were not brought to account in the chitta, he would have detected many more of the same kind, had the warrant books been produced, and thus obtained additional proof of the general fraud committed with the connivance of the Office Establishment. The Office Establishment therefore hid or made away with the books for their own safety. This fact will be clear (in my opinion without a shadow of doubt) from the following paragraphs.

8. I had my own suspicion and tried to get the receipts for the items in the said A and B lists and with much difficulty succeeded in some cases. On an examination of these receipts it is found that some of the amounts had been collected about 4 to 10 months previously. These are included in the prosecution now pending against the Menons.

9. The Manager did not bring to the notice of the Chairman the fact of the moneys collected having been retained in the hands of the Menons and not remitted into the Office. It is inexplicable why he did not

compel

compel them to remit the amounts at once, why it was not possible for them to do so. Then again, there was an amount of Rs 354-6-2 remitted by the Menon Haniff on the 22nd December (after the audit was concluded.) The remittance of such a large amount as this on a single day is a sure proof of the fact of the collections made during a long period having been retained by the Menons with him for several days or months together. Why at least when this large amount was brought for remittance the delay was not questioned. Even in this amount, Rs 123-6-8 shown in list A was not wholly included but only Rs 105-14-9. It is not surprising that the Manager did not question about the balance of Rs 17-7-11 not having been included in the above remittance. It is also not surprising to me that he did not question when the large amount remaining after deducting the said Rs 105-14-9 from Rs 354-6-2 was collected; if it was before the list was prepared (it cannot but be) why it was not required to be paid immediately after collection, or at least when the list was prepared. It is also found that in Rs 179-14-9 which was remitted by Haniff on the 7th January i.e. (more than

than two weeks after the first remittance) only Rs 14-4-4 out of Rs 17-7-11 (the above mentioned balance) was included. Even at this time the Manager refrained from questioning this omission. The balance Rs 3-3-7 was remitted only on the 26th January including the same in Rs 410-13-4 remitted that day by Haniff. There was thus a delay of more than a month in remitting the balance of Rs 17-7-11 even after the fact of certain amounts having been retained by the Menons was discovered by the Auditor. This delay also was not questioned. Out of Rs 66-8-2 shown in the list prepared by Menon Sheik Adam only Rs 59-9-9 was included in Rs 141-7-4 remitted on the 22nd December. The balance of Rs 6-14-5 was remitted by him only on the 29th January i.e. (after more than a month) the amount being included in Rs 49-6-8 remitted that day by him. It will look very strange that, in spite of the fact, that these two Menons had, though temporarily misappropriated Municipal moneys, having been clearly made out, the Manager and others in the Office concealed these facts from the Chairman, though the Chairman appears to have given written orders that all collections should be remitted into the office daily. The late Chairman (Mr L. B. Rego) also writes to me that in the face

of

of such orders he would not have permitted the retention of the collections in the hands of Menons for any length of time and that he did not know of the Auditor's having obtained such lists from the Menons. All these facts show that the Manager and others in the office were also principal parties concerned in the misappropriation.

10. There is a complaint against the Manager (Mr. J. Isaacs) put in by one Meethan Puthuvayil Krishnan, in which the said Krishnan says that the Result Grant on account of a Mapilla School was not fully paid him and that he signed the Acquittance Roll acknowledging in words receipt of the actual amount paid him. On examining the acquittance rolls in this office the book bears evidence of being tampered with. Not only the pages which contained the acquittance referring to this but also other pages are missing. The disappearance of some pages of the acquittance rolls, however, makes the matter look suspicious, and unless I see the acquittance on account of the payment in question, it is not possible for me to doubt the truth of the said Krishnan's statement.

11. The 2nd Clerk Kunimmal Ramunny (now under suspension) is also a man of long experience and able to do his duties. He was partly

partly a correspondence Clerk and partly an accountant. It was usual to put petitions into a box the Key of which used to be kept by the Chairman. Still it was a notorious fact that petitions were reported to be missing whenever the petitioner or petitioners were not liked by him (2nd Clerk). He himself admitted to me, when he wanted to submit a petition at the time he was suspended, that if he put the petition into the petition box it might disappear as there were duplicate Keys for the box.

