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MEREDITH G. CORLETT.

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FEBRUARY 14 (calendar day, FEBRUARY 16), 1917.—Ordered to be printed.

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Mr. LODGE, from the Committee on Finance, submitted the following

REPORT.

[To accompany H. R. 12463.]

The Committee on Finance, to whom was referred the bill (H. R. 12463) for the relief of Meredith G. Corlett, a citizen and resident of Williamson County, Tenn., having considered the same, report thereon with a recommendation that it do pass.

The report of the House Committee on Claims is appended hereto and made a part hereof.

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The Committee on Claims, to whom was referred the bill (H. R. 12463) for the relief of Meredith G. Corlett, having considered the same, report thereon with a recommendation that it do pass.

The facts in this case are that in June, 1911, J. W. Corlett, son of M. G. Corlett, had been a tobacco manufacturer, with M. G. Corlett on his bond. He was found short and the deputy collector weighed up the tobacco on hand and made demand upon M. G. Corlett, the surety, for a balance of \$120.64. The tobacco was turned over to Walter A. Roberts and subsequently sold by him, and when the collector made settlement with him in October, 1914, over two years later, it was ascertained that Mr. Corlett had been charged with 785 pounds, at 8 cents per pound, making \$62.80 in excess of the shortage.

While the Treasury Department rejected the claim for the refund of the \$62.80, part of the assessment of \$120.64, made on the June, 1911, list, for the reason that the claim was not presented within two years after the payment of the tax as required by section 3228, Revised Statutes, it is found in an investigation of this case that Mr. Corlett did file his claim as soon as he ascertained the facts. Therefore it is only thought equitable and just that the claim should be allowed.

Exhibits A to D, inclusive, appended hereto, are made a part of this report.

EXHIBIT A.

Hon. E. B. CRAIG,  
*Collector of Internal Revenue of the United States,  
Fifth District of Tennessee, Nashville, Tenn.:*

In matter of claim of Meredith G. Corlett, on account of excess payment made by him, as surety on the internal-revenue bond of J. W. Corlett, claimant respectfully shows the following facts:

Prior to June 23, 1911, J. W. Corlett was engaged in manufacturing and selling tobacco at Franklin, Tenn., under license regularly issued by the Department of

Internal Revenue, and M. G. Corlett was surety upon his bond; that on or about said date W. A. Roberts (sometimes called Walter Roberts) purchased the business and stock on hand and transfer was made by a deputy collector from the Department of Internal Revenue; that claimant's surety did not personally inspect the amount of stock on hand and the weights thereof, but on the day the transfer was made to Mr. Roberts and after the stock had been weighed and receipted for, the deputy collector informed claimant that he had found shortage in the amount of tobacco which J. W. Corlett should have had on hand and that there was a balance due on account of internal revenue, by reason of such shortage in amount, the sum of \$120.64, and demanded payment thereof from claimant, which amount claimant then and there paid to W. A. Dunlop, then collector of internal revenue at Nashville, and holds the canceled check drawn on the National Bank at Franklin, Tenn., for this amount.

Recently, and sometime in October, 1914, claimant ascertained that upon settlement made with Mr. Roberts there appeared to be and was an excess of stock and tobacco found on hand over and above the amount which he received and took over from J. W. Corlett in June, 1911, and, further, that Mr. Roberts had not purchased tobacco from any other source and had not acquired any other tobacco after his original purchase, having purchased the stock J. W. Corlett had on hand and procured license to sell same solely for the purpose of collecting a debt due to him by J. W. Corlett.

Claimant is informed, and upon information states, that the account of J. W. Corlett shows that he was assessed for deficiency in material account, tax on 1,455 pounds of tobacco in 1911, and that upon settlement with Roberts, successor to Corlett, that his accounts showed an excess of 785 pounds, Roberts not having purchased any material or manufactured any tobacco since taking over the factory of J. W. Corlett, but merely disposing of the stock received from Corlett. From these facts it appears that there was an error against Corlett of 785 pounds when the transfer to Roberts was made in 1911.

Claimant shows that the claim was not presented before this because he did not know the facts, and but recently learned them, after Mr. Roberts made settlement, and so soon as he ascertained that an error had been made he communicated with the Department of Internal Revenue, bringing to the attention of the department the facts herein set forth and stated, and that these facts would have been brought forward before had same been known.

Considering the premises, claimant shows that he is advised that he is entitled to a refund of the amount of the revenue paid on 785 pounds of tobacco, in excess of the actual shortage, being at the rate of 8 cents per pound and amounting to \$62.80, and prays that his claim be allowed and that this sum be refunded to him.

MEREDITH G. CORLETT.

STATE OF TENNESSEE, *Williamson County*, ss:

Meredith G. Corlett, the claimant, whose name is subscribed to the foregoing claim, being first duly sworn, says that he is the claimant, mentioned in the above claim, that he resides and receives his mail at Franklin, Tenn., and that the statements made in the said claim as of his own knowledge are true and such as are made on information and belief he believes to be true.

