

Record of Tape Recorded Interview



Person Interviewed David Yates (DY)

Exhibit No:
Number of pages: 14

Place of Interview Walton on Thames Post Office
73 Hersham Road
Walton on Thames
Surrey KT12 1LN

Signature of interviewing
officer producing exhibit

Date of Interview 07 March 2003

Time commenced 12.10 hours

Time concluded 12.54 hours

Duration of interview 44 minutes

Tape reference no 046861

Interviewing Officer(s) Dave Posnett (DP)

Rob Fitzgerald (RF)

Other persons present

Tape counter times	Person speaking	Text
118	DP	Introductions made. Mr Posnett informs Mr Yates that he wishes to ask him questions in relation to audit concerns at Walton on Thames Post Office. Right I'm just going to refer you now to a form CS001, which explains your legal rights. Now because you are suspected of having committed a criminal offence which may result in a criminal prosecution, I must inform you that you do not have to say anything but it may harm your defence if you do not mention when questioned something which you later rely on in court. Anything you do say may be given in evidence. Do you understand.
	DY	Yes.
	DP	In order to check your understanding of that caution could you just explain it to me.
	DY	Anything that I say can be used in court basically and if I don't say anything it could be used against me.
213	DP	That's certainly an element of it. What I'll do is just break it down to make sure you're absolutely satisfied with it. I'm an Investigator employed by Post Office LTD to investigate possible criminal offences. You are suspected of committing a criminal offence. Do you understand that.
	DY	Yeah.
	DP	I wish to put questions to you about this criminal offence and record your answers to those questions. Do you understand that.
	DY	Yeah, that's fine.

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
309	DP	Firstly, a person who is being interviewed for a suspected criminal offence does not have to say anything. You do not have to answer my questions. Do you understand that.
	DY	Yes I understand that.
	DP	Secondly, if you say nothing now but in court give an explanation which could be given now, then the court may think that the explanation is untrue or you have made it up. You understand that bit.
	DY	Yeah.
	DP	And thirdly anything you say during the interview is being recorded on tape and can be read out in court.
	DY	Yeah that's fine.
	DP	Right back to this form CS001, there's 4 points at the top of the form. I'll go through these with you. 1 you are not under arrest. 2 you do not have to remain at this interview. Mr Yates confirms he consents to be interviewed at Walton on Thames Post office.
	DP	3 If you do remain you have the right to seek legal representation and advice, including the right to speak with a solicitor either in person or on the telephone. The solicitor will give you advice regarding legal aid and I can help you obtain a solicitor. 4 you are entitled to read the Police & Criminal Evidence 1984 Act codes of practice if you wish. I've got the booklet here and those codes basically set out your legal rights and the rules governing the conduct of this interview.
	DY	Okay, fine, yeah I understand.
	DP	Now there are a few questions underneath that, if I can just get you to answer those in your own handwriting. Mr Yates completes form CS001.
449	DP	If you sign it, it's now 12.16. Right I'll just go through these questions you've answered. Have you read 1 to 4 above, you've indicated yes. Do you understand 1 to 4 above, you've indicated yes. With regards to speaking to a solicitor you've signed to say you do not wish to speak to a solicitor at this time. But in relation to the question 'if you do not wish to speak to a solicitor at this time you can change you mind at any time during the interview, do you understand', you've indicated yes.