12. The Shroff Anden Kelan (who is also under suspension) is a distant relative of mine. Ever since I took charge of the office of Chairman I have not had any reason to be pleased with his work. Recently there was a case brought to my notice and now under investigation by the Police against one C. Chandoo for affixing a false number on a two wheeled vehicle (Jutka). The man asserts that he paid the tax and the number was affixed on the Jutka by the Municipal office but that he did not get the licence at the time as the same was not signed by the Chairman and that it would be given to him afterwards. To prove his innocence he applied for the copy of rusal applying

for

for the licence. But the Shroff after some delay reports that no such erisal could be traced and it is found that the number on the Jutka viz: 120 is according to the License book, for a bullock and not a Jutka. The man applied also for the erisal for this licence, which appears from the Counterfoil of the licence book to be, for a bullock. Even this has not been found and the Shroff asserts that he is not responsible for the custody of these vouchers.

13. When the Administration report was pending as above stated, I found that the Menons were neglecting their work. One Menon had with him about 100 warrants many of which had been pending for two years, and the other more than 100 warrants pending for about a year. At this, I warned them on pain of dismissal that the warrants should be executed within a certain time, which they having failed to do by the end of the fixed period, I dismissed one and suspended the other, and appointed in their places men of my own selection. I had also to suspend two peons who also were engaged in executing warrants, but who were not only neglecting their

execution

execution but also evading me. In their places I allowed the Manager to bring two smart men whom I appointed and deputed to execute these warrants that were remaining unexecuted by the suspended peons. But as these two men also were very slow in executing them, I warned one of them and dismissed the other, and appointed in his place one very hardworking Municipal cooly who appeared to have not been in the good graces of the Manager. This newly appointed man detected some cases in which fase amounts had been collected long time ago and receipts not granted, while in others printed receipts had been granted, the collections being misappropriated. I found that the other peon continued to be dilatory in his work in spite of my repeated warnings. Such a conduct in him excited my suspicions which were strengthened when I received information (rather vague) that this peon was secretly working to prevent detection of misappropriation by the former Menons and peons, by omitting to bring the facts to my notice but at the same time communicating them to somebody in the office. It was when I threatened

him

him with dismissal that he reported to me that the amount of two warrants viz: Rs 9-0-0 and Rs 32-10-3 had already been collected by one of the dismissed Menons from Councillor Mr. Koyoma Ellaya and one Moorridagath Palli Hajee. I immediately sent a note to Mr. Ellaya and got the receipt from him and the other receipt was obtained through the peon. I afterwards learned that the peon knew this fact (of these amounts having been already collected) when he went to them with warrants, and that was about a month previous to the time when he reported it to me. It is evident that he withheld the information from me but at the same time communicated it to those who misappropriated the tax collections and their accomplices in the office with the purpose of enabling them to obtain possession of the receipts and otherwise to hush up all evidence to their misappropriation. I also came to know that this peon (acting) is the brother-in-law of the peon (suspended) in whose place he was appointed, that the suspended peon has been a favourite of the manager (Mr. Isaacs), and that they were jointly working in negotiating specially for the possession of

of receipts granted by the dismissed peon Kannan in respect of the misappropriated taxes, by returning the amounts in some cases and by other shifts. In one instance in which a large amount was involved negotiations were still being carried on. I tried to obtain the receipt in this instance but the man by some pretext or other refrained from producing the same even though a Police constable was sent to him twice to obtain the receipt and a written notice was afterwards sent. At last I was obliged to charge the peon for Criminal breach of trust and get a search being instituted for the receipt. As the offence fell under Sec: 409. of the I. P. C. the Police could not take cognizance of it and a long time was lost until at last the parties concerned completed their negotiations. Still, I hope to be able to bring the charge home to the delinquent by other evidence.

14. Private Scavenging Inspector Adam Cootty is not an exception to Office and Collection Staff. According to the Annual Statement for 1896-97 there was a balance on account of Scavenging fees amounting to Rs 687-14-0 left uncollected. I have

strong

strong suspicions (indeed I am almost certain) that a considerable part of this amount as well as half of Rs 227- 6-0 shown by Adam Cootty as outstanding arrears for the current year has been collected and mis-appropriated. The facts that, Govt. had repeatedly ordered to collect these fees in advance and directed that the arrears should be speedily collected and that in spite of these orders the arrears had been allowed to accumulate largely were kept a secret by the Manager and the Scavenging Inspector. The Scavenging Inspector has been evading me by pretence of illness and other excuses. At last I was obliged to warn him to clear the arrears within a specified time on pain of dismissal. The appointed time expired in November 97. Nevertheless he persisted in keeping away. It was with much difficulty that I managed to get from him his diary and the current register. He totally denies having any other book in his possession. As far as has been yet searched no record

is

is found in the office containing details of these arrears and other necessary particulars

