

POST OFFICE LTD CONFIDENTIAL: INVESTIGATION, LEGAL

POLTD/0910/0167

Theft & False Accounting

Name: Mrs Alison HENDERSON

Rank: Postmaster Identification Code: 1

Office: Worstead Branch Code 226 136 7

Age: GRO Date of Birth: GRO

Service: 13 years Date Service Commenced:

Personnel Printout: At Appendix: C

Nat Ins No: GRO

Home Address: GRO

Contract for Services Suspended: 10/02/2010

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

Designated Prosecution Authority: Mr Iain Murphy, National Investigation Manager

Discipline Manager: Mr Alan Lusher, Contracts Manager

Corporate Security Criminal Law Team

The circumstances surrounding the interview of Mrs Henderson are briefly as follows; on Tuesday 10th February 2010 an audit of the Branch took place conducted by Mr Keith Kinrade, Lead Auditor. When he counted the cash on hand this did not compare with the Horizon expected cash on hand figure. The final shortage in the account was shown as £11,957.78

A copy of Mr Kinrade's audit report is at Appendix 'C'.

Situated in the village of Worstead, approximately 13 miles northwest of Norwich, Worstead Sub Post Office® branch is located in the private address of Mrs Alison Henderson, the Postmaster. The Branch has limited opening times;
08:30hrs to 17:00hrs Mondays and Tuesdays;
08:30hrs to 12:00hrs on Wednesdays and Thursdays;
Closed Friday and Saturdays.

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In order to progress the matter I telephoned Mrs Henderson and invited her to attend a tape-recorded interview. I explained what that meant and her legal rights and Post Office® procedures. I suggested she speak to her representative from the National Federation of Sub Postmasters (NFSP). I posted a letter to her the same day reiterating the fact that she could have a Solicitor present and / or a Federation Representative and confirming the date, time and location of the interview. ~~A copy of the letter is at Appendix '.....'~~

I received from Mr Kinrade copies of the last 12 months of Branch Trading statements he had removed from the branch. I interrogated the Horizon system using the Credence application to download December 2009 and January 2010 Transaction Logs and Non Sales Events. Also, in order to show in simple detail the Cash on Hand figures for the BTs I entered the amount on to an Excel Schedule. A copy of this schedule is at Appendix 'B'.

I spoke Mr Alan Lusher, Contracts Manager, on a number of occasions as he was dealing with the discipline case. On 24th February 2010 I received an email from him informing me that Mrs Henderson had tendered her resignation which had been accepted.

In the company of Mr Paul Whitaker, Fraud Investigator, Post Office Ltd on Thursday 11th March 2010 we attended Norwich Mail Centre where in the Counter Training Room at a tape-recorded interview took place with Mrs Henderson. She declined the presence of a Solicitor but attended with Mr Keith Nicholls from the NFSP. The interview commenced at 11:08hrs.

Forms GS001 and GS003 were completed accordingly and are now at Appendix 'B' and 'C' respectively

At the beginning of the interview when asked if she could tell us anything about the audit shortage at her branch Mrs Henderson said she could not. She went on to say that it was a shock when the audit found a loss and she had no idea why there would be a shortage. (08:55)

Mrs Henderson explained that her branch was small and was located in her private property and there was no retail aspect to the business. The branch opened for a limited period each week.

Mrs Henderson was then shown Branch Trading Statements from April 2009 to the one completed by the Auditor on 10th February 2010. She agreed she completed the BTs and also confirmed her user ID was AHE001 and that no one else had worked in the branch or used her ID.

She stated that although the Post Office® branch is accessed through her house no one had access to the safe as it was always locked. She was asked if anyone could have stolen the money, a family member possibly. She responded by saying "would you implement your family?" I believe she meant 'implicate'. She did then answer saying she was happy that no one had stolen any cash from the branch. (14:20)

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Mrs Henderson was asked how she went about producing BTs and did she physically count the cash. She said she did. I showed her the BT dated 6th January 2010 and she confirmed that she had completed it.

