

1933

1933

3206

KENYA

3206

C0533/437

REPRESENTATIONS FROM MR. A. J. DE BOUZA.

IRREGULARITIES IN TRAFFIC DEPARTMENTS OF
RAILWAYS IN EAST AFRICA AND INDIA.

Previous

Mr. Freeman

10

R. Pland.

11

R. 297

Subsequent

Quinty 7/6

Room 309 11/10

Mr. Freeman 17

Dec. 24/6

R. 297 27/6

Mr. Freeman 27

309 28

Mr. Freeman 12

R. Pland

297 14/10

Room 309 21/10

D. C. A. 9/11

297 12/11

Mr. Freeman 12/11

9028

FILE

33

H. Com. Transport 69.

2
2nd May 33

Encls. a letter from Mr. A. S. de Souza drawing attention to existing regularities in the traffic departments of railways in East Africa ^{in India} furnishes some reason.

The H.C. for Transport seems satisfied that there is nothing in Mr de Souza's allegations.

? Ask the H.C. to cause Mr de S. to be informed that the T.G.O. has received his communication and has noted the contents of the last paragraph.

Say that the T.G.O. will be glad to be informed when the liquidation of the assets of the Provident Fund with the liability to depositors has been completed.

C. J. [Signature] 17/5/33

Heads can find no trace of Mr A. S. de Souza's services. The name does not appear in CAS 1876. the Staff lists for 1921 or 1926 or the Blue Book for 1926.

D.C.A.

Any doubt in regard to para. 3?

[Signature] 17/6

Mr. Freeston,

No. 5674/3.

I have discussed this with Mr. Smith, the Auditor of Kenya. It seems likely that Mr. de

Souza

Souza may have thought that he could perpetrate a fraud without realising that the existing checks would have detected his operations. As far as I can see the audit check over the accounts of the Provident Fund is adequate and we have the Chief Accountant's view that his internal check is also adequate.

I do not understand the reference in paragraph 3 of the despatch to the "reconciliation of the assets with the liability to depositors", though it may be bound up in some way with the matters dealt with in correspondence and minutes in Kenya 18312/1932 and the High Commissioner's despatch No. 156 of 26th September, 1932. This is certainly a point that should be watched and I agree with Mr. Grossmith's suggestion above. I am referring the point to the Acting Auditor.

J.P. Fisher
Deputy Director
of Colonial Audit.

26 JUNE 1933

W.B. Fisher
7/2/33

15/11 2 To H.C.T. 74 (1 Annual) cons 30 JUN 1933

3. H.C.T. Moore 122

18th Sept 33.

State reconciliation of the total of the depositors accounts with the total liabilities shown in the main accounts of the Provident Fund has not been completed & gives details of results.

D.C.A.

Tr appears from para 10 that
there are mis items & probably
to recurrence of such discrepancies

Have you any items about?
(I have been asked for 12/12 3 - referred
to in Mr. Fisher's minute of 20/11/33
is still in our hands)

T. Davies etc.

No. 3677/D.

Mr. Davies.

I think the matter may be regarded
as satisfactorily settled.

A. J. Harding
Director of Colonial Audit.

9-11-33

? Or is hardly needed to make the

it may be

A. J. Harding
19

(A)



3
4

OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,
GOVERNMENT HOUSE,

NAIROBI,
KENYA.

18th September, 1933.

TRANSPORT

KENYA-UGANDA

NO. 122

RECEIVED
17 OCT 1933
C. O. REGY

Sir,

No 2

I have the honour to refer to your Transport Despatch Kenya-Uganda No.74 dated 30th June, and as regards paragraph 3 to inform you that the reconciliation of the total of the depositors' accounts with the total liabilities shown in the main accounts of the Provident Fund has now been completed. The reconciliation of assets with liabilities of the Provident Fund as appearing in the Administration's main accounts is published in the Annual Report.

See Statement No. 18
in K. 9. 2. of Vol. I
of the R.U.R. Report
(3207/1332).

2. The liabilities of the Provident Fund as at the 31st December 1932, as published in the Balance Sheet, are £464,438.12.03, while the total of depositors' accounts, including the "Working Expense" ledger account, amounted to £463,615.13.71 i.e. the published liabilities exceed the total of all accounts by £822.18.32.