15. Adam Cootty's misappropriation is not confined to Scavenging fees alone. I have detected lately that he has misappropriated certain items of fasees collected under warrants entrusted to him for execution - in proof of which I have recovered several receipts granted by him, the amount of which was not credited. I have already addressed the Joint Magistrate on this subject. A copy of the letter is enclosed. After this letter was addressed some other receipts have also been obtained.

16. Scavenging Inspector's fraud appears to have been carried out without any control or check. He appears to me a free booter if such term can be used. From the way in which the Scavenging Inspector was allowed to do his duty in the face of repeated orders of Govt. on the subject of Scavenging fees, I cannot but believe that the Manager and others in the Office were ignorant of the fact.

It

It may be so, or it may be that a dread of disclosure by this man of their general fraud obliged the Manager and others in the Office to shut their eyes against Adam Coottyó actions.

17. The Inspector of Local Fund accounts in his last Audit notes suggested that arrangements should be made for taking out the correct details of arrears of taxes in order to ascertain the actual balance outstanding. A temporary Establishment of two Clerks has been entertained (as per sanction of the Council dated 17/8/97) for the special work of rewriting the various registers which are in the most confounded state and to prepare arrear list to facilitate the collection of the balance of taxes, but the greater part of their time is being lost in examining the records to see whether the amount of recovered receipts are brought to account to make a correct statement and thus much valuable time is lost, which could have been used

used to discover what fraud the Office Establishment has committed.

18. Here I must state about the state of the records. There are few registers maintained and these are prepared in a mysterious manner; even the chitta is a mystery. It does not show whether the amount was paid by the assessee or anyone else or it was recovered under a warrant and if so by whom. There are mysterious remarks in pencil to show by whom it was paid. Even the Chitta or the Cash book was not signed by any soul. The other records are thrown in different parts of the office in confused heaps and masses while some other records are kept in the few almirias and in a deal wood box mixed together without any order. The present Establishment (which consists of new hands) have enough of current work to attend to besides preparing bills &c which the old establishment had wantonly kept without writing. I could not get the records properly arranged in order to find out exactly what records exist and what not. I have

recently

recently appointed a temporary Record Keeper to arrange the records. I informed you in my letter No. 1543 dated 29th November 1897 that all the warrant counterfoils prior to 1894/95 were missing. But some have been since found when searching the shapeless mass of papers and books lying in a corner of the record room thrown in such a reckless manner as to look like waste paper.

19. I had repeatedly asked the Manager, the 2nd Clerk and the Shroff (all of whom are under suspension) to arrange and make a list of whatever records have been in their custody and hand over to the acting incumbents. But one and all of them have disregarded my orders. The Manager says that he kept no records in his possession except the vouchers for the current year and the Cash book which he handed over to the Ag. 2nd Clerk without a list or any other document, and that all other records have been in the possession of the permanent 2nd Clerk who denies it and states all records in his possession were handed over to the Manager when he was suspended. The Shroff also makes a

a similar denial and states he has not even the current receipt vouchers. The peculiar feature of all this is that each one wants to shift his responsibility on to another by a flat denial of everything which itself confirms the suspicions entertained as regards their conduct and shows that they must have purposely robbed away certain records to make away with the evidence of their malpractices.

20. The 2nd Clerk to whom I sent a notice to appear in person before me (threatening him with dismissal if he failed) so that I may examine him and elicit any facts that may furnish a clue to the mystery that enshrouds everything in the office, has failed to present himself. This shows that he fears that should he subject himself to an examination by me facts and disclosures prejudicial to his interest as well as others may be divulged. I have also information that these persons often meet together secretly in one of their houses and hold consultation in matters involved in the prosecutions already lodged against two Menons and one Peon. It had also come to my knowledge that they have been conjointly with others (the dismissed Menons and Peons) trying their utmost to hush up other facts and evidence which may lead to a detection of their frauds.

