

THE QUEEN v ALISON LORAIN HALL

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NAME AND ADDRESS OF PROSECUTING SOLICITOR
MR R G WILSON

.....
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of General Counsel to
Royal Mail Group Limited

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Reference CRM/265934/JMcF/RGW

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Royal Mail Group

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Witness Statement

Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Statement of: Miss Tracey Helen Bedford

Age if under 18: Over 18 (if over 18 insert 'over 18')

This statement (consisting of pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 22nd day of May 2011

Signature T H Bedford

I am the person named above and I live at the address overleaf. I work at The Markets Crown Post Office® Branch but from February through to September 2010 I was assisting in the Horizon Next Generation (HNG) roll out programme.

On 2nd September 2010 I attended Hightown Post Office® Branch as part of the HNG programme on behalf of Post Office Ltd. This program changes Post Office® Branches from the old Horizon system to the new one. The branch visits required a cash verification. That meant I had to count the actual cash on hand.

Prior to attending the branch I spoke to Miss Hall on the telephone and explained I would need to count the cash. She then said that there was a problem with the cash as she had been having trouble with her lottery. I visited the office the office in the afternoon and at the end of the day I listed the cash but did not add it up. The following day before I attended I added the cash figures and realised there was a large discrepancy of over £13,000

When I counted the cash with Miss Hall I discovered a discrepancy of £13,624.41

I wrote a record of our conversation on the reverse of the cash check sheet on which I listed the cash I counted in the branch, Miss Hall signed it. I now produce the cash sheet as exhibit TB/01 and the record of conversation as TB/02

I also produced the Balance snap shot as exhibit TB/03

I would be willing to attend Court if necessary.

Signature T H Bedford

Signature witnessed by

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Witness Statement

Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Statement of: Mr Jeff Roper

Age if under 18: Over 18 (if over 18 insert 'over 18')

This statement (consisting of 3 pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 19th day of May 2011

Signature

I am the person named above and I live at the address overleaf. I work for Post Office Ltd and my current role is as Field Support Officer. As part of my role I undertake audits at Post Office® Branches.

On the 3rd September 2010, accompanied by my colleague Richard Cross, I conducted an audit of the above named branch. The audit had been arranged as Tracey Bedford, Migration Support Officer, had found the cash to be short by £13624.41 the previous day and had therefore closed the office pending our visit.

The purpose of this audit was therefore to verify financial assets due to the Post Office®.

The audit revealed a shortage in the branch of £14842.37. A breakdown of the audit result and details of the audit findings are as follows:

£	13577.34	(-)	Identified as a difference in cash figures
£	446.03	(-)	Identified as a difference in stock figures
£	14023.37	(-)	Total shortage on day of audit
£	819.00	(-)	Pending transaction correction, advised by Product & Branch Accounting on the day of the audit
£	14842.37	(-)	Total shortage

We arrived at the branch at 13.00 pm and introduced ourselves to the Postmaster Miss Alison Hall and advised that we were to perform an audit on behalf of Post Office Ltd.

Miss Hall allowed us access to the secure area, and was present in the secure area whilst the audit was carried out.

Miss Hall said the loss had occurred due to Lottery accounting problems and produced a report from Lottery Accounting Chesterfield detailing errors (mainly activations on the Lottery terminal not all being remitted in on

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Continuation Statement of Mr Jeff Roper

the Horizon system) going back 18 months. She had been accepting the Transaction Corrections, adjusting the instants on hand back down to the correct figure but not putting any money in to compensate. The Trading Statement copies printed (originals unreadable) all show a clear balance and Miss Hall stated these were adjusted to show clear before rolling over. Cash declarations together with snapshots produced indicate ONCH falsely declared for some considerable time.

A call to Chesterfield revealed further Transaction Corrections due for -£819.00 mainly for Instants not remitted in. Three of these were found with no remittance advice attached to prove to Miss Hall the information supplied was correct.

The audit was completed revealing numerous discrepancies to stock and stamps on the Horizon snapshot in addition to the cash discrepancy. The audit loss on the day was £14,842.37 which together with the amount of £819.00 for Transaction Corrections pending brings the Trading Position deficit to £14,842.37.

Miss Hall was then advised that she should satisfy herself that the figures of the audit team were correct. Therefore, we asked Miss Hall if she would do her own independent count of all the cash on hand again. She said she had watched me count the cash and was happy the figure was correct.

Miss Hall then confirmed that the figures of the audit team were correct.

