

1. Number 10
2. Date of 23.10.36
3. No. of 7
M.R.O. 1-22,400-22-11-60

MADRAS RECORD OFFICE.

Government of Madras.

Public DEPARTMENT.

G.O. No.	1066	Press Mis.
Dated	30-8-	1867

Not to be folded or roughly handled

1

*Proceedings of the Madras Government, Public Department,
30th August 1867.*

No. 226. Read the following Proceedings of Government in the Public Works Department, dated 23rd August 1867, No. 2581.

Communicating report of the unsatisfactory state of the Post Office registers, } (Vide Proceedings, Public Works Department, dated 23rd August 1867, Nos. 543—547).
in connection with certain defalcations in the office of the Agent, Great Southern of India Railway.

No. 227. ORDER THEREON, 30th August 1867, No. 1066.

The attention of the Postmaster General will be requested to the observations contained in paragraph 6 of the report of the Consulting Engineer for Railways.

(Signed) R. S. ELLIS,
Acting Chief Secretary.

To the Postmaster General.

Ed. J. Tulloch.

Read the following papers:—

No. 543. From the Consulting Engineer for Railways, to the Secretary to Government, Public Works Department, dated Madras, 12th August 1867, No. 227.

No. 1,401.

1. I have the honor to forward a letter, dated 8th instant, which I have received from the Inspector General of Police, on the subject of the recent defalcation of funds on the Great Southern of India Railway.

2. I beg also to submit a copy of a portion of the extract from the diary of the Assistant Superintendent of Police, reporting that the Agent and Traffic Manager does not contemplate taking any steps to lay a criminal charge against his Cashkeeper, unless ordered to do so by Government.

3. After the Inspector General's strong opinion, that the case should not be allowed to be compounded, I would solicit the Government to issue orders to the Agent to prosecute the Cashkeeper; and as they are in possession of a complete report of the circumstances in the case, they will have it in their power to instruct the Agent as to the nature of the charges which should be preferred.

From the Inspector General of Police, to the Consulting Engineer for Railways, dated Kotagiri, 8th August 1867, No. 1,401.

1. I have the honor to submit extracts from the diary of the Assistant Superintendent of Police at Negapatam.

2. They relate to a case of probable embezzlement in the Railway Office at Negapatam.

3. I trust that a case, which *prima facie* bears the appearance of grave breach of trust, accompanied with forgery and other criminal offences, will not be compounded.

Extract from the Diary of the Assistant Superintendent of Police of Tanjore District.

1. Wednesday, the 24th July 1867.—Saw Mr. Betts, the Railway Agent, who informed me that the whole of the deficiency, 26,000 and odd Rupees, was paid up this morning. He is fortunate to get back so large a sum. He further tells me that he does not intend to take any steps towards a criminal charge, unless ordered to do so by Government, to whom he is reporting the matter to-day. Of course Government will order an enquiry. Several forged receipts have issued either from the Government Treasury or from the Railway Office, and although the defalcations have been made good, that does not affect the fact that such defalcations actually did occur. I have from time to time kept Hope, the Joint Magistrate, personally acquainted with all that has transpired.

2. In the evening I learned that the Cashkeeper, who paid up the money this morning, went to the Joint Magistrate this afternoon, and laid a charge of embezzlement against two of his Peons, by whom he asserts he sent the missing monies to the Talook Treasury. The Joint Magistrate has issued warrants for them. I fancy this is only a blind on the part of the Cashkeeper, or perhaps an attempt to endeavour to whitewash himself. Likely enough the men are paid to endure a short custody. I wish Hope would put the case into my hands. Mofussil Magistrates never seem to think of making use of their Police in this way, and yet if in such a case as this they wait and allow the matter to sift itself, they will never get to the bottom of it.

3. I forgot to mention that Mr. Betts, the Railway Agent, who was at first convinced that his Cashkeeper was the guilty party, now suspects the treasury officials. I can see little or no ground for this myself. I am astonished that Betts has not brought the matter forward, and

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demand a searching enquiry. Instead of this, he has allowed the man, who is generally believed guilty, to take the initiative.

(True Extract.)

(Signed) W. ROBINSON,
Inspector General of Police.

No. 544. Telegram from Lieutenant ROLLAND, Tanjore, to Major SHAW STEWART, Madras, dated 17th August 1867.

The Railway case was taken up by Joint Magistrate at Negapatam. Police could not interfere without warrant, and Magistrate did not refer it for enquiry to Police. Cashkeeper stands committed for trial at Sessions Court.

No. 545. Telegram from Lieutenant ROLLAND, Tanjore, to Major SHAW STEWART, Madras, dated 19th August 1867.

In continuation of last telegram, Cashkeeper was allowed to lay charge of embezzlement against his Peon. After enquiry, tables were turned, and Cashkeeper committed to Sessions on charge of embezzlement apparently. No enquiry has been made into matter of forgery or abstraction of letter.

No. 546. Endorsement of the Consulting Engineer for Railways, dated Madras, 20th August 1867, No. 233.

