
From: Martin Humphreys [REDACTED] **GRO**
Sent: Mon 12/03/2012 12:04:19 PM (UTC)
To: Whitehead Mike (ShEx) [REDACTED] **GRO**
Cc: Batten Peter (ShEx) [REDACTED] **GRO** Baugh James
(ShEx) [REDACTED] **GRO** Wilson Katharine
(ShEx) [REDACTED] **GRO**
Subject: FW: Stephen Hepburn MP
Attachment: 24FebSHepburn_1330956308990[1].pdf

Mike

POL are not aware of any specific legal action from this Subpostmaster.

The background to this case is as follows;

(Firstly just a point of clarification - Mr Riddell is the Subpostmaster and not his wife Mrs Carol Riddell.)

There have been ongoing problems at the branch for some time and on 15 April 2011 senior POL network managers visited the branch to discuss the situation with Mrs Riddell, her husband being unwell and unable to attend. During this discussion various aspects of performance were discussed and proposals put to Mrs Riddell to tighten up controls to try and identify where losses were occurring. This included setting up stock units for the ATM [that had been recommended the year before but not actioned] and Bureau de Change, and giving advice on how to conduct spot checks. Mrs Riddell was reluctant at the time to set up individual stocks as she stated she trusted her staff and subsequently did not introduce these at this time – a separate ATM stock was set up.

An audit was conducted at the branch on 12 October 2011 and it was noted that the Sub Postmaster was unable to run this Branch at present due to illness. In his absence it has been managed by his wife (Carol Riddell) with a lot of assistance from the staff. Since the 9th August 2011 it has been managed by Jean Smith due to Carol Riddell being unable to return to work full time following a family bereavement whilst she was on holiday.

The audit revealed a significant shortage at the branch that had not been declared. Mrs Smith has admitted to falsifying the accounts when doing the daily/weekly cash declarations. Mrs Smith could offer no explanation for the shortages other than to blame the Horizon system. From the Cash Declaration Summary printed off from Horizon another member of staff, Jessica George had also been falsifying the figures when declaring the cash on hand.

Mr Riddell's contract for services was suspended and Mrs Riddell was interviewed on 2 November following that audit.

It was clear at the interview on 2 November with Mrs Riddell [who attended in place of her husband] that she was deeply distressed at the current situation at East Boldon and that she was not aware of the actions taken by Mrs Smith or her daughter Jessica George. It was also clear however that she had not introduced all of the control measures detailed in an earlier letter from POL dated 4 May 2011.

The options open to POL in this case were summary contract termination, 3 months contract notice or reinstatement.

POL took the view that neither Mrs or Mr Riddell were aware of or involved in the falsification of the accounts or in the creation of the loss identified at the audit. Whilst it was disappointing that the accounting controls at the branch had not been introduced POL decided to reinstate Mr Riddell on a final written direction on the understanding that the 2 staff involved in falsifying figures are no longer employed at the branch and that individual balancing is introduced immediately. Mrs Riddell also stated that she

would be employing a manager to help run the branch.

It is noted that Mr & Mrs Riddall had encountered losses over a long period of time that would have encompassed 2 versions of Horizon but since the reinstatement of Mr Riddell on 18 November – under the conditions set – and the removal of the staff who falsified the records – there have been no settled centrally losses recorded.

Hope this helps.

Martin Humphreys
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GRO

From: Whitehead Mike (ShEx) [mailto:
Sent: 05 March 2012 15:08
To: Martin Humphreys; Mike Granville
Cc: Batten Peter (ShEx)
Subject: Stephen Hepburn MP

<<24FebSHepburn_1330956308990[1].pdf>>

Martin/Mike

Grateful for background and advice on this case. The letter refers to Mrs Riddell (and others) taking legal action against POL for 'breach of contract'. Is she linked to any of the Shoosmith cases directly or is there a 'class action' case kicking around?

Regards

Mike

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GRO

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