

**S76 Report to CC for RECOMMENDATION**

<b>Date Reported to Crown Office</b>	2 October 2012		
<b>Office</b>	CAMPBELTOWN	<b>PF Reference</b>	CM11000422
<b>Case Against</b>	ALEID KLOOSTERHUIS		
<b>Age</b>	53 years	<b>Date of Birth</b>	GRO
<b>History of the accused</b>	<p>Mrs Aleid Kloosterhuis is married with two children. She resides at [REDACTED] GRO with her husband [REDACTED] GRO and son [REDACTED] GRO. Her daughter resides in [REDACTED] GRO.</p> <p>The property is leased from the Isle of Gigha trust and she pays an annual rent of £10,000 paid monthly at an average of £833. She currently runs the shop where the Post Office is located.</p> <p>Her residence is located above the shop and forms part of the same building. Mrs Aleid Kloosterhuis was contracted to provide Post Office services at Isle of Gigha Post Office from 03rd February 2009 to 16th September 2011. Following a Twenty Two Thousand, Eight Hundred and Eighty Nine pounds Eighty Two pence (£22,889.82) shortage at Isle of Gigha PO on 16<sup>th</sup> September 2011 Mrs Kloosterhuis was precautionary suspended.</p> <p>The accused has not previously offended.</p>		
<b>History of the case</b>	CFE 19.01.2012		
<b>Bail/Custody</b>	Bail SC	<b>Timebar(s)</b>	19 January 2013
<b>Reporting Officer</b>	ROBERT DAILY	<b>Telephone</b>	[REDACTED] GRO
<b>Precognoscer</b>	Malcolm Macleod	<b>Telephone</b>	3478
<b>Legal Manager</b>	Malcolm Macleod	<b>Telephone</b>	3478
<b>Agents</b>	Mr Kane, C&D Mactaggart	<b>Telephone</b>	[REDACTED] GRO

<b>Draft Charge(s)</b>	(001) Between 1 April 2010 and 15 September 2011 both dates inclusive at the premises occupied by the Isle of Gigha Post Office, Ardmnish, Isle of Gigha, you Aleid Kloosterhuis did while employed as sub-postmistress there embezzle £20,000 of money
<b>S76 Letter received from Agent</b>	<p>On 1<sup>st</sup> October 2012 a S76 letter from <b>Mr Kane, C&amp;D Mactaggart</b> was received offering to plead guilty to £20,000 (originally £24,139.82 was libelled).</p> <p>The plea was first offered on 28 June 2012 when the defence wrote to the Crown suggesting the plea now tendered. The Crown indicated that this would be acceptable in principle subject the approval of Crown Counsel. Thereafter, holidays intervened and due to geographical difficulties it took some time for the defence to obtain the necessary instructions in proper form.</p>
<b>Narrative of Facts</b>	<p>Description of locus</p> <p>The locus of the offence is the Isle of Gigha Post Office. The Post Office is located in the village store that sells groceries, newspapers and alcohol. An area at the back of the store is utilised by Royal Mail for sorting local mail being delivered and sent. The accused also rents two holiday cottages and runs the petrol station along with the Post Office.</p> <p>Summary of embezzlement</p> <p>This is a classic roll over type embezzlement. Post Office funds were used to pay other commitments.</p> <p>In her role as Subpostmaster she was in a position of trust. Her contract with Post Office Ltd included a duty of care in regards to its money and stock. Section 12 of her contract forbids her from using Post Office money for her own private use</p> <p>Mrs Aleid Kloosterhuis made full admissions to the theft and embezzlement of £22,889.82 (plea to £20,000) of Post Office monies. She was cooperative throughout and made no attempt to blame anyone other than herself for her actions.</p> <p>She said she used the money to pay bills. These related to domestic bills and suppliers. She admitted to physically taking money from the Post Office to pay her lease to the Isle of Gigha Trust. She made deposits in to her Lloyds TSB</p>