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
704	DY	Yes.
		Mr Posnett refers Mr Yates to form CS003 relating to the procedure of having a friend present at the interview. Mr Yates indicates he does not wish to have a friend present.
	DP	Okay, what I'll do first is go through a report that the audit manager, Paul Bosson has written. I'll read it out on tape and it starts 'I attended Walton on Thames Post Office on Friday 7 th March 2003 to conduct an audit. The audit commenced at approximately 0855. At the start of the audit I asked the Subpostmaster, David Yates, to produce an office snapshot, which indicated an office cash holding of £410,354.67. I asked David to produce the office cash declaration completed at 16.40 the day previous, which showed at total of £43,566.00. David told me he had sent a rem the previous day but had not booked it out on the Horizon system. I asked him to show me the CIT (Cash In Transit) collection receipt, but this indicated that the last collection was Wednesday 5 th March 2003. I asked David if he could produce the rem out form P884 but he could not find it. At this point David admitted to me that he had not sent a rem and that we would find a shortage in the account of around £350,000.00. I confirm that this is a true account of the events and conversation that took place between myself, Paul Bosson, and the Subpostmaster, David Yates'.
	DY	Yeah.
	DP	And Paul Bosson's signed it I believe.
	DY	And so have I.
	DP	And you've signed it. Do you agree with the content of that note.
	DY	Yeah, absolutely, yeah.
	DP	Right, so why is there going to be a shortage of £350,000.00.
	DY	Well I've been carrying it for ... I don't know...years basically. I don't know how to explain really.
	DP	Well let's take it one step at a time. You've been carrying it for years, what does that actually mean.
	DY	Carrying like a shortage for like ... I don't know ... at least 3 years.
	DP	3 years.
	DY	Yeah, maybe even more, I can't remember exactly when I started getting into trouble.

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
1051	DP	So how much was the shortage at that stage.
	DY	What 3 years ago. I don't know it may have been 250, something like that maybe.
	DP	£250.
	DY	No £250,000.00. It must have started miles before then. It started off that we kept having shortages, we couldn't afford to put them in ... or I kept having shortages I should say. So I was just carrying it and carrying it and it just builds up.
	DP	Just to recap, at least 3 years ago ...
	DY	Yeah, I mean, probably, maybe ... 5 years ago you know, it's been a long time.
	DP	You said you'd suffered shortages, what's the correct procedure for shortages.
	DY	Obviously to show it and correct it, put it in or take it out depending on whether it's over or short.
	DP	Right so to correct a shortage you put it in, by that you mean you have to pay for any shortages in your accounts.
	DY	Yeah.
	DP	Okay. You said you couldn't afford it.
	DY	No. I was just carrying it as a figure, basically carrying the cash as if it was there. So inflating the cash figure I suppose so the shortage didn't show.
	DP	You inflated the cash figure on your cash accounts at the end of each accounting week.
	DY	Yeah.
	DP	And this is over the last 3 to 5 years but you can't be specific. Okay. That's an awful lot of money Dave.
	DY	Yeah ... I know ... I know it is ... a hell of a lot.
	DP	So are you saying that over the last 5 years £350,000.00 relates to shortages in your accounts.
	DY	No it's not shortages. I have taken ... so I don't know.
	DP	What do you mean you've taken.
	DY	Taken to pay staff or ... you know the business wasn't doing as well as it should be.
	DP	So an element of this is shortages, some of it is taking the money to pay staff ...
	DY	To pay staff, to pay bills yeah.

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
1233	DP	And that all amounts to £350,000.00
	DY	I don't know, I haven't carried a breakdown of it but yes some of it I would have had, but nowhere near that amount. I mean some of it was ... a couple of times they phoned up saying we've done rem's wrong, that we'd sent them too much to what we'd claimed, but I didn't know and they wouldn't tell me how much, I had to let it go and I just got deeper and deeper into the mire.
	DP	So you just mentioned a rem there, didn't you get an error notice for things like that.
	DY	No because I don't know whether they weren't sure it was my bag, they just said there's a problem with this rem, can you tell me whether yours was right. Of course I didn't know.
	DP	So this shortage, which has yet to be determined because the audit is still carrying on, but we guesstimate it's going to be in excess of £350,000.00. As a result of shortages, money you've taken for staff wages, and bills I think you said. Error notices or other errors.
	DY	Yeah it would have been yeah, I mean basically everything.
	DP	Has the money been used for anything else.
	DY	No, not really, no. I mean I've taken some of it. I had to pay bills of my own. You know I haven't bought expensive cars or anything like that with it, or second houses.
		Mr Yates restates he has taken some of the money in order to pay bills.
	RF	How did it all start.
	DY	I find it difficult to remember. It first started when we had some really large error notices come back but I just couldn't explain, we had Savings Bank ones that came back and they were like 5 and 6 thousand pounds. And I just couldn't understand why they were wrong. I queried it but they said it was definitely right and I could not afford to pay it and it just seemed to then slowly mount up.
	RF	If you have an error notice, forgive me if I'm wrong, by generating an error notice for 6 or 7 thousand pounds, your office should actually be over.
	DY	Well this is it, it should have been over but it wasn't.
	RF	Right, and did you ever bring those error notices to the attention of anyone other than Savings Bank.
	DY	No, no, I just queried it with them as to why it was wrong. I mean I can't remember how long ago that was.

