



Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

Statement of **Sarah Jane BOARDMAN**

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of 2 (two) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything, which I know to be false or do not believe true.

Dated the 15th day of September 2003

Signature

I am employed within the People & Organisational Development Business unit of the Post Office and have been so employed for approximately 9 years, my official title being Postal Officer-Agents Expenses.

The section I work in deals with managing Subpostmasters attendance..

This section keeps records pertaining to the employment history of Post Office Ltd outlets (Sub Post Offices or Modified Sub Post Offices) run by 'Agents' (Sub Postmasters and Postmasters). All such offices are required to notify this section when leave is taken either by the agent themselves or any of their staff, with regards to the Sub Postmasters, they are entitled to receive a substitution payment from Post Office Ltd when they take leave and appoint a temporary sub postmaster to run the office whilst they are away. In those instances Post Office Ltd pay a set amount per day towards the cost of the temporary or relief sub postmaster. As such this section would keep a record of such claims and therefore indicate the periods of leave taken by a Sub Postmaster.

With Modified Sub Post Offices (MSPO), until April 2002, the Postmaster of these outlets could not claim such substitution payments from Post Office Ltd, though they were still required to inform this section of any leave taken.

Signature

Signature witnessed by

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Sarah Jane BOARDMAN

I have been asked by Mr M Patel, of the Investigation section of Post Office Ltd to interrogate our computerised records in relation to Rugeley Post Office (MSPO), 18 Anson Street, Rugeley WS15 2BE, the Postmaster being Mr Carl Page.

From our records I can say that Mr Page commenced as postmaster of Rugeley Post Office on 1st April 1997. Our records also indicate that Mr Page has not informed this section of any periods of leave he may have taken and indeed since April 2002 when he could have claimed for a substitution payment, no such claim has been recorded from Mr Page.

This does not however mean that Mr Page has never taken a holiday since he took over Rugeley Post Office, it merely means that he has not reported any periods of leave to this section even though he is required to do so.

Our records concerning agents attendance go back as far as June 28 1999, which is when this Service Centre was created. Prior to this records may be available from the old Midlands regional office.

Signature

Signature witnessed by

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1987, s8; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)



Statement of Mrs Elaine LIEVESLEY

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of three (3) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 3rd day of October 2003

Signature E Lievesley

I am employed by Post Office Ltd, within Operations based in Chesterfield as a Postal Officer and have been so for approximately 10 years though have been employed by the Post Office for approximately 14 years.

Cheques taken over the Post Office counter are processed on a daily basis by our processing centre called Data Central who then forward the cheques onto our clearing bank, the Co-op who in turn send the cheques onto the relevant banks. For example if it were a Barclays bank cheque, this would be sent to Barclays bank.

If for any reason the bank concerned does not honour the cheque, it is returned to the Co-op clearing bank who in turn send them to the unpaid cheque team. Their role would be to distribute them to the relevant duty holder such as personal banking, DLVA, unidentified etc.

During the period of December 2002, I was working on the unidentified unpaid cheque section and as such as part of my duty, I took receipt of one (1) cheque on 6th January 2003 for an amount of £87,272.73 which had not got the correct information on the

Signature E Lievesley

Signature witnessed by M Patel

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Elaine Lievesley

reverse, the only information on the reverse was the office datestamp and the word Bureau. As the amount of the cheque was very excessive and there were no card details, though it was well in excess of a card limit anyway, I contacted the Postmaster at Rugeley Post Office that same day and as far as I can recall, I believe I initially spoke to a female member of staff to be told that the Postmaster was not available. Later the same day I telephoned the Post Office again and on this occasion spoke to the Postmaster. I asked him what the cheque related to and informed him that he should not be taking cheques for such large amounts. As far as I can recall, he stated that the cheque related to Bureau transaction and that the Post Office would loose a large amount of revenue if we turned this customer away and from the extent of the conversation I was lead to believe that the Postmaster knew this customer fairly well.

Following the conversation with the Postmaster, I then advised my line Manager of the circumstances.

The following day I received a further two (2) unpaid cheques which again were unidentified and therefore came to my section. These two cheques were for an amount of £100,000.00 and £90,909.09 and again had been datestamped on the reverse with the Rugeley datestamp and the word Bureau had been written on. I then alerted my Line Manager to the fact that I had two more large unpaid cheques.

Sometime in mid January 2003, I cannot now be specific about the date, I was contacted by Mr M Patel of the Investigation section at which time I made him aware of the fact that I was in possession of three (3) HSBC cheques which had all been accepted at Rugeley Post Office over the Christmas period and had been returned by our Bank, the Co-operative Bank, as payment had been stopped. All three cheques were drawn on

Signature E Lievesley

Signature witnessed by M Patel

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Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Elaine Lievesley

the account of [REDACTED] GRO and were for amounts of £ 100,000.00, £ 87,272.73 and £ 90,909.09. I was asked by Mr Patel to fax him copies of these cheques, which I did later that day. I also made Mr Patel aware that the Co-Operative Bank had made it known to me that two (2) more very large cheques drawn on the same company account and taken by Rugeley Post Office in early January 2003, were also on their way back to the Post Office as payment had also been stopped on them, these further two cheques were for an amount of £ 100,000.00 and £ 84,332.18. I also provided Mr Patel with copies of these cheques.

Subsequently when I had received the remaining two original cheques, I forwarded all five (5) cheques towards the end of January 2003 by Royal Mail Special Delivery to the investigation section at the request of Mr Patel.

Signature E Lievesley

Signature witnessed by M Patel

CS011A

Version 3.0 11/02



Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

| | |
|-------------------------------|------------|
| Statement of | Mark Irvin |
| Age if under 18 | Over 18 |
| (If over 18 insert 'over 18') | |

This statement (consisting of 2 (two) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything, which I know to be false or do not believe true.

