

Witness Name: Michael John Wilcox

Statement No.: WITN05060100

Dated: 26 October 2023

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MICHAEL JOHN WILCOX

I, Michael John Wilcox will say as follows.

Introduction

1. I am a former employee of Post Office Ltd. and (apart from 18 months), held various positions within the business between 5th February 1973 until I retired on 28th January 2022. The roles I undertook during this period are shown in detail below.
2. This statement is provided in response to the Rule 9 Request dated 6th October 2023 to assist the Post Office Horizon IT Inquiry in relation to criminal prosecution case studies.

Background

3. My roles with the post office are as follows:
 - 5th February 1973 – 1975. Telegram Messenger Boy.

- 1975 – 1979. Employed as a counter clerk. (Mainly at St Andrews Cross Crown Office in Plymouth). This involved general customer service and end of week balancing.
- 1979 – 1985. Employed on “writing duties” in the Head Office covering such duties as:

Accounts Branch:	Involved compiling Cash Account reconciliation for the Head Office with the associated counter transactions from St Andrews Cross Crown office.
Remittance Unit:	Despatching cash / stock remittances and receiving inward remittances from Post Offices.
Counter Services Branch:	This involved the administration work for the Sub Post Office network in Devon and Cornwall area. (Remuneration, Annual Leave, Audits and Recruitment).

- 1985 – 1989. Auditor. Duties were as directed by my Line Manager. Responsible for undertaking audits either alone or as part of a team, and training new Sub Postmasters, within the Devon and Cornwall area.
- 1989 – September 1997. Promoted to Audit Manager in 1989: Responsible for managing a team of auditors covering Devon and Cornwall, programming audits and arranging the resource for new

Sub Postmaster training. Overseeing the closures and transfers of offices to new Sub postmasters.

- September 1997 – January 2011. Investigation Manager. (Other names Security Manager, Fraud Advisor, or Investigator). The role involved investigating possible criminal offences against the Post Office or its clients. The role also involved giving advice or assistance to Crown Office Managers and Sub Postmasters who were experiencing “balance problems”, presenting loss prevention and security advice (by way of a PowerPoint presentation) at Crown Office meetings and regional NFSP meetings. Depending on the job title/role at the time, I have also dealt with Physical Security Issues, Robbery and Burglary liaison with Police and Bravery Award recognition.
- January 2011. Reluctantly took redundancy due to a business reorganisation which resulted in my “office base” being moved from Plymouth to Swindon.
- March 2011 – September 2012. Relief Post Office manager with Martin McColl’s: Covering for Post Office managers who were on leave or sick. Conducting audits and undertaking training of new staff.
- September 2012 – March 2014. (Administration and accounting work at a local school).
- March 2014 – September 2016. Network Transformation Manager: After the statutory 3 years break since my redundancy, I was allowed to return to the Post Office and was made aware of vacancies within this area-based team. As such I was part of the transformation project team which assisted with the relocation of Post Offices into retail

outlets or transform offices on site to a new working model (Local or Mains office). This was meant to be a 12-month contract which lasted 2 ½ years.

- September 2016 – 28th January 2022. Part time manager / counter clerk at a local Sub Post Office: Counter service, balancing and general managerial roles. From 2020 to January 2022 I was involved in counter work only, due to a full-time manager being employed.
 - Total of 47.5 years Post Office service. 41.5 years working with Post Office accounts.
4. In relation to my role as an Investigation Manager the details are set out below.
5. My transformation from Audit to Investigation was triggered by a business review and reorganisation in 1997. I was at the time, an Audit Manager in Plymouth. The review was going to split the Post Office into Royal Mail and Post Office Counters. This had a knock-on effect for the old Post Office Investigation Department (POID). The POID historically dealt with investigating problems with both mail (Postal staff) and counter clerks regarding financial matters. The split meant that there would be very little (if any) “expertise”, in the security team, regarding Post Office accounts. I had been working in audit for 12 years and other accounting roles for 10 years prior to that. (All prior to HORIZON). As such I was approached and asked to apply for the role of Investigation Manager.

6. I recall attending a training course prior to taking up the post, as there was a "National Training event" taking place in Croydon. Over the course of my time in the "Security Team", as an investigator I attended various training courses including refresher courses and ad hoc meetings / training events when any new legislation was introduced, which would affect my role.

Courses attended were as follows:

- INVESTIGATION AWARENESS WORKSHOP - August 1997 (2 days)
- SUSPECTED OFFENDER INTERVIEW WORKSHOP – March 1999 (5 days)
- WITNESS INTERVIEW WORKSHOP - April 1999 (3 days)
- SEARCH AWARENESS COURSE - December 1999 (2 days)
- PROSECUTION PROCESS COURSE – March 2002 (2 days)
- AUDIT & INVESTIGATOR COURSE FOR HORIZON (1 day course delivered by ICL Pathway).
- On 26th August 1999, I became a member of the International Institute of Security, following the completion of course 137 of the International Professional Security Association. (IPSA).
- In June 2005 I obtained a City & Guilds NVQ level 4 in Investigation.
- I also on at least 2 occasions took part (or sat in on) new Sub Postmaster and staff, classroom training sessions for HORIZON. This was dependant on space availability.

7. I understood my role to involve investigating possible criminal offences against the business or its clients. To include protecting the integrity of the business. The role would include undertaking interviews (under caution or

otherwise), undertaking searches, analysis of data and the preparation of reports for senior management, Solicitors office and Contracts manager. I would also be required to give and obtain witness statements and prepare papers in the case of any court proceedings. Away from any criminal investigation I was also required to give assistance to Crown offices and Sub Postmasters regarding loss reduction and security issues. All investigations would be conducted, taking into consideration, the rules of Police and Criminal Evidence Act 1984 (PACE 1984), and the Criminal Procedure and Investigations Act 1996 (CPIA 1996), Regulation of Investigatory Powers Act 2000 (RIPA 2000), Data Protection and Human Rights Acts 1998. The official policy is detailed at (**POL00031008**).

8. During my time in the Investigation Team my line managers, as I recall were Geoff Hall (when a Regional Team with the Headquarters in Bristol). Then when the team became a National team, my Line Managers were Dave Posnett, Paul Whittaker, Ged Harbinson and finally Jason Collins.

