

Calendar No. 265

69TH CONGRESS }
1st Session }

SENATE

{ REPORT
No. 258

ELLA H. SMITH

MARCH 3 (calendar day, MARCH 4), 1926.—Ordered to be printed

Mr. STEPHENS, from the Committee on Claims, submitted the following

REPORT

[To accompany S. 2192]

The Committee on Claims, to whom was referred the bill (S. 2192) for the relief of Ella H. Smith, having considered the same, report favorably thereon with the recommendation that the bill do pass with the following amendment:

In line 4 insert a comma after the word "pay" and add the following: "out of any money in the Treasury not otherwise appropriated."

A similar bill passed the Senate in the Sixty-eighth Congress.

The facts are fully set forth in Senate Report No. 703, Sixty-eighth Congress, first session, which is appended hereto and made a part of this report.

[Senate Report No. 703, Sixty-eighth Congress, first session]

The Committee on Claims, to whom was referred the bill (S. 1885) for the relief of Ella H. Smith, having considered the same, report favorably thereon with the recommendation that the bill do pass with the following amendment:

In line 4, after the word "pay," insert "out of any money in the Treasury not otherwise appropriated."

The purpose of the bill is to pay to Ella H. Smith, postmistress at Wynne, Ark., an office of the second class, the sum of \$3,700 which amount was lost by burglary without fault of hers, and which she repaid to the Government.

The facts are fully set forth in the following affidavits and correspondence, which are appended hereto and made a part of this report.

In re claim of Mrs. Ella H. Smith *v.* United States for reimbursement of shortage in post office at Wynne, Ark.

AFFIDAVIT OF MRS. ELLA H. SMITH IN SUPPORT OF CLAIM

STATE OF ARKANSAS,
County of Cross:

I, Mrs. Ella H. Smith, being duly sworn, state that I am the widow of J. Emmett Smith, deceased, and with my two children reside in the city of Wynne, in the county and State aforesaid, and was postmistress at that place during the years, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, and to August of 1923.

I am making a claim for the return to me of \$3,700 on account of a shortage of war savings and thrift stamps which appeared short during the term of my administration as postmistress of said city, and which I have since paid to the United States Government, and, in explanation of the circumstances under which the shortage occurred, I beg to state the records in this office show that during the year from July 1, 1917, to July 1, 1918, the transactions were the greatest this office ever had before or since. The ordinary stamp sale alone

amounted to \$17,064.28, and ordinarily not more than \$10,000. There were 8,000 money orders issued, approximately 6,700 paid. The clerks in this office have more than two-thirds of the applications to issue.

There were about 5,000 letters and parcels registered; 9,700 parcels insured, besides the postal savings, the war saving, thrift, and documentary stamps, separate division and reports for each to be kept. Also 13 district offices to supply and their reports to audit. The transfer mails, in accordance with the other increases, were much heavier. There were 10 mails to dispatch and 7 to receive and distribute.

The postmaster's salary was \$1,900, with \$700 allowance for clerk hire; more help was asked for but none allowed. The amount of stamps issued to this office from the department was as follows:

| | |
|--------------------|---------------|
| Ordinary postage | \$31, 123. 08 |
| War-savings stamps | 20, 660. 00 |
| Thrift | 35, 300. 00 |
| Documentary | 1, 880. 00 |

The bulk of these was kept in the vault of the First National Bank. During this time the war-savings stamp drives were being pushed all over the country and in order to have enough war-savings stamps and thrift on hand to supply the district offices we often had to keep as many as 1,000 in our office to dispatch on early or late trains, as the case might be. It was during this time that we were being visited by numerous burglaries. On the 25th of March and also on the 2d of June, of 1918, the office was burglarized, entrance being made by bending the iron bars of one window at one time; the other by the back door.

When the April report for war savings stamps and thrift was made, there was an error in the report which was not noticed until after it was dispatched to the department, so in the May report, the amount of stamps on hand the last of March was brought forward and all transactions shown, which included the number received from the department and the number on hand at the close of business on that day, and it disclosed a shortage of about \$3,700. As there was so much to be done at this office and so few to do it, we could not possibly count the war savings stamps and thrift before about the 5th of each month, so the shortage could have taken place either the 25th of March, or the 2d of June, on account of the error in the April report, it was not detected until May, if it occurred before that time.

I can not understand how the department could blame me with carelessness in this instance. I know I was taking every precaution within my power and was working from 12 to 15 hours every day. The stamp sales at this office are not a fair estimate of the work we have to do, as this is a railroad town, and also a junction. The traveling public buy stamps in other towns and mail letters here.

The following firms deposit mail at this office, but are furnished stamps from their headquarters:

The Standard Oil Co., the Pierce Oil Co., the Telephone Co., the Railroad Co., and the Interstate Hotel.

During this period the Red Cross was mailing literature all over this county, and it was sent here already stamped to be mailed at this office, besides a number of other things that I have long since forgotten. All this work was willingly done, but I merely mention the fact to let you see or get an idea of our rush.