Dated the 16th day of January 2003

Signature M Irvin

I am the above named person and I currently reside at the address stated overleaf. I am presently employed as a Retail Line Manager, I have held this position for approximately two and a half years, although previously I have worked eleven years as a Branch manager. Part of my duties include the promotion of sales and maintenance of customer service in fifty four post offices. This would include a third of these offices visited on a monthly basis and all the other three monthly. One of the offices within my current area is Rugeley Modified Sub Post Office. I have covered this office for approximately three months. In this time period I have discussed with the subpostmaster, Mr Carl Page, by telephone twice and I have visited the office in person on three occasions. However, on the last visit Mr Page was not at the office. The purpose of this visit was an adhoc visit to check product of the month point of sale, before I left home for the office, I received a phone call from Cheque Resolution Department in Chesterfield, advising me that two cheques for approximately one hundred thousand pounds each had been referred to drawer or stopped. I was told that

Signature M Irvin

Signature witnessed by M Bushell



Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Mark Irvin

the cheques were on an account in the name of [REDACTED], GRO [REDACTED]. I immediately went to Rugeley, the subpostmaster was not there. I asked the officer in charge, Margaret Pearce if she had heard of the company, she said that she had not. I then proceeded to discuss the product of the month, Travel Insurance, with Margaret and the rest of the staff. I also told Margaret to tell Carl that I would contact him by phone to arrange a visit to discuss the transactions through the bureau and indeed these cheques. I can confirm that I contacted Carl Page on Thursday 9th January 2003, and arranged to visit the office on Tuesday 14th January 2003. On Monday 13th January, I was contacted by Manish Patel, Investigation Team Leader who told me that Customs and excise had arrested a [REDACTED] GRO [REDACTED] and that they were going to arrest the subpostmaster, Carl Page that evening. He advised me that the audit team was going in at 08.30 the next morning and agreed that I should be present, I did mention that it was an 8 o'Clock opening. I attended the office whilst the audit was carried out and I was also present when Manish Patel spoke to Carl Page to suspend him by telephone. I was at Rugeley Post Office at approximately 09.50 hours on Wednesday 15th, when I was contacted by Mandy Bushell, Investigation Manager, who asked if I could go to Staffordshire Police Headquarters to collect paperwork that had been seized by the police on Monday evening and also five cheques which were made payable to Post Office Limited, for bureau transactions. The values of the cheques I collected were: £278181.82, £100000.00, £100000.00, £100000.00 and £60493.83 which I signed for. After this I went to the CO-OP bank in Greengate Street, Stafford

Signature M Irvin

Signature witnessed by M Bushell

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Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Mark Irvin

and paid in the one cheque for £278181.82 into the Central Cashiers account. I arranged for this to be express cleared. The other paperwork and the remaining cheques that I collected were then handed to Michael Cooksey, Investigation Manager at approximately 19.45 at my home address. I can confirm that during my short time as Retail Line Manager the subject of the bureau rates with Carl Page was not discussed.

Signature M Irvin

CS011A

Signature witnessed by M Bushell

Version 3.0 11/02





Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

Statement of **Michael Joseph COOKSEY**

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of 1 (one) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything, which I know to be false or do not believe true.

Dated the 22nd day of September 2003

Signature M J Cooksey

I am employed as an Investigation Manager for Post Office Ltd (POL) and have been so employed for approximately 5 years, though I have been employed by the Post Office for approximately 26 years. I am responsible for the detection and investigation of criminal activity committed by employees against the Post Office.

On the evening of Wednesday 15th January 2003, I attended the home address of Mr M Irvin at which time he handed me a quantity of documentation relating to Rugeley Post Office. I then secured this overnight and handed over the documentation to Mr M Patel early the following morning, Thursday 16th January 2003.

Signature M J Cooksey

Signature witnessed by M Patel

CS011 (Side A)

Version 3.0 11/02



Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B; MC Rules 1981, r 70)

Statement of Mr Steve GERATY

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of One (1) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 15th day of May 2003

Signature S Geraty

Further to my statement dated 14th February 2003, as previously stated my involvement as the Retail Network Manager for Rugeley Post Office and Mr Carl Page occurred some 4 years ago and therefore I cannot now recall specific conversations or dealings I had with Mr Page, however I can state that I as a Retail Network Manager for Post Office Ltd do not have the authority nor would I sanction an agent or Subpostmaster to sell products or provide services for less than the specified monetary value either as stipulated by Post Office Ltd or it's clients for whom products are sold by Post Office Ltd on their behalf. This includes the Bureau de Change product for which our joint partner First Rate Travel stipulates the selling and buying exchange rates for all currencies and travellers cheques sold at Post Office outlets.

Signature S Geraty

Signature witnessed by M Patel



Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

Statement of **Steve Geraty**

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of one (1) page each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 14th day of February 2003

Signature **S Geraty**

I am the above named person and I currently reside at the address stated overleaf. I currently am employed by Post Office Limited, part of the Royal Mail Group as a Retail Line Manager, I have held this position since 1986, However, I have been employed by the Post Office for 31 years, in total covering many different roles. I can confirm that during this time I became the Retail Network Manager for an office in Rugeley, Staffordshire. It was approximately 1998 and I continued with this for a period of about eighteen months two years. The manager at the time was Mr Carl Page, when I began covering this office as Retail Network Manager the office did not conduct bureau de change transactions, and it is my belief that Carl Page began doing these transactions at a later date. As this happened some four years ago I cannot recall too many other details.

Signature **S Geraty**

Signature witnessed by **M Bushell**



Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

| | |
|-----------------|---------------------------------------|
| Statement of | James Gerard Coney |
| Age if under 18 | Over 18 (If over 18 insert 'over 18') |

This statement (consisting of two pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 16th day of January 2003

Signature J G Coney

I am the above named person and I currently reside at the address stated overleaf. I am currently employed as a Retail Line Manager for Post Office Limited, part of the Royal Mail Group. I have held this position since 1993, my duties include any sales and service issues at independent branches. I currently cover fifty one post offices and I visit each office when necessary. I became the Retail Line Manager for Rugeley Post Office in October 2001, and I can confirm that Mr Carl Page was registered Subpostmaster. I covered this office until October 2002. At this time it was transferred to Mr Mark Irvin. Whilst covering this office I would aim to visit Mr Page approximately every six weeks, however, on occasions it would be less than this. I can recall that on one of my visits we were discussing sales and Mr Page mentioned that he did some business with some local companies and he would do currency transactions in bulk for them. At no point did he mention he did these at a different rate. J G Coney

Signature J G Coney

Signature witnessed by

M Bushell

CS011A (Side A)

Version 3.0 11/02

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)



Statement of Mrs Shirley Brocklehurst

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of two (2) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 3rd day of October 2003

Signature S Brocklehurst

I am employed as a Postal Officer within the Finance section of Post Office Ltd based in Chesterfield and have been so employed for approximately 23 years.

I work within the Cheque Error Resolution team, which is responsible for dealing with accounting errors with respect to the cheque line on the cash account. If there are discrepancies this section would be responsible for dealing with the office concerned and sorting the situation out.

Cheques taken over the counter should be despatched by the office on a daily basis and are forwarded to Data Central in London, which is the Post Office's cheque processing centre. All received cheques are microfilmed that evening and the cheques themselves are sent away to the Co-op clearing bank whilst the microfilm is sent to Kodak for processing and then the microfilms are forwarded to this section in Chesterfield to archive, these are held for between 2 - 3 years.

