

Govt Prep,
Madras, 15th July 1892



Office Note.

The Superintendent
Government Prep, Submits
the following information for
the Chief Secretary to
Government

2. On the morning of
Friday the 15th instant
Mr G. L. Pinto Chief
Superintendent, Accountant
General's office, came to
my house and informed
me that whilst examining
the accounts for the past
three years, to reply to an
enquiry made by the Govt
of India whether the
sale proceeds of the Civil
account codes had been
duly accounted for, he
had discovered that the
Prep remittances made to
the Bank of Madras were
less than those shown in
the press cash book and
he considered the Cash Report
of the prep had been tampered
with the remittances. On
this I noted down certain
items of recent dates that

were in question, and at once saw Colonel W. H. Rose, the Commissioner of Police, I asked him to send some one with me with the necessary warrants for arrest and for power to search, and if I found that these particular items were tampered with I wanted to arrest the Cashkeeper at once before he could hear of the news. The warrants were supplied. On comparing the Bank receipts with the Cash book I discovered that the receipts had been tampered with. I directed Mr. Upshon to have the Cashkeeper secured and brought to me. On his arrival I questioned him as to certain moneys that I had signed for, and to these questions he could give no satisfactory answers. The Cash Chest was then examined, and only No. 133 was found in it. He was then given into custody.

3 Today he was brought to me to give further explanations regarding

the moneys in hand for the current month and he then acknowledged to a deficit of R^o 1545. He then made a statement confessing to misappropriation of part of the remittances which he had to deliver to the Bank between October 1891 and April 1892, amounting to R^o 6,300.

4 On Monday I expect to receive further particulars from the Accountant General regarding the defalcations discovered in the remittances to the Bank between August 1889 and April 1892. The accounts for 1889-90 and 1890-91 have been audited and the defalcations were not noticed by the Auditor.

A. Hill
Supt. Govt. Hosp.

To

The Chief Secretary
to Government.

CURRENT No. 1895

Public (1892) Dept

From

The Supdt Govt. Press.

Of 15.7

Of 15.7. } 92

Defalcations in the Press

Public DEPARTMENT.

C No. 1895

From

The Supdt Govt. Press

Dated

15th July

1892.

FOR ORDERS.

Submitted for personal

A further report is submitted

The audit of the books of 1889-90

1890-91. were made by Mr. Smith

and in his report he states that

of collections to the bank were checked

with the bank's receipts.

This could not have been done

in a satisfactory manner.

19 July.

It is not clear from the report however
that there was any deficit in
the audit of the books of 1889-90 &
1890-91. Apparently the audit of the
deficit at any rate relates to 91-2
the accounts of which have not yet
been audited. It is not better to
no longer to the auditor until
we have a clear report. But
there must have been great negli-
gence in the office, that
the discrepancies between the
Bank receipts & the cash book
have attracted the attention of the
auditor of the books.

1400
11/13

W. H. P. Henry, Secy.
N. C. S.

Oct.

May, Sir Will be told
that ^a further report
is awaited?

J. D. B.

22/7

Wait. He has promised the
further report and will
doubt send it. As I could
stand the case the Bank
receipts were altered to
correspond with the Cash
book. The Estab. probably
continued that the receipts
were read out to the Auditors
and that he checked the
comparisons of the amount
to read out with the Cash
book. I should like to
see the Cash book at the
Bank receipts & so forth
before the trial.

No. 2655

Govt. Press, Madras,
25th July 1892.

Office Note

In continuation of office note,
dated 16th instant, No. 2581 A,
the Superintendent submits
the following report upon the
defalcations made by
G. Venkoo Pillai, the Cashier
of the Press.

2 On an examination into
the cash transactions of the
press the Supt. finds that
there is nothing wrong in the
present system by which
the sale proceeds of Indian
Law Reports, Gazettes, Acts,
Codes, &c, are brought to
account and receipts granted.

that all sales are brought into the cash book, and the entries in the cash book are checked by the counterfoils before remittances are made to the Bank of Madras. The cash book is written up daily, and is brought to the Supt. for initialing once in two or three days.

