

# CROWN OFFERS WAR CONTRACT FRAUD PROOF

Mountie Presents Books  
Seized From Company  
as Four Face Jury

Montreal, Jan. 11 (CP).—Constable Louis Pelletier of the Royal Canadian Mounted Police was the first witness to testify today in the Court of King's Bench at the opening of the trial of four men charged with conspiracy to defraud the Government and three companies of \$200,000 through false pretences in connection with war sub-contracts for the Munitions Department.

The constable was called to the stand shortly after a jury had been impanelled in the presence of the accused, Pat Lynch, president and general manager of Engine Works and Trading Corporation Limited; his son, Donald, former production manager; Patrick Noonan, paymaster, and Daniel Taugher, clerk.

The witness testified that on Sept. 16, 1942, he visited the engine works with a search warrant and seized petty cash books, journals, cash books, pay sheets, time books and other documents. He was called upon to identify the books seized and they were filed as exhibits.

Prior to the testimony, Crown Prosecutor Gerald Fauteux, K.C., told the jury in his opening address that the Crown will attempt to prove that "there was fraud" in the company's system of handling sub-contracts; that there was manipulation of costs; that indirect labor was charged as direct labor and that expenses were charged at times when no money was spent. He said that the Crown will also try to prove that hours on original time sheets were sometimes increased as much as 10 times, and that the payroll contained the names of persons who did not work for the company.

He said he would attempt to prove that the accused conspired to defraud the Northern Electric Company, Hamilton Bridge Company and Sorel Industries Limited from whom they allegedly obtained sub-contracts. The Crown will try to show that the contracts originally were allotted to the three companies by the Dominion Government and by the Government of the United Kingdom.

Selection of the jury occupied the whole morning sitting of the court and part of the afternoon session.

The trial continues tomorrow.

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