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
1456	RF	So have you got a record of how much this shortage is for error notices, how much for staff wages.
	DY	I haven't no, I don't keep any records like that.
	DP	Do you declare surpluses and shortages each week.
	DY	Yeah usually.
	DP	You do. So how do you decide what to declare and what not to declare.
	DY	Well, I roughly knew the figure I was carrying so I would have put that in and then you know declare whatever the actual ... is out that week.
	DP	Do you make good your losses
	DY	Yeah, usually, unless there's anything major. But the last few years, 2 or 3 years it hasn't been problems with that, it was before I seemed to be in trouble with that. I don't know why.
	RF	You say you roughly add to the figure, how much have you been adding.
	DY	I said to Paul the last time I think it was £350,000.00. I added to it on Wednesday.
	RF	That would be the Wednesday just gone, Wednesday 5 th .
	DY	5 th March yeah.
	RF	So that was included in your cash figure, £350,000.00.
1601	DY	Yeah, (indecipherable)
	DP	Right so in order to show a balance, you've inflated your cash by about £350,000.00 and that's been going on for ...
	DY	(indecipherable)
	DP	When you say weeks, months, years, has it gradually increased over the time.
	DY	Yeah it has, it's got worse and worse. I just didn't know what to do then, it slowly got worse and worse, I didn't know ...
1633	DP	Okay, so for example on Wednesday then, who does the office cash accounts.
	DY	Me.
	DP	Does anybody else do them.
	DY	No.
	DP	How do you actually balance then, what is the physical process when you're declaring the cash and getting the summaries. How do you determine ...
	DY	Because I've already declared the extra cash in that week it was only ... whatever it was out, £50 or £100 wrong it would only be showing that amount.
	DP	So on Wednesdays, do you declare the actual physical cash that is within the

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
		Post Office ...
	DY	Yeah and the figure I was carrying..
	DP	So you don't declare the correct figure and re-declare it with the £350,000.00.
	DY	No, I had already put all the money in, yeah.
	DP	And how long have you been Subpostmaster here.
	DY	About 9 years or so.
	DP	And did these problems start immediately or was it after ...
	DY	Probably 3 or 4 years after.
	DP	3 or 4 years after. And have you always done the accounts.
	DY	Yeah.
	DP	When was the last period of annual leave you had.
	DY	I don't know because I only usually take a few days, because I knew I had to be here to do the accounts, I don't tend to go away, I only have long weekends.
	DP	So you've not had a week off or two weeks off in the last 9 years then.
	DY	No, well probably 5 years. Long weekends rather than a long holiday.
	DP	So you've worked solidly week in week out, with exception to the odd weekend here or there in the last 5 years.
	DY	Yeah, I've worked.
	RF	Has anyone else produced an account in the last 5 years, bearing in mind we can check the signatures.
	DY	No a couple of times I've done it with people, shown them when they wanted to do it ... because Rod went to a different office ... Rod Chipping ... but this was before the problems started, it was 4 or 5 years ago so I mean I would have done it with him, sort of shown him how to do it, but he didn't actually do the account, I just went through the process with him.
	DP	Was anybody else aware of what you were doing.
	DY	No. Nobody at all.
	DP	Nobody at all.
	DY	No, no family, friends, nobody.
		Mr Fitzgerald enquires as to how long the loss has been running at £350,000.00. Mr Yates claims it has been for the past 6 or 7 months and that it was slowly going up until it reached this amount. He claims not to recall any big jumps, the amount kept building up.
	RF	If you've been carrying £350,000.00 for the past 6 months, what has been