On 30th January 2003, I received a telephone call from Mr Trevor Lockey, Investigation Manager who asked me to obtain copies of all cheques accepted at Rugeley Post Office

Signature S Brocklehurst

Signature witnessed by M Patel

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Shirley BROCKLEHURST

over the last two years in the name of GRO I explained that these would be microfilm copies. On the following day, I informed Mr Lockey that I had also found large value cheques in the name of GRO personal account and therefore I was asked to forward copies of all cheques in relation to GRO and GRO personal account.

At the beginning of February 2003, I forwarded a large quantity of microfilm copy cheques covering a period between late June 2000 through to 7th January 2003 to the Investigation section and which I now produce as item number SB/01.

Each of the cheques which I located were associated with the relevant Batch Control Voucher (BCV) used to despatch the cheques by the Post Office concerned, these were also copied and are now part of SB/01.

Signature S Brocklehurst

Signature witnessed by M Patel

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1957, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)



Statement of Mrs Mary Elizabeth PEET

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of Two (2) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 1st day of October 2003

Signature M E Peet

I am employed by the Post Office as the Travel Services Manager based in Chesterfield and have been so employed for approximately eighteen months, although I have been employed by the Post Office for approximately twenty nine years.

My current role involves overseeing the financial 'Exception Handling' process for the Bureau de Change and Passport products.

Part of my team's responsibility is to receive and process the Bureau de Change Forde Moneychanger Command 10 summary printout from which the commission, revaluation figures and other transactional sales and purchase data is keyed into our computerised database. These Command 10 printouts should be sent to my section on a weekly basis by each Post Office outlet, which conducts 'On demand' Bureau transactions. The printout include details of the office, including its unique 7-digit FAD code, the cash account week number and the figure relating to that office's commission and revaluation figure (either positive or negative). Attached to this form should also be the Commission and Revaluation Summary form, known initially as a BUR 1 form or more recently as a P4833 form. This form shows the commission and revaluation

Signature M E Peet

Signature witnessed by M Patel

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Mary Elizabeth PEET

figures which have been copied by the branch from the Command 10.

Having processed the Command 10 printout figures onto our database, the information is used for Management Information purposes and Exception Handling processes. The Command 10 and P4833 are then archived.

On 9th April 2003 I received a request from Mr M Patel of the Investigation Section for the original P4833 forms and attached Command 10 printouts in relation to Rugeley Post Office pertaining to the period week 13 (w/e 26.06.02) to week 42 (w/e 15.01.03). The documentation, which could be located in our archives for that period, was extracted and handed to Mr Patel on Wednesday 16th April 2003.

On 16th September, I received a further request from Mr Patel for the same documentation to cover the period from week 50 (w/e 06.03.02) to week 13 (w/e 26.06.02) and again any original documentation which could be located has now been handed to Mr Patel.

I now formally produce the relevant documentation covering the period from week 50 (06.03.02) to week 42 (15.01.03) as item number MEP/01.

Signature M E Peet

CS011A

Signature witnessed by M Patel

Version 3.0 11/02



Witness Statement

(CJ Act, 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B; MC Rules 1981, r 70)

Statement of Mr Douglas Paul BROWN

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of 5 (Five) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything, which I know to be false or do not believe true.

Dated the 18th day of September 2003

Signature D Brown

I am currently employed as a Flexible Planning and West Retail Cash Manager which is a part of Post Office Ltd Operations, though have been employed within Cash Management for approximately 16 years. I have been employed by the Post Office for approximately 18 years.

During 2002, I was the Flexible Planning Manager based in Bristol, the role being to implement an automated system for calculating the cash requirements for Post Office Branches and to calculate the replenishment values to be supplied on their delivery days.

Up until October 2002, all Post Office Branches throughout the Country were set daily cash holding targets, which were revised on a periodic basis. The Offices were also supplied with fixed standard replenishment values, which remained constant unless changed by the branch.

The reason behind setting daily cash targets was to minimise Post Office costs in lost interest whilst maintaining sufficient cash to meet the office's daily requirement. In order to carry out this process all branches have to supply their daily cash on hand figures known commonly at that time as Overnight Cash Holdings (ONCH), this figure

Signature D Brown

Signature witnessed by M Patel

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Douglas Paul BROWN

should be as accurate as possible and should certainly be within a £100 of what is physically held on site at the office. I should also point out that this figure relates only to Sterling and does not include Foreign currency though would include any sterling held within the Bureau till.

The method used by the branches to notify this section of their daily ONCH figure required completion of a form known as an ONCH return form given the number P4105. This form would be submitted by each branch once a week usually on the Thursday showing the daily cash holding figures for the previous cash account week.

Upon receipt of these forms within this section, the team here would manually input the figures into a computerised system called RECALL. This database would be used to compare the submitted Wednesday figure to the Wednesday target as that was the most recent actual holding figure. The team would then contact branches to agree remedial action to correct the excessive cash holding.

The total weekly submitted figure was also compared with the weekly set target figure so that remedial action could be taken with the branches if required.

The form P4105 can also be submitted by fax to this section, however, if we did not receive a form either by post or by fax the team here would contact the branch concerned by telephone to request that information. If this method was also unsuccessful and we did not have any figures from a branch then the RECALL system automatically used the previous six weeks figures to obtain an average, which was then used for that week.

The P4105 forms are now obsolete, though when in use their retention period was only 13 weeks before being destroyed and therefore these documents are no longer

Signature D Brown

Signature witnessed by M Patel

CS011A

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Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Douglas Paul BROWN

available for the period concerned. Currently this section now obtains the cash holding figures via the Horizon system and documentation is no longer required to be submitted to this section.

I cannot now be specific about dates as the matter under enquiry occurred some time ago but towards the end of June 2002, I was asked to resume control of the West Inventory Team due to staff shortages and excessive cash holdings Nationally. I was specifically looking at offices with excessive cash holding in excess of 100% of target which would have been sorted into value order. One such office, which fell into this category, was Rugeley MSPO.

The RECALL system in use at the time allowed the facility to maintain an individual branch log which is basically a documented history of the teams contact with the outlet. Therefore any contact made to the outlet by the team or myself would be logged and retained on this system for 12 calendar months.

I have today been shown a printout of the log relating to Rugeley MSPO for the period between March 2002 to March 2003, I now produce this printout as item number DPB/01.

I have used the entries made on this printout of the log to assist with making this statement today. There is an entry for Friday 26th July 2002 at 09:22 hours showing my user name, which indicates that this entry was made by me. It is in relation to me contacting Ruegley MSPO on Thursday 25th July 2002, although I have made this entry on the following morning, I cannot now recall why this entry was not entered at the time.

The reason why I would have contacted the office was because it would have featured high on the list of branches exceeding target and this could have been as a result of

Signature D Brown

Signature witnessed by M Patel

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(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Douglas Paul BROWN

RECALL providing estimated figures and therefore I needed to obtain actual figures from the office.

