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Record of Tape Recorded InterviewRecord of Tape
Recorded Interview

Person Interviewed

(PH) PETER HOLMES

Exhibit No:

Number of pages:12

Place of Interview

40 ST GEORGES TERRACE
JESMONDSignature of interviewing
officer producing exhibit

Date of Interview

19.9.08

Time commenced

15.06

Time concluded

15.50

Duration of interview

44 MINUTES

Tape reference no

071707

Interviewing Officer(s)

(RD) ROBERT DAILY

(CK) CHRIS KNIGHT

Other persons present

Tape counter times	Person speaking	Text
1.36	RD	<p>PH reminded he was still under caution and that he is free to leave. He said he does not require a Solicitor or a friend. Form CS001 completed. Further declined offer of friend to be present.</p> <p>Voice identification of everyone present and PH confirmed no questions were asked during the break.</p> <p>Peter just before we ended there I was asking you about the Branch Trading Statement for period 2 which ended 28th May 2008 and we were talking about previous to that you said that 6 or 9 months ago you'd got a loss of about 4 or £5,000 and every month you seem to have losses and you added it on until it came to the 46,000 and on the May one we have or, this figures not great it's either 1047, £104,779.78p possibly or it's £124,779.00 and the 70 odd pence but the cash declaration at 13, 14 is 85458.24.</p>
	PH	Yeah.
	RD	Makes a difference between 20 and £40,000.
	PH	I can't explain that one unless we found something in the safe afterward we've done that and done a second declaration but that hasn't been pinned to that I really don't know.
	RD	But by your own admissions at this point you were adding money onto a second cash declaration?

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	PH	Yes.
	RD	So it's possible that this is part of it?
	PH	It's possible.
3.35		PH states he cannot recall when he started doing a second cash declaration and may have been at this point or even earlier.
4.31	RD	In this cash declaration was done by VMI who's Vicky Mitchell?
	PH	Vicky Mitchell's.
	RD	Now and you say that you do the Branch Trading Statement?
	PH	Yeah
	RD	So when Doreen went away at Branch Trading was it then, did you increase the amount of the cash or did you just let it run because you knew there was a second cash declaration with the money on it?
	PH	Just let it run.
	RD	Just let it run because you'd already increased the second cash declaration?
	PH	Because I knew it was there.
	RD	What I was going to ask you was on this declaration ID 06 whose ID is it?
	PH	It's not a person's ID it's just the ID of that particular declaration you're given a chance of giving it a number and we used to use 06 for them all.
	RD	And what was the ID you gave the second cash declaration?
	PH	09
	RD	And did anybody else know about this second cash declaration?
	PH	It's always on the screen but nobody went into it.
5.55	RD	Right did you instruct them to use 06?
	PH	Well 06 was the one we always used to use regularly to put the cash on every day of the week.
	RD	I've got Branch Trading period 03 for financial year 2008/2009 this is from 25 th , 28 th of the 5 th 2008 to 25 th of the 6 th 2008 is that your signature?
	PH	It is.
	RD	The cash in hand figure here we can see is £72,467.45 yeah can you confirm that?
	PH	Yeah.
	RD	And we've got an overage of £8653.75.
	PH	Yeah.
	RD	Now the cash declaration for that day that was done by Vicky Mitchell again at 17.48 on the 25 th of the 6 th was £41,091.40 and it's ID 06
	PH	Yeah.

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7.23	RD	Would you have increased the cash on your cash declaration 09 ID 09 to cover that, I mean we're now about 30 odd thousand £31,000 and that's June this year?
	PH	Could have done.
	RD	Branch Trading period 4 from the 25 th of the 6 th 2008 to the 30 th of 7 2008 is this your signature?
	PH	Yeah.
	RD	The cash figure here is £84,784.19 is that correct?
	PH	Yeah.
	RD	And there's a shortage of £2,482.79?
	PH	Yeah.
	RD	Did you inform any of the Khannas about that?
	PH	No because the one before had been up it's the misbalance between the 2.
	RD	Now if that's sitting at 84 the cash declaration again is done by Vicky Mitchell ID 06 and it was at 17.38 on the 30 th of the 7 th £48,301.40. That's £40,000 near enough £36,000. Is this the second cash declaration kicking in here?
	PH	Yeah.
	RD	Of £36,000?
	PH	Mm.
	RD	So we've got that one and we've got the one previous to that where it's probably kicked in as well, well it has kicked in.
	PH	Yeah.
	RD	And the last trading period we've got just now is period 5 27 th of the 8 th 2008, sorry it's from 30 th of the 7 th 2008 to 27 th of the 8 th 2008 is that your signature?
	PH	It is yeah.
	RD	And the cash figure we have we see here as 91839.11.
	PH	Yeah.
	RD	And we've got an overage of £1,189.99.
	PH	Yeah.
	RD	Cash declaration done by Vicky Mitchell again 06 46,692.10 that's about £45,000.
PH	Yeah.	
RD	Is this you inflated the figure?	
PH	That's (inaudible).	
RD	Now I know there's a few of the times you've said could have been here but you've told me between 6 and 9 months so it's likely from maybe the January, from about the January one, you've had this.	
PH	It looks like it yeah.	

