RETURN

To an Order of the House for the report of the Provincial Auditor in reference to accounts of the Road Superintendent of East Lillooet.

J. H. TURNER,
Minister of Finance.

Treasury Department,
27th February, 1896.

AUDITOR'S REPORT ON THE ALLEGED IRREGULARITIES IN VOUCHERS WHICH WERE CERTIFIED TO BY THOMAS BARTON, ROAD SUPERINTENDENT, CLINTON.

AUDIT OFFICE,
May 22nd, 1895.

Hon. G. B. Martin,
Chief Commissioner of Lands and Works.

SIR,—I have the honour to submit my report in the matter of two vouchers for expenditure on the Main Trunk Road, which vouchers were certified to by Thomas Barton, Road Superintendent.

VOUCHER NO. 1.—IN FAVOUR OF CONRAD KOSTERING.

1894, Nov. 22nd.—1,500 lbs. oats @ 2¼	$33 75
Cutting out wind-falls	5 00
	$38 75

(Signed) CONRAD KOSTERING.

Before I arrived at Clinton, I had previously requested Mr. Soues, the Government Agent, to obtain from Mr. Kostering the particulars of this voucher, and to ascertain whether he had signed for the amount of same.

Mr. Kostering, in reply to Mr. Soues' request, sent in the following statement and letters:—

1894, July 26th.—	110 lbs. oats @	2¼	$ 2 47½
Oct. 7th.—	370 "	2¼	8 32½
Nov. 21st.—	1000 "	2¼	22 50
1895, Jan. 31st.—	990 "	2	19 80
			$53 10
Received			35 00
Balance			$18 10

"BIG BAR, April 4th, 1895.

"*F. Soues.*

"DEAR SIR,—You like to know where we left the grain. Left part of it at the road, part of it we left at the Government stables, and the last load at T. Barton's stable, and Mr. Barton wish to settle for it.

"Yours truly,
"C. F. KOSTERING."

"BIG BAR, April 19th, 1895.

"*F. Soues.*

"SIR,—Yours of the 1st inst. You wanted to know if we signed the voucher. My nephew signed it last fall, but he does not remember for how much.

"Yours truly,
"C. F. KOSTERING."

In respect to the signature to the voucher, I have carefully examined the signature of the nephew, which I obtained from his application for naturalization, and I have no hesitation in stating that the writing in the signature on the voucher was not executed by the nephew, nor is it the signature of Mr. Kostering. I showed the signature of the nephew to Mr. Barton, and asked him if he saw any similarity in the writing to that in the voucher, and he frankly admitted that there was not, but still asserted that he was under the impression that the nephew signed the voucher. The only conclusion that I could arrive at was that if the nephew had signed a voucher it was not the one which Barton had certified to, but that the certified voucher was a substituted one, the signature to which looks very similar to the writing in the body of the voucher, which was written by Thomas Barton.

In the first place, the voucher is irregular as to the quantity of grain, as Kostering's bill shows that 1,480 lbs. of oats were delivered on three different dates between the 26th July and the 21st November, $33.30, whilst the voucher, as certified to by Barton, shows 1,500 lbs. oats, 22nd Nov., $33.75.

Kostering's account shows a payment of $35.00. I asked Barton how it was that the payment credited by Kostering in his account did not agree with the voucher. He replied that he gave him $40.00, viz.:—$33.75 for oats and $5.00 for cutting out wind-falls, making $38.75, and that the nephew had no change, therefore owed Barton $1.25, consequently the credit in the account was $33.75 + $1.25 = $35.00.

There is comparatively nothing wrong in the amount of the voucher, merely an overcharge of 20 pounds of oats, amounting to 45 cents. The signature is the objectionable point, and if the practice (as I surmise has been the case in this instance) of the Road Superintendent not obtaining properly signed vouchers is not severely censured it may tend to charges of a more serious nature.

VOUCHERS NOS. 2 AND 3.—IN FAVOUR OF C. E. DAVISON.