I know positively that I never took said stamps or otherwise made away with them or in any way received directly or indirectly any benefit from them. I also note that they were not lost, embezzled, stolen, or destroyed through any carelessness or neglect of mine, but the loss was occasioned from circumstances over which I had no control and could not have been prevented by the care and painstaking required of me in the fulfillment of my duty as postmistress.

ELLA H. SMITH.

Sworn to and subscribed before me on this the 10th day of May, 1924.

]SEAL[

N. B. MARTIN, Notary Public.

STATE OF ARKANSAS,
County of Cross:

I, F. D. Rolfe, being duly sworn, state that I am 59 years of age and have resided in Cross County, Ark., all my life. I was elected and served as clerk of the circuit court of said county for two terms, or a period of four years, and

was also elected sheriff and collector of the revenue of said county for the same length of time.

I have known Theo. Maggett all of his life and I have been for many years well acquainted with Mrs. J. E. Smith, formerly postmistress at Wynne, Ark., who has filed a claim for reimbursement for the loss of \$3,700 worth of thrift and war saving stamps lost while she was postmistress at Wynne in 1918.

I know that during that year the post office at Wynne was burglarized several times. Some of the articles in the post office lost as the result of those burglaries were traced to and found in the possession of Theo. Maggett. He was indicted by the Federal grand jury at Helena, Ark., for the crime of burglary in entering said post office and entered a plea of guilty and served a term of one year in the penitentiary at Atlanta for that offense.

About the time the burglaries were committed, Mrs. Smith missed the war savings and thrift stamps for which she has made the claim. After Theo. Maggett returned from serving his sentence in the Atlanta Penitentiary, I saw him on the streets of Wynne one day near the depot, and I asked him if he had gotten any articles out of the post office he did not know what they were, and he admitted that he had. I asked him if he remembered any packages put up something like folders. He said he did, and I asked him what he did with them, and he said he destroyed them. I then asked him to go around with me to the post office and look at some of the war savings and thrift stamps to see whether they were like the papers or articles that he destroyed; he promised to do so and to meet me at the post office in about 30 minutes. I never saw the negro after that time for about 10 months.

Witness my hand and seal on this the 10th day of April, 1924.

F. D. ROLFE.

Sworn to and subscribed before me on this the 10th day of April, 1924.

[SEAL.]

N. B. MARTIN,
Notary Public.

The records of this office show that during the year from July 1, 1917, to July 1, 1918, the transactions were the greatest this office ever had, before or since, the ordinary stamp sales alone amounting to \$17,064.28. There were 8,000 money orders issued, approximately \$6,700 paid. The clerks in this office have more than two-thirds of the applications to issue.

There were about 2,000 letters and parcels registered, 8,700 parcels insured, besides the postal savings, the war savings thrift and documentary stamps, separate divisions, and reports for each to be kept.

Also 13 district offices to supply and their reports to audit. The transfer mails, in accordance with the other increase, were much heavier; there were 10 mails to dispatch and 7 to receive and distribute.

The postmaster's salary was \$1,900 with \$700 allowance for clerk hire; more help was asked for, but none allowed. The amount of stamps issued to this office from the department was as follows:

| | |
|--------------------|-------------|
| Ordinary postage | \$31,123.08 |
| War savings stamps | 20,660.00 |
| Thrift | 35,300.00 |
| Documentary | 1,880.00 |

The bulk of these was kept in the vault of the First National Bank.

During this time the war savings stamp drives were being pushed all over the country and in order to have enough war savings stamps and thrift on hand to supply the district offices we often had to keep as many as 1,000 in our office to dispatch on early or late trains, as the case might be. It was during this time that we were being visited by numerous burglaries, on the 25th of March and also on the 2d of June of 1918 the office was burglarized, entrance being made by bending the iron bars of one window at one time, the other by the back door.

When the April report for war savings stamps and thrift was made there was an error in the report, which was not noticed until after it was dispatched to the department. So in the May report the amount of stamps on hand the last of March was brought forward and all transactions shown, which included the number received from the department and the number on hand at the close of business on that day, and it disclosed a shortage of about \$3,700. As there was so much to be done at this office and so few to do it, we could not possibly count the war savings stamps and thrift before about the 5th of each month,

so the shortage could have taken place either the 25th of March or the 2d of June. On account of the error in the April report it was not detected until May, if it occurred before that time. I can't understand how the department could blame me with carelessness in this instance, I know I was taking every precaution within my power and was working from 12 to 15 hours every day.

The stamp sales at this office are not a fair estimate of the work we have to do, as this is a railroad town, and also a junction.

The traveling public buy stamps in other towns and mail letters here. The following firms deposit all mail at this office but are furnished stamps from their headquarters: The Standard Oil Co., the Pierce Oil Co., the telephone company, the railroad company, and the Interstate Hotel.

During this period the Red Cross was mailing literature all over this county and it was sent here already stamped and mailed at this office, besides a number of other things that I have long since forgotten. All this work was willingly done, but I merely mention the fact to let you see or get an idea of our rush.

