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Record of Tape Recorded Interview

Record of Tape
Recorded Interview

Person Interviewed (PH) PETER ANTHONY HOLMES

Place of Interview 40 ST GEORGES TERRACE
JESMOND

Date of Interview 19.9.08

Time commenced 14.11 Time concluded 14.56

Duration of interview 45 minutes Tape reference no 071706

Interviewing Officer(s) (RD) ROBERT DAILY (CK) CHRIS KNIGHT

Other persons present

Exhibit No:
Number of pages: 16
GRO
Signature of interviewing officer producing exhibit

Tape counter times	Person speaking	Text
		<p>Introductions made and the nature of the enquiry explained.</p> <p>PH has no objection to being interview</p> <p>PH is cautioned and asked to sign form CS001. PH States he does not wish to speak to a Solicitor at this time.</p>
3.30		Form CS003 signed Offer of friend declined.
4.40		PH confirmed that at 1200 hours today he gave permission for a search of his home premises which he owns GRO and his car to take place and filled out forms GS005a and GS005. Following this nothing was found in his car but various documentation was found at his home. PH confirmed no discussion took place following this regarding this enquiry.
6.40		It was clarified PH's home address is GRO He said he has worked

EXHIBIT NO 7

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Tape counter times	Person speaking	Text
8.51	RD PH RD PH RD PH RD PH RD PH RD PH	<p>in Jesmond Post Office for 10 years having been approached by Mr. Khanna when he was doing holiday relief at another Post Office. He was given 'typical Post Office training'. He said he had a Post Office of his own for 6/7 years and provided holiday relief after this at various others.</p> <p>Now you've had written cash accounts, and you've had weekly cash accounts?</p> <p>Yes.</p> <p>And more so you've come onto Horizon branch trading periods.</p> <p>That was monthly one yeah.</p> <p>And your experience with Horizon how would you rate it?</p> <p>Very slow its okay, it's an Auditors tool, that particular one we had problems with because it was connected to a telephone line that also had the fax machine connected to it.</p> <p>What one's that Jesmond?</p> <p>Jesmond and we had BT engineers in looking at the line, we had Horizon engineers in looking at the line and eventually we had to take the fax machine out throw it away and get a new one in provided by Mr. Khanna and now it seemed to work but there was a time there when it wasn't so slow, it wasn't so good. People using cards just weren't getting through.</p> <p>What period was that?</p> <p>I suppose 9 month ago for 3 month.</p> <p>So we're talking about the beginning of this year, December?</p> <p>Yeah I'm not very good with times but yes possibly.</p>
10.30		PH states they had the engineers coming on over a 3 month period.
10.44		PH states the hours of the Post Office were 9 - 5.30 4 days a week with half days on Wednesdays and Saturdays until 2 months ago in June time when it changed to 9 - 5.30 5 days a week and half day on Saturdays 9 - 1. He says he works in there full time. He continued that Doreen Corcoran works full time, Vicky Mitchell and

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Record of Tape Recorded Interview_Continued

Tape counter times	Person speaking	Text
		Thelma Crerrand work part time, the sub-postmaster being Sunil Khanna in name only who has nothing to do with the office and isn't on the Horizon system.
12.45		PH states he is the office manager who looks after the staff and completes the end of month balance. He does not do weekly balances.
13.22	RD	And who does the balance?
	PH	Normally Doreen and I together until we get into the last half an hour or so when we're waiting for the computer which is particularly slow when she will go home and I'll finish it off.
	RD	Ok so what does typically Doreen do?
	PH	Everything until we get to the point where there's only the paperwork to be printed by the computer, all the forms, all the reports are done between us.
	RD	So who would declare the cash?
	PH	Whoever's there really it doesn't necessarily have to be me but it could well be Doreen.
	RD	Right what about stock?
	PH	I declare the stock I spend the afternoon working my way through that until it's all on.
	RD	And what about the rest of, all the bits of paperwork weekly reports etc who does that?
	PH	Well that's done between us until they're all finished and when you press the button on the computer you sit and wait for a while until it does what it's doing with the little egg timer turning and eventually it prints the reports.
14.50		PH explains the computer program is really slow at the end of the day taking up to 1 and half hours. He continued that Doreen leaves about 6.30pm with him staying until 7.30pm.