3. The Cash book is closed on the 15th, and on the last day of each month, the remittances for the first half of the month being usually forwarded between the 16th and 20th, and the remittances for the second half being forwarded between the 1st and 5th of the following month; the exception to this practice occurs at the end of March when the remittance for the 31st March is paid into the Bank on the 31st to include this money (the

third remittance of the month) in the accounts of the official year. This causes one remittance only to be made in the month of April.

4. As soon as the cashkeeper has closed his cash book he gives it with the letter to the Bank of Madras, to the Accountant to check; the Accountant checks it and sends the letter and cash book to the Supt. The Supt. then looks at the several items of classification in the letter, and sees that the total amount in the letter agrees with the "daily balance" column in the Cash book for the days on which the remittance is closed; the letter is then signed and the letter and cash book are returned to the Accountant. The Accountant gives the letter to the correspondence clerk to number and date it, and to note in the letter book

the amount remitted; after this it is given to the Cashkeeper. It is the duty of the Cashkeeper to take the letter and money that day, or the next day at latest, to the Bank, and the Bank receipt is usually received ^{by whom?} under cover the following day. The Supt. does not check the receipt with the cash book, but dates the receipt in lead pencil and sends it to the Accountant to check the same with the cash book and file it for reference. The Accountant now states that it has been his practice to pass on the bank receipt to the Cashkeeper to check it with the cash book, and then for him to file the receipt.

5. The Supt. regrets to state that defalcations in the remittances to the Bank of Madras to the extent of Rs. 18,161-3-6 have been discovered in

the cash accounts between the end of July 1889 and the middle of April 1892. Rs. 1545-5-0 were missing from the cash chest when the Cashkeeper was arrested. The defalcations occurred on 17 occasions and are as follows.

1st. Rs. 714-13-6 being the remittance for the 2nd half of July 1889 was not paid into the Bank by the Cashkeeper, although the cash book had been checked and the letter to the Bank was written, signed, numbered, and dated as usual to accompany the remittance. This is proved by an entry in the letter book. The letter in this case must have been destroyed.

2nd. Rs. 1043-9-10 remittance for 2nd half of October 1889 was not paid into the Bank.

There is no entry in the letter book to show that the letter to the Bank was written, but there is a ticking-off mark of the Supt to show that he noted the amount when signing the usual letter.

3rd. Rs. 2,155-2-6 remittance for 2nd half of February 1890 was not paid into the Bank. The letter book shows that a letter to the Bank was written.

4th. Rs. 402-13-3 remittance for 2nd half of May 1890 was not paid into the Bank. The letter book shows that a letter to the Bank was written.

5th. Rs. 794-15-8, remittance for 2nd half of June 1890 was not paid into the Bank. The letter book shows that a letter to the Bank was written.

6th. Rs. 846-0-4, remittance for 2nd half of July 1890 was not paid into the Bank.

The letter book shows that a letter to the Bank was written.

7th. Rs. 1049-12-6 remittance for 1st half of August 1890 was not paid into the Bank. The letter book shows that a letter to the Bank was written.

8th. Rs. 3071-4-9 remittance for 2nd half of January 1891 was not paid into the Bank. The letter book shows that a letter to the Bank was written. The Bank receipt for remittance of 2nd half of January 1890 was tampered with by changing the date "5th" to "4th" and the year "1890" to "1891". This tampered receipt was shown to the auditor's clerk and passed by him as genuine.

9th. Rs. 1,782-11-3 remittance for the 1st half of April 1890 was not paid into the Bank. The letter book shows that

a letter to the Bank was written. The Bank receipt for the same sum and being the remittance for 1st half of April 1889 was tampered with by changing the year "1889" into "1891", and pasted into the receipt file.