The amount sent the department in payment for this shortage was as follows:

| | |
|--|--------------|
| Certificate No. 200 dated Mar. 15, 1921..... | \$2, 000. 00 |
| Certificate No. 203 dated Apr. 8, 1921..... | 1, 673. 88 |
| Total for war savings stamps and thrift..... | 3, 673. 88 |

The documentary stamp shortage was \$706.19.

The department had me charged with \$500 worth of stamps that I never charged myself with, and if they were received at this office I have nothing to show for it. However, the \$706.19 was included with the remittance sent to postmaster, Little Rock, June, 1920.

There was a robbery here November 26, 1919, the last one we had; if those stamps could have happened in about that time they were probably taken; I can not say just when they were dispatched as I never saw them.

My report for that month shows that I had exactly \$500 less than they have audited it (December, 1919).

These are about all the points I can give you. The whole affair is as mysterious to me as if the floor had opened up and swallowed them, unless the negro got them and destroyed them, as he states.

ELLA H. SMITH, *Postmaster.*

POST OFFICE DEPARTMENT,
Washington, D. C., February 13, 1924.

HON. ARTHUR CAPPER,
*Chairman Committee on Claims,
United States Senate, Washington, D. C.*

MY DEAR SENATOR CAPPER: In compliance with your request of February 8 for all papers in the files of the department relating to Senate bill No. 1885 for the relief of Ella H. Smith, "in the sum of \$3,700, which amount was lost by burglary without fault of hers, and which she repaid to the Government," transmitted herewith is a report by post-office inspectors in Case No. 65374-C relating to the investigation and subsequent collection of \$3,673.88 representing the value of war savings stamps, thrift stamps, and internal revenue stamps unaccounted for by Ella H. Smith as postmaster at Wynne, Ark., during the period December 1, 1917, to December 31, 1920. Within the files of the inspectors' report, transmitted herewith, will also be found copies of the war stamp accounts as submitted by this postmaster and as corrected in the department.

The accounts as submitted by this postmaster and the records of the department fail to show that the amount which it was necessary for the department to collect in this case was a result of burglary or other unavoidable casualty. The records of the department do show that the shortage in the war savings, thrift, and internal revenue stamp account of this postmaster increased more than \$300 after the original shortage was called to the attention of the postmaster by the department with request that she remit the amount due.

The department, therefore, can not recommend favorably the proposed legislation.

Very truly yours,

H. H. BILLANY,
Acting Postmaster General.

POST OFFICE DEPARTMENT,
Little Rock, Ark., April 5, 1921.

Subject: Wynne, Ark.: Collection of balances due in the war savings and internal revenue accounts. (Case No. 65,374-C.)

INSPECTOR IN CHARGE,
St. Louis, Mo.:

The above numbered case, relating to balance due the United States in the war stamp account of Mrs. Ella H. Smith, postmaster at Wynne, Ark., former central accounting postmaster for Cross County, Ark., is returned with report as result of further investigation conducted by correspondence.

The case was investigated by us and returned with report on December 23, 1920, for consideration by the department of the postmaster's claim of losses believed to have been sustained in robberies of the office which had never been reported. The case was returned with instructions to collect the balances due, it not appearing that the claim of the postmaster could be given consideration.

According to the letter of the Third Assistant, returning the case, the balance due the United States is \$3,673.88. We made demand on Mrs. Smith for this amount, and on March 12 she remitted to us \$2,000 of the amount, which was deposited with the postmaster at Little Rock, Ark., to the credit of her war stamp account. We are to-day in receipt of drafts for \$1,673.88, which we have deposited with the postmaster at Little Rock to her credit.

She has been given proper receipts by us and Forms 553 and 574 have been forwarded to the chief inspector, duplicate of Form 553 being herewith.

As previously reported, we are of the opinion that the postmaster is not criminally responsible and believe that the shortage occurred by reason of her incompetency. Her removal was recommended by us in case 74371-I, reported December 23, 1920, and it is not believed further action is necessary.

It is recommended that the case be closed.

ROY M. NORTH,
IRA ROSS,
Inspectors.

POST OFFICE DEPARTMENT,
Little Rock Ark., April 5, 1921.

Mr. W. E. FLOYD,
Postmaster, Little Rock, Ark.:

We inclose herewith Little Rock exchange issued by the Cross County Bank, for \$1,500 and cashier's check issued by the First National Bank of Wynne, Ark., for \$173.88, total \$1,673.88.

Kindly credit to balance due on the war stamp account of the formerly central accounting postmaster at Wynne.

Post Office Inspectors.

POST OFFICE DEPARTMENT,
Helena, Ark., March 16, 1921.

INSPECTOR IN CHARGE,
St. Louis, Mo.:

Subject: Wynne, Ark.: Balances due the United States in war savings and internal revenue accounts. Collection of \$2,000. (Case No. 65374-C, preliminary.)

