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Royal Mail Group**ROYAL MAIL GROUP – CONFIDENTIAL**
Record of Taped Interview

Short Descriptive Notes

Record of Taped Interview Summary

Full Taped Interview Transcript

(delete as applicable)

Person interviewed: LYNETTE HUTCHINGS (:LH)

Place of Interview:

GRO

Exhibit No:

Number of pages: 12

Signature of interviewer producing record

Date of Interview: 20.4.11

Time commenced: 13.17

Tape reference no.: 073453

Time concluded: 13.40

Duration of Interview: 23 MINUTES

Interviewing Officers: GRAHAM BRANDER (GB)

GARY THOMAS (GT)

Other persons present: IZZY HOGG (IH)

Tape counter times	Person speaking	TEXT
		Voice identification of everyone present and the nature of the enquiry explained. Permission to tape record given.
1.25		LH cautioned and reminded of legal rights. LH told (1) she is not under arrest, (2) is free to leave, (3) is entitled to legal representation and advice including the right to speak with a Solicitor and (4) is entitled to read the Police and Criminal Evidence Act 1984 Codes of Practice setting out the rules and rights governing the conduct of this interview. The necessary form completed and signed – Solicitor present but no friend.
2.50		LH confirmed the matter was not discussed during the break and she said she did not require any further time to consult with her Solicitor.

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Record of Taped Interview – Continued

Tape counter times	Person speaking	TEXT
3.36	GB	<p>On the 14th April 2010 when completing the branch trading statement the 50's increased by 4,300, the dates I'm going to read you out are just purely when you've completed a branch trading statement, I know there are other examples I gave you when the £50 had jumped but just on the dates when you completed the branch trading statement, 19th May the £50 notes increased by £5,000 and the 14th July they've increased by 6,400, I'm not referring to June because as I said to you it looked to me quite possibly the £10 notes had been inflated in June but just sticking with the £50 notes so on the 18th August they've been increased by 6,350, very similar to the previous month the 6,400, then the increase goes up to 8,150 on the 15th of the 9th 2010, 13th of the 10th 2010 it jumps to 10,200 and it's round about that mark on the 17th of the 11th 9,900 and then after that on the 15th of the 7th 2010 the increase was 8,950, 12th January 2011 the increase is 11,050, 16th February is 10,250 and 16th March it's 10,600 so in a nutshell it looks like round about in my opinion the 14th April 2010 there was a deficit in the accounts circa £4,300 which steadily increased over a period of time up until the 16th March when the £50 notes increased by £10,600 and ultimately the fact that your accounts when checked on the 30th March coupled with the two errors that are outstanding which I explained to you showing the accounts have been about £10,700 out so to me it seems like a pattern whereby an ever increasing deficit in the office prior to Horizon on Line has been covered up by predominantly inflating the £50 notes, can you give me any explanation as to whether that is the case or whether that's not the case?</p>
6.06	LH	No comment.

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Record of Taped Interview – Continued

Tape counter times	Person speaking	TEXT
7.10	GB	Ok can you give any explanation to explain this pattern of jumps in the £50 notes over this period of time that I've just explained to you?
	LH	No comment.
	GT	Can I just ask on the day when the auditors turned up on the 30 th March I think it was, when they arrived given obviously the prepared statement again that you're aware that there was problems and you've been inflating your accounts to obviously cover up the problems that had happened since Horizon came in, did you actually say to the auditors or was it a meeting them at the door if you like or meeting them on entry "oh I'm glad you're here I've been having lots of problems, I'm experiencing all these problems with stock and adjusting my stock and I've had to you know that I've had a problem in the office and you know there will be some missing because obviously I've had these problems, did you actually say that to the auditors when they came?
	LH	No comment.
	GT	Because that would have been the ideal opportunity I would have suggested that you could have obviously brought it to somebody's attention at the time when the auditors turned up 'cos you would have been fully aware that they were just about to obviously identify the fact that there was money missing from the actual account wouldn't they?
	LH	No comment.
	GB	(indistinct) the auditors did actually (indistinct) statement that they made saying that you were unable to offer any explanation for the shortages whatsoever is that correct?
	LH	No comment.
	GB	Do you recall receiving a telephone call from the Cash Management Team on the 7 th March 2011 asking you to return £30,000 in cash?