9. From the time I started working in Investigation I was always a "lone worker" based initially in a room in a Crown Office then later in the Security Suite in the Mail Centre, both in Plymouth. Initially (prior to HORIZON) my manager was based in Bridgewater some 80 miles away and my nearest colleagues were based in either Bristol or Bournemouth some 125 miles away. Latterly the Head Office and my line manager were both based in London some 250 miles away. I did not therefore have the opportunity to work within a group, on a day-by-day basis, like some of the teams. I therefore did not, on a daily

or weekly basis, “associate” with many of the National Team. When I needed, or someone else needed a second officer then it would normally be Gary Thomas (Bournemouth) as my first port of call. On the occasions that I did work or meet other members of the team (meetings etc). I found them to be very pleasant and mainly very experienced. Of the people I conducted investigations with I found them to be competent and professional. The only time I had any disagreement with colleagues, was at a senior management level and was in connection with my annual performance assessment for 2008-2009. I do not recall any “disagreements” with colleagues regarding work or work ethics.

10. Throughout my time in the investigation team, my only role in disciplinary matters would be if I had taken part in an investigation and there was no evidence of a criminal offence but did show that there were failings in control or security. Then a report would be prepared for the relevant person. This report would highlight the failings identified, the person responsible for the failings (if known) and any recommendations to correct the failings. A discipline report would also be prepared for the contract’s manger / retail line when a criminal offence was discovered, and legal proceedings could follow. Once the discipline report was issued, I would have no further input to any decision regarding disciplinary action taken.
11. Interviewing persons accused or suspected of a criminal offence was part of my role as an investigator. Interviews were conducted in accordance with PACE 1984 Codes of Practice. Most of the taped interviews I conducted were voluntary attendees, i.e. suspects who were not under arrest, and the

interview would be conducted at a mutually agreeable venue (sometimes prearranged). On occasions, if it were necessary for the Police to assist in an arrest or search then the suspect would be arrested and interviewed at a Police station. If anyone being interviewed required, or attended with a solicitor then full pre-disclosure would be given before the commencement of any interview. We used a standard crib sheet during interviews as reminders of procedures and questions. This was so a set format could be followed for standardisation, across the team, of casework papers and reports and also assisted with the correct PACE guidelines. The crib sheet would set out (from memory) reminders such as:

- Explaining what would happen during the interview.
- Opening tapes in front of interviewee and solicitor if present.
- Introductions of persons present for the benefit of the tape.
- Caution and checking the understanding of the caution.
- Explanation of Legal Rights and the rights to a friend being present (Friend not applicable at a Police Custody Suite).
- Points to cover during interview. i.e., background, experience, training, staffing and role at the office.
- Conclusion of the interview and signing and sealing of the tapes.
- Anything else which needed to be covered under the interviewing section of PACE 1984.

Dependent on the outcome of the interview, reports for Legal Services and the Discipline Manager would be prepared if necessary.

12. As far as I recall there were several forms which had to be completed as part of a trial bundle if it was going to proceed to a court trial. One of which was for the disclosure of evidence, one was for the disclosure of unused material, and one was for disclosing any documentation that may harm the prosecution and help the defence, CS006C, CS006D and CS006E.
13. These forms were completed by the Investigator (when no plea or a not guilty plea was given at the first hearing). The summary forms would not be completed for a first hearing, but Legal Services would copy all disclosure material to the defence prior to a hearing. Disclosure documentation in a prosecution bundle bore the name of that investigator as the Disclosure Officer.
14. I do not recall taking part in any disclosure matters specifically for civil proceedings.
15. I was not involved in any type of Litigation Case Strategy, and it would be fair to say I wouldn't really know what that involved. I assume my Offender report and / or evidence would be used to support a case.
16. Part of our Security (Investigation) Team objectives was to "Ensure the personal delivery of all operational casework to time". As I recall, I think we were tasked with submitting an offender report (Red Label Case) within 10 days of interview. This report would be sent to the Casework Management Team for Compliance and correctness checks, and I believe it then went to Legal Services for advice on any charges, if the case was deemed to have sufficient evidence. Once the report had been submitted by me (and

therefore my objective target met), I would not generally need to liaise with other Post Office departments in respect of the progress of the case. There may be, on occasions that just before my 1 to 1 meeting with my Line Manager, I would contact Legal Services for an update on specific cases so that I could feed back the progress during my meeting. This would also allow me to update the Contracts Manager / Retail Line of any developments as per the previously mentioned Team Objective under the subheading "Sufficient Stakeholder Engagement". I cannot recall if Casework Management or Legal Services had timescales to deal with cases, but if they did, I would have been conscious of this and chase them up if getting close to any deadline set. I believe there was a central database, probably accessed by the Casework Management Team to track the progress of cases.

The Security Teams Role in relation to criminal investigations and prosecutions.

17. In respect of the organisational structure of the Security Team, to the best of my knowledge I can confirm that during my employment with The Post Office, specifically between 1979 and 2011 I witnessed many business reorganisations:

- Initially the head office was based in Plymouth.
- There was a reorganisation to move the business into Regional Areas and my head office was moved to Torquay. (Circa 1990)
- Reorganisation again and head office moved to Bristol.

- Further reorganisation and head office moved to London.
 - Name changes from Post Office to Post Office Counters to Consignia, back to Post Office Counters then as it is now Post Office Ltd.
18. As previously explained, being a lone worker in Plymouth I was away from the daily hustle and bustle of the head office and didn't interact with the wider Security Team. I was not totally on top of who did what except for the people I had direct contact with or who I reported to. In all fairness I was just interested in doing my job to the best of my ability and didn't really need to know who did what outside of my strand. There was however a database on the Security Intranet site which I could access if there was ever a need to find out such information...i.e., Physical Security problems.
19. There were 2 teams of investigators which made up the National Team. I was in the South Team with possibly 5 other investigators (who were based in Bournemouth, Eastleigh, Croydon and Brighton). The North team (I think had 8 members) and were based in other areas like Sheffield, Liverpool, Scotland and Northern Ireland. The structure and the role of the security team changed many times including our job titles. I was at any one stage a Fraud Adviser, Investigation Manager, Investigator, Security Manager and probably many more.
20. As such my job description changed and at times as well as being responsible for Criminal Investigations, I was also responsible for Physical Security at Post Offices. This involved inspections at Post Office outlets and liaison with the Police regarding external crime.