I now produce Branch Trading Statements as follows;

Dated 24/02/2010 to 24/03/2010 as exhibit JR/01

Dated 24/03/2010 to 29/04/2010 as exhibit JR/02

Dated 29/04/2010 to 26/05/2010 as exhibit JR/03

Dated 26/05/2010 to 28/06/2010 as exhibit JR/04

Dated 28/06/2010 to 28/07/2010 as exhibit JR/05

Dated 28/07/2010 to 26/08/2010 as exhibit JR/06

I now produce a balance snapshot dated 28/07/2010 timed at 17:43hrs as exhibit JR/07

I now produce a balance snapshot dated 28/07/2010 timed at 20:09hrs as exhibit JR/08

From items JR/07 and JR/08 it can be seen that a Discrepancy Over is shown as £13,067.24

And Discrepancy Short of £13,067.24

I now produce a cash declaration dated 28/07/2010 timed at 17:39hrs showing a total of £10,401.88 as exhibit JR/09

I now produce a cash declaration dated 29/07/2010 timed at 19:08hrs showing a total of £23,159.88 as exhibit

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Continuation Statement of Mr Jeff Roper

JR/09

I would be willing to attend Court of necessary

Signature

GRO

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Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Statement of Mr Andy Carpenter

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of four pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 23rd day of May 2011

Signature

GRO

I am employed by Post Office Limited as an Agents Contract Manager (ACM) and I have held that position since September 2008. I have been employed by the Post Office since December 1993. As an ACM, I cover a number of Post Office® Branches within the north of England. One of those Branches is Hightown Post Office® Branch WF15 8HU. An ACM is responsible for Contracts and Services at the Sub Post Offices under their control and to ensure that standards and procedures at those offices comply with Post Office Ltd standards.

Mrs Sue Muddeman was the ACM in this case but she has since left Post Office Ltd.

From records held by Post Office Ltd I can say that Miss Alison HALL was appointed to the position of Sub Postmaster at Hightown Post Office® Branch in February 2005 and was suspended from Post Office Ltd duties on 3rd September 2010.

Miss Hall, as Sub Postmaster would be responsible for the day-to-day running of her Post Office® Branch, including provision and maintenance of suitable premises and the employment of sufficient staff to maintain adequate service requirements. She would be responsible for ensuring that Post Office Ltd services are provided to the general public, for maintaining and summarising daily, weekly & monthly accounts in respect of the Post Office® Branch transactions, and for preparing those accounts and despatching them on a daily, weekly or defined periodical basis to the relevant accounting departments within the Post Office, and various agencies, such as National Savings and Investments, The Department for Work and Pensions and Alliance & Leicester Girobank etc.

The recruitment and employment of staff at Hightown Post Office® Branch, subject to certain restrictions, would

Signature

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Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Continuation of statement of Mr Andy Carpenter

also be entirely at the discretion of the Sub Postmaster.

Post Office Ltd within its Post Office® branches uses a computerised accounting system known as HORIZON in relation to the various types of transactions conducted over the counter and for the recording of daily, weekly and monthly figures in relation to those transactions. The system is used by the operator to conduct all transactions carried out at the counter and therefore the operator is able to view the extent of transactions conducted on a daily basis as well as provide information as to the state of stock sold or received and cash received.

Post Office Ltd operates a system whereby all Sub Post Offices must bring to account all of the transactions conducted over a four or five-week period, as well as declare the correct amount of cash and stock held at the close of business at the end of this period. This process ultimately leads to the office producing a document known as a 'Branch Trading Statement' for the defined four or five-week period. In practice, although the requirement is only to produce a Branch Trading Statement every four or five weeks, many Post Office® Branches perform the exercise on a weekly basis for their own records; they do this without producing a final Branch Trading Statement which is only required by Post Office Ltd, as stated every defined four or five-weeks. The Post Office® accounting period always begins on a Thursday and runs through until a Wednesday, be that through a required four or five-week period or just a local non required one week period. The term used throughout the Post Office® community when referring to the practice of declaring the state of the office accounts be it on a non-required weekly basis or a required four or five-week basis is 'Balancing the office' or doing the 'Balance'.

As previously stated, the accounting period for Post Office Ltd starts on a Thursday morning at which time the actual cash and stock physically held on site is known and forms part of the starting figure used for accounting purposes for that period. As the week progresses a large number of transactions are performed over the counter with the general public, for instance if a customer purchases a first class stamp for 41 pence, the Post Office counter provides the customer with a first class stamp (i.e. stock) and therefore the starting figure reduces by 41 pence in the stock portion, however, the customer hands the Post Office 41 pence in cash, this therefore inflates the cash figure by 41 pence and brings the starting figure back to it's original state and a 'balance' is once again established.