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Record of Taped Interview – Continued

Tape counter times	Person speaking	TEXT
8.45	LH	No comment.
	GB	Well it refers to a lady that they spoke to you so in your prepared statement it says only you and your husband work there so I think I'm making a reasonable presumption it must have been you that they spoke to, this call log, I don't know if you're aware, whenever the Cash Management Team actually contact the Branch, particularly (indistinct) saying return X amount of cash, they have to record it so it's captured so on the 7 th March 2011 the record a conversation 'called the branch as they were holding onto far too much cash, I've asked for 30K to be returned tomorrow, the lady I spoke to stated that they were hanging onto the excess cash as they were expecting people to come back from the holiday period and withdraw more cash. I explained that they would, I explained that they have held onto the excess cash all year and to return 30k tomorrow'. So would that have been you that they spoke to?
	LH	No comment.
	GB	Being the only lady working at Rowlands Castle Post Office?
	LH	No comment.
	GB	And who are these customers that would have been coming back from a holiday period in March that would have been looking to withdraw more cash?
	LH	No comment.
	GB	So it then goes on to say, well actually when I looked at the, let's look at that schedule so you asked on the 7 th March you were asked to return £30,000 so let's have a look at March 2011 on this schedule.
	IH	Sorry did you say 7 th March or 17 th March?
	GB	Sorry 7 th .
	IH	Thank you.

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Record of Taped Interview – Continued

Tape counter times	Person speaking	TEXT
10.07	GB	So on the 7 th March you've actually made up a remittance for £14,000 and that's the amount expected on the 8 th March so they don't just pluck these figures out of the air they have what's called a 'Planned Order System' which calculates average holdings and it can calculate how much over an average period accepted how much money an office needs to operate so this system's telling the person that phones you up that you're holding in excess of more than £30,000 so that's why they've asked you to return £30,000 so why did you only return £14,000?
	LH	No comment.
	GB	Is it because you obviously didn't have £30,000 to return?
	LH	No comment.
	GB	Ok let me rephrase that, you might have had £30,000 in the office but if you returned £30,000 would it have left you too short to have served your customers?
	LH	No comment.
	GB	And the reason I believe it may have left you too short to have served your customers is because round about that time of the amount declared on the 7 th March of, where are we, well actually phoned you on the 7 th March we'd obviously been looking at the figures the day before so you'd be looking at the figures on the 6 th March which was 37,934 so of that it's asking you to return 30,000 so I suspect that at that time, of that 37,934.00 that you declared, around about 10,000 of that was an inflated figure is that correct?
	LH	No comment.
	GB	So in reality you only actually had about £27,000 in the branch when you received that phone call is that correct?
	LH	No comment.

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Record of Taped Interview – Continued

Tape counter times	Person speaking	TEXT
11.10	GB	In which case it wouldn't have been possible to have returned 30,000 and that's why you only returned 14,000 is that correct?
	LH	No comment.
	GB	Ok. Right now with Horizon data, as you're probably aware as an Investigator I can obtain Horizon data for any branch for any period of time but we have access to a data base that constantly over-rights itself for Management Information Purposes over a three month basis so if you like I could go into my office now I could go into any office and I could get Horizon data going back over the last 90 days so that's what I've done and I'm just looking at some extracts, I'm not going to go into massive detail but on the 26 th January 2011 and we refer to our main schedule again on the 26 th January 2011, you can see that £50 notes jumped from 1,500 to £12,500. The only person that was logged on that day was LHU001. Now in your prepared statement you're saying that was your user name and that you didn't share users and passwords weren't comprised so am I right in thinking that it would have been you that would have declared that cash on that day?
	LH	No comment.
	GB	Likewise on the 16 th February and also the 16 th March when 2 branch trading statements were produced and I've already explained the 50's have jumped up on those days but basically you're the only person I can see that was logged on on those 2 Wednesdays when you produced the branch trading accounts so would it have been you that produced the accounts with those what I'm suggesting are inflated cash figures on those days?
	LH	No comment.
13.009	GT	Whilst you're on that page there Graham the transactions obviously you

