

rarily absent, and I apprehend delay may be injurious to the interests of the United States.

"I am, sir, very respectfully, your humble servant.

"ALFRED KELLEY.

"HON. CHARLES B. PENROSE,

"Solicitor of the treasury, Washington."

"[P. S.] I was absent this morning when the above was prepared, and will not detain the mail by entering more at length; saying, however, that *I fully concur in Mr. Kelley's views, particularly as to instituting proceedings against Phillips and Ogden. Phillips, we are informed, was a broker in Wall Street up to the time the commission was instituted; and there are many circumstances to fix strong suspicion on him.*

"Very respectfully, your obedient servant,

"WM. M. STEUART."

In their report, dated Washington, January 14, 1842, to the Hon. Walter Forward, secretary of the treasury, the commissioners, Alfred Kelley and William M. Steuart, in remarking the testimony taken by them relating to the collectorship of Samuel Swartwout, say:

"It also appears, from the testimony of Edwin Hyde, that the cashier and his assistant [Henry Ogden and Joshua Phillips] received payment *on part at least* of the bonds contained in the auditor's account of bonds delivered to the assistant cashier for collection, and not accounted for by him, either by a credit to the government on the cash-book, or by the private list of bonds paid, but not entered on the cash-book kept by Mr. Phillips.

"These circumstances, together with the fact that, in one instance at least, the cashier and his assistant discounted a note for an importer, in the custom-house, receiving for duties their own check, given in part payment for the note, as proved by the testimony of C. W. Dayton, *create a strong presumption that one or both of them converted to their own use large sums of money belonging to the government.*"¹

Mention is further made regarding the steps taken to recover from Joshua Phillips a part of the moneys which he had alleged had been appropriated by Mr. Swartwout, and unaccounted for by him. This is in the annual report of Charles B. Penrose, the solicitor of the treasury, bearing date November 1, 1843, which recites:

"After the return of Samuel Swartwout to this country from abroad, and his examination before the commissioners appointed to investigate the affairs of the custom-house at New York, a suit was instituted, under the direction of

¹ Executive documents, 28th congress, 1st session, vol. iii., document 35, pp. 17, 16. Executive documents, 27th congress, 2d session, vol. vi., document 221, pp. 997, 998, 999, 1000, 1001, 779, 780, 784, 785, 781-784, 39.