Upon initial contact that day I believe it was Carl Page, the postmaster who I spoke to and later that day the team would have received a fax from the office giving actual cash holding figures for cash account weeks 14, 15 and 16. On receipt of this fax I would have noticed that the actual declared figures were far higher than the set targets and therefore I contacted the office again later that day and definitely spoke to Carl Page requesting that he return £250,000.00 back to the cash centre as he was well over target.

I cannot now recall exactly what was said at that time by Mr Page however from the entry I have recorded in DPB/01, it must have lead me to have concerns that the cash would not be returned and therefore I contacted the Retail Line Manager responsible for that office, Mr Stephen Cartwright and made him aware of the situation.

The above all occurred on Thursday 25th July 2002, though I made the entry on the log on Friday 26th July 2002 in the morning.

On Friday 26th July 2002 at 09:28 hours I have made another entry on the log, this would have been in relation to the fact that the Cash in Transit (CIT) crew who would have attended the office to collect the surplus cash had reported that there was nothing there for collection and therefore I would have been made aware of this and immediately contacted the office myself. Upon doing so I have obviously been made aware that Carl Page (CP) was not in the office and the remaining staff indicated that they had nothing to return. I therefore contacted Mr Cartwright and made him aware of this on the same day.

Signature D Brown

Signature witnessed by M Patel

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(CJ Act 1987, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **Douglas Paul BROWN**

All documentation apart from the log entries, including the fax mentioned above are now no longer available as they have been destroyed.

Signature D Brown

Signature witnessed by M Patel

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Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

Statement of Mr Stephen Charles CARTWRIGHT

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of six (6) page each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 22nd day of September 2003

Signature S Cartwright

I am employed as a Retail Line Manager (RLM) by Post Office Ltd and have been so employed for approximately 5 years.

My Role as an RLM is wide ranging including the appointment process for new Subpostmasters, monitoring and taking appropriate action on targets and standards, including Overnight Cash Holding figures (ONCH), through to the vacancy process when a Subpostmaster leaves the business.

During July 2002, I was covering for one of my colleagues, Mr Jim Coney, also an RLM whilst he was away on annual leave. One of the Post Offices in Jim's area was Rugeley MSPO. I was covering Jim's area for a two week period towards the end of July 2002.

Whilst I was covering for Jim, I was contacted by the Cash Management section in

Signature S Cartwright

Signature witnessed by M Patel

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Stephen Charles Cartwright

Bristol, though I cannot now remember the name of the gentleman I spoke to. I know this date was Friday 26th July 2002 as I have referred to my Travel & Subsistence claim, which was submitted at the time. The Cash Management section made me aware of the fact that a Cash in transit (CIT) vehicle (secure vehicle) had been sent to Rugeley MSPO to collect a surplus of cash and that when the vehicle had arrived at the office, the Postmaster, Mr Carl Page was not present and therefore the cash could not be collected and the staff knew nothing about the collection.

As a result of this conversation, I spoke with the Audit section to see if I could arrange for an Asset Verification (AV) of the office, attempts were made to perform an audit that day, however soon after lunch time it became apparent that the audit team were unable to send anyone to the office, therefore I was asked if I would attend the office and carry out a spot check of the cash on hand, which I agreed to do

On the same day later that afternoon, I attended Rugeley Post Office without prior warning and was allowed into the secure area of the office. I was informed that the Postmaster, Mr Page was not in and that they did not know when he would return to the office, nor where he had gone.

I asked the staff who was in charge whilst Mr Page was not there and nobody seemed

Signature S Cartwright

Signature witnessed by M Patel

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B; MC Rules 1981, r 70)

Continuation of statement of Stephen Charles Cartwright

to know so I dealt with two ladies, whose names I cannot now remember. I informed them that there were some concerns as Carl had been asked to return a large sum of money that week and had failed to do so and therefore I was at the office to carry out a check of the cash.

One of the ladies asked me if they should try and get hold of Carl on his mobile phone and I agreed that they should attempt to do so. I was then informed that a message had been left on his mobile phone to contact the office.

I then asked one of the ladies to interrogate the Horizon computerised system and obtain from it a printout known as a snap shot. This 'snap shot' provides a summary of the cash and stock which should be available at the office at the time of the printout and therefore armed with this I was able to perform an examination of the physical cash on site. I actually asked the ladies to count out the bulk cash held in the main safe in front of me and it was evident that the bulk cash represented the majority of the figure shown on the snap shot. I did not retain this Horizon snap shot printout.

I then agreed with the ladies as to the amount of 'working' cash I should leave at the office and the amount, which was surplus and could be despatched to the cash centre. The figure agreed was £ 160,000.00 in Sterling which I asked the ladies to 'bag' up

Signature S Cartwright

Signature witnessed by M Patel

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Stephen Charles Cartwright

ready for collection by the CIT vehicle which was due to attend the office later that afternoon.

A despatch of cash or stock to the Cash Centre is commonly referred to as a Remittance out (REM) within the Post Office.

During late afternoon, about 3pm to 3:30 pm, though I cannot recall exactly, Mr Page contacted the office by phone and I spoke with him. I explained to Mr Page why I was at the office and what I had done, Mr Page stated that he would return to the office in 20 minutes.

When Mr Page arrived at the office, I again explained to him why I had attended the office and the fact that I had arranged with the ladies to REM out £160,000.00 and in fact this cash was being collected by CIT as Mr Page arrived at the office.

I then had a brief chat with Mr Page and then left the Post Office. Subsequently I informed those parties including Mr Coney upon his return of what had taken place. I had no further dealing's with this Post Office.

Signature S Cartwright

Signature witnessed by M Patel

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Stephen Charles Cartwright

I have today been shown by Mr Patel of the Investigation section, two (2) Horizon Cash Account printouts pertaining to Rugeley MSPO. The 1st is Cash account week number 17, covering the period Thursday 18th July 2002 to Wednesday 24th July 2002 and identified as item number MP/24. The 2nd is Cash account week number 18, covering the period Thursday 25th July 2002 to Wednesday 31st July 2002 and identified as item number MP/21.

The cash on hand figure shown in table 5 for week 17 (MP/24) shows £412,791.72, this represents the value of the cash actually held on site at the office at close of business on Thursday 24th July 2002. The figure below this in table 5 of £6,683.95 indicates the Sterling equivalent of Foreign Currency held on site at the office at close of business on Thursday 24th July 2002.

As stated above I attended the Office on Friday 26th July 2002, one working day after the final cash account for week 17 had been completed. The same figures in relation to cash account week number 18 (MP/21) shows £87,162.07 as cash on hand at the close of business on Wednesday 31st July 2003 and £191,095.97 as the Sterling equivalent of Foreign Currency on hand at the close of business on Wednesday 31st July 2003.