3. It has not been possible, however, to ascertain exactly how this difference is made up as the following records were destroyed at the time of transfer to the new Headquarter Offices in 1929:-

- (1) All depositors' ledgers prior to 1925.
- (2) Deduction registers prior to 1926.
- (3) Refund registers prior to 1923.
- (4) Bonus abstracts prior to 1925.
- (5) Interest abstracts prior to 1921.

The total of depositors' accounts, however, as at the

THE RIGHT HONOURABLE,
MAJOR SIR PHILIP CULLIFEE-LISTER, G.C.B., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, S.W.1.

31st....

31st December 1925, total ₹270,417. 0.95 against the liability of ₹271,240. 7.31 shown in the Balance Sheet for that year, i.e. the published liability exceeds the total of accounts by ₹823. 6.36.

4. The difference between the discrepancies of 1925 and 1932 only amounts to Shs.8.04, and I endorse the recommendation of the Chief Accountant and the General manager that an endeavour to trace this amount would not be worth the time and labour involved. I have accordingly approved that this amount should be debited to "Working Expense" ledger account.

5. I am advised that it is possible to prove from such records as still remain that the difference of ₹823. 6.36 is due to wrong adjustments through the interest account to the "Working Expense" ledger account, as follows:-

(1) The interest at credit of depositors' accounts on 31st December 1925, amounted to	₹ s cs.
	39,270.12.02

(2) The interest refunded on accounts closed during the years 1909-1925 amounted to	34,561.10.74
-------------------------------------------------------------------------------------	--------------

(3) Sundry amounts of interest credited to "Working Expense" ledger account in respect of interest on bonuses written back to Revenue etc., amounted to	<u>1,726. 0.77</u>
---------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------

The total amount of interest credited to deposit accounts up to the end of 1925 was therefore	75,558. 3.53
-----------------------------------------------------------------------------------------------	--------------

The total amount of interest shown in Interest Account as having been credited to depositors up to the end of 1925 is:-	<u>₹74,826.10.66</u>
-------------------------------------------------------------------------------------------------------------------------	----------------------

A difference of.....₹ 731.12.87

and it has been found that for the years 1921 and 1922 a wrong basis was adopted in dealing with the current interest on accounts closed in the early part of the year in so far as this was not set off against interest received, and although records are not available, the same wrong

procedure.....

procedure was evidently followed in previous years, this undoubtedly accounts for a large proportion, if not the whole, of the difference found above.

6. Since the difference between interest received and interest credited to depositors after meeting working expenses is carried to "Working Expense" ledger account, it follows that the latter has been under-debited to the extent of £731.12.87.

7. A reconciliation between interest received during the period 1909-1925 and carried through Interest Account to "Working Expense" ledger account shows that the latter has been further under-debited to the amount of £177.16.95, a total of £909. 9.82, and I have approved the General Manager's recommendation that this amount should now be debited to "Working Expense" ledger account.

8. An amount of £1,732.16.18 paid to the Administration by the Treasury in 1923 on account of exchange was a profit made on remittances and should have been carried through Interest Account to "Working Expense" ledger account, whereas it was not accounted for in any Provident Fund ledger.

9. The foregoing figures have been verified by the Auditor, and as a result of the adjustments which I have authorised, the total depositors' accounts (including the "Working Expense" account) will balance with the liability shown in the main accounts as follows:-

Deposit Accounts

Total as at 31st December, 1932	£463,615.13.71
Add gain on exchange (reference paragraph 8)	<u>1,732.16.18</u>
	465,348. 9.89

Deduct

Adjustment debit "Working Expense" account (reference paragraph 4) 8.04

Adjustment...

Ind.

2465,348. 9.89

8.04

Adjustment debit "Working
Expense" account (reference
paragraph 7)

1909.9.82

909.17.86

As per main accounts... 2464,438.12.03

10. Arrangements have been made for the Chief Accountant to carry out a monthly reconciliation between depositors' accounts and the Administration's main accounts with effect from May 1933, and also for steps to be taken to ensure that essential records such as those mentioned in paragraph 3 above shall not in the future be destroyed.