6. For the 9 items above mentioned the cashkeeper withheld the whole of the remittances, and must have destroyed the letters addressed to the Bank. For the following 8 items the cashkeeper appropriated a portion only of each remittance, suppressed the letters signed by the Supt, substituted others of his own for the smaller amounts stated to which the signature of the Supt. has been forged, and presented these substituted

letters to the Bank. This is proved by the Cash book, the letter book, and the receipts received from the Bank which now bear unmistakable traces of tampering by increasing the lesser amounts actually paid into the Bank into the larger amounts appearing in the cash book.

10th. Rs. 996-14-6 remittance for 2nd half of September 1891. Of this Rs. 196-14-6 only was paid on a letter to the Bank bearing a forged signature of the Supt. The receipt was received as usual, and after it passed into the cashkeeper's hands, he must have altered the "one" in the hundred to "nine" to agree with the cash book, in the hopes

that it would pass the audit clerk, when the accounts were under audit. This last sentence applies to the remaining seven cases, the manipulation of the amounts in words and figures being made to agree with the entries in the cash book.

11th. Rs. 569-12-9 remittance for 2nd half of October 1891. Of this sum, Rs. 169-12-9 only was paid on a letter to the Bank bearing a forged signature of the Supt. Proof of this is given by the entry in the letter book for Rs. 569-12-9 being entered therein and copied from the original signed by the Supt. and passed on by the Accountants to the correspondence clerk before being given to the cashkeeper to take with the money.

12th. Rs. 688-14-6 remittance for the 2nd half of November 1891. Of this sum Rs. 188-14-6 only was paid on a letter to the Bank bearing a forged signature of the Supt. Proof of this is given by the entry in the letter book for Rs. 688-14-6 being entered therein and copied from the original letter signed by the Supt.

13th. Rs. 4098-6-0 remittance for the 1st half of January 1892. Of this sum Rs. 2098-6-0 only was paid on a forged signature of the Supt.

14th. Rs. 1698-1-5 remittance for the 1st half of February 1892. Of this sum Rs. 1198-1-5 only was paid on a forged signature of the Supt. Proof of this is given by the entry in the letter book for Rs. 1698-1-5 being entered

therein and copied from the original letter signed by the Supt.

15th. Rs. 2,092-11-0 remittance for 1st half of March 1892. Of this sum Rs. 1,092-11-0 only was paid on a forged signature of the Supt. Proof of this is given by the entry in the letter book for Rs. 2,092-11-0 being entered therein and copied from the original letter signed by the Supt.

16th. Rs. 2,603-1-0 remittance for 2nd half of March 1892. Of this sum, Rs. 2,103-1-0 only was paid on a forged signature of the Supt. Proof of this is given by the entry in the letter book for Rs. 2,603-1-0 being entered therein and copied from the original letter signed by the Supt.

17th. Rs. 1,792-14-4 remittance for 1st half of April 1892.

Of this sum, Rs. 1,192-14-4 only was paid on a forged signature of the Supt.

7. On making up the Cash book on the 16th inst. a deficiency of Rs. 1,545-5-0 was discovered in the cash balance as per following statement:

	Rs.	A.	P.
Receipts between 1st and 7th July	254	11	6
Deposits - - - - -	305	0	0
Attachment money - - -	332	14	8
Waste paper " - - -	44	14	9
Stoppage - - - - -	67	15	11
Undisbursed pay - - -	107	5	10
Permanent advance - - -	500	0	0
Dr. McHally's book - - -	44	0	0
Other monies - - - - -	48	15	9
	1,705	14	5

Deduct

Advances paid } Rs. A. P.
as per receipts } 27-9-6

Cash in chest 132-15-11

160-9-5

1,545-5-0

The remittances to the Bank between 16th April and 30th June

1892 have been correctly made, and the receipts are filed.

8. The annual audit report on the accounts of the press for 1889-90 and 1890-91 certify to the remittances being correct, and to the same being checked with the Bank receipts.

It is now discovered that in 1889-90 three remittances as per margin* were withheld, and in 1890-91 five remittances as per margin† were further withheld, amounting in all to Rs. 10,078-8-3.