Other transactions are slightly different and accounted for slightly differently but the same principle stated above

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Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Continuation of statement of Mr Andy Carpenter

applies. As an example, if a customer presents a £100 green Giro cheque to the Post Office Counter, as long as all of the security procedures have been met, the counter clerk would hand the customer £100 in cash, this would deflate the office cash holding by £100, however, the green giro cheque for £100 would become a 'paid voucher' and be held by the Post Office and ultimately would be used to balance the accounts at the end of the week. Basically for every transaction carried out by the Post Office we either receive cash or cheques from the customer and provide something for it, or we pay cash out to a customer for which we obtain some form of 'paid voucher' i.e. green giro cheque, bank cheque etc. which remains within the Post Office and is accounted for.

The Horizon system keeps a running tally of all transactions conducted over the course of the balancing period and the operator is able to request various reports from the system at any time to display the current state of the accounts, such as the cash on hand figure, or the number of Green Girocheques paid to date etc. These can be viewed on the monitor or printed off.

On a Wednesday evening at the end of the four or five week period when the office balance is performed prior to the production of the Branch Trading Statement, summaries for all the paid vouchers are requested from the Horizon system. A physical check is made to ensure that all vouchers are present and that they have been correctly entered onto the Horizon balancing system. The Horizon system is then interrogated to provide a printout known as a 'snap shot' which gives a summary of all of the transactions performed during that balancing period and a breakdown of all of the cash and stock which should be on hand having taken into account all sales and receipts transacted by the system during that balancing period. The person who then carries out the task of balancing merely has to verify all of the cash and stock on hand and input those figures into the Horizon system which should then match the 'snap shot'.

A balance is reached when the figures for both the payments and receipts are the same, any discrepancy in the two figures would result in the office declaring a shortage or a surplus of cash in the accounts. Once the operator is content with the office accounts, they are then required to finalise the Branch Trading Statement as being a true reflection of the Post Office Account at that time. The Branch Trading Statement shows summaries of transactions conducted that period together with the actual values of cash and stock to hand. A copy is sent electronically to the Post Office Limited Accounting Centre and a hard copy is printed off the Horizon system, signed by the Sub Postmaster as being a true record of the state of accounts of the office, and retained at the

Signature

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Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Continuation of statement of Mr Andy Carpenter

Sub Post Office. The cash & stock held within the Post Office remain the property of Post Office Limited at all times.

I would be willing to attend Court as necessary.

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Witness Statement

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Statement of: Mr Neil Thorneycroft

Age if under 18: Over 18 (if over 18 insert 'over 18')

This statement (consisting of two pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 24th day of May 2011

Signature

GRO

I am the person named above and I live at the address overleaf. I work for Post Office Ltd and have done so for 16 years. My current role has me working as part of the Post Office Ltd Lottery Team. As part of my role I have access to computer information regarding Lottery transactions made by our Post Office® Branches.

I was asked to look at records relating to Hightown Post Office® Branch's lottery. I could not find any large discrepancies but found over the last two years we had issued the following amounts through Transaction Corrections;

National Lottery Game: 03/04/2008 to date £1,052 (credit)

Prize payments: 24/04/2008 to date £190.20 (debit)

Scratchcards: 23/06/2008 to date £2,200 debit (stock credit)

Regular numbers of Scratchcard sales entries have been made. However, a high number of stock adjustments have also been made. From 01/08/2008 to date 115 stock adjustments totalling £1,760 (credit).

If stock adjustments have been made in place of sales entries no commission is payable to the Postmaster.

National Lottery transactions are performed on dedicated terminals located within premises.

Scratchcards are received by the branches from Camelot and are initially scanned to inform Camelot they have been received.

The scratchcards then needed for sale are scanned and the £s value is entered on to the Horizon system manually.

At the end of each day the Lottery terminal will give details of Sales and prizes. These figures are manually input in to the Horizon system. At this point the cash must be physically added to the Post Office® till. In

Signature

GRO

Signature witnessed by

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Continuation Statement of Mr Neil Thorneycroft Page of Pages

essence this is a cash deposit in to the account.

Any records to which I refer in my statement form part of the records relating to the business of PO Ltd and were compiled during the ordinary course of business from information supplied by persons who have or may reasonably be supposed to have personal knowledge of the matter dealt with in the information supplied, but are unlikely to have recollection of the information or cannot be traced. As part of my duties, I have access to those records

I would be willing to attend Court if necessary.

GRO

Signature

GRO

Signature witnessed by

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Royal Mail Group

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Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Statement of: Miss Kimberley Ann Langley

Age if under 18: Over 18 (if over 18 insert 'over 18')

This statement (consisting of pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 20th day of May 2011

Signature Miss K A Langley

I am the person named above and I live at the address overleaf. I am a Counter Clerk at Hightown Post Office® Branch, Liversedge. I have worked at the branch for approximately four years. The Postmaster at the time was Miss Alison Hall. I worked on the counter serving customers. At the time the branch used shared stocks. My Horizon User ID was KLA 001. At this time I had a password but the postmaster and other staff members knew it. This was because we used other people's User Id if we needed to serve parcel customers.