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10.05	RD	So by your own admissions you've been producing false accounts?
	PH	That was a second cash declaration yeah.
	RD	Yeah so you knowingly when you actually done these Branch Trading Statements.
	PH	I did them.
	RD	Knew these were false accounts on at least 6 to 9, on 6 occasions more likely 9?
	PH	Yeah.
	RD	Yeah so we've got the situation now whereas we've got false accounting and you know it's a criminal offence to produce false accounts.
	PH	Right.
	RD	Yeah?
	PH	Mm
	RD	But the money £46,000 you're and experienced Subpostmaster, you've been a Policeman previously.
	PH	Absolutely and I wouldn't steal a penny.
	RD	However you've sat here and said that you've had shortages where you've put the money in, couple of hundred pounds at times, why would you do that if you're experienced Subpostmaster, why are you?
	PH	Because I'm not the Subpostmaster in there I'm just the Officer Manager I would have to tell the Khannas you've seen what Anil's like he, I just didn't want the hassle, anything for an easy life.
	RD	So how often did you actually put in a couple of hundred pounds?
	PH	When we were short.
	RD	And how often was that well approximately we need to be a bit more specific here Peter?
	PH	Well you're going back a long time you're going back past my memory will take me I can hardly remember yesterday, 2 or 3 times I suppose.
12.23		PH states he has never taken any money out.
12.27	CK	So you only put in £700 out of your own money?
	PH	If the following week we'd had that money over then I would have taken it out to clear the books to balance.
	CK	But can you remember doing that?
	PH	No no each time it's been money going in.
	CK	It's a one way trip?
	PH	It's been a one way trip just lost control.

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	RD	If most people are putting money in they would take it out if they get an opportunity 'cos they're entitled to do so?
	PH	Well yeah but that opportunity hasn't arisen.
	RD	Right well it has on a few occasions there but you've got ones where there's thousand pounds over.
	PH	But those ones I've let them I haven't taken anything out I've just let them balance themselves out those figures are as they stand I haven't taken any out.
	RD	Can you explain to me why up until August 07 you would produce a Branch Trading Statement and give it to the Khannas, Sunil and let him see it but since then?
	PH	Basically because he asked for one.
	RD	Well he says no you always gave them and when he has asked for them you've said no it's because the printers too slow?
	PH	No I've never had that conversation with him I've always had a copy, the copies have been in the back of the office and if I get a copy then there's a second copy printed 'cos it prints 2.
	RD	But if you'd gave him the copies he would actually see what the situation is in the office all these thousand pounds over hundred pounds short thousand pounds short so would it be fair to say you haven't given them because you haven't wanted him to see the situation?
	PH	It's possible yes.
	RD	No it's not possible it's either is or isn't Peter?
	PH	No comment.
14.55		PH explained he would admit to being up to £1,000.00 out when questioned about the balance but certainly did not mention the £8,000.
15.04	RD	So in the last 6 or 9 months how many have you told him about?
	PH	Not very many.
	RD	Have you told him about any at all?
	PH	Yes but not very many.
16.06		When asked what he thought had happened to the £46,000 PH states:-
16.12	PH	I was hoping we'd got error notices coming back from the Horizon system which has been bloody awful or somebody's stolen it and I know it ain't me 'cos I don't have that sort of money.
16.55		PH states alarm bells did ring that somebody may have stolen the money but

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		he said he didn't know what to do and reiterates he thought he may have received error notices back from the Horizon system.
17.35	RD	But even as Chris says with your experience, you must know that producing false accounts is wrong?
	PH	Yeah.
18.20		PH was referred to Barclays deposit books recovered from his house and he clarified that Brunton Park is the Post Office next to his wife's shop. He said the writing on the same is his wife's and the money is from her shop takings.
19.00		A second book was referred to and PH confirmed his writing on the 14/1/08.
19.06	RD	Who would have made that deposit in at the office?
	PH	Me.
	RD	Who would have transacted it?
	PH	Me.
	RD	Why would you have not got someone else to transact it?
	PH	Why would I have to.
	RD	Well what is Mr. Khanna's rules on that?
	PH	Mr. Khanna hasn't got any rules inside the Post Office
	RD	According to him you don't do your own, you don't do your own business?
	PH	He's never said that, I've never said that.
	RD	This £250.00 did you put the cash in the drawer?
	PH	Yes.
19.57		PH states his wife's business takes up to £200 to £300 per day and up to £1,000 on Saturdays.
20.12	RD	The 5 th of the 9 th 08 there's a deposit of £1900?
	PH	Yeah now that's probably my salary, what was the date?
	RD	5 th of the 9 th ?
	PH	Yes I get paid on the 5 th so that will be my salary plus her shop taking.
20.31		PH states he gets paid cash of about £1300 per month.
20.43	RD	Then 4 days later there's £500 goes in?
	PH	Yeah out of the shop.
	RD	The next day £200.00?
	PH	Yeah she doesn't carry cash at home it goes into the joint account.

