

Privileged and Confidential

Second Sight Support Services Limited

HORIZON – SPOT REVIEW

Reference Number:	SR005	Issue Type:	Centrally-input transactions	Date:	19/08/2008
SPMR Name:	Michael RUDKIN	PO Branch:	N/A	FAD:	N/A
Loss to SPMR?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Current Status:	Awaiting response from POL	Category:	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/>
What the SPMR says happened?					
<p>This SPMR asserts that he observed an individual (whom we at present suspect was an employee of, or a sub-contractor to, POL) who demonstrated an ability to pass transactions directly into the live Horizon system, and, in so doing, to alter, in real time, the recorded holdings of Foreign Currency in POL sub post offices. The SPMR asserts that the employee did this by generating an outgoing remittance (a 'Rem Out') for a branch. The SPMR expands on this by further asserting that, contrary to POL's repeated reassurances (see Note below), there did exist a capability to pass entries over the heads of the impacted SPMRs and without the knowledge of those SPMRs or their in-branch staff. It is not yet clear whether, if such entries WERE being passed, whether those transactions were invisible to the impacted SPMRs and their staff <i>both at the time that the transaction was being executed and also at any later stage.</i></p> <p>This SPMR asserts that, on Tuesday 19th August, 2008, he was taken down to a basement room in the Fujitsu building in Bracknell, by a manager/supervisor whom he had met in a 2nd floor office, who in that basement room demonstrated to him an ability to pass entries, directly into the live Horizon system, that would alter any branch's foreign currency cash balances. The SPMR further asserts that the manager/supervisor seemed to have done this without the employee (whose desk he sat at) first logging off. The SPMR also asserts that the manager/supervisor, after altering a branch's cash balance, then "made light of it" saying "I'd better reverse that entry now or he'll have a shortage tonight."</p> <p>If this SPMR's assertion is true, and there really was such a capability, then POL (and/or Fujitsu) will need to report back to the investigators to show an audit trail of all transactions executed there on 19th August 2012 and possibly all those executed during the entire period covered by the investigation (broadly the past seven years – from 2006 to end 2012). POL/Fujitsu will also need to establish whether that facility continued to exist after the implementation of Horizon Online in mid-2010.</p> <p>Note: Page 9, Section 7 of POL's Horizon Operating Manual (as of December 2006) includes a sentence stating that: <i>"The introduction of the new Post Office Ltd Finance System (POLFS) in Product and Branch Accounting (PBA), Chesterfield means that the finance teams can no longer adjust client accounts on site."</i> The reference here to "on site" means, it is understood, "in Chesterfield or anywhere else within POL". The inference is that Transaction Corrections ('TCs'), and Rems In and Out, have to be 'accepted' at the branch level and that there exists no power/capability at the centre (in Chesterfield or anywhere else) to impact any branch's accounts without the SPMR's (or his/her staffs') knowledge, approval and involvement. POL is hereby asked to restate or correct that claim.</p>					
Investigative work done					
•					
POL Response					
CONCLUSIONS					

Privileged and Confidential

Second Sight Support Services Limited

-