I have the honour to be,

Sir,

Your most obedient, humble Servant,

M. K. Lawrence

HIGH COMMISSIONER.

Mr. Crossmith *25/6*

Mr. Freestone &

Mr. Hind 28/6

Mr. Parkinson

Mr. Tordianson

Sir C. E. L. L. L.

Sir J. Stankburgh

Permd. U.S. of S.

Part. U.S. of S.

Secretary of State.

Answered by No 3

3 June, 1933

DRAFT.**TRANSPORT****KENYA-UGANDA**No. *74***ACTING HIGH COMR.**

Sir,

I have etc. to acknowledge the receipt of your despatch No.67 of the 2nd of May ^{containing} transmitting a letter from Mr. A.I.de Souza in which he states that irregularities exist in the Traffic Departments of the Railways in India and East Africa.

2. I shall be glad if you will cause Mr. de Souza to be informed that I have received his letter, ~~and that I have noted the contents of the last paragraph~~

3. As regards para.3 of your despatch, ~~I shall be glad to learn in due course I have to request that I may be informed the results of~~ ^{the results of} the reconciliation of the assets of the Provident Fund with the liability to depositors, ~~has been completed.~~

I have etc.

(Sd.) P. CUNLIFFE-LISTER.

*2 Unit
CP.*



19

TRANSPORT.

OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,
GOVERNMENT HOUSE,

KENYA-UGANDA.

NAIROBI,
KENYA.

No. 64

RECEIVED
29 MAY 1953
C. O. REGY

24 May 1953

Sir,

General (2)

I have the honour to enclose in original a letter addressed to you through the Governor of Uganda from Mr. A. I. de Souza, previously in the service of the Uganda railway, in which he states that irregularities exist in the traffic departments of the railways in India and East Africa. This letter was transferred to me for any action necessary by the Government of Uganda.

2. This Administration has no records of the alleged irregularities on the Susoga railway in 1919 and 1920, but it is always possible, either owing to connivance on the part of the train Staff, or their neglect of duty, for passengers to travel without paying their fares, or in a superior class, or to have conveyed with them without payment excess baggage or goods on which railrage charges should have been made. It is to prevent such abuses as these that Travelling Ticket Examiners have been employed, and from enquiries which I have caused to be made it appears that it is practically impossible for such irregularities to be undetected for any considerable period.

3. The papers relating to Mr. de Souza's representations in respect of the Provident fund are not now available/

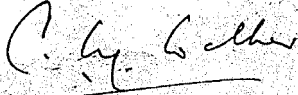
THE HIGH HONORABLE
MAJOR SIR PHILIP COLLIWE-LISTER, O.B.E., L.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, S.W.1.

available, but it is known that this issue was raised with the then Chief Accountant who was satisfied that the intensity of the check made by his Department and also by the Colonial Audit, coupled with the magnitude of the task of balancing the ledgers of the Fund since its inception, did not justify the work suggested by Mr. de Souza being undertaken. The present Chief Accountant has for some months had in hand a reconciliation of the assets with the liability to depositors, but it will be some time before this work is complete. The preliminary reconciliation indicates that the assets exceed the liability to depositors, and the Chief Accountant is satisfied that Mr. de Souza's statement to the effect that the Fund could be deprived of lacs of rupees without the knowledge of the Chief Accountant or the Auditor, can be disregarded owing to the intensity of the check.

I have the honour to be,

Sir,

Your most, obedient, humble servant,

For 
HIGH COMMISSIONER.

Combraker

available, but it is known that this issue was raised with the then Chief Accountant who was satisfied that the intensity of the check made by his Department and also by the Colonial Audit, coupled with the magnitude of the task of balancing the ledgers of the Fund since its inception, did not justify the work suggested by Mr. de Souza being undertaken. The present Chief Accountant has for some months had in hand a reconciliation of the assets with the liability to depositors, but it will be some time before this work is complete. The preliminary reconciliation indicates that the assets exceed the liability to depositors, and the Chief Accountant is satisfied that Mr. de Souza's statement to the effect that the Fund could be deprived of lacs of rupees without the knowledge of the Chief Accountant or the Auditor, can be disregarded owing to the intensity of the check.