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	RD	And 15 th of the 9 th £500.00?
	PH	Yeah.
	RD	Why has it not gone into your business account?
	PH	Because a business account doesn't give us the same sort of interest as we get on ours.
	RD	And then 17 th of the 9 th £500?
	PH	Yeah that's the one we use all the time for everything we do.
21.30		PH states these amounts are the shop takings.
22.53	RD	So you're saying you don't have a lot of money but you've got money flying into your account?
	PH	Yeah.
	CK	Who makes these deposits your wife or?
	PH	I do when they're here I do.
	CK	So hang on a minute so the cake shop is next to.
	RD	Brunton Park
	PH	Yes
	CK	But your wife how does she get the money to you then?
	PH	She lives with me she comes at night does her accounts counts her money gives me what's got to go into the accounts the next morning and I'm coming into a Post Office anyway so I bring it in and pay it in.
23.56		PH clarified he makes the deposits at Jesmond, his wife doing the ones at Brunton Park.
25.16		When asked why it is always £10.00 and £20.00 notes that are deposited into their accounts PH says these are the denominations the customers pay in but that his wife likes to keep hold of £5.00 notes as they are always short.
25.50	RD	So basically you're saying all these deposits you make into Jesmond Post Office are legitimate?
	PH	Absolutely.
	RD	You put the cash in?
	PH	Yes absolutely.
	RD	Have you ever paid a deposit and then put the money in at a later date?
	PH	No
	RD	No have you ever paid any bills through the Post Office without putting money in?

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	PH	No
	RD	These 3 Horizon receipts these are all for Jesmond for 500, 500 and 200 on the 10 th . The one here for the 15 th of the 9 th 08 transacted at 8.31 in the morning.
	PH	Yeah.
	RD	Have you got a habit of conducting business before anybody else comes into the office?
	PH	Not deliberately I just do it when it's convenient if there's no customers hassling aye it's easier to do it then surely I'm not doing it 'cos I'm trying to hide anything.
	RD	Well the next one on the 10 th is at 10.25.
	PH	Yeah.
	RD	And the 17 th is 14.18.
	PH	Yeah.
	RD	So why not do them first thing in the morning?
	PH	Well you're criticising me for doing them before anybody else is there now you're saying why don't you do them all before anybody got there I just do it when it happens to be when my memory switches on and I think oh shit I've got some money to pay in so I pay the money in.
27.53	RD	Why is a Horizon transaction log in the bin in your what you call the office at home?
	PH	No idea yeah.
	RD	Tell me the date is on that and the time?
	PH	Yeah 8 minutes past 9 on the 7 th August.
	RD	Were you looking for anything specific?
	PH	No that was Thelma that was me (inaudible) there must have been a query about something for 40 odd pound and I've pulled that out to see what it was but I can't remember what the 40 pound was we were looking for at that time.
	RD	That was the next question why are they all about £40 but you answered that one?
	PH	Must have put it into the transaction log and asked it how much you want to pay, how much you want to query and I must have been querying something for £40.00 maybe one of the customers had queried something with us but I don't know why it would be in my bin at home.
30.21		PH was again referred to the Branch Trading Statement for period 5 ending 27 th of the 8 th showing an overage of £1,189.99 and there's a difference in the cash declaration and the cash of about £45,000.
31.01	RD	You did a variance check at 18.20 and you'd a discrepancy of £708.08p you can

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		see there 27 th of the 8 th 18.20. Why did it go from £708.08 to 1189.00 over?
	PH	I don't know.
	RD	Now at 18.51
	PH	I've known in the past that the cash variance that it gives you isn't the same as your balance figure at the end of the, end of the period.
	RD	Then you did the Branch Trading Statement at 18.51. There's a declared cash for yourself for 46629.10 that's the exact same as what Vicky did at 17.20 so declared the cash again then you've done a variance check and it's £708 over. What did you do when you found that 708 over?
	PH	Nothing
	RD	After the variance check you just went ahead and did the account?
	PH	Yeah.
32.56		PH states that deposits on statements from 21 st July 2007 up to 21 st August 2008 of about £48,000 are takings from his wife's business and that he has till receipts to support this information.
35.22		PH states he has no other bank accounts.
36.23		PH reiterates he does not know what has happened to the £46,000.
36.26	RD	Have you stolen that money?
	PH	No there's absolutely no way.
	CK	One quick question before you finish.
	RD	Carry on.
	CK	Obviously your wife's a business lady runs her own shop and have you spoken to her about what's been going on at the Post Office, I know she knows the situation now.
	PH	She knows basically what's gone wrong yeah just now as of now.
37.36		PH gives the Officers permission to obtain bank statements.
38.16		PH states he has one active debit card with Barclays. He does not use his Post Office card or the yellow Barclays credit card found in his office.
40.40		The contents of the interview summarised when PH states he told the Auditors there had been a second cash declaration made.
42.53		PH could still not be specific as to when he started doing cash declarations and producing false accounts.

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43.23

PH informed he may have rendered himself liable to prosecution and again cautioned. PH states he has nothing further to add.

Explanatory notice regarding the tapes given to PH

Master tape seal signed on number 071707

Interview terminated at 15.50