The case of above number relates to balances of \$3,373.12 war savings cash and \$706.19 internal revenue cash due the United States in the war stamp transactions of E. H. Smith, postmaster at Wynne, Ark., which was returned with additional instructions from the Acting Third Assistant, dated February 18, that a total balance of \$3,673.88 be collected owing to an increase in the amount of shortage, and this preliminary report is submitted concerning a collection of \$2,000 as result of attention given by correspondence.

Under date of March 12 a draft for \$2,000 was received from Mrs. Ella H. Smith, the postmaster at Wynne, to apply on this account, with the further statement that the remainder would be forwarded at an early date. The amount collected was promptly deposited with the postmaster at Little Rock, Ark., in compliance with the instructions of the department.

The sureties of the postmaster have been notified additionally of the status of the account and of the increase in the amount of shortage.

Duplicate Form 553, covering the collection and disbursement in this instance, is herewith, the original being forwarded to the chief inspector.

Proper reference of this report is recommended.

_____,
_____,
Post Office Inspectors.

The name of Inspector Ira Ross is affixed to this report with his authorization.

_____,
_____,
Post Office Inspector.

LITTLE ROCK, ARK., March 10, 1921.

Mrs. ELLA H. SMITH,
Postmaster, Wynne, Ark.:

With reference to our recent letter making demand upon you for balance due the United States in your war savings and war revenue account, you are advised that the additional balance of over \$300 accrued since the department first notified you of a balance.

In your letter of the 7th instant to Inspector North, you state that \$2,000 of the balance over your "protest" has been deposited by you with the postmaster at Little Rock, Ark. That official to-day states that his record does not show the receipt of such a remittance by you.

Carefully read our instructions to you and remit any payment on this balance to us direct at Little Rock, Ark.

Kindly advise us regarding the above remittance. If it is lost, a trace will be made.

_____,
_____,
Post Office Inspectors.

UNITED STATES POST OFFICE,
Wynne, Ark., March 7, 1921.

R. M. NORTH,
Forrest City, Ark.:

As per instruction from both you and Mr. Ross, I am this day depositing, under protest, \$2,000 with the postmaster at Little Rock, Ark.

I will have to ask for a little more time to get the remainder. You probably have an idea that it is not an easy thing to get up this amount in a few hours. However, I will send it in a very short time.

Please do not report this to the insurance company as I wish to pay the entire amount without worry from them.

The department instructed me to deposit \$3,203.92 and you have asked for \$3,673.88. Please let me know where the difference came.

Do you not think I am entitled to an explanation at least?

ELLA H. SMITH, *Postmaster.*

POST OFFICE DEPARTMENT,
Little Rock, Ark., March 5, 1921.

Subject: Wynne, Ark.: Balance due in war savings stamps account. Case No. 65374-C.

Mrs. ELLA H. SMITH,
Postmaster, Wynne, Ark.:

The case above numbered and subject, with report of full details, has been reviewed by the department, and, under date of February 18, 1921, we are directed to collect the balance due in your war-savings account from you or your sureties.

Demand is herewith made upon you for \$3,673.88, balance due the United States in your war-savings and internal-revenue account, as of December 31, 1920. Kindly remit this amount to us at Little Rock, Ark., in order that your respective accounts may be credited.

In this connection we have examined your central accounting transactions with former postmaster Deadrick at Parkin and from all evidence submitted by

the former official it would appear that there is a balance due him from your office rather than that he should be debited with any items as claimed by you. Therefore apparently no credit can be applied, leaving a net balance due in the above-stated amount.

We will thank you to give this matter your early attention.

Post-office Inspector.

POST OFFICE DEPARTMENT,
Washington, February 18, 1921.

The CHIEF INSPECTOR:

Returned herewith is the report of Inspectors R. M. North and Ira Ross relative to balances of \$3,373.12 war-savings cash and \$706.19 internal-revenue cash in the war-stamp account of E. H. Smith, postmaster at Wynne, Ark., at the close of business December 31, 1919.

There are also inclosed copies of the war-stamp accounts on Form 3344 at Wynne, Ark., from December 1, 1917, to December 31, 1920, as submitted by the postmaster and as corrected in the department, showing that at the close of business December 31, 1920, there are balances of \$2,415.22 war-savings cash and \$1,258.66 internal-revenue cash unaccounted for.

It will therefore be noted that while the postmaster at Wynne advised the department that she had deposited the balance of \$706.19 internal-revenue cash due at the close of business December 31, 1919, the amount was remitted by her as war-savings cash and was therefore credited on her war-savings cash account in the department, which reduced the war-savings cash balance due to \$2,666.93, and by subsequent deposits and corrections made in the stock account of thrift stamps on hand at the close of business December 31, 1920, the war-savings cash balance has been further reduced to \$2,415.22 at the close of business December 31, 1920, but the internal-revenue cash balance has been increased to \$1,258.66; in other words, the account showed a total net balance due December 31, 1919, of \$4,079.31, and the postmaster advised that she had remitted \$706.19 of this amount to the depository office which would make an actual net shortage of \$3,373.12, and the actual net shortage on December 31, 1920, is \$3,673.88, showing that there has been a net increase of \$300.73 in the shortage in this account since the shortage was called to the postmaster's attention.