	<p>Classic account (Personal) through the Post Office using her shop takings. She admitted to inflating the deposits if she had insufficient funds from her shop taking to meet her direct debits. By inflating the deposits she created a shortage in the Post Office as the money wasn't put in the till.</p> <p>The accused committed the offences by physically removing money from the Post Office and making fraudulent deposits into her Lloyds TSB Classic (Personal) account by using her bank card at Isle of Gigha Post Office. She made cash deposits through the Horizon system (see below) knowing the full amount of cash was not being put in the drawer to balance the Post Office accounts. The accused then inflated the cash on hand figure to disguise the shortage in the branch. To disguise this from her Assistant, she declared the cash and completed the Branch Trading statements on her own. The accused kept a note of the amounts inflated on a manual cash sheet.</p> <p>She stated she would take £1 coins to her bank in Campbeltown and exchange them for £10 notes. In April or May 2010 she deposited £2,000 in £1 coins and "forgot" to withdraw it in £10 notes as she got distracted. She said when she returned the next week she was unable to withdraw the £2,000 as direct debits had come off the account leaving it short. This created a £2,000 shortage in the Post Office.</p> <p>On 27th May 2010 deposits made at Gigha Post Office can be seen on Kloosterhuis' Personal account. From this point on further deposits are made in to the same account. Transfers between her Personal and Business accounts are made at Gigha Post Office. Subsequently bill payments and direct debits are taken from both accounts.</p> <p><b>Horizon System</b></p> <p>This is the accounting system utilized by the Post Office. It is a computer system that is entirely reliant on the input of correct information. It is extremely detailed. The Postmasters are allowed to retain a float and account for excess cash received to the Post Office after debiting outgoings.</p> <p><b>Summary of Offence</b></p> <p>On Thursday 15th September 2011 Post Office auditors Douglas Heed and John attended Isle of Gigha Post Office to conduct an audit.</p> <p>They arrived at approximately 16.00 hours and Mr Heed</p>
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obtained a balance snapshot from the Horizon accounting system. The balance snapshot details the cash and stock on hand that should be present in the stock unit at the time it is printed. The cash figure stated was £27,468.63. Mr Fraser noted there was not a lot of cash in the safe. Mrs Aleid Kloosterhuis stated there was no more cash in the branch.

She informed Mr Heed and Mr Fraser that she had messed up and had made mistakes while her husband had been ill. Mrs Kloosterhuis stated that her husband was unaware of the situation and that her assistant Jennifer Brown had no knowledge or involvement. Mrs Kloosterhuis referred to banking money and to an energy company who had faulty meters. Mrs Kloosterhuis said she kept a manual record of the shortage. Mr Heed pointed out to her that the cash declaration and system figure did not show a discrepancy of the expected amount. Mrs Kloosterhuis confirmed that she increased the cash declaration in line with her manual record.

As the last ferry off the island left at 17:30 Mr Heed and Mr Fraser locked all cash and stock belonging to the Post Office in the safe. Mr Heed retained the keys and arranged to return on Friday 16th September.

Mr Heed contacted Robert Daily, Post Office Ltd Security Manager. He informed him of the circumstances and that the full audit would be conducted the next day, Friday 16th September.

On Friday 16th September 2011 Mr Heed and Mr Fraser returned to Isle of Gigha Post Office at approximately 14.30 hours to conclude the audit.

The result of the audit was a £22,889.82 shortage. Mr Heed contacted Mr Daily by phone the same day and informed him of the audit shortage. Mr Heed then passed the phone to Mrs Aleid Kloosterhuis so that Mr Daily could speak to her. Mr Daily invited her to attend a tape recorded interview under caution. He explained her legal rights and the concession to have a friend present during the interview in accordance with Post Office rules, The interview was arranged and mutually agreed for Tuesday 20th September 2011 at Isle of Gigha Post Office.

#### Search and Interview

On Tuesday 20th September accompanied by Michael Stanway, Security Manager, Mr Daily attended Isle of Gigha Post Office. They were shown into   GRO

  GRO   The Holiday Cottages share

the same address as the Post Office and store. Mr Daily introduced himself and Mr Stanway to Mrs Aleid Kloosterhuis. Mr Daily explained the nature of the enquiry and cautioned Mrs Kloosterhuis at 09.35 hours. Mrs Kloosterhuis completed form GS001 Side A (Scotland) explaining her legal rights. Mr Daily asked Mrs Kloosterhuis if she would consent to a voluntary search of her vehicle and premises. Mrs Kloosterhuis consented to the search and completed form GS005(S) Consent to Searches - Interviewee.

Mrs Kloosterhuis declined the opportunity to have a friend present during the search and completed form GS003. A notebook entry was made of the introduction and caution of Mrs Kloosterhuis and her consent to search. All persons present signed the entry.

Mrs Kloosterhuis informed Mr Daily and Mr Stanway that her husband had suffered [REDACTED] **GRO**. She stated her financial documents were kept in the back shop and Post Office. Robert Daily contacted Lesley Frankland, Security Programme Manager and informed her of Mr Kloosterhuis' [REDACTED] **GRO**. The decision was taken that Mrs Kloosterhuis' living area would not be searched [REDACTED] **GRO** [REDACTED] **GRO**. Permission was given to conduct a search of the back shop area and Post Offices areas only.

