

POST OFFICE LTD

V

TIRATH CHAHAL

INITIAL ADVICE

Prosecution Case

1. On the 2nd May 2013 an audit was conducted at the Durham Road Post Office, Stockton - On -Tees. The sub postmaster is Tirath Chahal who has been in service for 21 years. The audit revealed a shortage in the branch of £82,795.57 made up as follows:-
 - £78575.10 (-) identified as a difference in the cash
 - £4323.41 (-) identified as a difference in the stock
 - £116.94 (+) identified as a difference in the postage
 - £14 (-) other
2. The audit was carried out by Ruth Barnes and two of her colleagues.
3. The auditors attended the site at 0845am where they were met by the sub postmaster's wife, Charnjit Chahal who was already in attendance. She is reported as making telephone calls to try and locate her husband. Her son, Harjoyt Chahal arrived at 10am to explain that GRO
GRO It is understood that the premises were then closed whilst Harjoyt Chahal GRO
GRO Although the shop reopened at 12 noon, with access to the secure area, access to the safe was not available until Harjoyt Chahal returned again at 1355pm

and handed over the safe keys. It transpired these had been in a drawer next to the safe all along. He was asked that someone remain with the auditors whilst the cash and stock was counted, but this request was declined. Consequently, whilst one auditor checked the cash and stock, this was rechecked by the other two.

4. Later at 1630pm when Harjoyt Chahal again returned to the Post Office, and was informed of the auditors findings, he questioned whether this could be right, although he claimed he had no dealings with the Post Office itself. He was invited to conduct his own independent count of the money on hand as against the record of cash counted by the auditors (Tier 2 Audit – Cash Sheet) exhibit JS/01. He declined, but apparently admitted that it did not look like the amount stated on the previous days cash declaration.
5. A decision was taken to precautionary suspend Mr Chahal and the branch was shut at the end of the day and remained closed. Prior to that, the alarm codes on the safe were changed by a Romec engineer. According to the auditors report, the engineer noted that the alarms on the safe had been removed at 0729am that morning. Five keys for the safe were removed from the premises along with only one key for the secure area.
6. In interview on the 8th May 2013, Tirath Chahal submitted a prepared written statement which said that :-
 - ❖ He ran the Post Office successfully for 20 years
 - ❖ He remitted back to the cash centre about £30K per month
 - ❖ He ran two other businesses successfully and therefore had no reason to dip into Post Office monies
 - ❖ He received a bravery award in 1996 for challenging an armed robber at the branch

- ❖ He challenged the accuracy of the auditors findings and queried why an independent witness was not present
- ❖ He suggested the attitude of the auditors towards his son had been poor from the outset
- ❖ Demanded an independent recount/audit.

- ❖ He then went on to say in the remainder of the interview that he and his wife balanced the office the night before the audit when they counted roughly over £90K in cash

- ❖ He then put the bulk of the cash in the 40 minute delayed safe, approximately £78K, of which £25K was in coin.

- ❖ He claimed his son did not work in the Post Office although in fact his son was registered as Officer in Charge

- ❖ He was shocked to learn there was £78K missing

- ❖ The scratch cards were sold on the shop side but they kept a record of the transactions in a book and transferred the money across once any deductions for prizes had been made

- ❖ Denied that there could be scratch cards missing

- ❖ His wife inputted the figures into Horizon after they both counted the money and checked each others figures

- ❖ Denied being responsible for a record of coin found in the safe that bore a close resemblance to the sum of coins actually found by the auditors
 - ❖ Maintained that he had kept £17k in one pound coins in the office in accordance with declarations in his last two branch trading statements despite the impracticalities of keeping this much coin in the office
7. On the 17th May 2013, a second audit was performed in the presence of Mr Chahal's solicitor. Inside the secure area a sum of coin covered in a red mail bag amounting to £17,200 was presented by Mr Chahal.
 8. A safe audit(download of safe activity) was obtained for the safe described by Mr Chahal as being used to store the bulk cash. The data exhibited (MS/26) suggests that this safe had not been used since 25th October 2012, disproving Mr Chahal's account that he had used it on the 1st May 2013. Whilst this piece of evidence should form a crucial part of the case against Mr Chahal, it is of concern that the data from pages 4-10 inclusive of this report suggests that the safe was in use in 2015!