Also in the payments table, line 82 there is a figure of £160,000.00, this is in relation to the amount I requested to be returned to the Cash Centre on my visit on Thursday 26th

Signature S Cartwright

Signature witnessed by M Patel

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Stephen Charles Cartwright

July 2002. This figure is also shown in the last table, table number 9 as a cash
Remittance out of the office.

Signature S Cartwright

Signature witnessed by M Patel

CS011A

Version 3.0 11/02



Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

Statement of Mrs Gwen TALBOT

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of three (3) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 10th day of September 2003

Signature G Talbot

I am employed as a Foreign Exchange Cashier by West Midlands Co-op Travel, 4a Upper Brook Street, Rugeley and have been so employed for approximately 14 years, though the Co-op has employed me for some 24 years. This outlet operates, as a Travel Agent offering holidays to the general public, within the outlet is a Bureau de Change section, which is where I work. We buy and sell various foreign currencies to the general public for which the exchange rate is displayed on a plain manual board that is updated daily as the exchange rates fluctuate.

I am aware that the Post Office in Rugeley also operates a Bureau de Change and I do know the Postmaster, Mr Carl Page, I also know some of the post office staff members as they come into the Co-op to purchase foreign currency from us from time to time.

At times I have received a telephone call from one of the staff at Rugeley Post Office who ask if we have a particular currency in stock and the exchange rate. It would appear that on these occasions the Post Office have run out of a particular currency and therefore they come to the Co-op and buy that currency from us. Having taken the phone call, the person will tell me what currency they want and the amount and shortly

Signature G Talbot

Signature witnessed by M Patel

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Gwen Talbot

afterwards they pop along to the Co-op and collect it having paid me the equivalent amount in Sterling. Although I am aware that this currency is for the Post Office, they are not given a discount or preferential exchange rates, the rates they are provided are the same as that displayed on our exchange rate board and given to the ordinary members of the public regardless of how large an amount of currency is purchased from us.

When I perform the transaction, our computerised system calculates the sterling amount which I collect from the customer, it also produces a printout which shows the customers name, which for the Post Office I put down as Mr C Page regardless of whether it was he who came to collect it or one of his staff, it also shows the total amount of each type of currency purchased. One copy of this printout is handed to the customer together with their currency

In late April 2003, I received a telephone call from Mr M Patel of the Post Office Security team making enquiries about the Co-op's dealings with the Rugeley Post Office. As a result of this conversation I looked through our archived records and extracted any records where foreign currency had been sold to Rugeley Post Office during the period from the beginning of 2002 to 13th January 2003.

Subsequently on Wednesday 30th April 2003, Mr Patel attended the Co-op in Rugeley at which time he spoke with the outlet Manager and myself. At that time I had not had sufficient time to look through all of the records and therefore had only found some of the computer printouts, which I copied and handed to Mr Patel.

Subsequently on Wednesday 28th May 2003, Mr Patel again attended the Co-op at

Signature G Talbot

Signature witnessed by M Patel

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of Gwen Talbot

which time I handed him copies of the remainder of the currency transactions I had located pertaining to Rugeley Post Office, I have retained the originals which will be made available as and when required and are identified as item number GT/1.

Subsequently on Wednesday 10th September 2003, Mr Patel attended the Co-op at which time he showed me a schedule headed Co-op Travel foreign currency sales schedule, which he had compiled using the information shown on the copies of the foreign currency printouts I had previously given to him and identified as item number MP/100. I examined this schedule and confirmed that the entries matched the information contained on the original printouts held by me (GT/1) and show the various transactions conducted in relation to the sale of currency to Rugeley Post Office since the beginning of 2002 to 13th January 2003.

Mr Patel also asked me to interrogate our computerised system and to extract from it the exchange rate we were providing for the sale of Euros to the general public on a number of specific dates, unfortunately that was not possible and the only way to obtain those exchange rates was to physically go through our archived records and extract the records pertaining to the sale of Euros on the specified dates given to me by Mr Patel. Mr Patel then recorded the relevant figures on a schedule he had prepared (MP/101) and headed Co-op Travel Rugeley - Euro Exchange Rate. Most of these exchange rates are for periods in the year 2002, these are the exchange rates that the Co-op would have sold Euros on the given date.

Signature G Talbot

Signature witnessed by M Patel

CS011A

Version 3.0 11/02

WITNESS STATEMENT

(CJ Act 1967, S.9 MC Act 1980 SS.5A (3A and 5B), MC Rules 1981, r.70)

Statement of: Pippa Barker

Occupation: Compliance Officer –

Anti Money Laundering

Age: Over 21

Operations Audit & Security

This statement consisting of 14 pages signed by me is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

Dated the 3rd day of December 2002.

Signature: **GRO**

I am employed by Thomas Cook Retail Limited in their headquarters in Peterborough as Anti Money Laundering Compliance Officer. Part of my duties include the authorisation of disclosures of information from our United Kingdom businesses to any third party including HM Customs and Excise.

On the 20th of November 2002 Thomas Cook UK Ltd received a Production Order issued by Southwark Crown Court to Lucy Bain of HM Customs & Excise. The Production Order is in relation to transactions carried out by **GRO** **GRO** **GRO** between the period 2nd of January 2002 and 31st of October 2002.

The above named individuals have carried out transactions at the following four Thomas Cook locations during the period in question:-

- The Cloisters, 43 Bore Street, Lichfield, Staffordshire, WS13 6NB
- Unit 7, Peel Court, Market Hall Street, Cannock, Staffordshire, WS11 1EB
- 61 Ankerside, Tamworth, Staffordshire, B79 7LG
- 99 New Street, Birmingham, B2 4HW

GRO **GRO** provided telephone numbers **GRO** **GRO** as contacts, his Business Card, Driving Licence number **GRO** **GRO** as identification, and his date of birth as the **GRO** **GRO**

I present photocopies of the Business Card and Driving Licence x 2, as Exhibit PB01.

GRO

The majority of payments made to **GRO** in exchange for the Euro notes he sold to Thomas Cook, were credited direct to bank account numbers **GRO**, sort code **GRO** and **GRO** 5, sort code **GRO**

The procedure adopted by **GRO** was that he would deliver the Euro notes to the Thomas Cook branch in person and leave it uncounted for the branch to verify. Once the verification had taken place, the Sterling equivalent would be credited to one of the two bank accounts detailed in the previous paragraph by a Head Office transfer known as a Hexagon payment.

Please note, some original Till Receipts cannot be located. Where this is the case, it has been necessary to either produce a photocopy of the original receipt or print a copy receipt. When a copy receipt is printed, the point of sale shows the date and time the print was made, as opposed to the date and time of the original transaction. In these instances I have crossed out the print screen date and recorded the actual date that the transaction took place.