Financial documentation was found or handed over by Mrs Kloosterhuis. Photocopies of all financial documentation seized were sent to Mrs Kloosterhuis as agreed.

After completion of the search, the accused Kloosterhuis was interviewed on tape and under caution in accordance with Scots Law. Mrs Kloosterhuis declined the offer of the opportunity to have a Solicitor present and completed side B of form GS001 (Scotland). Mrs Kloosterhuis also declined the opportunity to have a friend present during the interview.

The taped interview commenced at 11.49 hours and concluded at 13.54 hours.

#### **Interview Details**

Mrs Kloosterhuis explained the audit shortage. She said she it happened over a long period and she had used the money to pay bills. She said she went once a week to her bank in Campbeltown to exchange £1 coins for £10 notes for the ATM. When the bank started to charge her for changing it she deposited the £1 coins in to her account then withdrew the same amount in £10 notes. The first time she was

short was when she deposited Two Thousand pounds (£2,000) in £1 coins and forgot to withdraw the same amount in £10 notes. This left the Post Office £2,000 short. The next time she went to the bank to withdraw the £2,000 direct debits had come off the account and she couldn't repay it. Mrs Kloosterhuis said she did this in the summer of 2010. She said on another occasion she put her shop money in the Post Office safe. She took what she thought was all shop money to put in to her account but realised later she had taken Post Office money as well. Mrs Kloosterhuis said this was another £1,000 or £2,000.

Mrs Kloosterhuis confirmed she has been Subpostmaster at Isle of Gigha since 3rd February 2009. She confirmed she employed Jennifer Brown (witness) and her hours of work. Mrs Kloosterhuis stated she did the cash declarations. She added Ms Brown did the cash declarations until April/May 2010. Mrs Kloosterhuis said she did the cash declaration herself from then because she didn't want Ms Brown involved. Mrs Kloosterhuis said she prepared the Branch Trading Statement herself counting the cash and stock. She said Ms Brown hasn't helped her since April/May 2010.

Mrs Kloosterhuis was asked to examine the manual cash sheet containing all the denominations of notes and coin. She said the date 09/09 written on it was the date she put money back in to the Post Office.

Kloosterhuis said she used one every week adding the one shown to her was for the previous week with the last entries for Wednesday 14th September 2011. The denominations for Wednesday 14<sup>th</sup> September were read out. Mrs Kloosterhuis was then asked to examine the Horizon cash declaration printed at 16.14 hours on 14th September 2011 for Isle of Gigha. Mrs Kloosterhuis confirmed the User ID AKL001 on it was hers. Mrs Kloosterhuis confirmed the figures on the cash declarations were the same with the exception of the £1 coins which were £1 out. She confirmed the total on the Horizon cash declaration as Twenty Seven Thousand Two Hundred and Thirty Nine pounds Ninety Nine pence (£27,239.99).

Mrs Kloosterhuis admitted the full amount of £27,239.99 was not in the office. **She said she added on Seven Thousand Two hundred pounds (£7,200) & One Thousand and Eighty pounds (£1,080) in £20 notes, Nine Thousand pounds (£9,000) & Two Thousand Seven Hundred and Twenty pounds (£2,720) in £10 notes totalling Twenty Thousand pounds (£20,000).** She also said she added on One Thousand pounds (£1,000) of £2 coins taking the total added on to Twenty One Thousand pounds (£21,000). Mrs Kloosterhuis also said she

