

**BOX**

**5**

**FOLDER**

**56**

**Comptroller-Warrants**

**1910-1911**

May 4, 1910.

S i r :

The records of the office of the chief clerk here, whose duty it is to receive and sign all warrants on the Chamberlain for the payment of claims adjusted and audited as legal liabilities against the city show that on December 31 last a warrant was received by the said clerk from the Comptroller payable to the order of D. F. Cohalan, said warrant being dated December 31, 1909, and signed by the Comptroller, and that on the same day it was signed by the said clerk and delivered by him to the Chamberlain, who gave a receipt therefor in the usual course, dated December 31, 1909, which receipt is on file in the said clerk's office. Will you please give me the record and full history of the said warrant, so far as it appears in your office.

Very truly yours,

*W. J. Grayson*  
M a y o r.

Charles H. Hyde, Esq.,  
City Chamberlain.



CHARLES H. HYDE  
CHAMBERLAIN.

CITY OF NEW YORK  
OFFICE OF THE CITY CHAMBERLAIN

May 4, 1910.

Hon. William J. Gaynor,  
Mayor.-

Sir:

In answer to your letter of inquiry of even date, I beg to say that the record in this office shows that the warrant to Cohalan, which you mention, was received at this office on December 31, 1909, and that on January 4, 1910, the said warrant and the check therefor were returned to and delivered to and left at the Comptroller's office, and the receipt therefor given that day by the Comptroller's representative is on file in this office.

The said warrant was afterwards paid in the Comptroller's office by delivering the said check to Cohalan, as I am informed. Such payments are always made by the Comptroller, and not here. He audits and pays all claims. Opposite the entry of the said warrant in this office, its number being 7199, is the following: "7199 returned to the Mayor at his request." I am informed that my predecessor, Mr. Martin, had the entry made, and then put the warrant in his pocket.



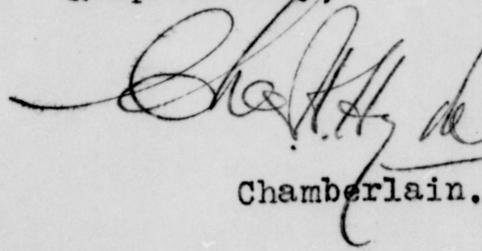
CHARLES H. HYDE  
CHAMBERLAIN.

CITY OF NEW YORK  
OFFICE OF THE CITY CHAMBERLAIN

Hon. William J. Gaynor, - 2 -

I know nothing further of it, except that I am informed by the Deputy Chamberlain, <sup>that</sup> when I took office on January 4, the warrant was here and was returned to the Comptroller's office that day, as I have stated above.

Respectfully,

  
Chamberlain.

May 4/1910

Chamberlain  
the total

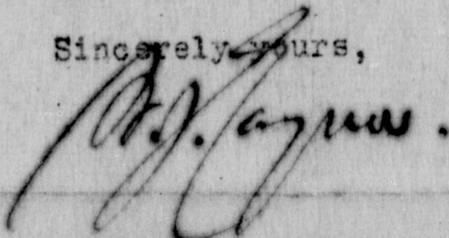
Narrative  
of \$8000<sup>00</sup>

May 6, 1910.

My dear Mr. Bowes:

I thank you very much for your kind letter. I had no more to do with the Cochran claim than you did. The claim was duly audited and the warrant drawn therefor before I came into office. I also find on examination that the claim was probably just in all respects. A scamp like Hearst can do nobody any harm.

Sincerely yours,



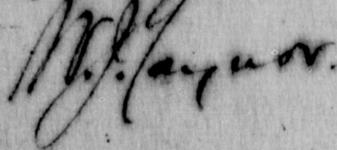
William H. Bowes, Esq.,  
Royal Exchange Assurance,  
92, William St., N.Y.C.