21. I am aware that within my strand of the security team, I had a line manager who I reported directly to. There was then a casework team and a Financial Investigation team. There were several senior managers with different roles which I cannot recall. At the time of my leaving in 2011 the Head of Security was John Scott. The security team consisted of 5 strands. Besides the fraud strand the one I may have had communication with the most was the physical security strand.
22. In respect of my involvement in the development of any Post Office Policy I can confirm that I had no direct input into the development or management of any of the security policies on the security database. As previously stated, there existed on the intranet a security database in which all security policies were stored. These were accessible to anyone in the security team. I recall that whenever any changes or new policies were introduced, due to a change in legislation etc, then all team members would receive notification of such changes and I believe there was a system for “flagging up” when you had accessed and acknowledged the new policy document.
23. Any changes to policy which directly affected our day-to-day routine would also be communicated and discussed at local and national team meetings.
24. The main legislations that governed the conduct of Investigations whilst I worked there, as I recall, were:
- Police and Criminal Evidence Act 1984 Codes of Practice. (PACE)
 - Criminal Procedures and Investigation Act 1996. (CPIA)
 - Data Protection Act 1998. (DPA)

- Human Rights Act 1998. (HRA)
 - Regulation of Investigatory Powers Act 2000. (RIPA)
 - Health & Safety at Work 1999. (HAS)
25. Any complaints regarding the conduct of an investigator during an enquiry would be dealt with by following the guidelines in “Procedures & Standards – Standards of Behaviour and Complaints Procedure dated October 2007”. **(POL00104806)**. I had no staff to manage and as such I would not have got involved in any complaint’s procedures.
26. With regard to supervision of investigation cases: I was directly supervised by a line manager, who was latterly based in London. I would have telephone contact with him 24 / 7 if required. We held a regular 1 to 1 meeting (either at my office or his) every month. I believe there was a weekly conference call with all team members along with a monthly or bimonthly team meeting which we all attended. Especially during my 1 to 1 meeting I was able to discuss current and ongoing cases, my thoughts, and suggestions of the best way to progress cases. Current cases would often be “spot checked” to see that everything was being dealt with and presented in line with the compliance of case files and in a timely manner.
27. On completion of an interview my report and the case papers would be submitted within the 10-day timescale, via my line manager to the Casework Management Team.

28. Here the file would be checked for breaches in compliance and reported back if any found. I seem to recall that at the time there were around 50 or 60 points that would be checked for compliance.
29. This did however ensure that all case files from all the investigators were presented in a standard format and followed Legal Services guidelines.
30. The file would then be forwarded to Legal Services for a decision on the adequacy of evidence to obtain a successful prosecution. They sometimes advised further investigation on a matter that required more attention before making a recommendation on charges, if applicable.
31. If the legal department recommended charging, then the file would go to a designated senior manager for authority to continue with the prosecution.
32. At any stage in this process any "errors or wrongdoings" could have been noted and the file returned to me for correction.
33. Throughout my time in the Security Team, and even before when I was an auditor, I believe the policy and practice regarding the investigation and prosecution of Crown Office staff and the policy and practice regarding the investigation and prosecution of Sub Postmasters or their staff, has basically remained the same.
34. I do not believe there is a distinction in the decision on prosecution when a suspected crime has been committed by one or the other. The only difference to note is that Crown Office staff are employees of Post Office Ltd and as such can be dismissed. Sub Postmasters however have a

contract for services with the Post Office and therefore can have their contract terminated.

35. Sub Postmasters are responsible for the staff they employ and therefore in the case of misconduct by sub office staff, the Post Office would ask the Postmaster to stop employing that person. (Irrespective of whether the Post Office decides to prosecute or not).

Audit and Investigation.

36. The circumstances for an investigator to attend an audit of a branch would depend on different factors. It was very rare for an investigator to attend an office along with an auditor, unless there was known, or suspected criminal activity and it was certain that interviews would be required on the day and to secure evidence.

37. Normally the lead auditor would report by telephone to their line manager (Audit Manager), if there were any discrepancies or anomalies at a Post Office outlet. The auditor (not being PACE trained) and speaking from my 12 years' experience in the audit team, would need to gather enough information to enable the completion of the audit and for a decision on the next steps to be taken by their line manager.

38. This information required would normally consist of:

- Amount of loss.
- When loss started.

- How was the balance completed when a loss existed.
 - Are they able to repay loss?
39. I reiterate this is based on my previous experience and not necessarily current at the time but seems realistic.
40. It would normally stand that if an audit shortage was reported to the Investigation Team and if an investigator and a second officer were available (and could reach the branch in a reasonable time) then they would go to the office while the auditors are still there. (Dependant on the amount of the shortage).
41. The aim of the visit would be to obtain and secure any evidence which supports (or doesn't support) a criminal offence at the office. (If there is any). If there have been admissions of a suspected criminal offence then it would be prudent to undertake a taped interview with the suspect and get a first account at that time.
42. Interviews could take place, normally at the office if enough privacy is attainable and the suspect did not require legal representation or a Post Office friend to be present.
43. I have on occasions either after visiting the office on the day, or when unable to attend an office, pre-arranged an interview with the suspect for a future date. This would be especially true if they required legal representation, and in that case, the interview could normally be undertaken at the solicitor's office.

44. Where a shortfall was identified following an audit of a Post Office branch, and the Audit Manager had reported the fact to the Security team. The initial investigation would always be conducted by an Investigator (if the case met the Casework Management triggers).

45. If following an interview there was suspected evidence of a criminal offence, then a case file would be prepared and forwarded to Legal Services for advice on the sufficiency of evidence to continue with a successful prosecution. If the legal department deemed there was enough evidence for charging, then the file would go to a designated senior manager for authority to continue with the prosecution. If there was not enough evidence to support a criminal prosecution as either indicated by the investigator's report or advice from Legal Services, then a decision on whether to try for repayment of the shortfall (under the terms of the Postmasters contract) would be undertaken, I believe, by the Civil Litigation department of the Legal Services Team. I can only assume that the authority to proceed with civil litigation in a non-criminal case, would fall to a senior manager in the retail / contracts side of the business. Obviously if the Sub Postmaster has voluntarily repaid the "shortfall" then there would be no need for civil recovery.

46. The Financial Investigation Unit (FIU), as I understand, would deal with recoveries etc. in a criminal case only. This came into force when the FIU was set up, I believe sometime after the time of the Proceeds of Crime Act (POCA) 2002.