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Record of Tape Recorded Interview_Continued

Tape counter times	Person speaking	Text
15.26		PH states the pharmacy opening hours are 8.45 until 6.00.
15.44	RD PH RD PH	So on a Wednesday at trading period end. On Wednesday now since we're doing the late full day on a Wednesday instead of shutting at 1 and doing our balance while the shop was open somebody has to stay behind and it's normally Mr. Anil Khanna who stays behind. Mr. Anil Khanna who's he? He's a brother of, elder brother of the sub-postmaster but he puts you under pressure because he wants to go home at 6 o'clock he doesn't want to stay until 7 or half past.
16.26		PH states he opens the Post Office on a morning about 8.30 but Mr. Khanna is already there and lifted the blinds on the shop and opened. PH will go in a open the Post Office.
17.01	RD PH RD PH RD PH RD PH RD PH	And what do you do after that when you open the shop? Take the stuff out of the safe stock into the counter shelves so that we can use them during the day. Is that stock and cash? Yes. Do you put it any of the drawers? Yes. Anything else? No if there's any orders in from Jesmond travel because we do a fair bit of currency and travellers cheques for them, then if I get everything out and in it's place in plenty of time I'll start the foreign currency transactions for Jesmond travel. OK The girls come in whoever's in comes in at quarter to 9 sometimes they're a couple of minutes early sometimes they're a couple of minutes late but it's aimed for

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Record of Tape Recorded Interview_Continued

Tape counter times	Person speaking	Text
		quarter to 9 so that they can get themselves organised and ready for the customers at 9 o'clock.
18.05		PH states there is only 1 stock unit in the office.
18.11	RD	And has that got any letters?
	PH	No.
	RD	There's not an AA on it or a BB or C?
	PH	Oh on the yeah on the Horizon yeah yeah I believe yeah.
	RD	And how many drawers are in the counter positions?
	PH	3 counter positions.
	RD	And the cash and stock where's that in 1 drawer all drawers or?
	PH	Well each member of staff has their own cash to work with but the bulk cash is kept in the middle drawer in the back section of the drawer where it's safe and out of harm's way.
	RD	So cash in separate drawers, anybody actually work out of the middle drawer?
	PH	Yeah there's three positions and middle one it's got the cash in the back of her drawer.
	RD	When you say bulk how much is normally kept in there?
	PH	We would keep 3 thousand in 20's, well split between the 3 positions you get 1 bundle of 20's, 1 bundle of 10's and then we split 2 bundles of 5's between us over the 3 positions and any spare would be left in the back.
	RD	Is this in the bottom drawer?
	PH	Top drawer but at the back of it so that it can't be seen.
	RD	So keys to the Post Office and the safe where are they kept?
	PH	Right they're kept in the chemists hung up on a hook on the dispensing chemists counter. I put them there at half past 5 or when we get the office shut maybe it's 5 minutes after that and I don't see them again until the next morning when I come in at half past 8.

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Record of Tape Recorded Interview_Continued

Tape counter times	Person speaking	Text
	RD	The safes themselves do the safes have time locks on them?
	PH	They don't, they do have a time lock on them yes but they don't have a separate section inside with the extra 40 minutes.
	RD	Right so.
	PH	There is just the basic safe.
	RD	What's the time locks kept at what time do you know?
	PH	So that I can get in for half past 8.
	RD	Right so it comes off at half past 8?
	PH	Yeah
	RD	Can you get in before that?
	PH	Wouldn't think so.
	RD	And after half past 5 can you get in after that?
	PH	I don't know what time is what?
	RD	Well if you finish at half past 5 you lock the safe?
	PH	Yeah
	RD	Can anyone then get into that safe?
	PH	I don't know.
	RD	Or is there time locks on?
	PH	There are times when I don't set it for exactly half past 5 in an evening. I mean I've been worrying about this for a while. One of the things that gets me is that the keys are there on.
	RD	Are they not kept secure?
	PH	No they're hung up just behind the counter. On Wednesday night when I left I put the keys on the hook.
	RD	What Wednesday?
	PH	That was the Wednesday before the Auditors arrived on the Thursday morning so that's 2 days ago.
	RD	17 th ?
	PH	17 th .