MEREDITH G. CORLETT.

Sworn to and subscribed to before me this December 19, 1914.

[SEAL.]

S. P. MAURY,  
Notary Public.

EXHIBIT B.

TREASURY DEPARTMENT,  
INTERNAL REVENUE SERVICE,  
Nashville, Tenn., October 28, 1914.

Mr. R. H. CROCKETT,  
Attorney, Franklin, Tenn.

SIR: I am in receipt of your letter of the 26th instant, in which you refer to the payment by M. G. Corlett, surety on the bond of J. W. Corlett, in June, 1911, of \$120.64 on account of deficiency in the material account of J. W. Corlett, manufacturer of tobacco. You relate the fact that when the inventory of tobacco of J. W. Corlett was taken by deputy collector and transfer made to Walter Roberts, there appeared

to be a shortage of several hundred pounds of tobacco, and it was the tax on this that Mr. M. G. Corlett was required to pay. You suggest that recently, in closing the account of Mr. Roberts, it was found that there was an excess of several hundred pounds of tobacco at this factory, which indicated that an error had been made in weights in taking the inventory when original transfer was made.

Upon looking over the records in this case I find that J. W. Corlett was assessed for deficiency in material account, tax on 1,455 pounds of tobacco, in 1911, and I find that in closing the account of Mr. Walter Roberts, successor to, J. W. Corlett, that his account showed an excess of 785 pounds, Mr. Roberts not having purchased any material or manufactured any tobacco since taking over the factory of J. W. Corlett, but merely disposing of the stock received from Corlett. This makes it appear that there was evidently an error of at least 700 or 800 pounds made in the weights against Corlett when the transfer was made to Roberts in 1911.

I don't know how this occurred, but the owner of the factory, when taking inventory, should weigh his tobacco, which weight should be verified by deputy collector.

I don't know how Mr. Corlett can obtain a refund of any part of the amount paid by him, as the law provides that a claim must be filed within two years next after the cause of action accrued. If there is any way that it can be done, I would be very glad to render Mr. Corlett any assistance, or give him any information that I may have that will lead to the recovery of any portion of the tax paid by him as surety which may have been erroneously collected.

Respectfully,

E. B. CRAIG, *Collector.*

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EXHIBIT C.

TREASURY DEPARTMENT,  
Washington, March 4, 1916.

Hon. E. W. POU,  
*Chairman Committee on Claims,  
House of Representatives.*

MY DEAR MR. POU: I have the honor to acknowledge receipt of your letter of February 29, inclosing H. R. 12463 for the payment of \$62.80 to Meredith G. Corlett on account of excess payment made by him to the collector of internal revenue of the fifth district of Tennessee, as surety on the internal-revenue bond of J. W. Corlett. You ask that there be forwarded for the use of the committee all papers or copies of same on file in this department relating to this claim, with the opinion as to its merits.

I have the honor to inform you that the claim of M. G. Corlett, Franklin, Tenn., for the refund of \$62.80, part of the assessment of \$120.64 made on the June, 1911, list, district of Tennessee, was rejected in this office on March 6, 1915, under section 3228, Revised Statutes, for the reason that the claim was not presented within two years after the payment of the tax, as required by the said section. The tax was paid June 26, 1911, and the claim was filed December 31, 1914. This department was prevented under the statute from examining any of the evidence submitted with the claim, and has no recommendation to make as to the merits thereof, except that it never appears to this office to be a just procedure to suspend the statute of limitations in favor of a single individual.

Respectfully,

DAVID A. GATES,  
*Acting Commissioner.*

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EXHIBIT D.

HOUSE OF REPRESENTATIVES,  
Washington, D. C., May 5, 1916.

Hon. G. W. EDMONDS,  
*House of Representatives, City.*

DEAR MR. EDMONDS: I am in receipt of your letter of the 3d, inclosing the letter of the Acting Commissioner of Internal Revenue in the matter of the refund to Mr. Merideth G. Corlett of the amount of money improperly collected, and I note that the only objection raised by the Government is the statute of limitations.

In the statement filed by Mr. Cortlett he fully explains how the mistake was made and the cause of the delay, that he had no means of ascertaining the amount earlier than he did, and that he proceeded promptly when he discovered the mistake.

Personally I do not believe that the mere lapse of time is a justification for the Government to keep his money or to deny him redress, nor do I feel that if they make similar mistakes with other people they should not in meritorious cases refuse to have them corrected, and if the committee can see its way clear to do so I will be glad to have the bill reported favorably, as I believe that it is a just claim and should be paid.

I beg to assure you that I appreciate very much your interest in the matter. With kind regards,

I am, very truly,

L. P. PADGETT.

