

POST OFFICE LTD

PHILIP DAUNCEY

ADVICE ON EVIDENCE

1. This case has caused concern to the POL Accredited Financial Investigator, Dave Posnett, that “the court would hold a dim view of the fact we applied for Restraint Orders but then assets have been frozen whilst there have been ‘undue delays in continuing the proceedings or the prosecutor does not intend to proceed’.”
2. Mr Posnett is certainly right in bringing his concerns forward in this case and each case should be kept under review as time between audit and intended prosecution continues.
3. In my view, for the reasons set out below, this case does not give any undue cause for concern

Prosecution case

4. On 16TH May 2013 an audit was carried out by Paul Jones Network Field Support Advisor at the North Cornelly Post Office in Bridgend. The audit was conducted because concerns had been raised that the sub-post master had been holding excess cash and not returning it when requested. The total loss to the Post Office Ltd is £52,757.24.
5. The audit revealed a shortage in the branch of £48,428.54, the breakdown is as follows:

- £48,428.54 (-) identified as a shortfall in cash
- £77.50 (+) identified as a surplus in stock figures
- £106.20 (-) identified as a surplus in postage figures
- **TOTAL: £48,457.24**

6. A cash check of the ATM stock unit revealed a cash shortage of £11,000. Mr Dauncey explained to the auditor that he had a problem with the remittance of £77,000 a year before which he had not reported. A check of the AA stock unit revealed a shortage of £37,428.54. Mr Dauncey then stated that he had been inflating his overnight cash declarations to hide the shortage. A record of the conversation was completed and signed.
7. Further investigations revealed the following:
 - £4,300.00 (-) identified as missing deposit for Filco Foods Ltd
8. Information received from the Santander Investigation team showed that the missing deposit of £4,300.00 had been completed by a member of staff at Filco supermarket, North Cornelly on 15th May 2013, and checked by a colleague. The cash was sealed in a remittance bag and despatched to North Cornelly Post Office. The pouch was signed for by Mr Dauncey but was never input onto the Horizon system.
9. In interview on 22nd May 2013 Mr Dauncey said that:
 - i) Maintained that he had made a keying in error for a remittance of £77,000 and had been submitting false declarations ever since.
 - ii) On being challenged regarding the veracity of his account he recanted and stated that it must be an error in an internal cash transfer.
 - iii) On further challenge he admitted he didn't know where the error was
 - iv) He admitted false accounting although he denied stealing any money from the Post Office.
 - v) He was further interviewed on 10th July regarding a complaint that a business deposit of £4,300 from Filco Foods Ltd had gone missing.

He stated that he had always processed the deposits properly and others could have had access to the money.

vi) He said that there was a possibility that when the money was being checked the slip was on the counter and when the end of day work was being done it could have gone on the daily returns to Santander without being scanned in. It was pointed out that if this had happened the cash would be over.

10. Mr Dauncey consented to a search of his house and provided information regarding his debts regarding a civil court case which left him £26,000 in debt. He was also in arrears with the Inland Revenue and had made false declarations regarding his staff hours. .

Defence Case

11. Mr Dauncey denies theft from the Post Office Ltd however he admits false accounting.

Conclusion

12. This case is still relatively fresh, the second interview having taken place in July 2013.

13. The defendant admits false accounting in interview in circumstances that do not justify such a course – the initial explanation is a simple remming mistake that would be easily sorted with no loss to the defendant. The very strong inference is that the defendant has stolen the money and is falsifying the accounts to cover it up.

14. The inference that he stole the £4,300.00 is equally strong.

15. Owing to the current furore in relation to the Horizon system there is very likely to be a challenge to the Horizon system. Post Office Ltd is investigating the instruction of an expert to give the Horizon System a clean bill of health. Once that expert is instructed this case can be rapidly put into order to prosecute.

16. This is not a case where there are any undue delays in continuing the proceedings or that the prosecutor does not intend to proceed. The delay in this case is still less than 7 months which is well within normal bounds for a serious allegation of fraud/theft and such delay as there is is quite justifiable in the context of a Post Office prosecution. The moratorium on the issue of summonses until the instruction of a suitable expert cannot be equated with a lack of intent to prosecute.
17. In my view, whilst Mr Posnett is absolutely right to raise his concerns as to the progress of this case, the case is not one that would cause a Judge to quibble at any restraining order. It is not sufficiently elderly and we have a good *prima facie* case. Any delay that there has been can be easily justified.

Harry Bowyer
Barrister
Cartwright King Solicitors.

4/02/2014

GRO