The report of Inspectors North and Ross has been reviewed in the department in connection with the monthly accounts submitted by E. H. Smith, postmaster at Wynne, Ark., and it is incredible that this postmaster would have suffered a loss of war-savings, thrift, and internal-revenue stamps by robbery without reporting that fact to the department and requesting relief from accountability for stamps or cash lost from such robberies.

An examination of the accounts submitted by the postmaster fails to corroborate her statements that the shortages in this account are due to loss by robbery, as the loss fluctuated from time to time and the net shortage has increased in the amount of \$300.76 from the time the original shortage was brought to the attention of the postmaster to December 31, 1920.

It is requested that the case be returned to the inspectors with instructions to make demand on the postmaster for immediate settlement of the amount due to balance the account, and in the event of the postmaster's failure to promptly respond to such demand, that demand be made on the postmaster's sureties.

In connection with this case attention is invited to the following quoted from a letter addressed to the chief inspector by the auditor dated March 24, 1920, filed under case No. 38095-C directing collection of \$10,350 from the sureties of the postmaster and assistant postmaster at Scranton, Pa., on account of 2,500 war-saving stamps which were missing:

"The cases of *United States v. Prescott* (3 How. 578); *United States v. Morgan* (11 How. 154); *United States v. Dashiel* (4 Wall. 182); *Boyden v. United States* (13 Wall. 17); and *Bosbyshell v. United States* (77 Fed. 948) united in holding that a postmaster or other officer of the United States is not a mere bailee for hire of the funds committed to his charge as an officer, and that he is not released from liability merely because he uses the degree of care exacted from a bailee of that character, nor because he has not been negligent, nor because he has been robbed, or the property otherwise stolen from him."

If the postmaster and sureties refuse to make payment, it is requested that all papers in the case be transmitted to the auditor for the institution of civil suit against the surety company, and this office advised of the action taken.

W. J. BARROWS,
Acting Third Assistant Postmaster General.

POST OFFICE DEPARTMENT,
Washington, February 14, 1921.

The POSTMASTER, Wynne, Ark.:

An examination of your war-stamp account, Form 3344, exhibits the following balance on hand at the close of business December 31, 1920:

| | Stock account, thrift stamps | Cash account | | | |
|---------------------------|---------------------------------------|----------------------------|----------------------------|-----------------------|------------------------------|
| | | Documen- tary stamps | Propri- etary stamps | War-sav- ings cash | Internal- revenue cash |
| Postmaster's balance..... | 6,669 | \$1,923.02 | \$1,689.05 | (1) | (1) |
| Department's balance..... | 6,669 | 1,923.02 | 1,689.05 | \$2,415.22 | \$1,258.66 |
| Debit difference..... | | | | 2,415.22 | 1,258.66 |

¹ Balanced.

Explanation of difference:

| | | |
|---|------------|------------|
| Balance due United States Oct. 31, 1920, per de- partment's statement dated Dec. 27, 1920..... | \$2,665.32 | \$1,257.66 |
| Differences explained on reverse side of this sheet: | | |
| Credit difference, war-savings cash..... | 250.10 | |
| Debit difference, internal-revenue cash..... | | 1.00 |
| Differences, as above..... | 2,415.22 | 1,258.66 |

Instructions: This statement not sent to postmaster, but is prepared for chief inspector.

Acting Third Assistant Postmaster General.

WAR SAVINGS CASH DIFFERENCES

| | | |
|--|----------|----------|
| November, 1920: Walnut Ridge acknowledges 1,000 thrift stamps transferred from Wynne. These stamps were reported by postmaster, Wynne, in October account as being transferred to "Wheelen Springs." Not being acknowledged they were sold on postmaster. Value..... | \$250.00 | |
| Credit difference..... | | \$250.00 |
| December, 1920: | | |
| Postmaster reports value of 85 war-savings stamps..... | 359.65 | |
| Correct value..... | 359.55 | |
| Credit difference..... | | .10 |
| Total credit differences..... | | 250.10 |

REVENUE CASH DIFFERENCES

| | | |
|---|------------|------|
| November, 1920: | | |
| Postmaster reports, proprietary stamps— | | |
| Total debits, item 6..... | \$3,286.37 | |
| Sales, item 9..... | 101.55 | |
| Balance, item 11..... | 3,185.82 | |
| Correct balance, item 11..... | 3,184.82 | |
| Credit difference..... | | 1.00 |

December, 1920:

Postmaster reports, proprietary stamps—

| | |
|------------------------------|--------------|
| Total debits, item 6 | \$3, 185. 82 |
| Transfers, item 8 | 1, 400. 00 |
| Sales, item 9 | 74. 77 |
| At district offices, item 10 | 20. 00 |
| Balance, item 11 | 1, 689. 05 |
| Correct balance, item 11 | 1, 691. 05 |
| Debit difference | \$2. 00 |
| Net debit difference | 1. 00 |

UNITED STATES POST OFFICE,
Little Rock, Ark., January 29, 1921.