May 21, 1910.m

Dear Sir:

I thank you for your favor of May 16th. The claim of Cohalan against the city was audited by the Comptroller in December, the draft was drawn in December, signed by the Comptroller in December and went to the Chamberlain's office for payment in December, all before I came into office. And even though I had been in office I would have had no power over it whatever. The auditing and allowing of bills and claims against the city is given by the charter to the Comptroller solely.

Very truly yours,



John G. Gaynor, Esq.,  
501, Veiret Street,  
New Orleans, La.

[May 1910]

City of New York: ss

James A. Rierdon being duly sworn says that he is Chief Clerk of the Mayor's office of the City of New York, and was such under Mayor McClellan for about five years up to and including December 31st, 1909, when the said McClellan went out of office. That the said McClellan never spoke to deponent about the warrant to Daniel F. Cohalan for \$48,000 and request deponent to call the attention of Mayor Gaynor to the same when he should come into office, or request him to give any message whatever to Mayor Gaynor concerning said warrant. All warrants from the Comptroller's office are signed by the Chief Clerk of the Mayor's office in the rooms which the Chief Clerk has for that and other purposes. That the said ~~warrant~~ <sup>warrant</sup> to Cohalan, dated December 31st, 1909, was brought to the office of deponent on December 31st, 1909, and signed by the acting Chief Clerk James T. Curtin on that day, and the said warrant was thereupon on that day taken to the City Chamberlain's office, who pays all warrants, by an attache of deponent's office and delivered to the City Chamberlain at about 1:30 p.m., and the said Chamberlain's receipt therefor, dated the said 31st day of December, 1909, was obtained by him and brought back to deponent's office and has been ever since there on file, and is now on file there. That is the only connection deponent had with the said warrant, and never did Mayor McClellan give him any instructions with regard to giving any message or statement or notice whatever thereof to Mayor Gaynor. That the said Curtin did not sign any warrants from December 31st, 1909, to January 5th, 1910, for the reason that his authority to

do so expired with the outgoing of Mayor McClellan and Mayor Gaynor did not authorize or delegate him to sign warrants until January 5th, 1910, when he did so in the usual written form. The said warrant to Cohalan was never changed in any way, and is the only one that was drawn to him.

Sworn to before me this  
2nd day of May, 1910.

*James A. Reston*  
*J. H. Coulson*  
*Com. of Deeds*  
*N.Y. City.*

June 29, 1910.

S i r :

On April 15 last W. R. Hearst published in his newspapers in so many words that I, immediately on becoming mayor, ~~had~~ "fixed" an award of \$48,000 to Daniel F. Cohalan as counsel fees and "paid" the same. This statement was even put in large headlines, and as corroboration he printed in connection with it what he labelled a fac-simile of the comptroller's warrant by which the payment was made. But the date of the warrant, and also the date when the claim had been audited, were omitted from such so-called fac-simile, blank spaces being left instead. If the dates had not been omitted the falsity of the article would have been apparent. I knew nothing of the publication until a city official called my attention to it about a week afterwards. I knew that I had never fixed the amount, or paid it, or had anything to do with the matter. I investigated and found that early in 1907 Mr. Cohalan had been employed by state Attorney General Jackson in about <sup>250</sup>~~fifty~~ franchise tax cases against corporations in this city; that three other lawyers were associated with him; that in November,

1909, he presented a bill to the city comptroller for his and their services; that it was duly examined, fixed and audited by the comptroller on December 29, and thereby became an adjudicated and settled claim against the city, which had to be paid the same as a judgment of a court; that on December 31, which was still a day before I came into office, the comptroller drew and signed his warrant in payment thereof; that on the same day it was sent by the comptroller to the usual bureau of the Mayor's office to be countersigned by the clerk designated by the mayor in accordance with the charter to formally countersign all comptroller's warrants, and it was so countersigned by the said clerk on that day; that on the same day, namely, December 31, it was sent to the office of the city chamberlain whose duty it is to designate by a check the bank which is to pay each warrant, and the said chamberlain gave a receipt therefor dated that day, which was that same day filed in the said bureau of the mayor's office and is still there; that on January 4 the new chamberlain (that being the day he qualified) designated by check the bank which should pay the said warrant, which he found in his office with many others, and returned the same with the said check to the comptroller's office in due course, where payment was made to Cahalan in the usual way, all warrants being paid by the comptroller.