From the Agent of the Great Southern of India Railway, to the Consulting Engineer for Railways, dated Negapatam, 19th August 1867, No. —

1. In reply to your endorsement on Government Order No. 2,400 of the 8th instant, I have the honor to report, for the information of Government, that the charge brought by my late Cashkeeper against his Peons, has been dismissed by the Magistrate, and that the prosecution against the late Cashkeeper himself commences to-day.

2. I much regret I overlooked, until the middle of July, the non-receipt of the Accountant General's statement for April. I wrote to you (on the 17th July) for this document, before the discrepancy was discovered. Its receipt on the 15th May, although it could not have affected the commission of the forgeries of the previous month, still would have enabled me to have discovered the fraud earlier.

3. When laying your remarks before Government, relative to the plan pursued by this Company in paying traffic receipts into the treasury, I think you should have pointed out that Government had sanctioned the arrangement under which "passed receipts" were received, instead of cash from the Railway authorities.—See Order No. 325 of 19th June 1862.

4. And further, that I reported to the Consulting Engineer on 12th May 1864 (letter No. 1,153) the rules under which I proposed the servants employed by this Company should find guarantee.—See Colonel O'Connell's reply, No. 229 of the 16th idem. All Cashkeepers now find security in cash or Government Bonds, but the Cashkeeper in this Department being then (in May 1864) in the service, the security my predecessors had accepted was allowed to stand, and, in addition, under one of the rules referred to, he paid monthly instalments of cash toward the Guarantee Fund. No one regrets more than myself the fraud which has been committed, it has occasioned me great anxiety of mind, and any step

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which I can take to guard against the recurrence of such proceedings will be cheerfully taken.

5. I should like to receive from you the information called for in paragraph 5 of my letter No. 2,354.

1. Submitted for the information of Government, in continuation of my remarks No. 216, dated 1st instant.

2. The Agent and Traffic Manager now reports that a prosecution against his late Cashkeeper has been commenced.

3. With reference to paragraph 3 of the above letter, I beg to explain that the omission pointed out by the Agent, in regard to the procedure formerly sanctioned by Government for paying "passed receipts" instead of cash into the treasury, was purely accidental. "Passed receipts," however, have been abolished by the introduction of the new system of audit, and the late Government Examiner and his successor have both expressed an opinion that the system of paying the traffic receipts into the treasury, in the manner described in paragraph 6 of my letter, dated 1st instant, (G. O. No. 2,400, dated 8th August 1867,) was objectionable.

4. The Agent in paragraph 4 of his letter explains, that the security furnished by his Cashkeeper prior to May 1864 was accepted by him, but that, in addition, under the rules promulgated at that period, he paid monthly instalments of cash to the Guarantee Fund. The Agent does not mention what sum had accumulated in the course of the three years that have elapsed, but the report of the Government Examiner leads me to the conclusion that the Cashkeeper's security was substantially in land, and not in cash or Government promissory notes.

5. The Government will be glad to learn that the Agent and Traffic Manager will cheerfully co-operate in any measures which may be taken to guard against the recurrence of fraud on the part of his subordinates. While I am quite satisfied that he will endeavor to promote what may appear to him to be the interests of the Company, I am of opinion that he is not fully alive to the false economy of keeping the salaries of the Company's servants within the lowest possible limits.

6. With reference to paragraph 6 of G. O., dated 8th instant, directing me to take measures for ascertaining whether the despatch of the packet containing the Accountant General's statements of receipts and payments is recorded in the books of the Post Office, I have the honor to report having received intimation from the Postmaster General that there is no record of its receipt in the Post Office Registers. The Postmaster having, however, permitted me to inspect the Registers, I learn that they do not contain a record of the receipt of various covers which were sent from this Office on various dates in the months of May and June, and to which replies have been received from the Officers to whom they were addressed, and that out of thirty-three days in those months in which packets were sent to the Post Office, the Register show entries for only eleven. The fact of replies having been received to various letters sent through the Post Office, and yet not recorded in the Post Office Registers, shows that the matter could not have been properly kept up, and prevents me from throwing the responsibility of the loss of the documents described for the Agent of the Great Southern of India Railway on any of his Office staff.

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lishment. I may add that the packets for the Post Office are forwarded in a sealed bag in the prescribed manner.

(Signed) J. C. ANDERSON, Lieut.-Colonel, R. E.,
Consulting Engineer for Railways.

No. 547. ORDER THEREON, 23rd August 1867, No. 2,581.

RAILWAY, No. 24.

1. Ordered to lie over, pending the result of the criminal proceedings which, it is understood from the telegrams above recorded, have been instituted against the late Cashkeeper on the Establishment of the Agent of the Great Southern of India Railway.

2. Paragraph of the Consulting Engineer's observations of the 20th instant, No. 233, will be referred to the Public Department.

(True Extract.)



Colonel, R. E.,

Secretary to Government.

30 August 1867 No. 1006.

The attention of the Postmaster General will be requested to the observations referred to of the Consulting Engineer for Railways.

To the Consulting Engineer for Railways.
.. Public Department.



*Recd 23.8.67
226.227*

The Postmaster General desps 30/8

Station order

*Copy sent to the m
- satisfactory state of a
Post Office. Signatures in
connection with certain
depositions in the office
of the Agent of the
Es. & Augustin.*

226.227

Received 23/8/67

Recd 30.8.67