47. The Contracts Manager had control over contractual matters for the Sub Postmaster. It would be their decision regarding precautionary suspension in the case of reported shortages. Later after receipt of an Investigator or Auditors report they would decide on any further action regarding reinstatement or termination of contract. They would have no direct input into decisions regarding criminal prosecutions.
48. I am aware of occasions where the Contracts Manager would try and challenge a suspension or prosecution, but this was mainly due to a staffing issue where there would be an impact on customer service. If criminal proceedings were being pursued, then the Contracts Manager would need to let this take preference over any action he decided to take.
49. The Contracts Manager role has been in place for many years and my only recollection of any differences would take me back to 1985 when the overall control for Sub Postmasters came under the Counter Services Branch and then disciplinary matters were dealt with locally by the head of that department.
50. I would like to explain the triggers for raising a case file, (as I recall), as they were not just limited to discrepancies in a branch.
51. All calls, reports or documentation was initially screened by the Casework Management Team in London. This may be by way of calls received from the Security Helpdesk, anonymous tip offs, discrepancy reports, missing vouchers, DWP anomalies or Sub Postmasters asking for help.

52. If deemed necessary i.e. Casework Management could not deal with the enquiry by a simple call or close the enquiry as no further action, then the enquiry would be allocated to an investigator (normally by location or on occasion by workload). This then became a case file and would be afforded a green jacket and form part of an investigators case workload. A green jacket was used to encapsulate all documentation and ongoing reports regarding the enquiry until completed.
53. So, whilst a green jacket case was always raised to enable further investigation, the triggers for raising that case would be a decision by the Casework Management Team.
54. The main trigger for raising a Theft / False Accounting case, I imagine, would prominently be a reported audit shortage. It would not be possible to allocate either a specific Theft or False Accounting title to the case until an investigation has been undertaken and any evidence of a crime (if any), reported.
55. It may be that after a full investigation the case heading may change or indeed the case closed. i.e.
- Theft (If the 5 points regarding the definition of Theft had been met)
 - False Accounting (If the definition of False Accounting had been met)
 - No crime identified but failure in procedure (Discipline Report).
 - Advice given to Postmaster.
 - No further action.

56. I would like to clarify that I am using the above headings as a guide to try and explain the reason for different “triggers” in cases. They are not official headings. This was the same procedure throughout my time in the Investigation Team except for changes to location due to business reorganisations.

The process followed by the Security team investigators when conducting a criminal investigation following the identification of a shortfall at an audit.

57. It would normally stand, (and I would say dependant on the amount of the shortage), that if an investigator and a second officer were available and could reach the branch in a reasonable time then they would go to the office while the auditors are still there.

58. The aim of the visit would be to obtain and secure any evidence which supports (or doesn't support) a suspected criminal offence at the office. (If there is any). If there have been admissions of a criminal offence, then it would be prudent to undertake a taped interview with the suspect and get a first account at that time.

59. If it was not possible to attend an office at the time, then I would contact the suspected offender by telephone and explain that I would like to interview them formally regarding the alleged shortage and decide (if possible, at the time) a mutually agreeable time and place for an interview to take place.

60. This would be followed up by the same request in writing and explaining their right to legal representation and / or a Post Office friend to be present.

61. All interviews and searches would be conducted in accordance with the Police and Criminal Evidence Act 1984 Code of Practice.

Decisions about prosecution and criminal enforcement proceedings.

62. If following an interview there was evidence of a suspected criminal offence, then a case file would be prepared and forwarded to Legal Services for advice on the sufficiency of evidence to continue with a successful prosecution. If the legal department agreed the evidence was sufficient, they would draw up the recommended charges to be brought. The file would then go to a Designated Prosecution Authority for permission to continue with the prosecution. I do not believe this chain of decision changed during my time in the Investigation team. (Subject to Business reorganisation and changes in name to roles and responsibilities). Criminal Investigation and Prosecution Policy (**POL00031008**) Paragraph 3.2.9 refers to "Decisions to prosecute in non-CPS cases will be taken by nominated representatives in the business with consideration to the advice provided by the Royal Mail Group Criminal Law Team".
63. With regard to the Contracts Managers input into the decision-making process. I believe I have covered this in detail in the previous paragraphs 47 and 48.
64. I cannot comment on what test was applied by those making prosecution and charging decisions as this was undertaken at a senior level and only when the final decision had been made were the case papers returned to me for whatever action needed to be followed. However, it may help the

Inquiry if I am allowed, to draw on my previous years of Post Office experience. There always was from as far back as I can remember, an instilled factor that the Post Office, being Government owned, was using public money to operate. This money was on loan to Sub Postmasters and indeed all Crown Office staff and as such was entrusted to them with a duty of care under the terms of their contract. To maintain the integrity of the business and to uphold its value of one of the most trusted brands on the High Street, it had to be seen to safeguard public money and assure the public that the Post Office was a safe and secure place to transact their business.

65. The prosecution decision makers would receive the case file which contained the Investigators report and all evidential documentation including the taped interview summaries and advice from Legal Services as to the suggested charges to bring.
66. I cannot comment on the circumstances or steps taken to restrain a suspect's assets as this was dealt with by the Financial Investigators. I have no knowledge of the chain of decision making in that team.

Training, Instruction, and guidance to Investigators within the Security team.

67. My background profile at paragraph 6 of this statement details some of my training. Ongoing training was received as and when, either as refresher training during National Team meetings or whenever there was a change in legislation. Legal Services would often have a section at National Team

meetings to offer advice on case presentation and any changes in legislation or law that needed to be adhered to.

68. With specific emphasis on obtaining evidence from third parties, there would be occasions when further investigation was required, or documents required to prove or disprove a criminal offence. With legislation changing over the years obtaining evidence from third parties also changed. Sometimes our “working partners” i.e., Department for Work and Pensions and Fujitsu would have a contract with the business for the release of any documentation. Documentation from banks used to be obtained by the person involved in the enquiry signing a release form for the data to be released. Later with legislation from (DPA, RIPA or CPIA) we would also need to submit a “Data Protection Disclaimer” form confirming that the information was for a genuine investigation purpose. Any changes in procedure would be notified to us either by meetings, personally or notification on a policy change on the intranet.
69. With regard to the Casework Management documents (**POL00104747**) and (**POL00104777**) I can confirm that I would have been informed about them and would have had access to the content on the Security Intranet site. I would also add that as this seems to be a major change to policy then we would have probably discussed the subject at a team meeting and 1 to 1 meeting.
70. I understood the instructions given in these policy documents to be reinforcing the need for openness and honesty both in reporting and disclosure within the case reports.