Some time after the falsity of the said newspaper statements that I had fixed the said amount and paid it had been

exposed, my distinguished predecessor in this office made a public statement that he had charged a clerk to tell me on my coming into office that this warrant was out. The clerk publicly denied this, but the question of veracity does not matter. Mr. McClellan's apparent object was to imply that since I learned that the warrant existed I was accountable for the whole transaction because I did not overrule or undo the audit of the claim in December by the comptroller. It is true that I was informed on Saturday, January 1, when I came into office, or on the following Monday, that such a warrant did exist, but I had nothing to do with it.

I call your attention to this matter now, <sup>only</sup> because a similar claim of another eminent counsel for services in <sup>about</sup> ~~the~~ <sup>summary of the</sup> same suits has just been examined, fixed and audited by the present comptroller for \$35,000, and the comptroller's warrant to pay the same has this day in regular routine reached the said bureau of my office to be countersigned by the said clerk designated by me in accordance with the charter to countersign all warrants. He has brought it to me and stated that in view of the statements made concerning the Cohalan warrant, he does not wish to countersign this one without my knowledge and express direction. He calls my particular attention to the fact that whereas the Cohalan claim as audited at \$48,000 was

for 650 days at \$73.84 a day, this present claim as audited is at about double that rate, it being for 239 days at \$146.44 a day for the very same kind of work. In view of the premises, and especially of the said implication of my distinguished predecessor, I think it timely to call for your official advice in respect not only of the mayor's power and duty, but also the power and duty of the said clerk and of the city chamberlain, and also of the comptroller, in respect of claims against the city and of comptroller's audits and warrants and the payment thereof under the charter. I do not mean thereby to reflect upon or in any way question the honesty or fitness of the comptroller's action in either the Cohalan case or the present case.

Will you therefore please answer categorically the following questions, so that there may be no possibility of misunderstanding.

1 - In what city official is the power to audit and fix claims against the city vested by the charter, and is it vested in him solely?

2 - Has the mayor any power to revise, overrule, set aside, reduce or modify in any way or to any extent an audit of a claim by the comptroller, or is the comptroller's audit conclusive on him and all city officials?

3 - Had the present comptroller any power to revise, overrule, set aside, reduce or modify in any way the audit of the Cohalan claim by Comptroller Meta, his predecessor in office?

4 - Has the clerk designated by the mayor under the charter to "countersign" warrants any duty or power in the matter except the formal one of countersigning such warrants provided they be in due form?

5 - Has the chamberlain any power to revise, overrule, set aside, reduce or modify in any way or to any extent an audit of a claim by the comptroller, or has he merely the formal duty of designating by check the particular bank by which the warrant is to be paid, and has he the right to refuse to sign such check?

May I add that if the mayor has any such duty of inspection, inquiry and audit, then he will need in his office a staff of probably one hundred accountants, auditors and experts for that purpose, the same as the comptroller has, for there are about two hundred thousand comptroller's ~~warrants~~ warrants a year, or from 500 to 1000 a day. I could scarcely sign them, let alone examine into their merits. Is not the comptroller elected as an independent officer to do these things and be responsible therefor?

Will you please also answer whether there is any reason why these high priced counsel or any counsel should be billeted on the city by the Attorney General in these franchise tax cases? Does not the money when collected all belong to the city? *What interest has the state?*

And, finally, are not the cases in which these big fees are being paid the very <sup>same</sup> cases in which the lighting companies and the receivers of the street railroad companies came before me in January and since and begged me to interpose and take them out of the hands of the lawyers where some of them had been <sup>locked fast</sup> for eight years, and <sup>and referees and courts</sup> ~~and~~ the amounts adjusted so that they could pay them, and which you did sit down with them and adjust on my direction, and which have now all been adjusted and paid?

