

CONFIDENTIAL AND SUBJECT TO LEGAL PRIVILEGE

BRIEFING NOTE ON TRIAL TRANSCRIPTS IN R. v. SEEMA MISRA

GUILFORD COUNTY COURT, 11 to 21 OCTOBER 2010

This summary has been produced from a longer summary conducted by criminal law solicitors Cartwright King for Post Office Limited on 22 January 2014.

1. BACKGROUND

- 1.1 Seema Misra was the Subpostmaster of West Byfleet Post Office from 29 June 2005 until 14 January 2008 when she was suspended after an audit revealed a branch cash shortfall of £77,643.87. Following that audit, security investigators interviewed Ms Misra and searched her premises. She resigned from her post on 9 April 2008.
- 1.2 Royal Mail Group (**RMG**) commenced criminal proceedings alleging six charges of false accounting and one charge of theft. Prior to trial (on a date which is not clear) she pleaded guilty to the six false accounting charges and not guilty to the theft charge.
- 1.3 In her first Defence Statement, Ms Misra alleged the losses were caused in 2006 by her employees stealing from her.
- 1.4 The trial for theft was listed to take place in June 2009 but postponed on the first day after Ms Misra raised a new defence asserting her training was deficient, that she repeatedly called the NBSC Helpline without losses being resolved, and that the Horizon system was at fault.
- 1.5 This new defence was raised after Ms Misra had read the day before the trial started an article in Computer Weekly on Horizon failings and "doubling up" errors.
- 1.6 The trial was relisted on 11 October 2010. On 21 October 2010 a jury handed down a unanimous guilty verdict on the theft charge.
- 1.7 On 11 November 2010 Ms Misra was sentenced to 15 months' imprisonment. She was also made the subject of confiscation proceedings under the Proceeds of Crime Act.

2. TRIAL EVIDENCE

- 2.1 For the prosecution, evidence was relied on from: Keith Noverre – RMG auditor Network Support Field Team; Adrian Morris – RMG Investigator; Jonathan Longman – RMG Investigator; Mr. Vasarmy – Successor postmaster to Ms Misra; Andrew Dunks – Fujitsu Security Analyst; and Gareth Jenkins – Fujitsu System Architect.
- 2.2 For the defence, evidence was provided by Ms Misra, Omika Kalia (Ms Misra's sister-in-law), and Professor Charles McLachlan – Defence Expert.
- 2.3 Messrs Noverre, Morris and Longman gave evidence on the audit, when Ms Misra:
 - 2.3.1 informed Mr Noverre that the account would be "...about £50,000 or £60,000 short"
 - 2.3.2 provided a hand written note stating "*I confirm in office audit there will be around 60K shortage due to staff theft. It was around 89K and I want to make an arrangement to clear the balance.... Money transferred to AA was shorter than actual money transferred over. Lottery money was being taken from shop but never entered on Horizon... "*
 - 2.3.3 provided a second note saying "*We have around £2,000 short in the stock unit due to staff theft... "*
 - 2.3.4 informed Mr Noverre that she had been trying to make up the deficit and in so doing had falsified the accounts to make it look like they balanced.

CONFIDENTIAL AND SUBJECT TO LEGAL PRIVILEGE

- 2.3.5 made no mention of any alleged Horizon failing nor lack of training and support.
- 2.4 Whilst conducting the audit two Remittance Pouches were discovered, date-stamped for 9 January 2008. One suggested that the pouch in which it was found should contain £13,000; the other £14,000. In her PACE interview, Ms Misra:
- 2.4.1 reiterated the account given by her to the auditor and in the two handwritten notes;
- 2.4.2 described how she had falsified the accounts by remming out empty cash pouches then remming them in again after balancing;
- 2.4.3 explained in relation to the two pouches that she had been hoping for family members to "...come with £27,000, pop them in the bag and send it off to the Post Office";
- 2.4.4 emphatically denied taking any money, and repeated that her staff had taken it;
- 2.4.5 explained she had not notified the losses to Post Office because she believed the branch would be taken away.
- 2.5 Ms Kalia gave evidence that between 2006 – 2007 she loaned Ms Misra circa. £22,000. Ms Misra also stated that she made up some of the missing money from contributions from other family and friends to try to reduce the loss.
- 2.6 Mr Vasarmy, Ms Misra's successor as the West Byfleet postmaster, did not consider there was anything wrong with Horizon that would mean he couldn't identify a loss.
- 2.7 Calls to NBSC and Fujitsu Horizon Helpdesks were considered by Mr Dunks', whose evidence was that the number, frequency and type of calls from West Byfleet was typical.
- 2.8 Mr Jenkins described the history and functionality of Horizon. He thought there was no evidence to support any of the Defence expert's hypotheses (see para. 2.12 below) that Horizon was corrupt, or that there was any problem with Horizon or the accounting records it produced.
- 2.9 There was discussion of the "Callendar Square/Falkirk" bug, which concerned transfers from one stock unit to another where the transferring unit recorded cash leaving but the receiving stock unit did not record the cash arriving. This error was compounded when staff tried to retransfer to correct the problem. The fix for the Callendar Square bug was sent to all offices, including West Byfleet, in March 2006.
- 2.10 Mr Jenkins identified two isolated events similar to the root cause of the Callendar Square bug but this was not in the tens of thousands of pounds missing at Callendar Square. In his analysis of just under half a million transactions from West Byfleet, Mr Jenkins had found no other evidence of any computer malfunction.
- 2.11 Professor McLachlan felt constrained in the evidence he was able to give, but advanced three hypotheses for how the losses may have arisen:
- 2.11.1 The User Interface: poor user experience or inadequate design giving rise to poor data entry quality. He was not provided with records of user-interface tests for the Horizon hardware and he was prevented from conducting his own tests. Similarly he had no opportunity to observe and review training processes.
- 2.11.2 Horizon fails to properly process transactions. He had not had the opportunity to examine logs, defect or change requests although he had examined the Callendar Square information. He was able to speculate that, if the same problems had existed at West Byfleet, they could have been the source of Ms Misra's problems.
- 2.11.3 The wider Post Office operating environment permits externally-entered information into Horizon, giving rise to the possibility of error. He had no opportunity understand

CONFIDENTIAL AND SUBJECT TO LEGAL PRIVILEGE

and review the processes for remittances, reconciliation and transaction correction systems of the Post Office environment outside of Horizon.

3. DISCLOSURE

- 3.1 Between the second Defence Statement and the start of the relisted trial in October 2010, a considerable amount of disclosure was sought by Ms Misra's appointed expert witness. A substantial quantity was provided, including much relating to the "Callendar Square" bug. The transcripts of Mr Jenkins' evidence however suggests that material was provided to Professor McLachlan on a piecemeal basis, only when asked and often late.
- 3.2 Not all that was sought was provided. This gave rise to a series of applications and hearings on the disclosure, the outcomes of which all supported the stance adopted by RMG and were resolved in RMG's favour.

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