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Record of Tape Recorded Interview_Continued

Tape counter times	Person speaking	Text
	RD	Yeah
	PH	I put the keys on the hook as is normal practice, when I came in the next morning the 3 Auditors were with us and Sunil and he handed me the 2 safe keys and he took the office keys out of his pocket I don't know why. I'm saying nothing you know I'm not trying to accuse the guy but that's just the situation on that Thursday morning when the 3 Auditors were there he gave me the 2 safe keys separately and took the office keys out of his pocket. I wouldn't mind knowing if anybody has been into that safe in an evening after I've locked it.
	RD	What time do you lock it on a Wednesday?
	PH	Depends whether we're on a short balance or a long balance.
	RD	Well that Wednesday?
	PH	This Wednesday was a short balance so it would be about ten to 6 quarter to 6.
22.50		PH states there is an alarm code for the post office area.
22.57	CK	And when you open the safe you obviously open it with a key don't you?
	PH	Yeah
	CK	Is there a delay on it?
	PH	5 minutes.
23.12	RD	So who else knows that alarm code?
	PH	Doreen does and Vicky, sorry Thelma does now because when I left on Thursday afternoon I was told to give her the code.
	RD	Ok and what about Vicky?
	PH	I don't think she would know.
	RD	She doesn't know.
	PH	They're both fairly new to us.
23.45		PH states he never takes any keys home and confirms the Post Office alarm is linked to the safe. He says Sunil also knows the code having told him the same when the

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Tape counter times	Person speaking	Text
		alarm went off one time.
24.16	RD	Did it get changed after that?
	PH	It didn't.
	RD	It didn't get changed after that?
	PH	No I'm a simple guy I can only remember one number and it's a number I've used for years.
	RD	So it be fair to say then if someone can get into the office then it's unlikely they'll still be able to get into the safe as well?
	PH	Unlikely but I don't know I presume Romec would tell us.
25.15		PH states his user ID for Horizon is PH0001, the others being DCO001, VMI001 and TCR001. He does not know anybody else's password and they don't know his as far as he knows. He does not write his password down.
26.04	RD	Right ok well the situation here then Peter that the audit have come in on the 18 th September 2008 can you tell me what happened that morning?
	PH	Yeah Sunil let me in, give me the keys, they Auditors introduced themselves I looked at their passes went into the Post Office and let them have a go at it and they found that there was 2 cash declarations made and 1 was well out and at the end of the audit 46 thousand odd was missing.
	RD	£46,053.01p.
	PH	Yeah.
	RD	So what can you tell me about the shortage then?
	PH	I've absolutely no idea.
	RD	No idea?
	PH	Absolutely no idea unless it's the Horizon that's let us down I, I mean there's nobody in there stolen 46,000 I haven't got it it's not in my bank account I spent too many years in the Police force seeing things go wrong to start stealing money from

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Tape counter times	Person speaking	Text
		anybody. I just, I really do not know.
	RD	Why is there 2 cash declarations then?
	PH	There was 1 in because I knew that we were showing short and I covered it up.
	RD	Covered what up?
	PH	The fact that we were short in cash.
	RD	How much by?
	PH	Not by that much erm I can't remember the exact figure.
	RD	Roughly?"
	PH	It started off as 4 or 5,000.
	RD	When was that?
	PH	Oh 6 or 9 month ago.
	RD	When you said it started off 4 or 5,000 what did it creep up to?
	PH	Well it's up to 46,000 now.
	RD	Did you realise how much it was up to?
	PH	No.
	RD	But if you didn't realise how much it was up why is there a second cash declaration for 46,400?
	PH	Erm when you do a cash variance it gives you a shortage figure and I was adding it on I didn't, I didn't get, I didn't look at the total I didn't realise it was getting as high as that. I should have done I'm just bad with.
	RD	But Peter the second cash declaration has got £34,000.00 of 20's and £12,400 worth of 10's.
	PH	Mm
	RD	So you'd have needed to input that into the system?
	PH	It was added onto every time yeah.
	RD	So you knew it was £46,000.00 short, if you've had to input that into the machine.
	PH	There was a second declaration made I've yeah.
	RD	So you knew it was £46,000.00 short?
	PH	I didn't know the total figure.