Defence Case

9. The defendant has thus far maintained that he put all the money in the safe the night before the audit. He is using his absence from the branch on the day of the audit in an attempt to shift responsibility away from himself with regard to the missing monies. He has challenged the results of the audit, due to a lack of any independent witnesses, and is by implication attempting to cast doubt on the integrity of the auditors. He will no doubt try and suggest that the additional £17200 counted on re-audit was present from the outset, in an attempt to further discredit their original

findings. In addition, some form of attack on the Horizon system will no doubt be considered.

Statements

10. We have statements from:

- Gereldine Dresser
- Jennifer Smith
- Ruth Barnes
- Michael Stanway x 2
- Steve Bradshaw

All of these require signature.

11. We will need further statements from:

- The Romec engineer fully describing his actions and findings upon his attendance at the branch on the 2nd May 2013. Describing in detail the safe/s in question, how it/ they are accessed, with keys and codes ect. How the data in (MS/26) is generated/obtained, what each entry means in the report, and explanation for how there are entries for the year 2015. A detailed explanation for the passage in the report of Ruth Barnes, " the engineer stated that the alarms on the safe had been removed at 0729am that morning", particularly if this related to the outer or inner safe, and how this was compatible with the data in MS/26 suggesting the inner safe had not been used since October 2012. Furthermore, what explanation if any for the fact that Mrs Chahal told Ruth Barnes at 0845 that she did not have keys for the secure area. Must that statement in fact be untrue or can the safe alarms be accessed outside the secure area. Details of all other alarms installed at the premises, including secure area if applicable, and how they were operated. Would it be

possible to determine by checking the alarm system to see if anyone had stepped inside the secure area overnight between 1st and 2nd May 2013, and between the 1st and 2nd audits to deposit the additional £17200 in coin as suspected by the investigator

- Ruth Barnes to set out in detail exactly what she and her colleagues encountered when they arrived at the premises on the 2nd May 2013, who else apart from Mrs Chahal was present, her views on the possibility that someone had been in the secure area that morning before she and her colleagues arrived, how and when they first gained access to the secure area, who else might have gained access to the secure area between when it was opened and when they counted the cash from the safe. Where they were during this period, and who else had sight of them at this time. Describing in physical terms what £17200 in coin would look like and weigh and how it would not have been possible to overlook such an amount during the first audit, or remove it or other cash without anyone else noticing. Description and exhibiting of by her, or whoever in fact found, the cash sheets in the safe suspected of being the true reflection of the money in the branch, and how closely this matched the monies they actually found. Detailing where she found the five safe keys and what enquiries she made about any other secure area keys in existence and any responses she received
- Statement from Steve Bradshaw or Michael Stanway to explain why £94K was an unusually large amount of money for this branch to be holding by comparison to the earlier branch trading statements, confirmation of what the actual overnight cash holding limit was for this branch. Explanation of why he might have had to

make such a large declaration, if in fact he had stolen £78K already.

- Confirmation of the last date the branch was known to balance correctly

Horizon Issues

12. It is assumed that the safe data itself and any alarm system data is not interfaced or reliant on the Horizon system. Nevertheless, ultimately the case is based on Horizon data with regard to quantum, irrespective of the fact that the defendant categorically states that he put £78K into the 40 minute delay safe on the night before the audit. It is likely that this defendant will grasp at any potential defence available to him, and therefore an attempt to jump on the Horizon bandwagon must be anticipated.

Discussion

13. This case could be properly charged as a single charge of theft to cover the missing cash and scratch cards between the date of the previous audit and 1st May 2013. The courts do not like Theft and False Accounting charges to be laid in tandem for the same course of conduct. *R v Eden* 55 Cr. App. R. 193 CA (*Archbold* 21-238)
14. At present I believe there is insufficient evidence to afford a realistic prospect of conviction in respect of the other losses in the branch.
15. The data confirming that the inner safe had not been opened since October 2012 will be crucial to this case. This clearly needs to be firmed up and clarified and the issues regarding the date of 2015 appearing in the report resolved. Consideration should then be given to re-interview of Mr Chahal to give him the opportunity to respond to this vital part of the case.
16. This case should be in good order to prosecute when the statements and additional information is gathered.

17. In the light of the Second Sight Report I would suggest that a suitable expert is identified and able to prepare a report as to the integrity of the Horizon system is issued in this case.

Andrew Bolc
Cartwright King Solicitors

13th September 2013