From Company records I can confirm the following:-

FINANCIAL TRANSACTIONS

On the 16th of January 2002 at the Lichfield branch, **GRO** sold €40,000 Euro notes and was paid the £23,694.30 Sterling equivalent by Thomas Cook cheque that was made payable to **GRO**.

I present the Foreign Exchange Large Bordereau and Till Receipt that relate to this transaction, as Exhibit PB02.

On the 21st of January 2002 at the Lichfield branch, **GRO** sold €23,000 Euro notes and was paid the £13,653.38 Sterling equivalent by Thomas Cook cheque that was made payable to **GRO**.

I present the Foreign Exchange Large Bordereau and Till Receipt that relate to this transaction, as Exhibit PB03.

On the 22nd of January 2002 at the Lichfield branch, **GRO** sold €40,000 Euro notes and was paid the £23,937.76 Sterling equivalent by Thomas Cook cheque. It is not possible to establish for certain at present, who the cheque was made payable to.

I present the Foreign Exchange Large Bordereau and Till Receipt that relate to this transaction, as Exhibit PB04.

On the 25th of January 2002 at the Lichfield branch, **GRO** sold €43,000 Euro notes. The £25,981.87 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB05.

On the 30th of January 2002 at the Lichfield branch, **GRO** sold €41,340 Euro notes. The £24,873.65 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB06.

GRO

On the 1st of February 2002 at the Lichfield branch, [REDACTED] **GRO** sold €34,000 Euro notes. The £20,371.48 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB07.

On the 4th of February 2002 at the Lichfield branch, [REDACTED] **GRO** sold €28,000 Euro notes. The £16,816.82 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB08.

On the 5th of February 2002 at the Lichfield branch, [REDACTED] **GRO** sold €25,000 Euro notes. The £15,069.32 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB09.

On the 7th of February 2002 at the Lichfield branch, [REDACTED] **GRO** sold €29,970 Euro notes. The £18,163.64 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB10.

On the 12th of February 2002 at the Lichfield branch, [REDACTED] **GRO** sold €67,800 Euro notes. The £41,165.76 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB11.

On the 14th of February 2002 at the Lichfield branch, [REDACTED] **GRO** sold €25,000 Euro notes. The £15,265.31 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, a copy Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB12.

On the 15th of February 2002 at the Lichfield branch, [REDACTED] **GRO** sold €26,000 Euro notes. The £15,875.92 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB13.

On the 19th of February 2002 at the Lichfield branch, [REDACTED] **GRO** sold €55,900 Euro notes. The £33,674.70 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB14.

On the 21st of February 2002 at the Cannock branch, [REDACTED] **GRO** sold €30,000 Euro notes. The £18,072.29 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau and Till Receipt that relate to this transaction, as Exhibit PB15.

The Hexagon Payment Sheet cannot be located for this transaction.

[REDACTED]
GRO

On the 22nd of February 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €38,000 Euro notes. The £22,891.57 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB16.

On the 25th of February 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €50,000 Euro notes. The £30,229.75 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, a copy Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB17.

On the 27th of February 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €31,500 Euro notes. The £19,044.74 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB18.

On the 1st of March 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €60,000 Euro notes. The £36,363.64 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB19.

On the 4th of March 2002 at the Cannock branch, [REDACTED] **GRO** [REDACTED] sold €35,000 Euro notes. The £21,097.05 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB20.

On the 5th of March 2002 at the Cannock branch, [REDACTED] **GRO** [REDACTED] sold €35,000 Euro notes. The £21,148.04 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB21.

On the 7th of March 2002 at the Cannock branch, [REDACTED] **GRO** [REDACTED] sold €38,000 Euro notes. The £23,030.30 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB22.

On the 9th of March 2002 at the Cannock branch, [REDACTED] **GRO** [REDACTED] sold €40,000 Euro notes. The £24,242.42 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB23.

On the 12th of March 2002 at the Cannock branch, [REDACTED] **GRO** [REDACTED] sold €57,000 Euro notes. The £34,777.30 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB24.

GRO
GRO

On the 14th of March 2002 at the Lichfield branch **GRO** sold €60,000 Euro notes. The £36,809.82 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB25.

On the 19th of March 2002 at the Lichfield branch, **GRO** sold €40,600 Euro notes. The £24,907.98 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB26.

On the 21st of March 2002 at the Cannock branch, **GRO** sold €53,000 Euro notes. The £32,515.34 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB27.

On the 22nd of March 2002 at the Lichfield branch **GRO** sold €84,000 Euro notes. The £51,407.59 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau and Till Receipt that relate to this transaction, as Exhibit PB28. The Hexagon Payment Sheet cannot be located for this transaction.

On the 23rd of March 2002 at the Lichfield branch **GRO** sold €5,000 Euro notes. The £3,059.98 Sterling equivalent was credited to his bank account. I present the Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB29.

On the 27th of March 2002 at the Lichfield branch, **GRO** sold €71,000 Euro notes. The £43,239.95 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB30.

On the 28th of March 2002 at the Cannock branch, **GRO** sold €45,000 Euro notes. The £27,289.27 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB31.

On the 3rd of April 2002 at the Lichfield branch, **GRO** sold €87,400 Euro notes. The £52,969.70 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB32.

On the 5th of April 2002 at the Lichfield branch, **GRO** sold €75,100 Euro notes. The £45,542.75 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB33.

GRO

On the 10th of April 2002 at the Lichfield branch, **GRO** sold €95,000 Euro notes. The £57,575.76 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, a copy Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB34.

On the 12th of April 2002 at the Lichfield branch, **GRO** sold €46,000 Euro notes. The £27,878.79 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB35.

On the 17th of April 2002 at the Lichfield branch, **GRO** sold €30,000 Euro notes. The £18,148.82 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB36.

On the 18th of April 2002 at the Lichfield branch, **GRO** sold €54,240 Euro notes. The £33,012.78 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB37.

On the 23rd of April 2002 at the Lichfield branch, **GRO** sold €103,360 Euro notes. The £62,890.17 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, a copy Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB38.

On the 25th of April 2002 at the Lichfield branch, **GRO** sold €63,260 Euro notes. The £38,479.32 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB39.

On the 27th of April 2002 at the Lichfield branch, **GRO** sold €80,000 Euro notes and on the 29th of April he sold €110 Euro notes. The total £48,937.08 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, 2 x Till Receipts and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB40.

On the 30th of April 2002 at the Lichfield branch, **GRO** sold €72,000 Euro notes. The £44,063.65 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB41.