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Record of Taped Interview – Continued

Tape counter times	Person speaking	TEXT
		said about those days, is that reference to what was paid in on those days?
	GB	No these are reports yeah and that would have been, so just for the benefit of the tape we're just looking at some Horizon data which is obtained from a database known to us as Credence and this report is just showing events if you like that occurred on specific days, we're just referring to some events on the 26 th January and you're referring to, what is it the?
	GT	Well it looks like there's an Alliance & Leicester deposit for £9,089.36p or 38p.
	GB	That would have been the summary so that would be all deposits.
	GT	All the deposits.
	GB	There's 13 deposits according to that amount.
	GT	Right so it would be fair to say that for the £50 notes to have jumped up by 11,700, the deposits totalled that day were only 9,000 and they would all have had to have been paid in in £50 notes plus £2,000 worth of genuine customers paying for say stamps etc for it to have been able to have.
	GB	So the average amount of those deposits would have been £100,000.
	GT	It was only 'cos it referred to a question I asked earlier on about customers coming in with 50's and the next day having paid them out so obviously.
	GB	Ok.
	GT	I wasn't aware of that.
14.27	GB	Right just so that you and Izzy just are aware of what we're looking at, we're just looking at those dates there that I printed off the Credence system and what Gary's saying is that on the 26th January you can see

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Tape counter times	Person speaking	TEXT
		it's got A & L deposit PDR, these are just showing the reports that have been printed or what we call events as oppose to transactions. Obviously transactions we get 100's of them on any given day I suspect. What that's saying is on 17.32 when the Alliance & Leicester deposits have been cut off and summarised if you like there were 13 of them totalling £9,089.38 so if, what Gary's suggesting, if the £50 notes have gone up by say over £10,000, it doesn't look like it could be the result of money paid in so could you give any other explanation as to why your £50 notes would have jumped up on that day?
	LH	No comment.
	GT	And would that probably be the same on the other days 'cos they're only a few hundred aren't they?
	GB	Yeah.
	GT	'Cos the Alliance, so the one further down for example the 16 th February, the daily deposits that day were actually only equating to £121.99p so again it couldn't have been large deposits of £50 notes coming into the branch.
15.42	GB	Obviously this is just a summary of events I've not looked into the Horizon data really in any great depth other than really I just wanted to see who was logged on on those days was the main reason for this report being produced but as I say you might hang onto that copy that's fine.
16.15	GT	Towards the bottom of page 1 it just says.
	GB	Right ok.
	GT	I'm unable to explain why the balances are incorrect but would give examples of some difficulties as follows and the very first thing at the top of the page is 'the helpline was difficult to access and unreliable'.

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Record of Taped Interview – Continued