9. With regard to Mr. Pinto's Report on the concluding part of Comptroller-General's letter, No. 418, dated 6th June 1892, forwarded with Accountant-General's letter, No. 2210, dated 20th July 1892, the Suph. submits that it is inexplicable how the deficiencies in

	R.	A.	P.
* 5th August 1889	714	13	6
5th Nov. "	1043	9	10
5th March 1890.	2155	2	5
	<u>3913</u>	<u>9</u>	<u>9</u>

	R.	A.	P.
† 6th June 1890	402	13	3
3rd July "	794	15	8
5th Aug. "	846	0	4
20th Aug. "	1049	12	6
4th Feb. 1891	3071	4	9
	<u>6164</u>	<u>14</u>	<u>6</u>

the audited accounts for 1889-90 and 1890-91 were not discovered, if the totals of the remittances in the cash book at each audit were compared with the statement of accounts rendered to the Accountant-General by the Bank of Madras.

10. As regards the defalcations in the accounts for 1891-92, and in the account for April 1892 which are not audited, the Suph. regrets that the Bank receipts were not checked by the Accountant with the cash book before giving them to the Cashkeeper to file.

11. Stringent instructions have been issued to guard against such neglect of checking in future.

On receiving the receipt
the Accountant will now
initial the cash book
under the amounts remitted
to the Bank, to show that
he has compared the amounts,
and will report any discrepancy
to the Supt. at once.

I doubt if this is enough -
The Asst. must himself check
the receipts & cash book.
Supt
6/8/52

12. The necessary papers
for prosecuting C. Vengoo
Pillay will be given to
the Commissioner of Police
within the next two days.

13. C. Vengoo Pillay has
been in the service of Govt.
for nearly 13 years, and
has never given the least
cause to suspect unfaith-
fulness. It should be
stated however that an
order from the High Court
was received in January
last, directing a moiety
of his salary to be withheld

until further orders in
respect of a civil suit
then pending in which
he appeared as 4th defendant.
In view of that order and
for his own satisfaction
the Supt. on the 8th March
last without warning -
caused the cash book
to be balanced, and
personally examined the
cash when both were found
to agree.

R. Hill
Superintendent.

To

The Chief Secretary
to Government

(1892) Sept

From

The Superintendent
Govt. Press

To

The Chief Secretary
to Government

No 2655

Dated 25

July 1892

Recd. 26th

Regd. 27th

Enc.



Subject

Reporting on the defalcations
on the cash accounts of
the press.

Public DEPARTMENT

No. 1965.

From The Supr. Govt. Press.

Dated 25 July 1892

FOR ORDERS.

The amount of remittances actually embezzled
in Rs. 18161 - 3 - 7. (There is an error of 1
pice in the Supr. Total) If to this be added
Rs. 1545 - 5 - 0 the deficiency found
in the Cash Check the total defalcation
amounts to the large sum of Rs. 19706 - 8 - 7.

The embezzlement of remittances extends
over four years as shown below.

1889 Rs. 1758 - 7 - 4.

1890 Rs. 5248 - 12 - 3

1891 Rs. 6554 - 0 - 0

1892 Rs. 4690 - 0 - 0

(Up to this)

Total Rs. 18161 - 3 - 7.

That the abstraction of this amount was
undoubtedly the result of failure
to observe the most obvious precautions.
The persons responsible are the Supr. and
Accountant. For the former there is some
excuse as he is an extremely hardworked
and very much worried man, for the
latter there is none. He was either grossly
careless or else an accomplice. The
case is such a bad one that it looks
very much as if he were the latter. However
when the matter is judicially investigated
his point will no doubt be considered
if there is any room for doing so and
in the mean time the Police are set to
work to trace the means.

The fraud committed were of a nature
which would have had very ordinary

They consist of two classes.