I have the honour to be,

Sir,

Your most, obedient, humble servant,

For C. G. G. G. G.

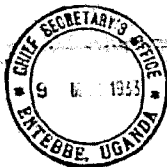
HIGH COMMISSIONER.

C. M. G. G.

Post Office St Anthony's Estate
Post Padana,
Village Joo,
Dist. Thana,
Thana,
(INDIA)

12
1933.

The Secretary of State for the Colonies,
Through H.H. The Governor of Uganda.



MAY IT PLEASE YOUR EXCELLENCY,

I, the undersigned, ex railway man, beg to bring to your notice several irregularities existing in the Traffic Departments of the Railways in India and East Africa.

I made several attempts to bring certain irregularities to the notice of the Authorities in India and East Africa, also a report was presented to Col. Hammond 25 days prior to his departure to England, in which seven important items were embodied but out of these only one was put in use viz., "Abuse on Government Warrants and free Railway Passes". It was the practice in Kenya to take Intro-class passengers on these warrants and free passes but since 1922 this practice has been discontinued. I presume this practice in regard to luggage still exists. In this connection, I attach an old report of my work on the Burega Railway which will speak for itself as regards my abilities. The Burega Railway was constructed and its working was entrusted to the old Staff of the Uganda Railway under the Assistant Engineer as Superintendent, and the Administrator of the Uganda Railway was essentially master of the various tactics adopted by railroads. When I was asked to check the tickets, which work was in addition to my duties as Acting Cashier and Accounts Clerk, I began to discover, by means of secretly boarding and attacking goods trains, that the Railway was defrauded. Everything went on smoothly for some time while I was checking the tickets of the passengers but when I tried to interfere with the Traffic Department staff, I was immediately transferred to Nairobi.

Accounts Department: I was in charge of the Provident Fund Account of the Kenya and Uganda Railway for about three years and if I wished, I could swindle lacs of Rupees from this Fund without the knowledge of the Chief Accountant or Auditor. The Assets or Liabilities or Annual Reports were made out from the monthly receipts and payments, and not by balancing the ledgers, as usual. It was a pity that the ledgers were not balanced from the commencement of this Fund i.e., 1909. In 1918 I placed certain suggestions before the Chief Accountant, copy of which is attached.

At present I find the position of the Railways is critical and I feel it is my duty to come forward with my latest method, by which I imagine a considerable saving to the Railways can be effected.

Should your Excellency appreciate my past work and appoint a Railway Commission in India, I shall most willingly place before them my suggestions, which if put into effect, will I imagine, put the Railways concerned on a sounder and better footing.

I have the honour to be,
 Your Excellency,
 Your most obedient servant,

A. J. Dabson
 (A. J. Dabson).

14

The Chief Accountant,
Kenya and Uganda Railway,
Nairobi.

Through The Deputy Chief Accountant.

Sir,

Re. Assets and Liabilities of the
Provident Fund Account.

I understand that the Provident Fund Rules are being revised and are to be reprinted, so I take the opportunity of bringing to your notice that the present system of finding the assets and liabilities of the above Fund does not appear to be a correct one.

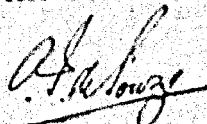
1. To find assets and liabilities, Ledgers should be balanced, which are not done from the Commencement of this Fund and we do not know the exact position of this account.

I having experience of Banking Accounts in India had a discussion with Acting A.C.A. in 1922 when I first took charge of this Section, but we did not come to terms as this account was never balanced from the commencement and which should have been kept as per attached statement which I hope you will entertain.

I beg to remain,

Sir,

Your obedient servant.



Clerk "A" Grade.
E/Section.

Nairobi, 8.2.26.

