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POST OFFICE LTD EXECUTIVE COMMITTEE

EXPERT WITNESSES
FOR CIVIL RECOVERY AND CRIMINAL PROSECUTION PROCEEDINGS

1. Purpose

The purpose of this paper is to request approval for experts, Professor Kramer and Dr. Dulay, of Imperial College, London.

2. Background

- a) The investigation and prosecution of crime in and against the Postal Service can be traced back at least as far as the 1680's, when an Assistant Solicitor to the General Post Office was tasked with the investigation and prosecution of those offending against the mail. Upon the separation of Post Office Ltd from Royal Mail Group on the 1st April 2012 Post Office Ltd determined to retain that historic function. In England and Wales both the investigative and the prosecuting functions are conducted by Post Office Ltd.¹ In Scotland, Post Office Ltd's representative agents report alleged criminal activity to the Crown Office and Procurator Fiscal Service ('COPFS')²; in Northern Ireland Post Office Ltd. Security Managers report to the Public Prosecution Service following the same processes as do the police services in those jurisdictions.
- b) In general only three distinct offences are prosecuted by POL: Theft; False Accounting; and Fraud. Theft usually involves the direct appropriation of (usually) monies by those handling POL money. False Accounting; and Fraud may be viewed as different types of the same species; the falsification of records so as to hide lost or stolen funds. In these cases SPMR's will assert that the Horizon Online (HOL) system has thrown up unexplained losses or shortages and, in fear of repayment or loss of contract, they have falsified their accounts so as to hide the fact from POL.
- c) Accordingly the detection and successful prosecution of such offences is almost always dependent upon a proper analysis of HOL data and its effective presentation both to defence representatives and to the court. Thus it is imperative that the integrity and operation of HOL is demonstrably robust. To this end POL has relied upon the statements of Dr. Gareth Jenkins, an expert witness provided by Fujitsu.
- d) In every report and at court Dr. Jenkins testified as to the integrity and robustness of HOL: "...I fully believe that Horizon will accurately record all data that is submitted to it and correctly account for it." Unfortunately Dr. Jenkins continued to make this assertion, in a number of cases after he

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became aware of the existence of defects in HOL, defects which, in a significant number of instances, had returned false balance figures.

- e) Shortly after the publication a further report, now referred to as the Helen Rose, or Lepton P.O. Report, came to light. The effect (if not the substance) of this report was to cast a further shadow over both HOL and those who had asserted its reliability in court documents and in court.
- f) Accordingly Dr. Jenkins failure to mention the HOL defects in his expert witness statements or to POL and POL prosecutors rendered his written statements inaccurate and misleading. One effect of these reports was to render Dr. Jenkins wholly untenable as an expert witness.
- g) On the 8th July 2013 Cartwright King advised POL that there ought in future to be at least one degree of separation between any expert witness called in support of a POL prosecution and POL/Fujitsu.

3. Current Situation

We do not have an expert in place and thus are unable to investigate suspected shortages/losses or to prosecute cases OR TO EXERCISE ANY Civil recovery proceedings. This is true both of existing cases where Dr. Jenkins' has provided (now untenable) statements and new cases.

4. Options Considered

There is no alternative to the instruction of an expert. Without expert evidence POL will be prevented from pursuing shortages/losses in cases where HOL is a source of evidence, *i.e.* almost every case where a shortage/loss is indicated. This is true both in cases where POL seeks to recover through Civil law process and without prosecuting (the majority of cases) and in criminal cases.

5. Proposal

- a) On the 8th July 2013 Cartwright King advised POL that there ought in future to be at least one degree of separation between any expert witness called in support of a POL prosecution and POL/Fujitsu. POL instructed Cartwright King to identify an alternative expert with the appropriate knowledge of HOL to provide such evidence That new expert would deal both with those cases presently under prosecution and any future HOL-reliant prosecutions.
- b) We have identified two experts, Professor Kramer and Dr. Dulay, both in tenure at Imperial College, London, as the ideal candidates for this role. Both have agreed to take on this work.

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- c) The proposal is that these experts be instructed to:
- Conduct a full analysis of the hardware and software making up the 'global' Horizon Online system, so as to determine whether those elements of the system are appropriate to their function;
 - Where indicated, provide recommendation as to improvements;
 - Provide a validated opinion as to the present integrity of the system so as to lay to rest the present concerns relating to the integrity of Horizon Online;
 - Provide a platform upon which, on a case by case basis, a separately-instructed forensic analyst may found his opinion in answer to any challenges to the integrity of Horizon Online raised by a defendant in future criminal proceedings.
- d) The ultimate purpose of Post Office Ltd. in commissioning this study is to achieve a position whereby Parliament, the courts, employees and agents of Post Office Ltd. and the general public may have complete faith in the integrity of Horizon Online. To this end it is proposed that the work, findings and conclusions be revisited on a regular (bi-annual or annual) basis so as to achieve this aim on a continuing footing.

6. Commercial Impact/Costs (These must be included)

7. Key Risks/Mitigation (All Business interdependencies must be included)

8. Long term considerations – horizon scan

This is a long term solution to a pressing problem. Without such experts POL will be unable to recover SPMR shortages/losses in any case where the SPMR asserts that the shortage/loss is due to some (usually ill-defined) HOL defect.

Of course, POL will also benefit from the knowledge that, independently, HOL has been certified as having the necessary degree of integrity – the public relations effect of that position, in the present climate, is both positive and far-reaching.

9. Communications Impact (These must be include and prepared with the Communications team input and Mark Davies' sign off)

10. Conclusion

This is a long term solution to a pressing problem. Without such experts POL will be unable to recover SPMR shortages/losses in any case where the SPMR asserts that the shortage/loss is due to some (usually ill-defined) HOL defect.

11. Recommendations

Title of Paper

Name of Person Responsible
Date of Submission

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ExCo is asked to:

- 8.1 approve Appointment of two experts, Professor Kramer and Dr. Dulay, both of at Imperial College, London.

Name of sponsor
Date Month Year