

Julian Summerhayes

From: Stephen Dilley
Sent: 07 December 2005 14:52
To: vicky.harrison@GRO; cath.oglesby@GRO
Cc: mandy.talbot@GRO; Tom Beezer; Julian Summerhayes; Richard Morgan; john.h.jones@GRO; Tony@GRO; Utting@GRO
Subject: RE: The Post Office -v- Lee Castleton (Marine Drive Post Office, Bridlington)
Attachments: DOC_1093098.DOC



DOC_1093098.DOC
(137 KB)

Dear Vicky,

Thanks for your 3 emails of today. I have also received the manuscript audit notes by special delivery. This is all helpful info.

1. When your colleagues visit the branch, they should only sign for those documents they actually take away for copying and that when they return the originals, they get something in writing to acknowledge that they have returned them all.
2. The missing giro receipts are particularly important, especially the ones for 11 to 31 March 2004, because the shortage in the Cash Account week ended 17 March (week 51) was £11,210.56. John Jones says its the giro receipts that prove that there was a physical shortfall in the cash. I await confirmation from Tony Utting as soon as possible as to whether and how quickly all the missing receipts can be obtained.
3. I have the red file that I suspect is the one mentioned at Q4 below. I listed those daily snapshots that we have in the list of receipts that I circulated previously (updated copy attached). If the daily snapshots are not in the red file, or the other papers you have sent me, does Cath think it means that she never removed them from the branch? How certain can we be of this?

I will be away from the office from 9 to 29 December, so please can you email my colleague Julian Summerhayes (julian.summerhayes@GRO) in my absence (and copy me in). Julian is already briefed. Julian's telephone number is @GRO

I look forward to hearing from you as soon as possible,

Kind regards.

Stephen Dilley

-----Original Message-----

From: vicky.harrison@GRO
Sent: 07 December 2005 10:07
To: Stephen Dilley
Subject: Re: The Post Office -v- Lee Castleton (Marine Drive Post Office, Bridlington)

Vicky Harrison

To: Cath Oglesby/e/POSTOFFICE@POSTOFFICE, Lesley
Joyce/e/POSTOFFICE@POSTOFFICE,
02/12/2005 12:02 John H Jones/e/POSTOFFICE@POSTOFFICE, Helen
Rose/e/POSTOFFICE@POSTOFFICE
cc:
Subject: The Post Office -v- Lee Castleton (Marine Drive Post Office, Bridlington)

Stephen everyone has now replied to me and therefore this is a joint response to your questions:

Q1 and 2 - Helen Rose did not take away any documentation and the forms that she completed on the day have been forwarded to your office by Stephen Hough. Cath took the cash accounts from the Branch and some snapshots, but she is unable to recall which ones. She also forwarded me some electronic documents which I have attached to the bottom of this e-mail which you may or may not already have.

Q3 - Cath said she took away cash accounts and snap shots.

Q4 - The process followed was that Helen did the audit, phoned Cath with findings, Cath went to the branch, questioned Lee about the findings of the audit, suspended Lee and took away cash accounts/snapshots. Cath and Lesley reviewed the paperwork for the RTU letter and subsequent interview attended by Lee giving him the opportunity to respond to the charges. On a balance of probability we then decided to terminate his contract for services, wrote to Lee with our decision and gave him the right of appeal, Lee exercised his right of appeal and John Jones was the appeals manager, John was sent all the documents for the case so the appeal could be heard. The appeal took place, the decision to terminate Lee's contract was upheld and the decision communicated to Lee. The papers were then passed from John to Darlington for storage and the complete file that Cath prepared was in a red file which was subsequently broken down into a grey file also. This I believe was broken down in Darlington for ease of passing over to John for the appeal. The grey file has been found in Leeds with some paperwork in it which has subsequently been passed onto Stephen Dilley on 25th November 05 by special delivery, the red file has not been passed onto Leeds and we in Leeds do not have any more paperwork (either paper copy or electronic records) that have not been passed onto Stephen already. The paper copy version of Helens notes from the audit have been despatched from the Leeds intervention office to Stephen Dilley.