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
2124		happening to the losses you've been showing.
	DY	Each week I just usually made them up or take them out.
	RF	So for the last 6 months you've been making the shortage and surpluses good.
	DY	Yeah, doing each weeks properly but of course I had this great wad that wasn't there all the time.
	RF	You see what I'm getting at is it can't have always been £350,000.
	DY	No it's built up slowly over the whatever it is, 3 to 5 years. It started off with these error notices and slowly mushroomed. It was having to pay you know VAT, tax people and just it all suddenly snowballed, we weren't making enough money to cover it, just got myself into a big mess.
	DP	This money, is it yours, the £350,000.00, whose money is that.
	DY	It belongs to the Post Office.
	DP	So you acknowledge that it wasn't yours.
	DY	Of course, yeah.
	DP	So what are your thoughts as to what you have done.
	DY	Well, I feel terrible.
	DP	The reason being.
	DY	It's wrong.
	DP	It's wrong. Would it be a dishonest thing to do.
	DY	Oh, absolutely, yeah.
	DP	Okay, and why have you done it.
	DY	I wish I knew really ... I don't know ... trying to get by, trying to live. I don't know, trying to keep the Post Office going, trying to keep the business going, there's been lots of things, I don't know.
	DP	So the ultimate gain by keeping the office going, how would that affect you.
	DY	It keeps me employed.
	DP	Keeps you employed. So you get to gain your employment, retain your employment.
	DY	Yes.
	DP	Mr Posnett recaps that cash figures have been inflated each week for 3 to 5 years. He asks what documents are produced from the Horizon system and Mr Yates confirms that cash accounts are produced, with a copy being retained at the office and another copy being sent to Chesterfield..
	DP	And the figures on those cash accounts, namely the cash on hand figures in

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
2327	DY DP DY	<p>table 5 ...</p> <p>Wasn't right, no.</p> <p>They haven't been right for a number of years, so they are false figures, in effect they are false accounts.</p> <p>Yeah I know that yeah.</p> <p>Mr Fitzgerald enquires as to when the office transferred from the previous computerised accounting system (Capture) to Horizon. On examination of cash accounts on hand it appears that the office migrated in 2000. Mr Fitzgerald enquires how the migration occurred. Mr Yates confirmed that he would have performed a balance and the 'Horizon Field Support Officer' would have taken these figures to migrate onto the Horizon system. Mr Fitzgerald refers to the cash account for week 44, ending 26/01/00, whereby the cash on hand is declared as £109,811.02 and the cash account for week 43, whereby the cash on hand is declared as £201,000.00. Mr Yates cannot explain why the amount has dropped within the space of a week, claiming he cannot remember, but that the £201,000.00 would in all probability be correct.</p>
2752	DP DY DP DY RF DY RF DY RF DY RF DY RF	<p>Right we are going to plough through these cash accounts, are we going to see an occasion where cash varies by a significant amount or is it going to be a gradual process as you've described.</p> <p>It should be gradual.</p> <p>Should be or will it be.</p> <p>As far as I can remember it will be.</p> <p>Have you ever taken a lump sum out to pay this or that.</p> <p>Yeah I mean I suppose I've taken sort of the odd 1 or 2 thousand to pay the staff wages and things.</p> <p>Do you do that on a weekly or monthly basis.</p> <p>I don't know, every 2 months maybe, every month maybe sometimes, depending on how bad I'd got into a position, we weren't making enough to meet our costs.</p> <p>What's your salary.</p> <p>Post Office salary about 70 I think.</p> <p>And have you got a shop as well.</p> <p>Yeah</p> <p>How much do you get off that.</p>