21. To unearth frauds committed by them by a careful scrutiny of forthcoming records

records I have addressed the Accountant General to detain the Auditor, when he comes here nesct time to audit the accounts of 1896/97, for a period of two months or thereabouts.

22. I bring the following facts which also go to confirm the suspicions against the Municipal Office and Collection Establishments (now either suspended or dismissed) as regards their attempts to conceal evidence.

23. The Council had at their meetings dated 23rd September and 30th October 97, sanctioned prosecutions against 2 menons and one peon and authorised Suboverseer K. Ramunny of this Municipality to lodge complaints against the menons and peon before the Joint Magistrate. To prove the charges several receipts granted by these menons for collections made by them ~~and~~ but not credited were with the other necessary records handed over to Ramunny on the 14th November 97. Receipts granted by menon Haniff were found to have been mysteriously made away with from the drawer of a table in which the suboverseer temporarily kept them. In my letter dated 29th November 1897 No. 1543 para 6 I have stated that when new warrants were prepared by the temporary Clerk appointed one book containing 100 warrants mysteriously disappeared.

disappeared. I have also reported to you in that letter that there was a burking house trespass by an unknown individual apparently with the object of tampering with the records.

24. Before concluding I shall state something as regards the manner in which Public works were carried out and accounts of the same kept. I understand that the works used to be carried out departmentally and that no regular estimates used to be prepared for these works nor was sanction of the Council obtained for the estimates. It also appears that the only authority for executing works was the Budget estimate and Chairman's orders. In some instances, estimates appear to have been called for and prepared. The only accounts of the works executed appeared in the progress reports daily initialled by the Chairman, and also the nominal muster rolls. Usually the overseer alone used to take charge of the gravel for road repairs, and there was no check measuring officer except in some few instances in which the measurements were taken in the presence of the Chairman. No check measurement book was maintained.

25. I have to state that it was soon after the last audit and when matters were in a ferment, that the Chairman Mr L. B. Rego resigned office and the Deputy Collector (in charge of the Division) Mr J. H. Gwynne delegated his charge to one of the Councillors Mr M. S.

records I have addressed the Accountant General
to detain the [illegible]

unsatisfactory and disorganized condition
and I have been since then doing my best
to reorganize the office, and when I came
to know that there was something suspicious
and wrong in what the former Establishment
had been doing I tried to find it out &
I detected that the Menons, the peon and
the Scavenging Inspector had the habit
of embezzling collections, certainly with
the help of the office Establishment. I
regret that for want of hands it was
not possible to carry on this special work
of detection in a thorough and efficient
manner as all available hands have to
devote their whole time to current work
alone.

From the above facts I trust
you will be convinced that Mr. Isaacs
(the suspended Manager) and others in
the office were in the secret of the embezzlement
and that it is necessary to bring them
to justice. Apart from this there are
some records missing and others tampered
with and every one refuses to make a list
and hand them over on the plea that they
had no records in their possession. I
request your advise and instructions
in this matter and also that you
will be good enough specially to depute
some officer with powers to
[illegible] personal enquiry with

[illegible]ffice
Coonoor 9th Decr: 1897. [illegible]er 1897.

that has characterised the working
of this office.

I have the honour to be,
Sir,
Your most obedient servant
D. T. Coonjamboo
Chairman

(True Copy)

DTC

D. T. Coonjamboo
Chairman

records I have addressed [illegible]

Mofussil.

Gannanore 9th Decr: 1897.

To

The Chairman
Municipal Council
Gannanore.

Sir,

In reply to your letter No 1504 dated the 27th ultimo I have to inform you that it was the 2nd Clerk who brought to me the statement of tasces said to be irrecoverable, when, I asked him to get me the several warrants relative to those items that I may be satisfied before laying the same at the meeting of the Council. After some time it was again brought to me saying that the tasc Clerk said warrants were not all at hand, being filed in Court and so on and I ordered that they must be got back before the statement is put before the Council. I have not seen the paper since then.

I did not order any body to prepare it. I cannot for certain say who prepared the list. It was brought to me by the 2nd Clerk, I believe

among other papers some time before the Auditor's last visit.

I have not gone thro' it to say what fasces were included in it.

As to the amount of Rs 4888-- 6 finding a place in the last Budget as irrecoverable, I think it may be a mistake for balance, the manager whom I held responsible for all office work, might explain the figures better. It is he who prepared the statements. It did not strike me that the amount was shown as irrecoverable.