Q5 - A balance snapshot is a report that contains what the computer believes is the total cash and stock figure. It looks at last weeks declared cash and stock and adjusts items as they are sold out of the computer so if someone forgets to put in that a customer has purchased an item of stock then the figures will be inaccurate. The final balance is a more accurate report this shows what the spmr is declaring to be a true account of his cash, stock, stamps, receipts and payments. In order to produce the final balance a spmr would have to physically check and declare his true cash, stock and stamps, throughout the week he would also be checking his receipts and payments are correct via daily procedures we have in place. The trial balance is conducted to see what the net discrepancy is after having declared cash, stock and stamps. If the discrepancy is correct the spmr accepts this and a final balance is automatically produced, but if the spmr feels he has made a mistake and does not agree at trial balance then he can redeclare cash, stock and stamps then create another trial balance. This would then lead to him producing a final balance.

A miscellaneous transactions report just shows a limited number of transactions that are performed throughout the working week, these items can be checked via the miscellaneous transactions report by the spmr as a further tool to ensure that they are in fact what he has done that week. A sales report is a report that spmr's can use to check progress with sales and does not need to be produced to carry out a balance at the branch.

Q6 - A full list of all the transactions carried out within the PO, events logs for week 39 to 52, transaction logs and balance snapshots for the dates you require cannot be easily obtained via Horizon at Marine Drive branch. If Lee had produced them and they were at the branch we could have got them but otherwise we cannot obtain archived data without considerable cost to the business. The actual hand written info from audits has been sent to you from Steve in the Area Intervention Office in Leeds and you have also received the electronic version of the audit. P&A reports for weeks 39 to 52 I have tried to obtain this from our P&A team in Chesterfield, unfortunately they do not have this information any longer and usually only keep a years data. The paper version of the audit that took place when Mr Castleton took up his appointment we are trying to get for you and the cash/stock counts (audit) for when Lee was suspended have been sent to you. I have asked our Investigations team whether they can retrieve any of the reports you have asked for and I await their response, this is my last avenue to get the all the info we need to defend this case properly and I shall let you know of progress as soon as poss.

Q7 and Q8 - John has responded direct to you as follows: 7: The list appears to refer to balance snap shots not those for the Giro inpayments and withdrawals. These records would normally be kept within the office. If they are missing as you state then it should be possible to obtain copies of the listings that were forwarded to Girobank on the relevant days. 8: I have copied Tony Utting to advise on the route and costs for obtaining information from the Horizon system as well as previously transmitted giro inpayments and withdrawals. Tony: I would be grateful if you could comment on the request made by Stephen (question 8).

My comments are to Q7 and 8 that the Giro ins and outs we have not been able to trace at this time and therefore I have asked the Investigations team whether they can get these for me also.

Just on a final note I have sent two of my managers to the PO today to see if they can get some of the data we need. When they rung the branch to say they were coming along it became apparant that the solicitor acting on behalf of Lee has advised the officer in charge at the branch to not release our data to anyone without them signing for it and that they should photocopy the documents. We will sign for the documents we take away but will have to photocopy them and return them back into the branch at a later date, as we have no facilities to do copying on the road. I wondered what your thoughts were in this, also I am lead to believe that all the accounts referring to past accounting years are in Mr Castletons storage area and therefore he has access to our documents

anyway. I am looking into whether we can find a new home for these but did not want to antagonise/inflame the situation.

I hope s helps but please ring me if necessary.

Regards

(See attached file: MARINE DRIVE Charge Letter RTU.doc26.4.2004.doc)(See attached file: Letter to Lee Castleton 15.9.2004.doc)(See attached file: Letter to Lee Castleton 19.7.2004.doc)

(See attached file: Marine Drive Decision paper 10.5.2004.doc)(See attached file: Letter to Lee Castleton 18.1.2005.doc)(See attached file: Letter to Lee Castleton 2.8.2004.doc)(See attached file: Letter to Mr Castleton re advertising M.Drive 18.2.2005.doc)(See attached file: Letter to Alan Franks 26.10.2004.doc)

(See attached file: MARINE DRIVE INTERVIEW 10 MAY 04.doc)

(See attached file: Marine Drive Summary of events..doc)

(See attached file: Letter to Lee Castleton 12.5.2004.doc)

Vicky Harrison
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Leeds
LS2 7DZ

----- Forwarded by Vicky Harrison/e/POSTOFFICE on 02/12/2005 10:52 -----

"Stephen Dilley"
GRO To: <vicky.harrison@GRO
<cath.oglesby@GRO
GRO <john.h.jones@GRO <stephen.hough@GRO
GRO <lesley.joyce@GRO
02/12/2005 10:20 cc: <mandy.talbot@GRO "Tom Beezer"
GRO <rmorgan@GRO "Julian Summerhayes"
GRO
Subject: The Post Office -v- Lee Castleton (Marine Drive Post Office,

Bridlington)

Dear Vicky,

Thanks for your email of 29 November and the documents you sent to me.

