

satisfied me that the rates referred to were never paid. I have already pointed out, in my remarks on the subject of the uncollected rates, that the amount of the *apparently* uncollected rates for the four years for which the rate-book is missing exceeded the average of the uncollected rates for the three precedent and one following year by a sum of £1,120, and, looking to the number of frauds in connection with the rates which have been discovered, I think it may confidently be assumed that a large proportion of that sum has been collected and misappropriated. The interpolations in the minutes of the 6th July, 1885, whereby it was intended to stop further applications for rates in arrear; the destruction of the rate-book for four years, and of the half-yearly returns of uncollected rates initialled by the County Auditor, whereby all authentic record of the rates payable and unpaid in respect of that period has been lost; and the burning of the rate-receipt-books and the Rate-collector's sheets, which similarly swept away the record of rates paid, afford strong presumptive evidence that frauds in connection with the rates extending over the whole of those four years have taken place to an extent which nothing but the entire destruction of all these documents could conceal.

76. But, in addition to the frauds connected with the rates, frauds have taken place in other branches of the county revenue. The County Auditor has on several occasions reported that license-fees received by the Clerk had not been accounted for: three such cases occurred in the half-year ended 31st March, 1886, and it was only on the 7th December, 1886, that the Clerk made good the amount. Two cases, which, owing to the falsification of the records, had previously escaped detection, came to light in the course of the hearing of the charges upon which the Clerk has been committed for trial. One of these represented a fraud of £2 in connection with one of the license-fees embezzled. In the case of the fraud of £130, the license-fee of J. B. Kerr stated by Boulton to have been received was entered by him as £10; but it was proved by the evidence of two witnesses, and of the license itself, that the fee paid was £12. The other case disclosed in Court was a sum of £1 for a transfer-fee on a publican's license. No such sum is shown in the county accounts, and no proper receipt could have been given for it. There is, however, no doubt that it was paid, for the Crown Prosecutor informed me that he had acted for the licensee in arranging the transfer, and had himself paid the fee to Boulton.

77. Frauds of other kinds have in many instances been attempted, but have been discovered and frustrated by the County Auditor, who, in addition to reporting them to the Chairman, has required and obtained the refund of the money. The following instances will illustrate the class of cases referred to:—

			£	s.	d.
Half-year to March, 1882.—	Travis (labour)	...	10	11	6
	Collins (labour)	...	4	3	4
Half-year to September, 1882.—	Woodhead (labour)	...	12	0	0
	McLennan (labour)	...	13	10	0
	Warbrick (labour)	...	12	0	0
	Reid (labour)	...	13	1	0
	Chard (labour)	...	12	0	0
Half-year to September, 1883.—	Henderson and Co. (Appendix D)		43	16	7
Half-year to March, 1885.—	Cunningham (Appendix B.—13)	...	10	16	8
	Stephenson (labour)	...	3	1	4

The double charges of £1 15s., £5 16s., and £12 5s. made in the case of Fergusson and Mitchell, are analogous in all respects with the foregoing, except as to the recovery of the money. In each of these cases the sum represented an apparent double payment to the person charged; but in most of the cases it is certain, and in the others there is every reason to believe, that the payments so charged were not made to the persons named, that the vouchers were fraudulent, and the receipts forged (see Auditor's reports, 1st July and 30th December, 1886). The moneys, on the demand of the County Auditor, were repaid by Boulton, who then removed the vouchers from the file and destroyed them. Other cases of the like nature occurred as those of Homer and Gantley, but I omitted to take notes of the particulars. In my remarks on the Cardrona Nursery (paragraph 38) I have pointed out that Boulton was indebted to the Council in the sum of £21 1s. 9d. for trees supplied to him; £11 of that amount being, as stated in the Forester's book, for trees sent to Boulton to be sold by auction. He is also indebted to the Council for rates of several years on the property in his occupation. In the evidence of W. J. Powell and W. Murrish he is accused of holding back the wages due to the labourers on the roads, some of which it is alleged are unpaid to this day (see Appendix B.—10–12).

78. Up to October, 1885, it was the practice of the Clerk to put together into one cheque a number of sums, sometimes as many as ten, payable to different persons (the names of the persons and the amount payable to each being set forth sometimes on the face and sometimes on the back of the cheque). He then cashed the cheque at the bank, and applied the proceeds or a part thereof at some subsequent date to the payment of entirely different sums due to entirely different persons. The bank at which the County Account was kept, by request it is believed of Boulton, entered in the pass-book the names and amounts set forth on the cheque as though each of the sums specified had been a separate cheque. The cases of Fergusson and Mitchell (Appendix F) afford an illustration of the practice. Under such a system the tracing of any sum from the entry in the cash-book into the hands of the payee became almost impossible. The butts of the cheque-books show that for some years by far the larger number of payments were dealt with in this way, and, as a consequence, the date of receipt upon the voucher, unless filled in by the Clerk himself, seldom coincided with the date of payment in the cash-book.

The practice of the Clerk in regard to the drawing of cheques and of cashing them himself as above described seems at length to have occasioned so much scandal that the Council had to take steps to put a stop to it. It appears from the minutes of the Council that on the 7th September, 1885, "Mr. Daniel, in consequence of a complaint from the Bank of New Zealand, moved, 'That in