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
2922	DY	About 40 roughly now, obviously it wasn't as much as that then because it's slowly built up. The shop originally was about 20, it's slowly gone up.
	DP	So why haven't you mentioned these problems to anyone.
	DY	I wish I knew, wish I had. I just knew I was in a deep hole and didn't know where to turn to really. I knew I should go and see somebody but just didn't know what to do.
	DP	Now you had an audit I believe at the office in November 2002. What happened on that audit.
	DY	I probably told them there was a rem to go out or going out which would have made up the shortfall.
	DP	Now is that not pretty much the story you told Paul Bosson this morning.
	DY	Yeah.
	DP	So what's the difference, why wasn't it picked up at the last audit.
	DY	I don't know.
	DP	But you agree you were inflating the cash at that audit.
	DY	Yeah it should have been picked up.
	DP	And the audit prior to that.
	DY	Again it would have been, though I don't know when that was.
3107		Mr Posnett recaps on the report written by Paul Bosson and Mr Yates confirms the content of the report. He indicates that it wasn't a case of he couldn't find the P884 forms, it was the case that he didn't have them to find.
	DP	Now you've been Subpostmaster for 9 years and I happen to know you worked at this office before it was converted from a Branch Office. How long in total have you been working here.
	DY	22 years or so, no, longer than that, 24 years I suppose, 1979 I started.
	DP	So fairly experienced.
	DY	Oh yeah.
	DP	And what about training issues, would you say you are fully conversant with all areas of a Post Office.
	DY	Should be yeah. Yeah I would say so.
	RF	You said you had dug a hole, you were in a hole, where did you see that hole finishing.
	DY	I didn't, I didn't know what I was going to do.
	RF	What was the ultimate end to this then.

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
3424	DY	I don't know.
	RF	Obviously the ultimate end now is the audit team arriving today ...
	DY	Absolutely yeah, I thought that would happen eventually.
	RF	From your point of view, you've already said this money belonged to the Post Office. Were you ever in any position to pay any of the money back.
	DY	I could never see how I could ever pay it. I mean obviously some maybe, but never be able to pay it all back.
	RF	Did you ever make any attempt to try and pay the money back.
	DY	Yes but ... not ... no, not really, not a major amount no. I just didn't know what I was going to do, I really didn't know what I was going to do..
		Mr Yates explains there are 4 staff in the Post Office with a salary bill of about £52,000.00 plus the shop people. He reiterates that the money has been used to carry on living, that the matter wasn't referred to the area manager and that no staff were aware. Mr Yates cannot recall when he had previous audits, though he believed there was a period of 3 years without an audit.
	RF	So if you hadn't had an audit today and we didn't have an audit say for another 3 years, what do you reckon the figure would have been at that stage.
	DY	I don't know, I really don't know.
	RF	So you were never ever going to bring it to anyone's attention, you'd have just carried on.
	DY	I don't know, no, as far as I know I probably wouldn't have done. I would have probably hoped some miracle would have happened that I would have been able in some way to pay it back somewhere along the line.
	DP	So you're not in a position to pay it back and based on what you've said, you had no intention to pay it back, subject to a miracle.
	DY	No, yeah, I would have liked to have paid it back because I knew it was wrong but my ability to pay it back, you know, I probably couldn't.
	DP	Okay in week 36, ending 4 th December 2002, there were £23,478.95 of Green Giros that were transacted at this office but didn't arrive in the pouch to Girobank.
	DY	Well, I don't know.
	DP	You don't know anything about that.
	DY	No, definitely. I mean I definitely send those every week.
	DP	Could they be in the office somewhere.
	DY	Not unless someone has put them somewhere strange. I don't know. No,

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
3617		because I usually put them in the pouches every week. And they haven't turned up at all.
	DP	They haven't turned up, no.
	DY	I don't know, sorry.
	DP	Okay, after this interview, what we'd like to do is conduct a search of the Post Office, basically looking for those Green Giros and any other any documentation that may be implicated in the main reason that we are here today.
	DY	Yeah of course, yeah.
	DP	Obviously we need your consent for a search.
	DY	Yeah of course that's fine.
	DP	Now additionally we are also considering attending your home address and conducting a search there, again in order for us to do that we need your consent.
	DY	Yeah, okay, yeah ...
	DP	Well that's recorded on tape, there's a number of forms we'll need to complete later for that purpose. Also, would you be willing to provide details of your bank accounts to us.
	DY	Yeah, I should think so, yeah.
	DP	Okay, and again there's forms for that we'll complete a bit later.
	RF	With regards to both those issues, are we going to find anything on those searches that are detrimental to you, that you haven't told us.
	DY	No, not as far as I know, no. No, I mean there shouldn't be. Mr Yates refers back to the Green Giros, claiming he can't understand as he sends them every week.
	DP	With regards to your current financial position ... what is it.
	DY	Okay, though I wouldn't say I'm well off or anything like that. I manage it each month just about and today's pretty much the same, the bank account.
	RF	Have you got an account with a lot of savings.
	DY	No I've got a Woolwich account with about £2,000.00 of savings.
3813	DP	Right we are going to stop the interview in a moment, is there anything you want to add or clarify before we stop the tape.
	DY	I don't think so.
	DP	What we'll do is flick through some of the cash accounts, we are not obviously going to go through the last 5 years. Mr Posnett refers to the account for week 49, ending 5 th March 2003.