In the former of these which covers a period from July 1889 to April 1891 the Cashier was saving the latter involving the existence of the Bank signed by the Cashier at the same time compared in July 1890 that he compared ~~the account~~ the amount entered in the letter with that which the Cash book should show he submitted, costly bookkeeping the whole of certain remittances since 1885 (Feb. 1889 (N. 1043) & 1890 (N. 2155) Aug. (N. 1044) Jan. 1891 (N. 36) 1) April (N. 1782) being of large amount & destroyed the letter. How Mr. Hall can be so sure that no records came to his notice is still more astonishing that the Accountant if he ~~destroyed~~ in the future observed nothing suspicious for not only had the Cash book upon each occasion, but in month according to the diff. & amount such a remittance sent to the bank, to take the covering letter and cash book to the Accountant for checks his many receipts which reached the diff. was sent on to him for check with the Cash book and record. The only explanation that seems possible is that Mr. Hall turned to his Accountant and saying once passed the letter of remittance and seen that the amount was paid and the Cash book failed destroyed trouble himself any further about the matter. If a receipt came he intrusted entirely - as will be shown further on - without looking at it and passed it over to the Accountant who if his story is true - is a highly doubtful one - handed the receipt on to the Cashier without any check.

Then papers came and in Case in an ordinary box N. 37 - not marked 'urgent' - I always give remittance

box marked - then a dispatch of the box in the air of receipt - for I gave only him for 20 to 30 in my own story but he took 2 or 3 days unless it is marked urgent - this conf. com. 82, but he was not expecting in a special com. that this was done 5 or 6 days delay in him to avoid delay.

6/7/92

The box only reached me on 12/2/92

+ The papers were not immediately received by the Cashier but have been put into the hands of the Accountant

to be had by the Cashier. The second class of frauds was somewhat more complicated than the first. The procedure was as follows. The Cashier received through the Accountant the usual letter of remittance showing the amount which according to the Cash book had been sent to the Bank. This letter he destroyed and replaced by a ~~different~~ ^{new} letter of remittance forwarding to the Bank a portion - ~~amount~~ ^{amount} of the proper remittance. When the receipt came from the Bank and was passed on to the Cashier he altered the words and figures in it to correspond with the amount which should properly have been received. This same he carried on from Sept. 11 to the end of April 1892. In begging during of the time he left him N. 6300 that Mr. Hall would have been looking at the receipts when in the worst case would be evident ~~from~~ ^{from} the fact that he never observed that the Bank receipts in three consecutive months were for the petty sums of 196, 169, & 188. The amount which he had passed for remittance, having been N. 990, 509 & 588. Each of one single remittance 4 January 92. The Cashier took N. 2000 yet this passed and passed by other Mr. Hall or the Accountant. How it was that the total absence of receipts in 1889, 90 & part of 891 was not detected by the Auditor is difficult to imagine. The only way in which it can be accounted for are either that the statements that the remittances to the Bank were checked with the Bank receipts or that the Cashier continued that bogus receipts should

used - ~~the~~ ~~one~~ ~~and~~
out of him or an accomplice to the
Auditor who had before him the
Cash book alone.

There has clearly been carelessness and
want of proper scrutiny; an auditor
should take nothing for granted.

Should matters be left as they are
until the case has been disposed
of by the Court? or should Mr. Hall,
the Accountant (if not in custody) and
the Auditor be called upon for their
explanations as to this neglect & of
~~default~~ duty.

Whether any of the money, misdeposited
with will be recovered cannot at
present be definitely ascertained. It
is not known here, what the Cashier's
claim is - I have telegraphed for
information. This is in all probability
all that Govt. will get - It is not likely
to be more than a couple of thousand
pounds.

28 July

It has been ascertained that the
Cash Keeper's security is Rs. 2000
which is invested in Govt. Securities
held by the Govt. Secy.

29 July.

Telegraph to Sup. Press to place
 accountants under suspension at
 once. Ask him also as to in
 whose custody the forged letters
 are

8
 5 rough

Reference

Telegram to the Superintendent
 Govt Press, Madras.

No. 362. Place the accountants
 of your office under suspension
 at once. Where are the forged
 letters. In whose custody are
 they.