On the 3rd of May 2002 at the Lichfield branch, **GRO** sold €76,500 Euro notes. The £46,760.39 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB42. **GRO**

GRO

On the 7th of May 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €53,000 Euro notes. £29,466.38 of the £32,615.38 Sterling equivalent, minus a £20 fee was credited to his bank account. The £3,129 balance was paid to him in cash, which was used to make payment on the holiday booked to travel on the 15th of June 2002. (Please refer to the Travel Bookings section at the end of this statement for further details of travel bookings made).

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction as Exhibit PB43.

On the 10th of May 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €107,000 Euro notes. The £65,927.30 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB44.

On the 14th of May 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €94,100 Euro notes. The £58,230.20 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB45.

On the 17th of May 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €99,000 Euro notes. The £61,567.16 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB46.

On the 21st of May 2002 at the Cannock branch, [REDACTED] **GRO** [REDACTED] sold €82,500 Euro notes. The £51,498.13 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB47.

On the 24th of May 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €134,000 Euro notes. The £84,118.02 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB48.

On the 28th of May 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €54,000 Euro notes. £32,730 of the £33,750 Sterling equivalent, minus a £20 fee was credited to his bank account.

The £1,000 balance was paid to him in cash.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB49.

On the 31st of May 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €116,000 Euro notes. The £73,324.91 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB50.

On the 8th of June 2002 at the Lichfield branch, [REDACTED] **GRO** [REDACTED] sold €82,000 Euro notes. The £52,597.82 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB51.

GRO

GRO

140

On the 11th of June 2002 at the Lichfield branch, **GRO** sold a total of €68,840 Euro notes. The £43,707.93 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, 2 x Till Receipts and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB52.

On the 15th of June 2002 at the Lichfield branch, **GRO** sold €104,600 Euro notes. The £66,244.46 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB53.

On the 22nd of June 2002 at the Lichfield branch, **GRO** sold €113,950 Euro notes on behalf of **GRO**. The £72,811.50 Sterling equivalent, minus a £20 fee was credited to **GRO** bank account. I present the Foreign Exchange Large Bordereau, a copy Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB54.

On the 2nd of July 2002 at the Lichfield branch, **GRO** sold a total of €210,600 Euro notes. The £133,969.47 Sterling equivalent, minus a £20 fee was credited to his bank account. The branch however made an error, as the amount that should have been credited was in fact £5,978 less. The £5,978 was paid to him in cash, which was used to make payment on the holiday booked to travel on the 18th of August 2002. (Please refer to the Travel Bookings section at the end of this statement for further details of travel bookings made). The branch rectified the error on the 11th of July 2002, when £5,978 less was credited to his account for the transaction he carried out that day. I present the Foreign Exchange Large Bordereau, 2 x Till Receipts and 2 x Hexagon Payment Sheets that relate to this transaction, as Exhibit PB55.

On the 5th of July 2002 at the Lichfield branch, **GRO** sold a total of €123,400 Euro notes. The £78,101.27 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, 2 x Till Receipts and 2 x Hexagon Payment Sheets that relate to this transaction, as Exhibit PB56.

On the 9th of July 2002 at the Lichfield branch, **GRO** sold €129,290 Euro notes. The £81,777.36 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB57.

On the 11th of July 2002 at the Lichfield branch, **GRO** sold €134,000 Euro notes. The £84,329.77 Sterling equivalent, minus a £20 fee and minus the £5,978 over payment from the 2nd of July 2002, was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB58.

On the 15th of July 2002 at the Lichfield branch, **GRO** sold €89,410 Euro notes. The £56,339.00 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB59.

GRO

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On the 18th of July 2002 at the Lichfield branch, **GRO** sold €98,160 Euro notes. The £62,008.84 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB60.

On the 22nd of July 2002 at the Lichfield branch, **GRO** sold €134,650 Euro notes. The £85,113.78 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB61.

On the 25th of July 2002 at the Cannock branch, **GRO** sold €57,000 Euro notes. The £35,849.06 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB62.

On the 26th of July 2002 at the Lichfield branch, **GRO** sold a total of €78,650, Euro notes. £48,780.49 of the total £49,186.99 Sterling equivalent, minus a £20 fee was credited to his bank account. The £406.50 balance was credited the next time **GRO** transacted on the 30th of July 2002. I present the Foreign Exchange Large Bordereau, 2 x Till Receipts and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB63.

On the 30th of July 2002 at the Lichfield branch, **GRO** sold €130,000 Euro notes. The £80,795.53 Sterling equivalent, minus a £20 fee, plus £406.50 from the previous transaction, was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB64.

On the 1st of August 2002 at the Lichfield branch, **GRO** sold a total of €108,500 Euro notes. The £67,016.67 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, 2 x Till Receipts and 2 x Hexagon Payment Sheets that relate to this transaction, as Exhibit PB65.

On the 2nd of August 2002 at the Lichfield branch, **GRO** sold €72,000 Euro notes. The £44,776.12 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB66.

On the 7th of August 2002 at the Lichfield branch, **GRO** sold a total of €127,500 Euro notes. The £78,998.59 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, 2 x Till Receipts and Hexagon Payment Sheets that relate to this transaction, as Exhibit PB67. **GRO**

GRO

On the 10th of August 2002 at the Lichfield branch, [REDACTED] **GRO** sold €244,000 Euro notes. The £152,997.24 Sterling equivalent, minus a £20 fee was credited to his bank account. It is not known what the £619.58 extra amount noted on the Hexagon sheet relates to.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction as Exhibit PB68.

On the 14th of August 2002 at the Lichfield branch, [REDACTED] **GRO** sold €143,500 Euro notes. The £90,593.43 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB69.

On the 17th of August 2002 at the Lichfield branch, [REDACTED] **GRO** sold €150,600 Euro notes. The £95,075.76 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB70.

On the 22nd of August 2002 at the Lichfield branch, [REDACTED] **GRO**, [REDACTED] **GRO** [REDACTED] **GRO** sold a total of €146,900 Euro notes on behalf of [REDACTED] **GRO** He showed driving licence number [REDACTED] **GRO** as identification. The £92,742.41 Sterling equivalent, minus a £20 fee was credited to [REDACTED] **GRO** s bank account.

I present the Foreign Exchange Large Bordereau, 2 x Till Receipts and 2 x Hexagon Payment Sheets that relate to this transaction, as Exhibit PB71.

On the 24th of August 2002 at the Lichfield branch [REDACTED] **GRO** [REDACTED] **GRO** [REDACTED] **GRO** [REDACTED] telephone number [REDACTED] **GRO** sold €170,500 Euro notes on behalf of Mr [REDACTED] **GRO** The £107,232.70 Sterling equivalent, minus a £20 fee was credited to Mr [REDACTED] **GRO** bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB72.