She was then showed her the Excel schedule I had completed showing the summarised Cash in Hand figures taken from the BTs. The figures were read to her and it was suggested that the figures were on average just below £20,000 and that at the audit the cash figure was £8,670. Add to that the shortage of nearly £12,000 this gives a total of just over £20k.

It was then put to her that if the account was correct when she completed the BT on 6th January the loss of £12k had occurred in the 4 week period up to the Audit. At this point in the interview Mrs Henderson said a couple of times that she was tired of being asked the same question 3 or 4 times. It was explained to her we were trying find out what had happened at the branch and that we wanted to be sure she understood the questions and that we understood her answers.

I then showed her an extract from the Events log showing the entry for 6th January 2010. It showed entries that were figures almost identical to those of the audit loss and final cash in hand figures. A copy of this table is at Appendix 'B'.

It was suggested that this showed that she knew about the loss when she was producing the BT for 6th January. She just answered by saying she sometimes had problems but then looked for them. (24:35 - 28:39)

It was put to her that she had lost £12k in 4 weeks if she was to be believed that the BT statement completed on the 6th January was correct. As she in essence opens for business 3 days a week (2 x full days and 2 x half days) she lost about £1,000 a day.

It was suggested that the money was stolen before January's BT and had been taken either in small amounts or one large amount. Mrs Henderson appeared to reach a point in the interview where she was not going to give any reasonable answers and at one point questioned why Post Office Ltd had not intervened sooner if they thought that their money was a risk.

Mrs Henderson denied stealing any Post Office Ltd cash (41:10)

The tape buzzer was heard and at this point Mrs Henderson said that she didn't want to 'do this anymore'.

The tape was stopped and sealed at 11:51hrs with tape seal 071654.

A tape summary has been produced and is at pages 6 to 22 of these papers.

Mr Whitaker and I left Mrs Henderson and Mr Nicholls to chat for 10 minutes. When we returned Mrs Henderson said she would be willing to continue with the interview if we had anything new to put to her. The decision was taken to conclude the interview as we would

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only be going over previously covered ground and did not want to appear oppressive by asking the same questions.

A notebook entry was made of the interview details.

Mrs Henderson was asked for Bank Disclose and form GS045 was completed accordingly. Twelve months of statements have been requested from her bank the Alliance & Leicester.

She was asked if she would agree to a search of her home. She had a think and seemed a little apprehensive. She declined and then said her husband would go mad, although he was probably at work. As it seemed to be her way she then thought about her answer and did not want to appear unhelpful agreed we could search her property. We declined saying that we would only need financial documentation.

Antecedents and NPA01 Forms were completed and are at Appendix '.....'

Mrs Henderson denied stealing any cash belonging to the Post Office Ltd and also denied falsifying any Branch Trading Statement.

Mrs Henderson said she wanted to repay the money and was actively looking for another job after which she would get loan. She then asked if we thought she would be prosecuted as that would affect either getting or keeping a job. I received a telephone call from her the next day asking if she could speak to someone from Post Office Ltd as she wanted to know if she paid the money back would this stop any future proceedings against her. I explained it did not work like that.

From her manner during our meeting and during our telephone conversation I felt she knew exactly what had happened to the £12k and that she was responsible for the theft and subsequent covering up of the loss. Whether she was pressured in to committing these offences by another party is something that may come to light in the future. She seemed resigned to the fact that she would be prosecuted.

Mrs Henderson lives with her husband, her children are grown up.

The loss to Post Office Ltd stands at £11,957.78

A request has been made to the Alliance & Leicester for copies of her bank statements.

There were no failings found at this time.

I would suggest that Mrs Henderson is charged with both Theft and False Accounting. She offered no reason why the account was short and stuck to a story that all was well 4 weeks before the audit. The Horizon log shows a loss was identified at that BT. It would be a huge coincidence if the initial loss shown was genuine and that she found the error and the account was corrected. From the Horizon data the largest transaction she had from

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December to February was £400. So any thought this loss had occurred from a mistake is very remote.

These papers are submitted for the position to be seen and noted. After which could they be forwarded to the Corporate Criminal Law Team for their advice and possible charges.

GRO

Christopher G Knight
Fraud Investigator
Post Office Ltd

18th March 2010