Final copy signed by C.S.

Reported that they were
 in the possession of the
 Council to be

Words. 136
Hrs. 16
Minute. 40
Official Instructions.

To
(Person)

Madras

From
(Person)

Supt. Govt. Press.

Gotged letters with
Commissioner of Police

Word Form.

Recd. from LN.
At Hrs. Mts. by

Sent to LN.
At Hrs. Mts. by

Telegraph Master.

Calcutta Steam Press Co. - No. 393 T. - 8 3 92 - 30,00,000

COTACAMUND 5-8-92

Telegram

From Supt
Govt Press.

No.

Dated 5th
Received 5th } August 1892
Enclosures "

SUBJECT.

Stating that forged letters
are with the Commissioners
of Police.

DEPARTMENT

No.

From

Dated

189

FOR OFFERS.

Submitted for information

Recd 5th aft.

1892

Lang

24th Aug 1892

Public

Defalcations - Govt Press.

Forged Letters.

Slew
W
23 Aug

Public Dept.

Read Current 1905.

Order 9th Aug. 92 No 548

The Govt. regrets to receive the foregoing report which shows that there has been great want of care on the part of Supt. of the Govt. Press. It is inconceivable how ~~that officer's attention~~ failed to be attracted by the non-arrival of ~~recs~~ from the Bank for the amounts for which it ^{had} signed forwarding ~~to~~ and which were embossed in whole by the cashier. ^{Public & other's attention} ~~now~~ can it be more readily understood how he omitted to observe the great deficiencies in the amounts acknowledged ^{by the Bank} in the second series of embossed amounts.

2. In regard to the accountant, it was his obvious duty on the receipt of coming in to have compared them with the Cashbook and with the letters forwarding the remittances to the Bank. Had he done so it is possible to believe

could not have detected the deficiencies. Circumstances of case give rise to a strong suspicion he was in complicity with the Cashier. Orders are already issued by graph for his suspension and the Supt. will report him for ^{full} explanation, which could be submitted to Govt. without delay.

The auditor - Mr. [unclear] - was singularly deficient in his duty. The Comptant General should call upon him for explanation and report upon his conduct in having failed to discover the absence of receipts in the earlier cases and the alterations carried out in the later series. It appears that he must have left the verification of these important documents entirely to his clerk, and, if that is so, the Acct. Genl. should deal with the clerk, who must have been either grossly incompetent or negligent, or possibly in the hands of the Cashier.

G.O. d/ 5.8.92, No. 543.

4. Orders in regard to the prosecution of Cashier have already been issued. Directions ^{with reference} to the disposal of his security will be given on the result of the trial being ~~known~~ known. The interest on the Govt. Pro: Notes, from which to ~~price~~ price the security, for the first half of 1892 should be retained by the Acct. Genl. for the present, ^{the amount} it has not already been forwarded to the Supt. Govt. Press.

5. The Acct. Genl. will be requested to arrange for an examination of the accounts of the Press for each year since C. Vengu Pillai was appointed Cashier.

6. The Supt. Govt. Press will report what portion of the amount embezzled should have been credited to the Govt. of India. Further orders in regard to the adjustment of the total deficiency will issue hereafter.

To The Supt. Govt. Press
Acct. General.

20/3/92

FURTHER PAPER, No.

2267/892

2432/92

2434/92

READ AGAIN ORDER OF GOVERNMENT, DATED
18 , No. , MISCELLANEOUS.

ENCLOSURES.

CURRENT No.

STATEMENT WITH DITTO.

ORDER OF GOVERNMENT.

A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH
IN ORIGINAL (not paged).

N.B.—

- A = Copy in full.
- B = Not to be copied.
- P = Copy abstract only.
- Q = Copy heading only.

ORDINARY, MS.

<i>Public</i>	DEPARTMENT.
G.O., DATED <i>9-11-92</i>	
No. <i>548</i>	

When given for copying.

[Despatch Abstract.]

*Papers order on
the report on the
disfranchisement in the
first paper —*