THIRD ASSISTANT POSTMASTER GENERAL,
Division of Stamps, Washington, D. C.

Replying to your letter of the 24th instant, initials Grj, DS. 519, case No. 65374-C, Wynne, Ark., have to advise that the postmaster at Wynne, Ark., has made only one deposit of war-savings funds since our report for November, 1920. Under date of January 7, 1921, this office issued to the postmaster at Wynne, Ark., receipt No. 159 for war-savings funds in the amount of \$359.65 for 1920 business.

Certificate of deposit No. 227, dated January 7, 1921, was issued to this postmaster in the sum of \$117.73 for revenue stamp sales for December, 1920.

No deposits have been received for 1921 business either in war-savings or internal revenue business.

W. E. FLOYD, *Postmaster.*
By CHAS. C. SAUL,
Assistant Postmaster.

UNITED STATES POST OFFICE,
Little Rock, Ark., January 29, 1921.

THIRD ASSISTANT POSTMASTER GENERAL,
Division of Stamps, Washington, D. C.:

On Form 3344, war savings account for November, 1920, this office debited an item of 25 war savings stamps as a transfer from the former central accounting postmaster at Wynne, Ark. This was an error on the part of this office, as the debit should have been only five. This transfer came about on account of the acceptance of the stock at the district office at Fair Oaks, Ark., by this office, the postmaster at Fair Oaks having refused until recently to sign a fixed credit receipt for the stock charged to that office by the former central accounting office. The former central accounting postmaster at Wynne, Ark., only claims five war savings stamps outstanding at Fair Oaks.

This office will claim credit for the difference of 20 stamps in the report for the month of December, 1920, which will be rendered in the near future.

W. E. FLOYD, *Postmaster,*
By CHAS. C. SAUL,
Assistant Postmaster.

WYNNE, ARK., January 24, 1921.

The POSTMASTER,
Little Rock, Ark.:

Kindly forward to this office as soon as possible a list giving the date, number and amount of certificates of deposit issued to the Postmaster, E. H. Smith, Wynne, Ark., since the last certificate of deposit charged on your November transcripts, Form 3346 and 3347. This list should include all deposits received from this postmaster on account of war savings and thrift stamp sales and internal revenue stamp sales, separately, for the period ended December 31, 1920.

Also attach a supplementary statement of any remittances received on this account reported by the postmaster as business of 1921 or pertaining to sales for the month of January, 1921.

It is desired to have this information available before receipt of your transcripts for the month of December, 1920.

Acting Third Assistant Postmaster General.

WYNNE, ARK., January 24, 1921.

Mr. COLLINS: Will you please count unsold war savings stamps received from the postmaster, Wynne, Ark., and advise me of the total number for which credit will be allowed. It is necessary to send an inspector to this office to make collection of a shortage approximating \$4,000 in the war stamp account.

Assistant Chief Accounts Section.

POST OFFICE DEPARTMENT,
St. Louis, Mo., December 23, 1920.

Subject: Wynne, Ark. Investigation of war-savings transactions for period ended December 31, 1919. (Case No. 65374-C.)

INSPECTOR IN CHARGE,
St. Louis, Mo.:

The above-numbered case relates to request of the Third Assistant, under date of August 21, 1920, that an inspector be detailed to make an investigation of the war-savings and war-revenue transactions of the postmaster at Wynne, Ark., for the period ended December 31, 1919. Personal attention was given the case at Wynne on December 14 and 15; Little Rock, Ark., December 20 and 21; and at St. Louis, Mo., December 22 and 23.

The Third Assistant states in his communication that there appears to be a balance due the United States in the war-savings account for the period mentioned of \$3,373.12, and a balance of \$706.19 in the revenue account, but that the postmaster advised she had deposited the last-named amount. He also states that the postmaster claims there is some error in the account and had requested an investigation to determine whether there is actually anything due the department.

Wynne, Ark., is an office of the second class, \$2,400 grade. Mrs. Ella H. Smith, the postmaster, is serving under her second commission dated August 5, 1919. She is about 45 years of age and is a widow, having several children to support. She has never been an entirely satisfactory postmaster. She has not kept proper records in any of her accounts and we found that her war-savings records have been kept in such shape that it is practically impossible to determine whether she actually owes the department a balance or not.

The central accounting duties was transferred to Little Rock, Ark., March 15, 1920, and all the records were sent to that office at that time. We obtained the records, however, but found that they had been improperly kept. The district offices had been furnished with an original fixed credit of war-savings and thrift stamps, but had not been kept within their fixed credits and had simply been credited on the record with the cash remitted and other stamps without regard to the number sold were sent to the office. Signed receipts do not always appear to have been obtained for these stamps and it is impossible to determine whether the record of stamps sent and remittances received is accurate.