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
	DP	It's got a signature or a little scribble ... that's your signature.
	DY	Yeah.
	DP	Okay, so have you completed that account in its entirety.
	DY	Yeah.
	DP	No-one else helped you.
	DY	No
	DP	And table 5 is recorded as £418,332.17. Is that figure correct, ie was that amount of cash on hand.
	DY	No.
		Mr Posnett shows Mr Yates a number of random accounts.
	DP	And all these signatures on these accounts are all yours.
	DY	Yeah.
	DP	And there's one here that hasn't been signed at all, would you have completed that.
	DY	Sorry, yeah I would have done.
	DP	And again, week 39 hasn't been signed.
	DY	That would be me.
		Mr Posnett shows Mr Yates the account for week 10, ending 5 th June 2002.
	DP	The signature looks different to the others.
	DY	Yeah, it's not my signature, no.
	DP	Whose signature is it.
	DY	Lindsey's.
	DP	Lindsey ...
	DY	Smale.
	DP	And why is her signature on that one.
	DY	I expect I was showing her because she wanted to know how to do it, how to do the cash account, so I was going through with her how to do it and she probably just signed it because it was there to be signed. I mean she didn't actually do the account, I did it. I was just going through the process with her how to do it.
	DP	So she didn't complete that account.
	DY	No, no.
	RF	Would she have been aware ... I mean we've got a cash figure for that week of £376,684.67.
	DY	No she wouldn't have known. She wouldn't have known, she wouldn't have

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
		looked.
	RF	So where did you used to keep these cash accounts.
	DY	Just in the file.
	RF	None of the other staff used to look at them at all.
	DY	Not as far as I know, no.
	DP	There's another cash account here for week 9, ending 29 th May 2002. Whose signature is that.
	DY	Probably mine, but it doesn't look very good. Well it was around then I was showing her, so it might ... it's not her signature so I don't know, it's probably mine, it's not a very good signature is it. Yeah it was around then I was showing her.
	RF	When you used to get these error notices then, didn't you ever bring them to the attention of your staff.
	DY	Yeah sometimes I suppose.
	DP	Didn't you challenge the error notices in any way.
	DY	Sometimes, if I didn't think they were right, but at the end of the day if they keep coming back and saying they are right, what else could I do apart from put them through.
	RF	This cash account here, week 8, week ending 22 nd May 2002, is that your signature.
	DY	Yeah.
	RF	We've got a cash figure on hand of £362,879.22. Would that have been a true and accurate figure of cash on hand.
	DY	No.
	RF	So that would have been a false account then.
	DY	Yeah.
	RF	And that would be the same if we go through the whole of this file.
	DY	Yeah, if you go through the whole lot it would be the same answer all the way through.
	DP	Right, just to confirm that the file starts at ... this file goes back to 1999, but there seem to be some missing, they don't seem to be in any great particular order. But it's pretty much the last 5 years yeah.
	DY	Yeah.
4301	DP	Anything else you want to say Dave.

Record of Tape Recorded Interview (continued)

Tape counter times	Person speaking	Text
4400	DY	No I don't think so. Mr Yates signs the tape seal 046861. Interview concluded at 12.54, Mr Posnett hands Mr Yates a form CS019 which explains what will happen to the tapes.