

“ When you arrive, either the distress, or a suit on the account as well as the bond, could be resorted to, as the facts may appear to justify.

“ You could take a proper clerk with you from the auditor’s or comptroller’s, with the proper papers in this case, in order *to see when the default arose, how, and to what extent it has actually proceeded.* On all the points I wish for a thorough investigation and report, as well as on the regulation that can be adopted now, or the law that may be necessary hereafter, in like cases.

“ If, in consulting with the proper accounting officers, you think it more useful to have the comptroller go to New York, this letter can be referred by you to him, and he proceed with all the necessary papers, and with suitable instructions from you to the district-attorney; or you might both go, if found to be useful.

“ Respectfully yours,

“ LEVI WOODBURY,

“ Secretary of the treasury.

“ HENRY D. GILPIN, Esq.,

“ Solicitor of the treasury.”

The particulars elicited by J. N. Barker, the first comptroller, and H. D. Gilpin, solicitor of the treasury, concerning the alleged defalcation of Samuel Swartwout, are contained in a communication from them to the secretary of the treasury, written in New York, on November 8, 1838.

“ We arrived here ourselves yesterday, and found that Mr. [John] Underwood, [a clerk in the office of the first auditor of the treasury, at Washington,] had been industriously engaged in the necessary examinations. *The result has been, so far, to ascertain that the defalcation exceeds \$1,200,000.* He will continue his labors until he has every fact necessary for making a true account, when he will proceed at once to Washington, and have it duly stated and passed by the accounting officers. * * * *

“ *We have every reason to believe that the security in Mr. Swartwout’s official bond is fully sufficient for its amount.* * * * *

“ *All that we know in regard to it at present is derived from a voluntary communication made to us last evening by Mr. Henry Ogden, the cashier of the custom-house during Mr. Swartwout’s term.* * * * *

“ He commenced by saying that the circumstances of the case had troubled him exceedingly for some time, and *that he had strongly urged Mr. Swartwout not to leave the United States in August last; that he had told him it was scarcely possible the defalcation could remain much longer concealed; especially since the accounts for the last quarter had been called for and not furnished; that he advised him, instead of going to Europe, to go at once to Washington, submit a statement of the whole matter to the secretary of the treasury, surren-*