71. This may be the time to clarify a point made about HORIZON bugs, errors and defects. Up until the time I first left the Post Office in 2011 and therefore my time in the security team, I was never given any indication of any failings within the HORIZON system. I was totally unaware of any proceedings taking place about HORIZON failings either criminal or civil.

72. I understood compliance checks were started for the reasons of standardisation across the team so that everyone's case files would follow the same pattern. They would also ensure adherence to policies and legislation. Compliance checks were undertaken by the Casework Management Team. The markings of compliance also formed part of the annual objectives for team members.

73. David Posnett's email (**POL00118096**) seems to confirm my understanding. Compliance checks were undertaken before I left the team, although this actual email was issued after I had left the Security Team. As such, I had no input as to the development, management, or amendment of the policies.

74. Documents (**POL00118101**) and (**POL00118102**) were issued after I had left the Security Team. My immediate thoughts on the Offender Report – Legal, is that it encapsulates all the details of a report that I would have previously been used to submitting. The only changes are that the headings are more prominent in each stage of the investigation and therefore makes the layout of the report more defined and standardised.

75. I can confirm that the failings statement as described at paragraph 2.15 was in force during my time in the Investigation Team.
76. I am unaware of the documentation (**POL00118104**) as I had left the Security Team when this was issued, therefore I do not know the reasons for its “reissue” and where the descriptions and categories were taken from. I understand the introduction of Identification codes was introduced in the late 1970’s and were used by the Police in crime recording systems to describe the apparent ethnicity of a suspect or victim. The codes are recorded based on the “Police Officers” visual assessment.
77. As far as I am aware identification codes are used by all “Law Enforcement” agencies (Street Wardens, Security Guards, Bailiffs, or Customs) to help in identifying people and to assist in confirming it is the right person.
78. With regard specifically to (**POL00118104**), I cannot recall my training course or material with which I originally learnt the codes. This would have probably been the Investigation Awareness Workshop and reinforced in the Offender Interview Workshop and the Prosecution Process Course. However, the document, although trying to give help in identifying which group to use, does use outdated and socially unacceptable words. I do wonder if this was an original form which has just never been updated since its inception?
79. My understanding of why Security Team investigators used identification codes was so that the Police could enter the details on the Police National Computer (PNC). As I recall, if an offender was found guilty of a crime, then

the Post Office were obliged to inform the Police as to that fact. We completed a form NPA01 which gave details of the offender details and offence. It is my understanding that this form had to be fully completed (including identification code) for the Police to accept it.

80. If at the time of interview a suspect offender refused to give personal information, then they would need to attend a Police Station later to give this information.

Analysing HORIZON data, requesting ARQ data from Fujitsu and relationship with Fujitsu.

81. As far as I can recall, I never had a case assigned to me where anyone I interviewed, attributed a shortfall to problems with HORIZON.
82. I would obtain ARQ data on any investigation where unexplained losses were involved whether there was a suspected offence, or if I was trying to assist a Sub Postmaster in investigating losses at their office.
83. I do recall that when HORIZON was first introduced there was a limited number of requests that could be made for ARQ's per month. I remember that on occasions I would need to wait until the following month before my request could be honoured. There was an early change to the contract with Fujitsu which allowed an increase in requests. I do not know what increase and it may even have been open ended.
84. On the occasions where I had requested ARQ data as part of an investigation, I was not aware of any issue regarding the duplication of

transactions (or indeed any problems with HORIZON). As a matter of course I would normally sort the transactions into value order (in Microsoft Excel format), and it may have been possible, (depending on the value) that I would have identified any duplication in transactions if it had happened and indeed if it would have shown on the ARQ data I had.

85. I never had any direct contact with Fujitsu. As I recall there was a central contact point in the Casework Management Team. All requests for ARQ data or witness statements would be made through that person in writing, (normally email request). I have received witness statements from staff at Fujitsu regarding the integrity of HORIZON and, I think, whether there were any faults with a specific office to be included in that statement.
86. Although I cannot recall the actual case, I remember that on one occasion the person who produced the witness statement was required to attend court. I seem to recall that in the end they were not required to give evidence.
87. If the person giving me witness statements was Gareth Jenkins, then my understanding was that he was the nominated representative for Fujitsu who was able to give a true and accurate account of the HORIZON workings and accountability.
88. At the time of my employment in the Security Team, I was not aware that Gareth Jenkins (if that was the person supplying the witness statement) was or wasn't classed as an expert witness. I did not use the phrase expert witness in any of my case papers.

89. I now understand that “A expert witness” can express their independent expert opinion based on the information that is provided. They must possess more knowledge than the basic information that an average person would know. An expert witness’s overriding duty is to the court, rather than to the party instructing them.

Relationship with others

90. I am aware of Cartwright King Solicitors by name, but I cannot, without any documentation say whether they were agents for the Post Office regarding prosecution work or any other role.

Involvement in the Criminal Case Studies.

Prosecution of Susan Rudkin

91. I have been asked to provide a full account of my involvement in, and recollection of the criminal prosecution of Susan Rudkin. Also details of my initial involvement in the case. I think that this is best explained by starting at my initial involvement and what followed.

92. On the 20th August 2008, my colleague Gary Thomas and I were on an enquiry in the Worcester area. I received a telephone call, I assume from my Line Manager, informing me the Post Office Auditors were attending Ibstock Post Office and the wife of the Sub-Postmaster had informed the auditors of an expected shortage of around £40,000. I was allocated the case, and we were requested to attend the office to undertake enquiries into the alleged shortage.