No. 2.—April, 1893.—Repairing 2 sets cart harness @ $2.50	$ 5 00
2 sweat-pads @ $1.25	2 50
Washing and oiling 2 sets cart harness @ $3	6 00
1 dandy brush	1 00
Repairing 2 halters @ 75c	1 50
2 curry-combs @ 75c	1 50
1 set single lines	2 00
4 No 47 ring-bits @ 37½c	1 50
3 halter-chanks @ 75c	2 25
New padding in cart saddle	1 75
Safes in 1 collar	75
	$25 75

No. 3.—April, 1893.—Repairing 3 sets cart harness @ $2.50	$ 7 50
Repairing 2 double sets cart harness @ $3	6 00
3 sweat-pads @ $1.25	3 75
Washing and oiling 3 sets cart harness	9 00
" 2 sets double cart harness	7 00
2 dandy brushes @ $1	2 00
1 set 2-horse lines	4 50
Repairing 3 halters @ 75c	2 25
2 curry-combs @ 75c	1 50
2 sets single lines @ $2	4 00
2 halter-shanks @ 75c	2 25
New padding in 3 cart saddles @ $1.75	5 25
	$55 00

These two vouchers amount to $80.75.

Mr. Soues had applied to Mr. Davison for a copy of the Government account, as shown in his books, and obtained the following :—

PROVINCIAL GOVERNMENT TO E. C. DAVISON, *Dr.*

1893, April 1.	—To 1 sweat-pad, $1.25 ; (18) 1 halter-shank, 75c	$ 2 00
" 18.	—1 pair lerrets, $1.50 ; repairing 5 sets cart harness, $6.25	7 75
	Washing and oiling, $2.50	10 00
	Repairing 2 sets double harness	2 00
	Washing and oiling ditto, $3	6 00
	Washing and oiling 1 set single harness	2 50
	1 flexible rubber bit	1 75
	1 riveted halter, $1.50 ; repairing halter, 75c	2 25
	1 curry-comb, 75c. ; 1 dandy brush, $1	1 75
	2 halter-shanks @ 75c	1 50
	Sewing curtain on cook's tent	1 00
" 22.	—1 whip socket	1 00
May 31.	—Merchandise in voucher for April	41 25
		$80 75
May 31.	—By cash, $20.75; rent, $60	$80 75

(NOTE.—I may here state that the credit entry of $60 for rent, is the rent of the premises occupied by Davison, which Mr. Soues collects for the owner of the property, and represents the same to the Government as a cash payment by Soues. Mr. Soues is merely agent for the owner, who is not in the Province.)

Mr. Soues made application to Mr. Davison for a detailed account, showing what items comprised the amount of $41.25 as "lumped" in the account under date of May 31st. Mr. Davison, who had removed his business from Clinton to Kamloops, replied that he failed to find in his books any record of items to make up the amount, and stated that the only entry of the amount in the books is "extra charges in voucher for April." Mr. Soues could not examine Davison's books, as they had been taken to Kamloops.

I sent for Mr. Barton and questioned him very closely as to the item appearing in Davison's voucher, and he could not give me satisfactory evidence that the several charges in the Davison vouchers were correct ; in fact he did not appear to know whether they were correct or not. I asked him how it was that he certified to their correctness, upon which certificate the amount was paid. I then showed him the copy of the original items as charged to Government account in Davison's books, amounting to $39.50, and asked him to explain what was meant by the entry of $41.25, for which no items could be found in Davison's books. This he could not explain. I then told him that I thought the vouchers were "cooked" for the purpose

of increasing the amount under fictitious items to pay for an amount of $41 which he, Barton, owed Davison for the following:—

One stock saddle	$ 40 00
Rep. bridle	25
One circingle	75

when he remarked that probably it was paid in that way.

On my arrival at Kamloops I found that Mr. Davison was at Nicola, but ascertained that Mr. McIver, the Town Clerk, had charge of the books and went to see him. He and I made a close examination of the books and could not find any account against the Government showing the items except $39.50, to which was added in one entry, "extra charges in April, $41.25," apparently to balance the payment of $80.75 cash which the Government Agent had paid on the vouchers herein alluded to.

The vouchers were made out by Mr. Horne, the book-keeper of Davison, and dated 29th April. The Government Agent paid the amount in May, which entry appears in Davison's day-book.

I turned up Barton's account in Davison's books, and I find an entry in the Ledger May 1st, by cash $41, just two days after the Government vouchers had been made out, but there was no entry of the cash payment in the day-book for Barton's account.

Reviewing the whole circumstances it looked to me as if the indebtedness of Barton was wiped out by a corresponding amount of fictitious items in the Government vouchers. Mr. McIver was of the same opinion.

It is a matter, however, open to question between Mr. Barton and Mr. Horne, the book-keeper, to explain as to the object of arranging the account in the manner they did, or of giving satisfactory evidence to the contrary, to establish the correctness of the vouchers certified to by Mr. Barton.

I have, etc.,
J. McB. SMITH,
Auditor-General.

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