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Tape counter times	Person speaking	Text
	RD	But if you've had to input those 2 figures into Horizon you must have known. This is against your user ID.
	PH	Yeah
	RD	So you knew it was that amount short.
	PH	I was hoping that we were going to get error notices back because in my heart I hoped it was something that the computer had done or hadn't done and I was waiting for error notices and it got out of hand.
	RD	They'd have been back long before now Peter you're an experienced Subpostmaster so you know they'd have been back
	PH	You're still getting error notices a year back they don't come back as quick as that.
	RD	Right so if it started 6 or 9 months ago was it, can you be more specific when it started?
	PH	No just 6 or 9 month ago I don't know.
	RD	Right and you'd a shortage of 4,000 or £5,000.00, how much have you been adding on every month?
	PH	Erm I've done cash variances every so often and there's been 3 or 4,000 maybe and I still keep hoping that it was going to be something coming back from Horizon with an error notice.
	RD	Why didn't you tell Sunil about these?
	PH	Basically because if you tell them the shit's going to hit, I know the shit's hit the fan already but they're not the easiest guys to talk to. His elder brother is a, I mean I don't get on with him he doesn't like me I'm not very keen on him but he has no idea with man management and he would just go through me, it's going to happen anyway but, I know that but I didn't feel there was anybody I could approach and I'm still waiting for error notices coming back off Horizon.
	RD	I don't think they're going to come back Peter.
	PH	No.
	RD	You know that as well don't you?
	PH	It's going to be a long while now yeah.

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Tape counter times	Person speaking	Text
	RD	I mean for they go.
	PH	I mean my.
	RD	Ah ha carry on
	PH	My bank accounts I've got nothing in them I've got 4 or £5,000.00 in my current, in my bank account there's not a lot there I haven't got £46,000.00.
32.19	RD	What happens to branch trading before this 4 or £5,000.00 went missing, when you had the problem in the office or you'd.
32.33	PH	Sorry if I was short I'd put it in.
	RD	By how much?
	PH	Couple of hundred pound sometimes.
	RD	Why are you putting it in?
	PH	Because I'm responsible for the office basically.
	RD	Is that your contract you've got to make good the shortages?
	PH	It's not actually there no but it was easier than creating hassle with the Khannas.
	RD	Right how often have you actually put money in?
	PH	Most of the time everything was fine, not very often.
33.20		PH states he would put money in on a Thursday morning prior to branch trading coming in.
33.40	CK	Where would you have got that £200.00 from?
	PH	From my own money.
	CK	Drawn it out specifically?
	PH	Not necessarily drawn it out specifically I pay my wife's money from the shop into our joint account and it could come out of that she wouldn't know I wouldn't need to tell her. It was going into the joint account.
34.05	RD	How much was the normal cash holdings for the office?
	PH	Normal cash holdings erm.

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Tape counter times	Person speaking	Text
	RD	Approximately?
	PH	Well we only had 1 pickup and we could send 40 odd thousand back on a Monday sometimes over that it depended how many Giro bank customers had paid in. When it left on the Monday I would leave us with about 5,000 in the safe knowing that giro bank customers would come in and pay in enough for us to do Tuesday Wednesday Thursday from thereon.
	RD	And were you sending money back?"
	PH	It would go back on a Monday.
35.05		Branch trading statements produced.
35.17	RD	This one's going back to 2007 this is trading period 5 for the financial year 2007, 2008. The final branch trading statements 25 th of the 7 th 2007 to the 22 nd of the 8 th 2007. Right it's not signed this one but can you tell me. If you just look here you've got a cash in hand figure can you just confirm 336420.
	PH	336420.
	RD	Yeah but down here you've got an overage of £62,280.80 but then when it says adjustments you've scored that out and put £300.00 do you know what that's about?
	PH	Going back 2 years?
	RD	No 1 year
36.25		PH states he cannot remember this.
36.30	RD	That looks as if you've maybe did something wrong with the declaring of the cash, that's fair to say
	PH	Yeah the 3,000 that's, what day of the week's that that's the Wednesday?
	RD	That be the Wednesday yeah?
	PH	We'd have more than 3 in on the Wednesday.

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Record of Tape Recorded Interview_Continued

Tape counter times	Person speaking	Text
36.50		Trading period 6 produced for 2007/2008 from 22/8/2007 to 19/9/07. PH confirmed the cash in hand figure is £50564.45
37.14	RD PH RD	Would that be an approximate amount in the office? If we could look at next week's and see what I sent back. We don't have, these are just the Branch Trading Statements for the month and all you've got is your out totals. It doesn't tell you.
37.47		Trading period 7 discussed for 2007/2008 from 19/9/07 to 24/10/07 and PH confirmed his signature on the same. PH reads out the cash in hand figure on the same as £65,486.04
38.18	RD PH RD PH RD PH RD PH RD PH RD PH	Now that's gone up £15,000.00 the cash in hand figure over that period? Yeah from week to week I'm not surprised sometimes you get a lot of giro bank customers coming in. This is over a 4 week period. Over a month? Yeah Oh that could be I mean we've got 1 or 2 customers who pay an awful lot of money in and they only, they don't come into us regularly because from a security point of view the use 2 or 3 Post Offices. 1 in particular has paid me in the past 12,000 in 1 day and she's come in the next day and paid another 13,000 in and she's from a tanning studio they've got about 12 of them down in Teeside area apparently. Ok. There can be quite a variation. Trading period 7 has shown a shortage of 776,31 did you report that to the Khannas? No No why did you not report it? Because basically I was responsible for the office I looked after things in-house