93. I was informed that Michael Rudkin the Sub Postmaster, had spoken to my colleague Colin Price, who knew Mr Rudkin.
94. I contacted Colin Price and was told that Mr Rudkin had said that he would allow an interview to take place on his premises and said that his wife would cooperate fully with any investigation and would not require a solicitor.
95. On arrival at the office, we were met by Mr Rudkin and after fully identifying ourselves, we then went into the Post Office area where Paul Field was compiling the audit. He handed me a statement which had been signed by Mrs Rudkin regarding the shortage at the office. **(POL00045243)**
96. Mrs Rudkin agreed to be interviewed on tape in her private residence and she did not require any legal representation which confirmed Mr Rudkin's conversation with Colin Price.
97. Part of Post Office (and Royal Mail Group) policies are that any person being interviewed by an investigator (on tape or informally), is entitled to have a "Post Office friend" present with them. The role of this "Post Office friend" is to sit in on the interview. They are not allowed to take part in the interview at any stage but are allowed to take notes on the proceedings as long as they are kept confidential. The Post Office friend should be someone who works for the Post Office and someone who is not involved in the enquiry. The reason for not being allowed to say anything in the interview is because they probably wouldn't be qualified to advise and may say something which is not beneficial to the person being interviewed. This would be the role of a solicitor and this right should be exercised if advice

is required. I seem to recall that Mr Rudkin had made some phone calls to “colleagues” with a view to acting as a friend for his wife, but no one was available. As it was her wish to have a friend present, I took the unusual approach of allowing her son Dale to sit in if she was agreeable. Unusual because Dale did not work for the Post Office so although I “broke” the Post Office friend rule it was not a legal entitlement. I could of course have suggested the interview was conducted at the Police Station, where the “Post Office friend” rule was not applicable, but I considered that to be unnecessary and “over the top” as Mrs Rudkin was agreeable and compliant.

98. Gary Thomas and I undertook a taped interview with Susan Rudkin and her son Dale was also present. During the interview we reiterated her legal rights and form GS001 was signed (**POL00046546**).
99. During the interview which is summarised (**POL00050026**) Mrs Rudkin explained that there had been mistakes made behind the counter (9.36 of tape summary).
100. She explains that due to staff costs and overheads the business has not been doing what it should be doing. (11.00 of tape summary).
101. She also confirms that she has not been putting money in when there were losses, and the cash would be inflated to make the Trading Statement right. (13.20 of tape summary).

102. Mrs Rudkin agrees that there were also general bills to pay and says that she has “borrowed” money from the Post Office and paid it into her Lloyds bank account in Coalville. (13.31 of tape summary).
103. She says that she should have asked for help, but she didn't feel like she could. (15.07 of tape summary).
104. On trying to understand how the shortage got so high, Mrs Rudkin said that it started with the shortages and not being able to make them good. When she did pay some back, she would be short of money to pay bills. (19.27 of tape summary).
105. Mrs Rudkin says that she had a big shortage which she made good. (21.04 of tape summary).
106. When discussing losses, she says that a new girl last year made some mistakes. She did not suspect any staff involvement but said they are mistakes and most of them they have been able to resolve and one or two have come back. (22.15 of tape summary).
107. Mrs Rudkin again reiterates that she believes it is just mistakes. (33.10 of tape summaries).
108. Following the interview Mr and Mrs Rudkin agreed to a search of the premises, with the appropriate forms signed, and gave me access to bank details and statements. (I seem to recall we may not have conducted a search as any documentation we requested was produced to us).

109. I later completed the offender report and associated paperwork **(POL00046485)** which was submitted to Legal Services via Casework Management.
110. At no time whilst in conversation with Mr Rudkin did he mention any concerns with HORIZON or correspondence to and from Paul Hemley. **(POL00060416 & POL00061521)**. I was unaware of any such correspondence regarding this enquiry and was also unaware of the incident report **(POL00065265)**.
111. At no time throughout the interview did Mrs Rudkin suggest any concerns with HORIZON data and made no mention of any calls to the Helpdesk either reporting the losses or asking for help.
112. Based on the advice provided by Jarnail Singh dated 6th February 2009 **(POL00050881)** to proceed with obtaining a summons, and according to my report, authorised by Dave Pardoe, Senior Security Manager.
113. I duly applied for a summons **(POL00046537)** based on the one charge of theft as per the Legal services advice **(POL00045220)**. I cannot recall whether I served the summons personally, asked a colleague to serve it or posted it to Mrs Rudkin.
114. As Mrs Rudkin pleaded guilty to the offence at court, I played no further part in any criminal proceedings in this case. I would normally attend the plea hearing and sentencing of all my cases just in case the solicitor acting for Post Office Ltd required clarification on any points.

115. As part of the investigation, I requested HORIZON ARQ data, and my report to Jarnail Singh dated 29/1/2009 (**POL00046505**) shows that there was nothing untoward regarding these figures. I should point out that if Mrs Rudkin was inflating cash figures to cover up shortages, as claimed in her interview, then there wouldn't be any anomalies to find, as technically there wouldn't be any significant losses shown on the data.
116. With regard to the emails (**POL00051258 & POL00046522**) between myself and the Police. This was part of my investigation into the period prior to Mrs Rudkin's admissions to using Post Office money. I was instructed by way of email (**POL00061322**) by the Financial Investigation unit to revisit the Post Office accounts to try and identify any anomalies. As this period coincided with the date of a robbery at the office and the Police were the investigating authority in this, it made sense to use their intelligence and knowledge when reinterviewing Mrs Rudkin.
117. It would appear from notes made on (**POL00051258**) that a Police Officer was willing to sit in on a secondary interview with Mrs Rudkin if she agreed to attend a voluntary interview.
118. I believe at this time I was corresponding via her solicitor and as can be seen at (**POL00046524**) Mrs Rudkin declined the offer. This had no impact on my initial investigation as Legal Services advice on 6th February 2009 (**POL00050881**) was to proceed with the summons.
119. I have been asked to comment on the impact that Mr Rudkin's letters (**POL00044916**) to Alan Cook (Managing Director of Post Office Ltd), and

(POL00060421) to George Thompson (General Secretary of NFSP) had on the decision relating to the prosecution of Susan Rudkin.

120. I had no sight of these letters before the Inquiry however I was aware that Mr Rudkin had contacted the Managing Director for “help” with the situation at his Post Office.

121. It is apparent from the content of these letters although he states “is in no way an attempt to pervert the course of justice” it does however appear that he is using his position and contacts to try and influence the decision into any criminal proceedings.

122. This may also enforce my concern as highlighted in my report **(POL00046485)** where Mr Rudkin gave an indication that “there will be no prosecution when the money is repaid”. In the end these letters had no impact on the decision to prosecute Mrs Rudkin.

123. With regard to the letters from Richard Nelson solicitors **(POL00046524)** and Dr AT Peden **(POL00050993)**.

124. From the documentation I have sight of, I became aware of Mrs Rudkin’s medical issues when in correspondence with Richard Nelson solicitors (dated 07/04/209) regarding the invitation to a second interview.