Very truly yours,

*A. H. Hays*  
Mayor.

A. R. Watson, Esq.,

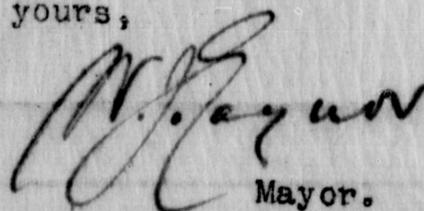
Corporation Counsel.

July 5, 1910.m

Sir:

Now that I have carefully examined into the bills presented by Mr. Cohalan and Mr. Cohen as so-called special deputies of the Attorney General in franchise tax cases, I am satisfied that they represent expenses which should never be saddled on this city. I know of no reason why the Attorney General with his own force should not look after these cases; and if he thinks his force does not suffice, then the Corporation Counsel's staff in this city should be allowed to do the work. Because the expense of these high-priced special counsel can be thrown on the city under the statute is a reason why the rest of the State may care very little about their appointment or how much they charge. Will you be so good as to let me know when any more suits or proceedings are begun under the franchise tax law, so that we may then request the Attorney General not to appoint these special counsel, but to allow your office to attend to such suits or proceedings. The present Attorney General is a man of the highest character, and I feel certain that he will acquiesce in ~~my~~ request in this particular.

Very truly yours,

  
Mayor.

A. R. Watson, Esq.,

Corporation Counsel.

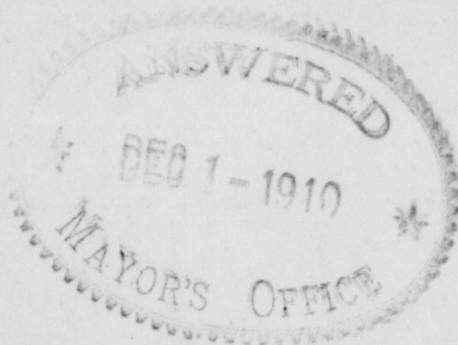
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Department of Finance  
City of New York

William A. Prendergast, Comptroller

November 7, 1910.



Honorable William J. Gaynor,  
Mayor of the City of New York,  
New York, N. Y.

My dear Mr. Mayor:

Several times since last Spring we have discussed the question of your appointing some Clerks, representing your office, for the purpose of having them promptly sign warrants. As I have already explained, it would mean a great saving in time and energy if you would make this assignment. It is necessary at the present time for us to carry the warrants over to your office, and then they have to be conveyed back. Added to this loss of time, there is the danger of the papers being lost in transit. May I suggest that in order that any Clerks thus assigned will be entirely under your jurisdiction, even as far as their physical surroundings are concerned, that they should be placed in the Office of the City Chamberlain or the Commissioner of Accounts. What we are very anxious for is to have them close at hand. May I ask that as soon as convenient you will kindly again consider this proposition?

Believe me,

Yours very truly,

*Wm A Prendergast*  
Comptroller.

Nov 7/1910

Memo transfer of  
Cass from the  
Bond Room

December 1, 1910. 0.

Dear Sir:

I am sorry that your letter of November 7th, with respect to transferring the clerks who sign warrants from the City Hall over to your department, has remained unanswered so long. I have hesitated to do this. While I have no responsibility for such warrants, and the auditing of claims on which they are drawn, nevertheless there seemed to be an attempt last January to make it appear otherwise. Inasmuch as there are persons holding that view, I think I would prefer to let these clerks stay where they are for the time being, so that they can call my attention to warrants whenever they feel so disposed.

Very truly yours,

*W. J. Gaynor*  
MAYOR.