I have the honour to be
Sir
Your most obedient servant
Sd/ L. B. Rego.

(True Copy)

Municipal Office.
Canacore
982

Chairman

Municipal Office
No 1569 Canacore, 4th December 1897

24

2

Municipal Office

No 1569. Cannanore, 4th December 1897.

From

The Chairman
Municipal Council
Cannanore

To

The Joint Magistrate
Malabar.

Sir,

I have the honour to report that I have recently found out that Adam Kutti the Scavenging Inspector of this Municipality to whom warrants appear to have been entrusted for collection of taxes has embezzled certain items of taxes by giving receipts to parties and not remitting the moneys to the Municipal office. This very man also appears to have misappropriated a very large amount of scavenging fees collected by him. To find this out, I called upon him several times to produce his accounts and the Demand books he that were with him, but he has often disobeyed my orders, and on the 26th November 97 he submitted a report to me stating that he could not appear before me owing to illness, and promised to appear on the 29th November last but did not do so and I learn that he is wandering about. He sent to the office only one diary and one register (purporting to be the current Demand register) in which many blank pages are found before the 1st entries are commenced. No other accounts or previous registers

registers showing the arrears of these fees have been as yet produced by him, and he reports that he has none other with him.

The amount shown by Adam Kutti as outstanding arrears for the current year on the 2nd November 97 is Rs 227-6-0. The arrears for 1896-97 and previous years come to Rs 687-14-0, the total of all arrears being Rs 915-4-0. I understand from enquiries that a large portion of this amount has already been collected by him and mis-appropriated. In the absence of any proper accounts (which are not forthcoming in spite of a search being made for them in the office) I am not in a position to ascertain the exact amount which may have been mis appropriated. I think the records were purposely hidden or destroyed by the office Establishment or Adam Kutti (all under suspension) and they all deny that they have any records to be handed over charge. The Manager who is under suspension denies having had in his custody any records except the Cash book and the vouchers which he handed over to the Ag 2nd Clerk. The permanent 2nd Clerk, who was suspended before the Manager, asserts that all records that were in his custody were handed over by him, when he was suspended, to the Manager (under suspension) The Shroff also denies all knowledge of the records.

There is something very suspicious pointing to fraudulent intention on the

part

part of all the members of the office and Collection Establishments and Scavenging Inspector (who have been either suspended or dismissed)

Under the above circumstances I request that you will be pleased to issue orders to the Police Authorizing them to take cognizance of the case against Adam Kutti and for a search being made in the house and premises of the said Adam Kutti for any records of accounts that may be found there and to make enquiries.

Receipt No.	Case	name	year	amount
127	Profession	Babu pai son of Upendra pai	94-95	6-0-0
116	Do	Vittala Naikan son of Lakshmana Naikan	do	12-8-0
753	Do	Edamandagath Soopi	do	0-8-0
1601	Do	Kasayi Nanju Rao & Co	do	1-8-0
1136	Do	Soopirakath Kamal Kutti	do	0-8-0
1103	Do	Chowakkaran Valiya Purayil Mackti Elaya	do	6-0-0
279	Do	Chalilakath Sappikutti	do	1-8-0
158	Do	Vayakkali Kutussa	do	3-0-0
		Total Rs		31-8-0

The receipts granted by Adam Kutti and now recovered from tax payers are on account of 8 items of Profession tax as noted in the margin and the whole amount until now discovered to have been misappropriated by him appears to be Rs 31-8-0 from the said receipts.

I may here add that I understand that the members of the office and Collection Establishments, especially those against whom complaints have been already filed and bailable warrants issued, meet together in some secret place and are trying to put difficulties in the way of obtaining information or evidence in the general fraud committed. It would under such circumstances be advisable to prevent such secret meetings being held by them, and I request that you will be good enough to issue orders to have the persons concerned kept under Police surveillance.

I have the honour to be,
Sir,
Your most obedient servant
(True Copy) sd/ T. Coonjanboo
Chairman

Municipal office
Cannanore
1898

T. Coonjanboo
Chairman

Municipal O.

Cannanore, 7th Februa

No

LOCAL & MUNICIPAL DEPT.
8712/98

From

The Chairman
Municipal Council
Cannanore.