125. Apart from reporting the matter that Mrs Rudkin may not be fit to face a prosecution in my case file report, I had no part in decisions made in relation to the prosecution and criminal enforcement proceedings.

126. As I recall, official disclosure forms (Unused, sensitive, non-sensitive) were only completed when a case was going to trial, and this would form part of the bundle. In this case I would be the disclosure officer and all the documentation and schedules would be copied to Legal Services to ensure correct completion.
127. If a case was not going to trial because of a plea being made (as was the case of Mrs Rudkin), then as I recall, relevant disclosure to the defence, prior to any hearing, would be made by Legal Services.
128. As I recall, there were criminal enforcement proceedings taken against Mrs Rudkin and the paperwork supplied by the Inquiry confirms this.
129. Apart from using my initial offender report to form part of the enforcement evidence, I was not involved in either the decision or any further court proceedings.
130. I played no further part after the sentencing of Mrs Rudkin and my case file would have been closed.
131. I have been asked to reflect now on the way the investigation and prosecution of Susan Rudkin was conducted taking into account the witness statement supplied to the Inquiry, by Mrs Rudkin at **(WITN01840100)**.
132. I would like to clarify that at no time was any mention or indication given by Mrs Rudkin or her family that she was unfit to be interviewed. Mr Michael Rudkin agreed previously that his wife would cooperate with any interview,

and I explained to Mrs Rudkin that I would like to conduct a taped interview with her, which she agreed to. As she was complying with our enquiry, I broke Post Office rules by allowing her son to sit in on the interview, but I took this decision so that she had some sort of comfort and support. The interview was conducted in her own premises which would have contrasted greatly with taking her to the local Police station. This is in complete contrast to her statement which suggests she was in no fit state to be interviewed.

133. When the right to legal representation was explained, this was declined by Mrs Rudkin and the relevant forms were signed on tape (**POL00046546**). Mr Rudkin also confirmed to Colin Price that his wife would not require legal representation. This contrasts with Mrs Rudkin's statement in which she says she was refused access to Legal Representatives.
134. During the taped interview with Mrs Rudkin (**POL00050026**) she admitted to taking money from the Post Office and having combined it with shop takings, gone to the High Street and paid the money into her Lloyds Bank business account to cover bills.
135. She said that part of the reason for doing this was that she was making good losses in the Post Office accounts. When I asked her about the losses, she said that mistakes had been made behind the counter. Mrs Rudkin referred to a "new girl" who made some mistakes. She also said that there were mistakes and most of them, they were able to resolve and one or two have come back.

136. Mrs Rudkin said that she should have asked for help, but she didn't feel like she could. At no time during the interview did she mention any calls to the helpline or mention suspected HORIZON failings. This contrasts with her statement in which she says she rang the helpline on many occasions.
137. During my time at the office and conversations with Mr Rudkin at no time did he mention any suspicion of HORIZON failings or his previous correspondence regarding accounting anomalies.
138. During the interview Mrs Rudkin said that she would inflate the cash and figures in the cash account to cover up the shortage.
139. This meant that there would not be a declared shortage in the final account and therefore the Post office would be unaware of any loss.
140. Mrs Rudkin also said that on occasions she would need to top up the wage bill and needed money to pay utility bills etc.
141. I was able to confirm the deposits into her bank account which supported her admissions to me on the taped interview.
142. At no time, was I made aware, either during the interview, at court for plea and again at court for sentence, did Mrs Rudkin allege failings with the HORIZON system as a defence.
143. Her witness statement (**WITN01840100**) dated some 13 years after her initial interview with me, appears to tell a different account of the events of the day and her "contact with the helpline with issues on many occasions".

144. Had there been any indication, during the interview, or indeed anytime afterwards, that Mrs Rudkin had been reporting losses to the helpline, then I would have been able to check call logs and confirm this. Notwithstanding that she would have still been committing the offence of False Accounting. However, if true, I would have probably taken a different view if in fact she was not receiving adequate support and help from the Business into the losses.
145. I do not consider, on the evidence I had, that this investigation was reliant on HORIZON data to prove the case and therefore I believe that it was reasonable to believe the account given to me on the day, by Mrs Rudkin, was correct. Based on the evidence from that initial investigation, the decision to proceed with a prosecution and criminal enforcement proceedings would have been considered as per any other case.
146. Prior to the original court proceedings of Bates V Post Office I was contacted by Post Office Ltd, regarding my recollection of this case and it was agreed that it did not fall into the category of HORIZON reliability.
147. Apart from being aware of the correspondence to me regarding the suspension and subsequent termination of Mr Rudkin's contract **(POL00060427 & POL00061704)** I was not involved in this decision. I assume this was dealt with by the Retail Line and I am not aware of any criminal investigation into his misconduct. With regard to **(POL00136708)** I have not seen this form prior to the inquiry and can only say that this is a form prepared by the Retail Lin in connection with disciplinary / contractual matters.

General

148. With regard to challenging the integrity of the HORIZON system and whether it was relevant to ongoing and future cases.

149. At no time from the installation of the HORIZON system to the time I left in 2011, was I aware or made aware of any challenges regarding the integrity of the system. I neither heard of nor saw any official documentation or correspondence regarding such claims.

150. I would like to say that when I heard about the Inquiry, I tried to recall my caseload over the period and did not consider that I had any cases issued to me where the integrity of the system was brought into doubt.

151. I do recall being asked to sit in on an informal interview where a Sub Postmistress was experiencing losses after her Post Office had been moved into a Portacabin. I cannot recall her name or the office she was Sub Postmistress of, although it was outside my normal area. I think she was suggesting that the installation or wiring was faulty due to the move as there were no prior losses. This wasn't my case, and I am unaware of the outcome of any reports that may have been prepared although I think, though not sure, that we confirmed there was no evidence of any criminal activity.