	<p>didn't think all the £1 coins were there.</p> <p>She was asked to examine the Tier 2 Audit Cash Sheet for Gigha, code 178 858, date 16/09/2011, stock unit AA completed at the audit. Mrs Kloosterhuis confirmed the office operated one stock unit AA. The figures on the Cash Sheet reflect the actual holdings in the office at audit, Three Thousand Six Hundred and Twenty Six pounds Forty Six pence (£3,626.46).</p> <p><b>The auditors took a balance snapshot and noted the money stated didn't appear to match the actual money. Mrs Kloosterhuis took the auditors upstairs and told them she had been stupid and "Fucked it up". Mrs Kloosterhuis said she inflated the £20 and £10 notes because they were the denominations she was trying to pay back the money with. She stated she had been trying to pay back the money and confirmed the figures Three Hundred pounds (£300) and One Hundred and Eighty pounds (£180) on the manual cash sheet were amounts she had paid back. Mrs Kloosterhuis was asked how the shortage occurred. She said she opened a Lloyds TSB personal bank account where she could deposit her daily shop takings at her Post Office. She added her direct debits came off her bank account on a Tuesday. If she knew she wouldn't have enough to cover them she would bank her takings in advance and try to put them back the next day.</b></p> <p>Mrs Kloosterhuis explained she had to bank on the Thursday for the deposit to clear for the Tuesday. She'd put her what she thought Friday shop takings would be through on a Thursday with the purpose of the Friday takings covering the shortfall caused.</p> <p>Mrs Kloosterhuis said in the summer the shop takings would cover the direct debits but they didn't in the winter. She explained that because her husband had been sick she had to do everything on her own. She said he wanted to take charge of the ordering because he couldn't do anything else and he was ordering too much stock.</p> <p>Mrs Kloosterhuis said when she took over the shop she expected to pay Fifteen Thousand pounds (£15,000) for the stock but had to pay Thirty Three Thousand pounds (£33,000). This left her with no working capital causing her to struggle from the start. She said the bank also refused her Ten Thousand pounds (£10,000) overdraft.</p> <p>Mrs Kloosterhuis said she paid her bills by cash and others by direct debits through her business and personal</p>
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accounts. She said the bills she paid by cash, she took from the shop takings. **If she didn't have enough in the shop takings she would take money from the Post Office with the intention of paying it back the next day.** She said she didn't always pay it back because something else came up. She said she didn't always have enough money from the shop takings to cover the direct debits.

She added if this happened she would make up the deposit with amount she required. **She agreed the example if she needed to deposit One Thousand pounds (£1,000) and only had Three Hundred pounds (£300) she would inflate the deposit by Seven Hundred pounds (£700).**

Mrs Kloosterhuis admitted she didn't have permission to use Post Office money to pay her bills and admitted to theft of Post Office money. She also admitted to making fraudulent deposits in to her bank account by not putting the money in to the Post Office drawer.

She explained that she tried to pay the money back but something else always cropped up like another bill to pay.

Mrs Kloosterhuis ran the Post Office, the shop and the Filling Station. She said there was no petrol or diesel in the pumps at present. Mrs Kloosterhuis said paying for the fuel was the main problem because she had to pay for it in advance. The amounts were Four Thousand pounds (£4,000) or Five Thousand pounds (£5,000). She said for the first year she was able to cover the costs then she started having too many bills to pay. Mrs Kloosterhuis said the summer of 2010 was poor due to the bad weather in the winter. What she planned to gain in the summer didn't happen so she couldn't build up a reserve to pay for the fuel.

Mrs Kloosterhuis said in 2010 she had problems with the electricity meters as they were so old. She said her bills were around One Thousand pounds (£1,000) a month while the previous owner paid around Four Hundred, Five hundred (£400, £500) a month. She said she was paying Five Hundred pounds (£500) a week to Opus Energy in 2010 to stop them cutting the electricity off. She explained that the electricity bills were one of the reasons she didn't have the money for the direct debits. Mrs Kloosterhuis' personal bank statements were examined. In April 2011 it was noted she was paying £500 each week to Opus Energy. Mrs Kloosterhuis said she didn't have the £500 each week to put in to the account to pay the bills.  
Financial details were taken.