Mrs. Smith claims all the district offices accounts were in balance with the exception of Parkin. According to her records the postmaster was supplied with war-savings and thrift stamps during the year 1918 to the value of \$12,261.95, and he made remittances to the amount of \$11,425.87, including stamps of the 1918 series returned and thrift stamps on hand at the end of the year. This leaves an apparent balance due the postmaster at Wynne of \$836.08 by this office. The records as relate to this particular office appear to have been kept in better shape than for other district offices and we are taking the matter up with the former postmaster with a view to collecting this balance due unless he can show remittances of which we have no record. It is believed that the account of the postmaster at Wynne should be credited with the amount, which leaves

an apparent balance due the United States of \$2,452.44; this credit to be made pending adjustment with that former district office.

The postmaster informed us that she did not take an inventory of her war-savings and thrift stamps on the last day of each month, but waited until she had her reports from the district offices for the month in order that she could determine the number held by them. She then counted the stamps on hand in the office and deducted from the number on hand when the previous report was made and reported the difference as sales.

When the matter of balance due was discussed with the postmaster, she stated that in May, 1918, she did not have enough money, nor made remittances, to cover the sales for that month. She stated that, as was her custom, she counted the stamps on June 15, or thereabout, and the difference between the amount then on hand and the amount on hand at time of last report, she determined as sales. Asked if any complaint of the matter was made, she claims to have written to the department concerning the facts. We have no copies of such correspondence within the files. Reviewing the files as transmitted in this case, there is a transcript furnished of this account, and the value of the sales in war-savings and thrift-stamp account through the month of May, 1918, which, according to the postmaster's statement embodies the first 15 days of June, is \$19,794.62. The apparent deposits made up to and including this period amount to \$16,674.80. This leaves a net difference of \$3,119.82 which failed to be accounted for. The postmaster explained that she thought the account would adjust itself at the end of the year. In other words, the postmaster was given to making errors, and probably thought at the time that she was not crediting some item which would later show up.

The postmaster undoubtedly is honest, but she has no business ability to the extent that she would sense a discrepancy in her accounts and give the proper amount of importance thereto. For instance, indicative of her business ideas, she states that her office was robbed on three occasions in 1918, and she made no report thereof to the department. On each occasion she stated that the depredation apparently was the work of pilferers, and as no loss was evidenced she made no report of the matter. However, on one occasion she stated that the vault door of the post office was found open, and on neither occasion was the stock in the office inventoried to determine the loss, if any. The postmaster seemed to feel that a robbery of her office was a reflection on her and therefore personally embarrassing to her. On that account, she explained, she refrained from making reports unless some loss had actually occurred.

The three occasions spoken of, the postmaster stated, were June 2, November 6, and November 27, 1918. As further substantiation of this statement we inclose a letter from the sheriff of Cross County, Ark., to the effect that an investigation was made of each depredation; on one occasion the sheriff further states that the vault of the office was broken open. That reference of the officer to a colored man by the name of Maggett is concerned in an offense committed March 28, 1919, and for which sentence has been imposed, full report of which has been made to your office. When a discrepancy was found by the postmaster in her May, 1918, war savings account, at the time it did not occur to her that the difference was probably due to the theft of stamps from the vault. While the outer door of the vault was defective, owing to a depredation in 1917, the inner door was kept locked and the postmaster states it was locked at this time and was found open on the morning after the June 2 robbery. She states that a tin box kept in the vault was found near the door of the postoffice and that a registered letter contained therein was missing. She explained that on investigation she found that this letter contained nothing of value and for that reason she did not deem it necessary to make report of its theft. During May, 1918, the sales drive of war savings stamps was in full progress, and the postmaster states that from 500 to 700 stamps were kept in the vault of the post office for convenience, subsequent to the closing and prior to the opening of the bank, where most of the stamp stock was kept.

The affidavit of the postmaster is herewith as to the facts of the robbery. There is no question that the internal revenue stamps to a small amount were in the safe with the war savings stamps. However, it is impossible to determine any accurate amount of loss. While it is inexcusable on the part of the postmaster that she failed to make proper report of the robberies, there is no evidence of any intent to withhold such reports, and the failure is attributable to aforesaid facts. The fact of a robbery on June 2, 1918, seems substantiated, and to deny the postmaster credit for a loss which from all indications occurred would be a severe disciplinary measure. The postmaster states practically all

of her salary was consumed in taking care of small differences during that year, and in fact borrowed funds for living expenses. It would appear that the only possible means of arriving at the loss in the robbery, under the circumstances, would be to assume the balance due, \$2,452.44, as such.

It is our opinion that the department should pass upon the validity and reasonableness of this claim. The circumstances are exceptional and therefore we hesitate to offer any recommendation in the premises until the matter is reviewed by the department. However, undoubtedly the postmaster is trustworthy and she has not profited in any way by these stamps or the value thereof concerned in the balance found due.

The sureties of the postmaster have been notified of the facts. In case No. 74391-I, reported herewith, the removal of the postmaster is recommended on account of the careless conduct of her office and inability to take care of an office of this size.

