

Calendar No. 1621

69TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ No. 1621

JOHN A. THORNTON

FEBRUARY 25, 1927.—Ordered to be printed

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

REPORT

[To accompany H. R. 10496]

The Committee on Claims, to whom was referred the bill (H. R. 10496) for the relief of John A. Thornton, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The facts are fully set forth in House Report No. 1741, Sixty-ninth Congress, second session, which is appended hereto and made a part of this report.

[House Report No. 1741, Sixty-ninth Congress, second session]

The Committee on Claims, to whom was referred the bill (H. R. 10496) for the relief of John A. Thornton, having considered the same, report thereon with a recommendation that it do pass.

The full facts in the case are stated in the following letter of the Postmaster General, which is attached herewith and made a part of this report:

POST OFFICE DEPARTMENT,
Washington, D. C., April 26, 1926.

HON. CHARLES L. UNDERHILL,
*Chairman Committee on Claims,
House of Representatives, Washington, D. C.*

MY DEAR MR. UNDERHILL: Please refer again to your letter of April 6, 1926, asking an opinion on the bill (H. R. 10496) to authorize and direct the Comptroller General to allow credit in the account of John A. Thornton, former postmaster at Philadelphia, Pa., in the amount of \$385.35, on account of an erroneous payment of war-savings stamps.

On January 22, 1921, while Mr. Thornton was postmaster, payment was made by a clerk in the Philadelphia post office in the amount of \$448 to Daniel J. Egan, who presented five war-savings certificates of the 1918 series, with 20 stamps affixed to each. It was found later that most of these stamps had been detached from registered certificates for which payment had been made by the Treasury Department to the registered owners in pursuance of their claims establishing theft. The entries indicating registration on the stamps had been removed by chemical means.

On investigation it was found that the person giving his name as Daniel J. Egan represented the firm of Gallen & Co. Thomas J. Gallen and Hugh J. McHugh, members of this firm, were convicted on a charge of altering Government securities in November, 1921, and were sentenced. It was impossible to collect from them the amount erroneously paid at the Philadelphia post office.

After careful investigation the department held that the clerk who made the payment could not reasonably have been expected to detect the fact that entries indicating registration had been removed from the stamps, and therefore he could not justly be required to make the amount good. Later the postmaster was reimbursed by the Treasury Department for the amount paid on some of the stamps on which no evidence of registration could be found, and the debit in the postmaster's postal account resulting from this transaction was thus reduced to \$421.12.

The amount for which relief is asked in the bill, \$385.35, is the balance actually shown as due the United States in the former postmaster's account after final audit. But for the war-savings transaction in question, the account would have shown a balance of \$35.77 due the former postmaster.

Mr. Thornton is in no way responsible for the erroneous payment, and in the opinion of the department the error did not result from a lack of reasonable care and diligence on the part of any employee. Accordingly, the case is believed to be a proper one for adjustment by action of Congress, and I recommend favorable action on the bill.

The Director Bureau of the Budget has advised that the report herein made will not conflict with the financial program of the President.

Sincerely yours,

HARRY S. NEW, *Postmaster General.*