During the first two weeks of August 2010 I ran the branch at Miss Hall was on leave. Before Miss Hall finished she told me to add a figure in to the daily cash declaration. This was a figure that was written on the top of the daily cash declarations. While Miss Hall was away on leave I did this. Then on Tuesday I would have to telephone the Post Office Ltd Cash Management team to request extra money ready for our Friday Delivery. This was because the cash figures the branch were submitting on the cash declarations was inflated. Often we would run short of money to serve customers.

Miss Hall told me she would sort the discrepancy on a number of occasions. During the two weeks I was running the branch the daily lottery figures were fine and balanced. At the beginning of September 2010 a lady from Post Office Ltd came to the branch to change the office over to the new Horizon system. Miss Hall had already written down the cash and all that remained to count was in the drawer. The lady said she had to count all the cash on hand. Miss Hall then said there was a problem. The branch then closed.

Miss Hall would usually leave the cash in the drawers overnight. Since the new postmaster has been running the branch I have realised how poorly the branch was run by Miss Hall.

I would be willing to attend Court if necessary.

Signature Miss K A Langley Signature witnessed by

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Royal Mail Group**Witness Statement**

Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Statement of Mr Paul Whitaker

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of one page signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 23rd day of May 2011

Signature

GRO

I work for Post Office Ltd a part of Royal Mail Plc and have done so for twenty five years. The latter twelve years I have worked as an Investigator. My role is to investigate possible criminal offences committed against Post Office Ltd.

On 28th Septmeber 2010 in the company of Mr Christopher Knight, Investigation Manager, I attended the Offices of Inesons Solicitors, Cleakheaton.

A tape-recorded interview with Miss Alison Hall took place in an office and also present was Mr Paul Normandale, Solicitor. The interview commenced at 11:37hrs with the first tape ending at 12:22hrs. This tape was then sealed with Tape Seal number 065759. The interview continued at 12:25hrs at 12:37hrs. This tape was then sealed with Tape Seal number 065760. I signed the seal according

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Signature

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Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Statement of: Mr Christopher Granville Knight

Age if under 18: Over 18 (if over 18 insert 'over 18')

This statement (consisting of one page signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 23rd day of May 2011

Signature

GRO

I have worked for Post Office Ltd, a part of Royal Mail Group Plc, for twenty eight (28) years the latter fourteen (14) years as an Investigator in the Security Department. As part of my role I investigate possible criminal offences committed against the business.

As part of my role I was asked to investigate an audit shortage that had occurred at Hightown Post Office® Branch. On Friday 17th September 2010 I wrote to Miss Hall inviting her to attend a tape recorded interview. The next day she telephoned me and said she would speak a Solicitor and arrange a time and location to conduct the interview.

On Tuesday 28th September 2010 in the company of Mr Paul Whitaker, Post Office Ltd Investigator, I attended the offices of Mr Paul Normandale, Inesons Solicitors, Cleckheaton.

At 11:37hrs a tape recorded interview commenced. Mr Normandale was present during the interview which spanned two tapes. Legal Right form GS001 was completed. The interview concluded 12:37hrs. The tapes were sealed with Tape seals 065759 and 065760

A tape summary has been prepared.

I now produce the following exhibits;

- 1) Legal Rights form GS001 as exhibit CK/01
- 2) Master Tape 065759 as exhibit CK/02
- 3) Tape summary for tape 065759 as exhibit CK/03
- 4) Master Tape 065760 as exhibit CK/04
- 5) Tape summary for tape 065760 as exhibit CK/05

During the interview Miss Hall showed a document she had produced relating to Lottery Scratchcards. This

Signature

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Continuation Statement of **Mr Christopher Granville Knight** Page **58** of **14** Pages

was referred to as exhibit AH/01.

I checked with the Post Office® Helpline (NBSC) for any calls made to them between 1st January 2010 and 3rd September 2010 from Hightown Post Office® Branch but there were none.

I also checked with the Horizon Service Desk and they informed me that they had received ten (10) calls from Hightown Post Office® Branch between 07/01/2010 and 23/09/2010. None of them referred to National Lottery items.

A Summary of the log is produced as exhibit CK/06

During the interview Miss Hall blamed the shortage on the Lottery transactions. But nothing has been found to substantiate this.

A notebook entry was made detailing the interview. This is now produced as exhibit CK/07

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Signature

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LEEDS CROWN COURT

THE QUEEN

v

ALISON LORAIN HALL

COPY LIST OF WITNESSES AND
COPY WITNESS STATEMENTS

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