152. At no other time, in interviews I conducted, has anybody inferred that HORIZON may be the cause of losses. I, therefore, at the time had no reason to doubt the integrity of the system.
153. I now understand, through following the Inquiry, that there were challenges to the system as far back as 2004. I also understand that Fujitsu was withholding information from the Post Office regarding known bugs, errors, or defects.
154. I do not know when the Post Office “officially” became aware of the problem, but I would have thought that someone would have or should have been reconciling these claims.
155. With regard to failures in HORIZON, if required, a witness statement would be obtained from a Fujitsu nominated person confirming the system was fully working. There was even a specific paragraph (as I recall) about the actual office under investigation confirming there had been no problems.
156. I would say that I probably requested witness statements from Fujitsu about 2 or 3 times a year, so these statements continually reinforced to me that the system was totally reliable.
157. I would go as far as to say that even when I was working in a Sub Post office in 2017 / 2018 I personally experienced a loss of £1000 after a morning's trading and having complete confidence in the system the loss was made good.

158. Following any concerns over the integrity of the system, then surely a detailed analysis of the system by Fujitsu (not just a basic ARQ request) should have been requested for every investigation to confirm there were no bugs, errors or defects that caused losses at the office under enquiry.

159. I would like to bring to the attention of the Inquiry some information which is based on my 25 years' experience in Audit and Investigation, which may or may not be relevant.

Unexplained Losses

160. On numerous occasions I would try and assist offices or indeed conduct investigations into unexplained losses. I would interpret this as losses that the Sub Postmaster genuinely had no idea of.

161. Listed below are genuine reasons that I have actually come across for unexplained losses:

- Staff Theft
- Spouse / Children Theft (Having access to Post Office cash)
- Opportunist Theft (Money left within reach of an outsider)
- Money falling into a mail bag or falling behind a shelf or a safe.
(Unsecured bundles of notes left lying around)
- Remittances discrepancies (Sub Postmaster not checking incoming money)
- Customer being overpaid or incorrect change given.

- Keying error by clerk. (A £100 deposit keyed as £1000 will result in a shortage of £900)

162. The reason I bring this to the attention of the Inquiry is to show the many ways in which an unexplained loss could occur. It would be fair to say that in any of the cases above it may not be possible to ever prove how a loss occurred.

Prosecution Numbers

163. There has been a great deal of discussion regarding the increase in prosecutions since the installation of HORIZON.

164. During my role in Audit 1985 – 1997 the audit programme was a risk-based model and meant that Post Offices were audited according to their size. i.e., A large town or Crown office would be subject to an audit every 12 months. A medium sized office would be subject to an audit every 24 months and a small rural office would be subject to an audit every 36 months.

165. This meant and was the case in many of my audit visits, that the office knew roughly when they would receive an audit. As this was pre-HORIZON all accounting paperwork was completed manually.

166. Therefore, it was possible for a small rural office to start “borrowing” money when the auditor left the premises and knew they probably had up to 3 years before being discovered.

167. When manual accounts were prepared any requests for additional cash because they had run short, would not be challenged, and could not be

proven that it was needed. With the introduction of HORIZON, it was a lot harder to hide or disguise fraud as the Post Office had access to transactions and cash holdings.

In Conclusion

168. I feel very angry that Fujitsu withheld information from the Post Office regarding bugs, errors, or defects for so long. If this had been disclosed earlier then it would have been possible for any such challenges, or indeed unexplained losses to be vigorously investigated. As such I do believe, in the early years, that the Post Office accepted that there was no impact on losses by the system.

169. I have only just watched the oral evidence of Richard Roll on 4th October 2023 (although originally given on 9th March 2023) and this is the first real indication, I have been given, that the system was not fit for purpose.

Statement of Truth

I believe the content of this statement to be true.

Signed: 

Dated: 26/10/23

Index to First Witness Statement of Mike Wilcox

<u>No.</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
1.	POL00031008	Criminal Investigation and Prosecution Policy (version 1.1 Nov 2010)	POL-0027490
2.	POL00104806	Procedures & Standards - Standards of Behaviour and Complaints Procedure (version 2, October 2007)	POL-0080438
3.	POL00104747	Casework Management Policy (version 1.0, March 2000)	POL-0080387
4.	POL00104777	Casework Management Policy (version 4.0, October 2002)	POL-0080417
5.	POL00118096	Dave Posnett's email 23/5/2011	VIS00012685
6.	POL00118101	Compliance - Guide to the Preparation and Layout of Investigation Red Label Case Files	VIS00012690
7.	POL00118102	POL template - Offender Report (Legal Investigation)	VIS00012691
8.	POL00118104	Identification Codes	VIS00012693
9.	POL00045243	Handwritten & signed note	POL-0041722
10.	POL00046546	Legal Rights Form dated 20/08/2008 (signed by Susan Rudkin)	POL-0043025
11.	POL00050026	Record of tape recorded interview of Susan Jane Rudkin dated 20/08/2008	POL-0046505
12.	POL00046485	Report to Legal Services dated 02/09/2008	POL-0042964
13.	POL00060416	Letter dated 14/01/2005 from Mr Rudkin to Paul Hemley	POL-0056895
14.	POL00061521	Letter dated 18/01/2005 to Mr Rudkin from Paul Hemley	POL-0058000
15.	POL00065265	Incident Report	POL-0061744
16.	POL00050881	Jarnail Singh advice dated 06/02/2009	POL-0047360
17.	POL00046537	Summons dated 12/02/2009	POL-0043016
18.	POL00045220	Charge	POL-0041699

19.	POL00046505	Memo dated 29/01/2009 to Jarnail Singh	POL-0042984
20.	POL00051258	Email dated 31/03/2009 to Mike Wilcox	POL-0047737
21.	POL00046522	Email dated 25/03/2009 to Mike Wilcox from DS Bacon	POL-0043001
22.	POL00061322	Email dated 18/09/2008 from Financial Investigation Unit	POL-0057801
23.	POL00046524	Letter dated 07/04/2009 from Richard Nelson Solicitors	POL-0043003
24.	POL00044916	Letter dated 25/02/2009 to Alan Cook	POL-0041395
25.	POL00060421	Letter dated 03/04/2009 to George Thompson	POL-0056900
26.	POL00050993	Letter dated 22/02/2009 from Dr A T Peden	POL-0047472
27.	WITN01840100	Mrs Rudkin's Statement dated 27/01/2022	WITN01840100
28.	POL00060427	Letter dated 29/01/2010 to Mike Wilcox from Glen Chester re Mr Rudkin	POL-0056906
29.	POL00061704	Letter dated 29/01/2010 to Mike Wilcox from Glen Chester re Mr Rudkin	POL-0058183
30.	POL00136708	Summary Termination Report re: Ibstock Post Office Branch - Mr Ernest Michael Rudkin	POL-0125596