

THE committee appointed to inquire into the present state of the auditor's office, beg leave to report, that it appears to this committee, that the auditor hath taken every step in his power to bring to light, and punish those who have fraudulently obtained depreciation certificates, but hitherto with little effect; that from the mode pointed out by law, under which the commissioners appointed to issue depreciation certificates to the Maryland line was obliged to act, too great latitude was given to the claimants, by admitting them to prove their accounts on oath, which, with many artful forgeries, was the cause of so much fraud being committed against the state, and which it was impossible for any public officer totally to prevent. Your committee are of opinion, that the state must eventually pay all certificates that have been fraudulently obtained, where the same have been sold or transferred previous to their stoppage at the treasury, and public notice thereof given in the Maryland gazette, otherwise the innocent purchasers must be the sufferers; and this committee have great reason to believe, that most of those certificates have been sold or transferred immediately on receipt, and that very few, if any, remain in the hands of the original possessors. Your committee are further of opinion, that where any claimant has entrusted to another person, any discharge or other sufficient voucher, whereby depreciation certificates, or other certificates, might be obtained, and the person so entrusted is guilty of a breach of such trust, that the state is exonerated from issuing a second certificate, and therefore, the brother of Nicholas Nicholls, mentioned in the auditor's report, has no remedy but against Jeffers, the person entrusted by him, and that all others similarly circumstanced, can only have similar redress. They beg leave to suggest the propriety of transmitting a list to each county court of the numbers, dates and sums, of all such fraudulent certificates, with the names of the persons to whom granted, for detection, if possible. That the whole amount of the certificates fraudulently obtained, as by the auditor's report, is £. 10,481 13 1, which by stoppages in the final settlements to the amount of £. 4,294 10 8, reduces the sum to £. 6,187 7 5, which sum would also have been saved to the state, had the claimants been entitled to final settlements to that amount, but by their having been discharged from service, previous to the first of January 1781, they were not entitled to any thing on final settlement, and consequently no stoppages could be further made. This sum of £. 4,294 10 8, hath been saved by the attention and assiduity of the auditor.

The committee beg leave to call the attention of the house to the very important business of the settlement of the account of this state against the United States. This account must be classed under a great number of different heads, agreeably to the rules laid down by congress and their officers, as by an abstract herewith returned will more fully appear, and if it had been possible for the auditor to have balanced the public books, the whole must have been new stated. That many of the state's vouchers are long and various, and the different charges against the United States by this state, must be selected and classed from those vouchers, or in case of loss of vouchers, from the best testimony that can be had in support of the charge. That this will take up much time, and create a great deal of writing, by which it will be impossible for the auditor to facilitate this business, with necessary dispatch, without a further assistance by clerks. That the continental commissioners are at liberty to employ as many clerks as may be necessary to forward their part of this business as speedily as possible, (the wages not to exceed five hundred dollars per annum to each clerk.) Your committee are therefore of opinion, that the auditor ought to have it in his power to meet the commissioner upon equal terms, in order to dispatch this business as soon as possible; longer delay will operate greatly to the prejudice of this state, by its not having the credits with the United States entered in the offices of congress, and which at present makes this state appear to be greatly in arrears, when the case may appear very different, could this account be speedily liquidated and settled.

Your committee further report, that several persons, who have heretofore received public money for the purpose of procuring supplies, have not made their returns, although they have been wrote to on this subject by the auditor in July last. That the account of this state against the union cannot be closed without such returns, and this of course must cause further delay. That it will be necessary also to collect, from the several posts in this state where provisions and stores, or other articles, have been issued for the use of the United States, a full and attested account of the same, otherwise this state must suffer thereby. This will also require time and attention, and will add to the auditor's trouble and inconvenience.

Your committee further report, that the auditor's books appear to be in as good a situation as the nature of the business, from the multiplicity thereof, will admit; that numbers of claims are now lodged in that office for liquidation, and probably many more claims will come in before the time limited by law will expire; that the stating the army account, which is now nearly brought to a conclusion, hath been a laborious and tedious task, and hath heretofore taken up all the spare time that the auditor had from the running business of the office which consisted in the liquidating claims against this state by the citizens thereof. The committee beg leave to suggest the propriety of the honourable house adhering to some general system, to ascertain the amount of the public debt due by this state, and that for obtaining this desirable end, they would recommend, that no certificate or other paper, payable in taxes by the former laws, and which have not been liquidated by the auditor, shall be received by the collectors or treasurers, until the same are adjusted by the auditor, and new certificates granted according to law; and that where allowances or discounts have been made by the commissioners of the tax for assessments, on any such certificate or paper, the same shall not be adjusted until endorsements are made by the commissioners of the sum allowed or discounted. All which is submitted to the honourable house.

By order,

R. B. LATIMER, clk.

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