

POST OFFICE LTD CONFIDENTIAL: INVESTIGATION LEGAL
POLTD/0809/ 0101OFFENCE: Theft / Money Laundering

Name: Susan Jane RUDKIN

Rank: Agency Assistant **Identification Code:** GRO

Office: GRO **Branch Code** 223 217

Age: GRO **Date of Birth:** GRO

Service: 7 years 10 months **Date Service Commenced:** 26th October 2000

National Insurance Number GRO

Personnel Printout: At Appendix: C

Home Address: GRO

Contract for Services Suspended: Husband (Postmaster) (20/8/08) on the authority of (Paul X Williams)

To be prosecuted by: Royal Mail Group (including Post Office Ltd)

Designated Prosecution Authority: Dave Pardoe (Senior Security Manager)

Discipline Manager: Glenn Chester (Contracts Advisor)

Criminal Law Team

The Post Office© Network Auditors, led by Paul Field visited Ibstock Post Office© on Wednesday 20th August 2008 to conduct a verification of assets audit. After being admitted to the office the wife of the Postmaster, Mrs Susan RUDKIN requested a private word with Paul Field. She then informed him that the safe would be around £40,000 short.

The Postmaster is Michael Rudkin and he holds the post of Chairman of the Negotiating committee for the National Federation of Sub postmasters (NFSP). It is understood that he has played no part in the running of the Post Office© for over a year and this is left to his wife. The office which has 3 HORIZON terminals and employs 5 part time staff is sited within a newsagents and general dealers in a rural village on the outskirts of Leicester. There is also a sorting office on the premises which is a base for 14 postmen.

The office was victim to a robbery in January 2006 and the last risk based audit was undertaken on 7th December 2006. Having received a telephone call on Wednesday 20th August regarding the audit deficiency, Gary Thomas and myself diverted from Worcester to attend the office. In the meantime we had made contact with Colin Price, Fraud Advisor, who had spoken to Michael Rudkin. Colin informed me that he knew Mr Rudkin and he had said that he would allow an

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interview to take place on his premises and said that his wife would cooperate fully with any investigation and would not require a solicitor. In the circumstances, due to personal knowledge of a colleague there was no PORA prepared.

When we arrived at the office we introduced ourselves to Mr Rudkin and then went into the Post Office© secure area where Paul Field was compiling the audit. He handed me a signed admission statement, by Mrs Rudkin and informed me that at the time, the discrepancy in the account was £43856.89 which was mainly due to a shortage in the cash of £43761.17.

The signed statement, which is copied at Appendix "B" reads:

Myself and Kevin Watkins arrived at the office at 08:20am. Following the necessary checks with the Helpline Mrs Sue Rudkin (wife of Subpmr) allowed us access to the secure area.

Mrs Rudkin ask me if she could have a word in the back office.

When I entered she told me that the safe would be a little short of money. When asked how much she stated approx £40k.

She also stated that the Subpmr Mr Michael Rudkin did not know anything about the shortage.

Later that day, after declining legal representation, (GS001 copied at Appendix "B"), I conducted a tape-recorded interview with Susan RUDKIN in the private residence at Ibstock Post Office©. Also present throughout the interview was Gary Thomas. In the absence of a Post Office© friend I took the exceptional decision to allow her son, Dale Rudkin, to sit in on the interview as moral support. This was with the understanding that he could not take an active part in the interview. The interview commenced at 13:00 with one tape (045187) being used and a tape summary has since been prepared and is associated at pages 5 to 12. Working tapes are associated at Appendix "B" and I have retained the master tapes.

During the interview Susan Rudkin explained that her husband was heavily involved in NFSP work and this took him away from the business and she felt that the pressure of running the private business, the Post Office© and the household finances had gotten too much. She said that the Post Office© had been experiencing losses and she had been inflating the cash on hand to cover it up. She also said that she had been taking cash from the Post Office© and paying it into their Lloyds bank business account to cover bills. It was not possible to establish an exact date when the theft started but she said that she had been under pressure since the robbery. Susan Rudkin said that she felt embarrassed to tell her husband about the situation and felt that she had let him down. When asked about the cash declarations she said she that she kept a running total of the shortages and just added this amount onto the daily figures. She was adamant that no one else knew what she was doing and on the occasions that other staff members declared the cash she would overwrite the figures. Susan Rudkin acknowledged that she had stolen the money from the Post Office© (although the initial intention was to repay it) and was not at present able to repay it. The interview was completed at 13:43. Notebook entries are copied at Appendix "C".

Following the interview Mr & Mrs Rudkin consented to a search of the premises and produced current bank details and statements, which have been forwarded to Ged Harbinson Financial Investigator, who has an interest in this case. We also recovered paperwork from the Post Office© including the record of shortages being maintained by Mrs Rudkin. A copy of this documentation is associated at Appendix "B". It does appear that on occasions these figures fall, thus showing that on occasions it was possible to repay some of the money albeit for a short period of time before increasing again. Search forms are also copied at Appendix "B" of these papers.

Mr & Mrs Rudkin live in a 6/7 bedroom premises attached to the Post Office© valued at around £450k. There is a £250k mortgage outstanding and the other outstanding balances according to

Dale Rudkin - PORA

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Equifax is around £27k. She informs me that the remuneration from the Post Office© is around £80k per year and staff costs amount to £50k. Last years shop profit was around £30k.

All relevant GS intelligence forms were submitted for authorisation signature after the interview (along with a completed FES) and the results have since been forwarded to Ged Harbinson and copied at Appendix "C".

I am satisfied that Michael Rudkin had no knowledge of this offence but it could be argued that as the postmaster he should have had control over the running of the office. It would appear that his lack of hands on approach has led to his wife's current predicament. (Although it would be fair to say that this would be common in most family run Post Offices). Mr Rudkin currently has his contract for services suspended and he informs me that he is making arrangements for the repayment of the deficiency, which currently stands at £43894.15, as a loss to the Post Office© and is being held by former agents debt team. Adjustments were made by the auditors due to Lottery transactions and the auditors report showing this figure is associated at Appendix "B"

To assist in any possible charges I have copied various documentation at Appendix "B" including a summary of the weekly balance discrepancies compiled by Mrs Rudkin. It may however be considered appropriate to levy one charge covering the last two year period for the grand total.

The papers are forwarded for the outcome of my enquiries to be noted and advice on the sufficiency of evidence to secure a prosecution in this case. Should prosecution be authorised then I will obtain summonses in due course. This report, the discipline report and tape summaries were emailed to Investigationteam GRO on 02/09/08. I do not foresee any problems in obtaining any statements, which may be required. NPA and antecedents are copied at Appendix "C".

I am concerned that Mr Rudkin has given an indication that there will be no prosecution when the money is repaid.

Should anyone require any further information then please do not hesitate to contact me, although I am on annual leave from 2nd September 2008 and do not return until 22nd September when I have a Crown Court trial.

GRO

Mike Wilcox
Fraud Advisor
Plymouth

Mobex: GRO

Mobile: GRO

P/Line: GRO

02/09/2008