- 26th Nov. Caught Gondhlekhar who was attempting to travel with an used ticket which I had nipped on the 19th November, who was taken to Court and fined Rs100/-.
- 7th Jany. Found 3 cases Petrol in the First Class Bathroom belonging to the Manager of the B.E.A.C. allowed as per Office instructions.
- 21st " Wired H.S. NRG. to examine a 2nd class passenger who had loaded goods in the bathroom, which were caught and weighed 350 lbs., recovered about Rs24/-
- 28th " Wired Guard of the 1-Up to catch a passenger who had hidden under the bench Rs13,000/- from whom were collected Rs40/-
- 1st Feby. Caught a passenger at Mbulamuti St. who had one package piece goods and handed to S.M.MLI.
- 4th " Found 1 Steel Box containing pieces of cloth and one bundle piece goods booked under L.T.No.16499 with free allowance of 30 lbs. as personal luggage; this was sent to the Office and as per S.B.R.'s instructions collected double charges about Rs6/50.
- 11th " Found one wheel and one steel box in the luggage van unbooked.
- 24th March Caught a luggage ticket No.25405 of 23-3-20 ex Kampala to Kelle on which 6 packages were booked, out of this, 3 loads new chairs I reweighed at the Jinja Station and found the weight 174 lbs. Copy of L.T. given to Head Clerk to take up. One tin Kerosene found unbooked ex Kampala, Guard of the train has taken up this. Found one tin Kerosene oil in a 2nd class bathroom which I have handed over to S.B.R.
- 31st " I made an Uniform Suit at my own cost and approached the Head Clerk for Railway buttons, who refused to give me the buttons, saying that without the sanction of the General Manager, buttons cannot be given.
- " " Stopped checking the first and second class passengers owing to the intolerable insults I had to bear.
- 14th May Stopped the above duty as I was always addressed as a Ticket Examiner on all the letters passed between this Office and the Traffic Manager but was given a ficket Collector's badge.
- 15th " S.B.R. requested the Head Clerk to put another Clerk, but as there are two guards H.C. suggested that one of the Guards should do the checking work, with which S.B.R. agreed
- 1st June I had an interview with the S.B.R. at the Mbulamuti station whilst on pay train, who agreed to give me the buttons.
- 7th " Found 3 loads specie booked under attached L.T.No.24955 ex Bugondo to J.J.St. weight shown as 75 lbs. I re-weighed at the Station in presence of the Station Master and its weight was 205 lbs.
- 9th " Found over 35 packages unbooked ex Kulu to Jinja Pier of Capt. Cathpole and party, correct number of packages can be had at the Nairobi Station as these packages were booked alright from N.R.B. to K.S.M. and one salt bag on which was recovered Rs8/40.
- " " Caught guard Mirdad for getting passengers from Mbulamuti and pocketing their fares, S.B.R. has taken up this matter.

Report from 16th June to 24th Aug is enclosed

BOOKING OF PARCELS AND LUGGAGE FOR THE UP MIXED ON WEDNESDAYS AT JINJA STATION.

The following Tariff Regulations are specially brought to the notice of the Public:-

(a) TENDERING ETC OF PARCELS FOR TRANSPORT.
Page 113, Section 5, (Clause (e) of the Official Tariff Book No.9.

"Parcels must be delivered for booking at least thirty minutes before the scheduled time of arrival of the "train by which the consignor wishes the parcel to be "transported".

(b) TIME FOR BOOKING OF TICKETS AND LUGGAGE.
Page 29, Section 8, Clause (a) of the Official Tariff Book No.9.

"The booking offices are open for the issue of ordinary "tickets for not less than a quarter of an hour before the "scheduled time of arrival of each train. In order to "secure a ticket available by a particular train, a pas- "senger should be at the station at least five minutes, if "a terminal station, and ten minutes if an intermediate "one before the scheduled time of the arrival. Passengers "having much luggage should be at the station, whether it "be a terminal or intermediate one, thirty minutes before "the scheduled time of the arrival of the train by which "they intend travelling, otherwise the Administration may "decline to accept the luggage for that train."

THE SCHEDULED TIME OF THE UP MIXED ON WEDNESDAYS IS AS UNDER

Departure from Jinja Pier	9 . 30 hours
Arrival at Jinja Station	9 . 35 hours
Departure from Jinja Station	10 . 00 hours

3. The booking offices at Jinja Station will be open on Wed- nesdays at 8 hours and all bookings will be closed at 9.35 hours.

4. For the convenience of the Public arrangements have been made for the acceptance of Parcels (accepting specie) on Tuesdays and it is requested that the consignors will endeavour and take advantage of this.