COLLECTOR
14-FEB-1898
MALABAR

To

The Secretary to Government
Local and Municipal Deptt.
Madras.

Through The Sub. collector
Malabar.

Sir,

I have the honour to submit for the information and orders of Govt. copies of the marginally noted correspondence and to request as resolved by the Council at their meeting held on the 2nd February 1898 that in view of the special circumstances fully detailed in the letter to the Collector and Dist. Magistrate Govt. will be pleased to issue orders for the detention of the Auditor for a period of 2 months or thereabouts so that a thorough examination of all accounts may be made and matters fully reported upon.

2. In my letter No. 1468 dated 23rd November 1897 with which I submitted an application for allotment of funds, I referred to the highly unsatisfactory and disorganized state of the Office, and promised to write to Govt. in detail about the state in which I found affairs in this Office when I took charge and the measures that I have taken to remedy such an unsatisfactory con-dition of things. As the copy of my letter

1. My letter to the Collector & Dist. Magistrate No. 1708 dated 7th January 1898 reporting the irregularities in the Office, with 2 enclosures.
2. The reply thereon No. 10 dated 9th January 98
3. My letter to the Secretary to Govt. dated 15th Dec. 97 requesting the detention of the Auditor for two months
4. The reply thereon No. 5750/645 dated 17th January 98.

Go 336/M
7-2-98

6
8/2 misc 1898

Municipal Office,
Cannanore, 7th February 1898.

No

From

The Chairman
Municipal Council
Cannanore.

To

The Secretary to Government
Local and Municipal Deptt.
Madras.

Through The Sub. collector
Malabar.

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2. In my letter No. 1468 dated 23rd November 1897 with which I submitted an application for allotment of funds, I referred to the highly unsatisfactory and disorganized state of the Office, and promised to write to Govt. in detail about the state in which I found affairs in this Office when I took charge and the measures that I have taken to remedy such an unsatisfactory condition of things. As the copy of my letter

1. My letter to the Collector & Dist. Magistrate No. 1788 dated 7th January 1898 reporting the irregularities in the Office; with 2 enclosures.
2. The reply thereon Pro. No. 10 Dis. dated 9th January 98
3. My letter to the Accountant General Rc. 1665 dated 15th Dec. 97 requesting the detention of the Auditor for two months
4. The reply thereon No. 4378/645 dated 17th January 98.

Go 336 M 7-2-98

LOCAL & MUNICIPAL DEPT.
8 7½ M
COLLECTOR
14-FEB-1898
MALABAR

6/8½ M.

to the Collector contains the details
not repeat them here.

3. With regard to the prosecution instituted against two Menons and one Peon for misappropriation of taxes I regret to state that the Joint Magistrate of Malabar before whom the complaints were lodged has acquitted the accused. The Counsel engaged for prosecution reports that though the Magistrate framed a charge, he acquitted them giving them the benefit of the doubt as to whether they or the Shroff were guilty of the misappropriation. I am not myself aware of the reasons on which the Magistrate thought fit to dismiss the complaints. An application has been made for copies of the judgments and depositions of witnesses, after receipt of which I shall submit a full report to Govt: on the matter.

I have the honour to be,
Sir,
Your most obedient Servant

E Govindan Nair
Chairman

D&H

Forwarded.

2. The present Chairman, M. R. Ry T. Kunhambu avergal, has been working with the energy which characterised him when he was in Government service, to arrive at some knowledge of what is actually outstanding & how much has been misappropriated But the task is so difficult that the services of a professional Auditor shall

could in fairness be placed at the Chairman's disposal. Whether he will require so much as two months to finish the work I do not know, seeing that so much has already been done. But I think that an Auditor should be sent to Cannanore with orders to unravel as much as he can of the tangled skein of Mr. Rego's administration, so as to enable the present Chairman to make a fresh start.

3. I trust that the hard work done by M. R. Ry Kunhambu Avergal, without any remuneration, will not pass unnoticed by the Government.

Malabar Collector's office,
Camp Wadakkancheri, Dpth
17th February 1898

Collector of Malabar.

S.C.C.

When given for copying
When copied
When examined
When signed
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AD AGAIN G.O., No.
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LETTER OF GOVERNMENT.							
STATEMENT WITH DITTO.							
PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH IN ORIGINAL.							

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	Department.	C. No.	Year.			