Tape counter times	Person speaking	TEXT
17.10	GB	Ok well I've given Izzy a copy of this, I literally got an e-mail with this call log to the Post Office helpdesk just before we done the interview so I've not had any chance to look at it in any great detail but it runs from the 23 rd June 2010 up until the 5 th April 2011 so that's not going to relate to your 5 th April so the last thing that relates to you is the 3 rd to the last entry on the 2 nd of the last page on the 30 th March obviously related to the fact that your branch was closed 'cos you got an audit but looking at that you look like you've probably got round about.
	GT	20?
	GB	Well I'd say at least 20 or 30 calls roughly to the helpdesk so what exactly was the problem accessing the helpdesk 'cos it looks like you've contacted them on quite a number of occasions for varied reasons to me?
	LH	No comment.
	GT	Now if you had, and I don't know the lay out of your office but if you've contacted the helpdesk on a number of occasions, certainly in well from June through July, obviously you transferred over as we're aware on the 5 th July, phone calls have been made on the 8 th July, 9 th July, 29 th July going through August and September, I would have suggested that there was ample opportunity when you got through to the helpline on those other occasions to have explained the, if it's like the problems that you suggest that you were experiencing and if you maybe had a customer in front of you at the time, it wouldn't stop the fact of requesting a call back out of hours or a situation, I don't know whether you have a mobile phone or anything where someone could contact you away from the counter position so would it be fair to say there was ample opportunity during all those other conversations when you did get through to the

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Tape counter times	Person speaking	TEXT
18.26		helpline to actually ask for help or request?
	LH	No comment.
	GB	Ok I'm looking through this and I can't see anything relating to you reporting that you're having losses at your branches. Again I'm not, I've only just flicked through it, apologies if I've missed something but I can't see anything relation to you reporting any losses or saying you're having a problem with losses. On, as I say the one that's in the column under 'balancing' on the 16 th of the 11 th 2010 it says 'pm' which I assume is Postmaster, has remmed in stock from a previous TP incorrectly so it looks like you know you've made calls to the help?
	IH	Sorry on the 16 th of the 11 th ? No it's ok I've found it.
	GB	Yeah so it looks like you've you know you've contacted the helpline in respect of balancing difficulties and this is obviously to do with a stock remittance but nothing that I can see really that in respect of the fact that month in month out the £50 notes have been inflated obviously to, in my opinion hide a deficit and an ever increasing deficit. Ok is there any reason why you didn't contact the help desk regarding balancing difficulties?
	LH	No comment.
20.21	GB	Was it, so what exactly did you mean then by, in your prepared statement 'the helpline was difficult to access an unreliable'?
	LH	No comment.
	GB	Are you prepared to ask any question in relating to yours and/or your husband's finances?
	LH	No comment.
	GB	Ok to help us in our investigation, would you prepared to supply us with bank statements?

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Tape counter times	Person speaking	TEXT
22.00	LH	I'll need to discuss that and give advice on that.
	GB	So one final opportunity then Lynette, can you give any explanation as to why your branch was initially 9,000 odd out on the 30 th March which coupled with the errors outstanding would have meant if they hadn't been made those errors would have been £10,700 out, can you give any explanation as to why you're that amount short?
	LH	No comment.
	GB	Ok and are you aware of anyone having stolen money or taken without permission from the Post Office?
	LH	No comment.
	GB	Ok are you in a position, whether you've taken it or done anything wrong or not, I'm sure you're aware as Postmaster, you're contractually liable to repay that money to the Post Office, are you aware of that?
	LH	No comment.
	GB	Are you in a position at this moment in time to repay any or all of that money?
	LH	No comment.
	GB	If at any stage, whether now or later you are in a position to repay any of that money then you can send the payment to me and I will issue what I call a 'receipt without prejudice'. What that means is we'll take the money, I'll notify all relevant parties that you repaid that amount of money, but it's taken without prejudice in that it doesn't affect what action the Post Office may take. The job I'm doing which is the criminal investigation and also with prejudice the roll in which Nigel Allen which is your contractual issue so just so you're clear, yes you're required to repay that money as your contract, part of my job is to recover that money but if you do recover that money it doesn't make, excuse me, my

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Tape counter times	Person speaking	TEXT
23.50	LH	<p>investigation go away and it doesn't make Nigel's contractual issue go away, does that make sense?</p> <p>No comment.</p> <p>When asked if she required any further clarification or had anything to add, LH again replied 'No comment.'</p> <p>Master tape seal signed on number 073453</p> <p>Interview terminated at 13.40</p>