The balance due from the Parkin office is being given attention and supplemental report relating thereto will be submitted as early as practicable.

The case is returned herewith for reference to the proper bureau of the department. If credit is denied the case may be returned for collection of the amount from the postmaster or her sureties.

IRA ROSS,
ROY M. NORTH,
Post-office Inspectors.

AFFIDAVIT OF MRS. ELLA H. SMITH, POSTMASTER AT WYNNE, ARK. CASE NO. 65374-C

STATE OF ARKANSAS,
County of Cross, ss:

Mrs. E. H. Smith, being first duly sworn, states:

I am postmaster at Wynne, Ark., and have served in that capacity for several years.

During the year of 1918, this office was robbed as many as three times. It was entered on or about June 2, again on November 6, and again on November 27. I did not think at the time that any stamped paper was stolen, but I noticed when I made up my war savings report for the month of May that my stock on hand indicated sales of war savings stamps to about the amount of \$3,500 more than the cash on hand indicated. I did not count these stamps on the last day of the month, but waited until the district offices made their reports. In this way some of my war savings stamps could have been stolen in the June 2 robbery and escaped my notice. I kept the bulk of my war savings and thrift stamps in the vault of the First National Bank, but during 1918, on account of the early closing of the bank and the late opening in the morning, it was necessary for me to keep large quantities of these stamps in the post office.

The post-office vault was burglarized in 1917, and a hole was drilled in the door and the lock destroyed. This lock had not been repaired, but I always kept the inside door locked and kept the stamps in the safe inside the vault. On one occasion, possibly in the June robbery, the vault door had been opened and the combination to the inside safe had been worked. A box inside the safe containing registered mail had been removed and one register, containing no money, was stolen.

I believe I only reported one of these robberies and no investigation has ever been made, so far as I know, of them. I did not think any of my stamps had been stolen at the time and did not take an inventory after either of the robberies. I can not explain the difference in my war savings account in any other way than that some of the stamps were stolen in one of these robberies, and it must have been in June, 1918. All my district offices balanced their war savings accounts with the exception of Parkin and Prineedale, but the amounts they owe me are less than \$900 according to my records. I know I have remitted some of my salary, especially during 1918, and believe something like 700 war saving stamps were stolen from me.

ELLA H. SMITH, *Postmaster.*

Subscribed and sworn to before me at Wynne, Ark., December 15, 1920.

IRA ROSS, *Inspector.*

STATEMENT OF R. A. MARTIN, SHERIFF, CROSS COUNTY, ARK.

WYNNE, ARK., December 18, 1920.

Mr. RAY NORTH,

Post-office inspector, Forrest City, Ark.

DEAR SIR AND FRIEND: In regard to the report of Mrs. Ella H. Smith, postmistress at Wynne, Ark., will say that during the year 1918, and I think the dates were June 2, November 6, and November 27, the post office at Wynne was broken in three times and Mr. Stacy and myself made an investigation, and one time the vault was broken open. We were always the first ones notified.

We arrested a negro by the name of Maggett who had a certificate of deposit in his possession, that was stolen from the office here, and he was tried at Helena and given a sentence.

At any time I can serve you command.

Yours very truly,

R. A. MARTIN, *Sheriff.*

ST. LOUIS, MO., December 23, 1920.

AETNA CASUALTY & SURETY Co.,

Hartford, Conn.

GENTLEMEN: An investigation at the Wynne (Ark.) post office has disclosed a balance due the United States in the war savings and thrift stamp account for the period ended December 31, 1919, of \$3,288.52. The postmaster, Mrs. Ella H. Smith, claims that the balance is chargeable to a robbery of her office which occurred on June 2, 1918. The postmaster has not observed the regulations in the matter, however, and the case has been placed before the department before further steps are taken.

In the event that credit is denied by the department demand will necessarily be made upon your principal for the amount thereof, and if not paid by her, then demand will be made upon you.

Very respectfully,

Post-Office Inspectors.

POST OFFICE DEPARTMENT,
Washington, August 21, 1920.

The CHIEF INSPECTOR:

I inclose herewith a statement showing the condition of the war stamp account at Wynne, Ark., as of December 31, 1919. This statement shows that there is a balance of \$3,373.12 war savings cash and \$706.19 internal revenue cash due the United States.

The postmaster in a letter dated July 15 states that he has remitted the \$706.19 due on the internal revenue account.

Of the war savings cash balance due, \$84.60 is accounted for by a claim of the district postmaster at Prinedale for loss in transit which was reported to your office on April 14, 1920.

The postmaster states that there is evidently some error in connection with his war stamp account and requests that an inspector visit the office and make an investigation. It is therefore requested that an inspector be detailed to investigate the war stamp account at Wynne, Ark., and collect the balance due the United States, which when collected should be remitted to the postmaster at Little Rock as "Balance due on the war stamp account of the formerly central accounting postmaster at Wynne."

W. J. BARROWS,
Acting Third Assistant Postmaster General.