Jinja, 15th January 1921.

Sd.A.E.Hamp.
Supt. Busoga Railway.

N O T I C E.

The attention of the Public is again drawn to the fact that parcels for the Up Mixed Train on Wednesdays must be booked by 9 . 30 a.m. on Wednesdays.

2. Parcels are accepted on Tuesdays and it would greatly facilitate working if merchants, when ever possible, book on that date.

Jinja 15th April 1920

Supt Busoga Ry

Due to my short notice at the Jinja gals, no parcel shall be carried on booked a (they are to be less by such an amount of the time as per circular has to be covered)

II Circular

UGANDA RAILWAY

Memorandum.

No decision given
by S.P.R.
H.C. district with
the report
from the
17

FROM Ticket Examiner
Gussigadi
Jiff

TO The Depot, Gussigadi Railway
24th August 1920
Jiff

Reference to No. _____

In reply to your _____

S/Sr Jiff

I beg to bring to your notice the following

- I. I have found 4 natives without tickets ex N.S.P. to find they
2. On enquiring of these tickets they told me that they had paid their fare 50 Cents for fares to the Guard. On hearing this I went to the Guard enquired he said that he is giving some a excess fare ticket. So I went to the S.P. to examine the excess ticket book a copy of which is attached herewith and they say that they have come from Mpulungu.
- II. I telephoned the S.P. at Mpulungu enquired how many excess tickets he had issued he said only one for 10 passengers for 10 passengers all of them got down at Mpulungu.
- III. As for Karari's statement he says that the 4 natives had handed over to Guard their train fare at Namagadi.
- IV. As per Railway system the above passengers ought to have been given direct Excess fare tickets from N.S.P. to Gussigadi without charges here. As per the N.S.P. rule is done at the passengers' expense.

Yours obedient Servant
A. K. Jiff
T.E.

Copy

Buzsag Railway

18

No 17206

Excess Fare Ticket

from Mbalembu To Jinja Sta

By 2nd Br

10.23.20

Without tickets

Passenger

Class III

4

4 32

- 40

4 72

Penalty

Price out of ticket
remains paid to
the district accountant &
and others. Ally
5/10 T.C.

Joined the train at the last moment.
→ certified by the guard

sd
S/S
Jinja

PLEASE RETURN TO IN
YOUR REPLY

UGANDA RAILWAY

Copy 19

Memorandum.

From

Ticket Examiner
B. J. [unclear]

17th August 1920
To the Superintendent
[unclear]

Reference No. 49 A

In reply to your

Subject

Sir

Herewith I have attached 10
tickets of which 7 are given below.

- | | | |
|----------------|-------|--------------|
| Jalli | class | 0024/25 |
| III | | 0110/11/12 |
| Kamasagali III | | 0232 |
| Mbulambuli | | 1028 |
| Juzinga | | 0166/67/0174 |

Jalli tickets should have been nipped by the
Steamer, but this to show that the passengers are already
travelled by the Steamer the [unclear] of the train
should have nipped them again - to show that
the passengers have availed them [unclear] Steamer &
train (including the tickets from Kamasagali to
Juzinga.

Your Obedt. Servant
[Signature]
T.E

PLEASE REPLY IN
YOUR REPLY

UGANDA RAILWAY

Copy

Memorandum.

FROM

Ticket Examiner
Businga R.
J. J. J.

28th June 1923
to The District Businga Station
J. J. J.

Reference No. _____

In reply to your _____

Subject _____

Sir

I beg to bring to your kind notice that 14 passengers left by the 3.00 pm train for Mbulamuta & 3 have purchased return tickets to Mbulamuta & one single.

Ascertained about these passengers & on ascertaining came to know that three passengers to Namagali without tickets, this ticket for Mbulamuta & return for Mbulamuta & return for Mbulamuta.

On arrival of the down train & examined the tickets found only Mbulamuta returned tickets were less than that to Mbulamuta & return.

Yours faithfully
M. J. Fernandez

Your Obedt Servant

M. J. Fernandez }
Peter Fernandez } 4
Two Tailors }

A. J. Silva
V. E.

M. J. & Silva joined them at Namagali & the above passengers went to Namagali with a fishing net.