To

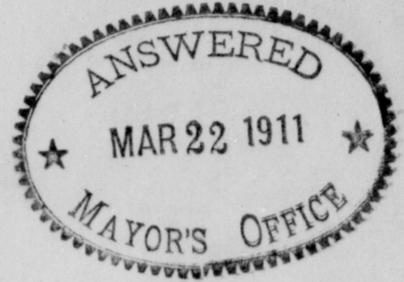
Hon. William A. Prendergast,  
Comptroller,  
New York City.

162-9.



CHARLES H. HYDE  
CHAMBERLAIN.

CITY OF NEW YORK  
OFFICE OF THE CHAMBERLAIN



March 22, 1911.

Hon. William J. Gaynor,  
Mayor.

Sir:

I have just received through the usual channels from your office a warrant drawn to William N. Cohen, for legal services in connection with the franchise tax cases. This warrant is countersigned by J. T. Curtin, Acting Chief Clerk for the Mayor.

Some time ago a warrant for the payment of similar services was paid to Mr. Daniel F. Cohalan and some criticism was directed against it.

As the bill for Mr. Cohen's claim has been audited by the Comptroller and countersigned by your Chief Clerk, in accordance with the law, it is my duty under the law to draw a check therefor, unless the same be recalled for any reason.

Mr. Cohen has already received \$35,000. for similar services.

Vertical stamp: COPIES FOR THE CHAMBERLAIN



CITY OF NEW YORK  
OFFICE OF THE CHAMBERLAIN

CHARLES H. HYDE  
CHAMBERLAIN.

March 25, 1911.

Hon. William J. Gaynor, - 2 -

While it is no part of my duty to question the audit by the Comptroller, and the check would have been drawn and paid without question, had I not given general instructions that in cases of this kind my attention should be specifically called to them. I know of no reason why the bill should not be paid, but in view of the experience in the Cohalan case, I deem it my duty to draw this to your attention.

Respectfully yours,

*Charles H. Hyde*  
Chamberlain.

March 22, 1911.

Acknowledging warrant drawn  
to William N. Cohen for  
legal services in re fran-  
chise tax cases.

WILLIAM N. COHEN  
CHAMBERLAIN

OFFICE OF THE CHAMBERLAIN  
CITY OF NEW YORK

HON. WILLIAM J. GARDNER - 8 -

Chamberlain

Mar. 22, 1911.k

S i r :

Your favor of March 22nd is at hand. A bill of Mr. Cohen for similar services for \$35,000 was audited by the Comptroller last winter and paid. As you remember the opinion of the Corporation Counsel was then obtained, and he decided, as we all knew the law to be, that the audit of the Comptroller was conclusive and that you had to sign the check. I understand that Mr. Cohen has still another bill for similar services which will come along later. He was appointed by the Attorney General in the franchise tax cases. I suppose you are aware that the Corporation Counsel notified the Attorney General last year that his staff would take care of such cases and did not need any Deputy Attorney General, and I understand that they are not to be appointed hereafter. However, your duty in the matter is simply to sign the check, the Comptroller's audit being binding on every one.

Very truly yours,

*W. J. Gay*  
M a y o r.

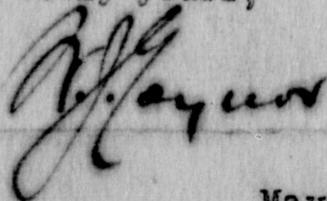
Charles H. Hyde, Esq.,  
Chamberlain of the  
City of New York.

Mar. 28, 1911.

Dear Mr. Cohen:

Your letter of March 24th is at hand. I have not examined your bill at all; it is enough that the Comptroller is the final judge in the matter, although last year when Mr. Coahan's bill was up he and others tried to make the community think that I was the judge of it. I think he acted inadvertently, but others acted maliciously.

Very truly yours,



Mayor.

W. N. Cohen, Esq.,  
22, William Street,  
N. Y. City.