To put it mildly, these documents are very interesting. It is particularly significant that Helen Hollingworth's audit stated "Cash and stock not secured during lunchtime if not on premises" "Safe left open" "Safe keys left in safe door and not secured" "travellers cheques not kept in safe" "Cash not listed accurately over £500" "Foreign currency not held securely" "Procedures for adjusting losses and gains not adhered to." We will certainly draw this to the judge's attention.

I am preparing draft witness statement for Cath Oglesby and Helen Hollingworth. Please can you email me Helen Hollingworth's contact details (email address, telephone number and position at the Post Office).

In the meantime I attach a further copy of the list of documents that I sent to you on 24 November and would be grateful if you, Cath, John, Lesley and Stephen (or one of you) could please answer each of the points I raised in that email which for ease of reference are as follows:

1. Am I correct that it would have been Helen Hollingworth that removed any documents from the Marine Drive Post Office when she carried out the audit on 25 March 2004?
2. Cath, did you remove any documents from the Marine Drive Post Office branch? If so, do you know what those documents are?

3. Can we with certainty say that the only documents that the P.O removed from the Marine Drive branch are mentioned in the attached list?

4. I understand that the chain was as follows: Documents were removed for the audit by Helen Hollingworth, then passed to Catherine Oglesby to review and decide whether to dismiss him, then passed to John Jones to deal with the appeal against the dismissal, then to Lesley Joyce for storage and that in April 2005 Lesley Joyce sent them to the Leeds Post Office during part of a business move. Is this correct? Stephen, do you have any receipts (especially Giro receipts) in Leeds apart from those on the attached list?
If so, please could you confirm what they are and send them to me as soon as possible?

5. On the attached list, there are receipts for "Final Balances" "Miscellaneous Transactions" "Sales Reports" "Trial Balances." Would any of these receipts contain the same information as a "Balance Snapshot?"
Are they the same thing as a balance snapshot, but just by another name?

6. Can the P.O obtain the following documents Mr Castleton seeks:

- (i) A full list of all the transactions carried out within the Post Office (he says that it is not good enough that management information is not available simply because the "month end has been closed down".
- (ii) The actual audit report the P.O prepared. He says that the actual report would have been a manuscript writing document rather than a typed document.
- (iii) P and A Reports for weeks 39-52.
- (iv) Cash and stock counts for when Mr Castleton began trading and when he stopped being a Post Office Sub-Postmaster.
- (v) The events log for weeks 39 to 52.
- (vi) Transaction log.
- (vii) The daily balance snapshots for the following dates:

18 to 20, 22 to 23, 27, 29 to 31 December 2003
2 to 3, 5 to 10, 12m to 13, 15 to 17, 19 to 20, 22 to 24, 26 to 27, 29 to 31 January 2004
2 to 3, 5 to 7, 9, 19 to 21, 23 to 25 February 2005
4 to 6, 8 March 2004 and weeks 51 to 52.

7. John, you have stated that the daily balance snapshots are irrelevant because we can physically prove from the giro deposits made by the customer at the branch that the cash declared was not that, which was physically deposited to the branch and should have been there to be accounted for.
You will see from the attached list that there are some missing giro receipts, most noticeably for deposit and withdrawals from 11 to 31 March.

Does this mean that for those missing weeks, we will be unable to prove that the physical cash at the P.O did not match the giro receipts?

8. John, I note that the costs of extrapolating low level data would be significant. If we wanted to, could the P.O reproduce the audit trail by reprinting it from its computer system? (In particular, could the P.O reprint the daily snapshots and the giro receipts). This could well be vital.

I look forward to hearing from you as soon as possible.

Kind regards.

Stephen Dilley

Solicitor

for and on behalf of Bond Pearce LLP

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