	<p>Details of business turnover.</p> <p>The shop takings in winter were Two Thousand pounds (£2,000) to Two Thousand Five Hundred pounds (£2,500) and in summer up to Eight Thousand pounds (£8,000) a week. In 2010 the summer takings were about Five Thousand pounds (£5,000) or Six Thousand pounds (£6,000). Mrs Kloosterhuis said she wasn't making a profit in the shop and explained the premises (house/shop/Post Office), filling station and the two holiday cottages were leased from Isle of Gigha Trust. The lease is Ten Thousand pounds (£10,000) a year paid monthly on average Eight Hundred and Forty Nine pounds (£849). Mrs Kloosterhuis rented out one cottage in the summer taking in Three Hundred and Fifty pounds (£350) a week. Mrs Kloosterhuis said she also received a Twelve Thousand pounds (£12,000) income from Couriers.</p> <p>Mrs Kloosterhuis was asked to examine the Branch Trading statements for Isle of Gigha Post Office between April and August 2011. She admitted to inflating the cash to disguise a shortage in the office.</p> <p>Mrs Kloosterhuis was asked to examine the Retail/Domestic Productions. She said some were still owed money. She also said she didn't know which direct debits were paid using Post Office money.</p> <p>Mrs Kloosterhuis was asked to examine the Banking/Finance Productions. There were default payment notices for two loans but this was because they were trying to take the money from a closed account.</p> <p>Mrs Kloosterhuis deposited money at the Isle of Gigha Post Office in to her Lloyds TSB Classic (Personal) Account. The money deposited was inflated if she didn't have enough shop takings. She transferred money from this account to pay her direct debits including her personal loan from the Bank of Scotland.</p> <p>The accused made admissions to the theft and embezzlement of £22,889.82 of Post Office monies. She was cooperative throughout and made no attempt to blame anyone other than herself for her actions.</p> <p>After the interview a statement was obtained from Jennifer Brown. Ms Brown confirmed Mrs Kloosterhuis dealt with the daily dockets, declared the cash and did the Branch Trading statement. She also confirmed she was not involved in any part of it. She stated she used to declare the cash but</p>
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	<p>hadn't done so for about a year and a half. She was made aware there was an shortage on the day of the audit but doesn't know how much.</p> <p>Final calculation</p> <p>On Monday 24th October 2011 communication was received from Post Office Ltd Former Agent Debt Team that three Transaction Corrections totalling One Thousand Two Hundred and Fifty pounds (£1,250) had been received for transactions conducted at Isle of Gigha Post Office. The Transaction Corrections are detailed on individual Former Subpostmasters Statement of Discrepancy.</p> <p>A Transaction Correction (TC) is an electronic Error Notice that is issued through the Horizon system to a branch when errors have been identified in the accounts for the office. The Transaction Correction can be of both a positive and negative nature, namely claim or charge respectively. If it is a claim the Transaction Correction is in the Subpostmaster's favour and he is entitled to remove the amount from the Post Office funds. If it is a charge then contractually he has to make good the amount by putting the money in to the Post Office funds. When a charge Transaction Correction is received the Subpostmaster has three options to resolve it. Make Good - Cash, Make Good - Cheque or Settle Centrally. As Ms Kloosterhuis is suspended the amount of the Transaction Corrections are added to her Debt Account and she is informed of them by letter.</p> <p>Two of the TC's were for two deposits of Five Hundred and Eighty pounds (£580) and Three Hundred and Eighty pounds (£380) made into a Lloyds TSB Bank Account number <input type="text"/> GRO Account Holders Mrs A Koelstra &amp; Mr R H Kloosterhuis. This account is Mrs Kloosterhuis' personal account.</p> <p>The third TC was for a Two Hundred and Ninety pound (£290) error made in reporting the figures for the Hanco Automated Teller Machine (ATM). The Hanco ATM is similar to ATM's found in Banks etc. All transactions conducted on these specific ATM's are sent electronically to Hanco. At the end of each working day the branch prints an End of Day Close print out from the ATM. This is the settlement figure for transactions conducted on the ATM that day. This figure is then entered on to the Horizon system. At the end of the week Hanco inform Post Office Ltd of the transactions conducted at each branches ATM. These figures are uploaded on to the SAP Post Office Ltd Finance System (POLFS) to compare the figures entered on to the Horizon system by the branch.</p>
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	<p>In the period 19th July 2011 and 19th August 2011 there was a £290 difference between the figures received by Hanco from the ATM and the figures entered on to Horizon at Isle of Gigha PO.</p> <p>The loss to Post Office Ltd now stands at Twenty Four Thousand, One Hundred and Thirty Nine pounds Eighty Two pence (£24,139.82). Mrs Aleid Kloosterhuis is contractually responsible for the entire loss.</p>	
<b>Analysis</b>	<p>The Horizon accounting system provides only one source of evidence and the Crown relies on admissions to prove these cases.</p> <p>This is the position in this case.</p> <p>There is sufficient evidence for the period libelled.</p>	
<b>Additional Information</b>		
<b>Enclosures</b> <i>(Please delete any items listed not enclosed)</i>	<b>Previous Convictions</b> <b>Summary from Police Report (up to and including the remarks section)</b> <b>Petition</b> <b>Section 76 Letter</b>	
<b>Recommendation</b>	<p>The total sum eventually calculated by the Post Office is £24,139.82. The plea is to £20,000. Having dealt with similar cases in the past I have found the Horizon system wanting. For example mistakes could have been made by the employee, Jennifer Brown or the accused as only one code for entering details has been used.</p> <p>It is recommended that the plea be accepted. It will allow the court to sentence appropriately in the public interest. The Post Office may wish to raise civil proceedings in respect of recovery of the monies.</p>	
<b>Reported by</b>	<b>Precognition Officer</b>	<b>Legal Manager</b>

Malcolm Macleod

<b><i>Crown Office Instructions</i></b>	<b>Crown Counsel Instructions:-</b>
<b><i>Date Returned to PF Office</i></b>	