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Tape counter times	Person speaking	Text
		basically.
	RD	So what did you do with that then?
	PH	I don't think I put that one in I carried that one over hoping I'd made a mistake with stock.
	RD	How did you carry it over?
	PH	Just left the figures as they were.
	RD	Right did you inflate the cash after that?
	PH	No.
39.50		Trading period 8 for 2007/2008 24/10/07 to 21/11/07 and PH confirmed his signature on the same showing the cash back down to £43,170.74.
40.11	RD	You've got an overage here of £1,239.68p.
	PH	Yeah again it wasn't taken out it was left in the system, none of the figures were altered and it just carried over to the next week.
	RD	If you're £776.00 short the previous month and left that as it was without putting it in why all of a sudden you end up I mean this is near enough £2,000.00.
	PH	It is
	RD	To make it 1239.68.
	PH	Over the 4 weeks I don't know.
	RD	You don't know you can't give an explanation for it.
41.05		Trading period 9 discussed from 21/11/07 to 19/12/07 and PH confirmed his signature on the same with a cash figure of £58,695.00 and an over figure of £651.78.
41.39	RD	Now that's dropped from the 2389 the month before.
	PH	Yeah
	RD	1239 from the month before can you explain that to me?

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Tape counter times	Person speaking	Text
	PH	No I can't.
42.05		Trading period 10 discussed from 19/12/07 to 23/1/08 and PH confirmed his signature on the same with a cash figure of £62,913.14 and £37.00 over.
42.33	RD	Can you explain?
	PH	I can't no.
	RD	These fluctuations?
	PH	Well it's over a 4 week period now instead of a 1 week period but you know I can't.
	RD	And your cash declaration done on that day the 23 rd of the 1 st at 13.15.
	PH	Yeah that must have been a 1 o'clock finish.
	RD	Was 62,970.16 near enough the same.
	PH	Yeah
	PH	It's about £43.00 more than what's actually on that. So you're saying that period you've then falsified the balance?
	PH	No.
		RD explains Branch Trading Statements for period 11 and 12 haven't been found
43.25		Period 1 of financial year 2008/2009 was produced from 26/3/08 to 30/4/08. PH confirmed his signature on the same showing a cash figure of £92,033.05.
43.50	RD	Would that be a true and accurate figure?
	PH	I presume so at the time it seems high.
	RD	You've got an overage of £7573.56....can you explain that?
	PH	No it's obviously, yeah the cash hasn't been put in right.
	RD	Right well if I tell you you've got cash declaration here of £99,606.61 that cash dec was done at 13 12, there's a difference there of £7,000.00, why would that be why would that cash declaration there be different from that one? That overage is a

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Tape counter times	Person speaking	Text
45.17	PH RD PH	<p>difference between that cash dec and that cash dec.</p> <p>I don't know.</p> <p>You can't offer any explanation for that?</p> <p>No.</p> <p>Period 2 30/4/08 to 28/5/08 produced and PH confirmed his signature on the same as he states that he does them all. RD explains cash figure difficult to make out either 104 or 124,779.70 or 78p. PH again has no explanation for the figures on the same.</p>
46.32	RD PH	<p>Now the cash declaration done on this one you can see on the 28th of the 5th is 85,458.24 that was the last cash dec. (buzzer sounds) compared to 104, 124. Now if it's 104 there's 20,000 there difference is it round about that period I mean that's within the last 6, 9 months that you've inflated this cash declaration or this, the cash on this branch trading statement?</p> <p>Just for the benefit of the tape Mr. Holmes is looking at the manual cash declaration. Unless we found something else in the safe in the way of cash and it hasn't been added onto that.</p> <p>The interview terminated at 14.56 on reference 071706.</p>