On the 29th of August 2002 at the Lichfield branch, [REDACTED] **GRO** sold a total of €148,900 Euro notes. The £93,765.74 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, 2 x Till Receipt and 2 x Hexagon Payment Sheets that relate to this transaction, as Exhibit PB73.

On the 31st of August 2002 at the Tamworth branch, [REDACTED] **GRO** sold €20,000 Euro notes. The £12,796 Sterling equivalent was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB74.

On the 4th of September 2002 at the Tamworth branch, [REDACTED] **GRO** sold €354,400 Euro notes. The £224,020.23 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB75. [REDACTED] **GRO**

GRO

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On the 9th of September 2002 at the Tamworth branch, **GRO** sold €100,000 Euro notes. The £62,582.14 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB76.

On the 12th of September 2002 at the Tamworth branch, **GRO** sold €230,000 Euro notes. The £143,320.04 Sterling equivalent, minus a £20 fee was credited to his bank account. After the value was credited to his account, the branch discovered that the Euro's were short by €720. The branch rectified this on the 16th of September. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB77.

On the 16th of September 2002 at the Tamworth branch, **GRO** sold €120,000 Euro notes. However, this amount was reduced by €720 Euro's in order to account for the discrepancy from the previous transaction on the 12th of September. The £74,114.58 Sterling equivalent of the €119,280 Euro's, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB78.

On the 17th of September 2002 at the Tamworth branch, **GRO** sold €100,000 Euro notes. The £62,468.77 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB79.

On the 19th of September 2002 at the Tamworth branch, **GRO** sold €240,000 Euro notes. £146,512.77 of the £150,555.17 Sterling equivalent minus a £20 fee, was credited to his bank account. The £4,042.40 balance was paid to him in cash, which was mainly used to make payment on the holiday booked to travel on the 12th of November 2002. (Please refer to the Travel Bookings section at the end of this statement for further details of travel bookings made).

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB80.

On the 23rd of September 2002 at the Tamworth branch, **GRO** sold €120,000 Euro notes. The £75,093.87 Sterling equivalent, minus a £20 fee was credited to his bank account. I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB81.

On the 26th of September 2002 at the Tamworth branch, **GRO** sold a total of €329,100 Euro notes. The £204,664.17 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, 2 x Till Receipts and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB82.

The second Hexagon Sheet cannot be located.

GRO

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On the 5th of October 2002 at the Cannock branch, [REDACTED] **GRO** [REDACTED] sold €204,500 Euro notes. The £127,018.63 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB83.

On the 9th of October 2002 at the Tamworth branch, [REDACTED] **GRO** [REDACTED] sold €306,500 Euro notes. The £190,965.73 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB84.

On the 14th of October 2002 at the Birmingham New Street branch, [REDACTED] **GRO** [REDACTED] sold €150,000 Euro notes. The £93,808.63 Sterling equivalent was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, photocopy of the Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB85.

On the 17th of October 2002 at the Birmingham New Street branch, [REDACTED] **GRO** [REDACTED] sold €99,150 Euro notes. The £61,814.21 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, photocopy of the Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB86.

On the 21st of October 2002 at the Cannock branch, [REDACTED] **GRO** [REDACTED] sold €30,000 Euro notes. The £18,631.23 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 21, that all relate to this transaction, as Exhibit PB87.

On the 21st of October 2002 at the Tamworth branch, [REDACTED] **GRO** [REDACTED] sold €30,000 Euro notes. The £18,631.23 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 21 that relate to this transaction, as Exhibit PB88.

On the 22nd of October 2002 at the Birmingham New Street branch, [REDACTED] **GRO** [REDACTED] sold €245,850 Euro notes. The £154,002.76 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, photocopy of Till Receipt, Hexagon Payment Sheet, plus four bank money bands that some of the Euro notes were secured in, that relate to this transaction, as Exhibit PB89.

On the 24th of October 2002 at the Birmingham New Street branch, [REDACTED] **GRO** [REDACTED] sold €248,950 Euro notes. The £155,012.45 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, photocopy of the Till Receipt and Hexagon Payment Sheet that relate to this transaction, as Exhibit PB90.

GRO

On the 30th of October 2002 at the Birmingham New Street branch, [REDACTED] **GRO** sold a total of €114,000 Euro notes. The £71,072.32 Sterling equivalent, minus a £40 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, 2 x Till Receipts and 2 x Hexagon Payment Sheets that relate to this transaction, as Exhibit PB91.

TRAVEL BOOKINGS

On the 7th of May 2002, a travel booking was made in the name of [REDACTED] **GRO** at the Lichfield branch, for himself and Mrs [REDACTED] **GRO**. The JMC package holiday was due to depart on the 15th of June 2002 from Birmingham to Palma Mallorca, on flight number JMC212K. They were due to return via the same route on the 29th of June 2002, on flight number JMC212L. Accommodation in a deluxe bay view room for 14 nights was reserved at the Hotel Son Vida in Palma on a bed and breakfast basis. The cost of the package holiday was £3,408 and after discount had been deducted, payment of £3,129 was made in cash.

I present the Customer Details, Booking Details, Payment History, Costing Details and JMC Invoice x 2 that relate to this booking, as Exhibit PB92.

On the 12th of June 2002, [REDACTED] **GRO** made a travel booking at the Lichfield branch for himself, Mrs [REDACTED] **GRO** plus two other adults. He booked flights that were due to depart on the 18th of August 2002 from Gatwick to Naples, on flight number BA2606. They were due to return via the same route on the 28th of August 2002, on flight number BA2607. Accommodation was booked through tour operator Crystal Holidays, for 10 nights in two twin sea view rooms at the Neapolitan River Ischia Grand Hotel Excelsior, on a half board basis. The £922 cost of the flights, plus the £6,056 cost of accommodation were paid by cash.

I present the Customer Details, Independent Booking Form, Booking Details x 3, Crystal Invoice, Payment History x 2 and Insurance Indemnity that all relate to this booking, as Exhibit PB93.

On the 19th of September 2002, a travel booking was made in the name of [REDACTED] **GRO** at the Tamworth branch, for himself and Mrs [REDACTED] **GRO**. The Cadogan package holiday was originally booked to depart on the 2nd of November 2002 from Gatwick to Funchal, Madeira, on flight number BA6872. They were due to return via the same route on the 12th of November 2002, on flight number BA6873. Accommodation in a premier sea view room for 10 nights was reserved at Reids Palace in Funchal, on a bed and breakfast basis. The cost of the original package holiday was £4,336 and after £434,60 discount had been deducted, payment of £3,901.40 was made in cash.

Just prior to the date of departure, [REDACTED] **GRO** amended the travel dates. The new outward bound date was changed to the 12th of November 2002, returning on the 22nd of November 2002. Apart from the cost, which increased to £4,458, the flight and accommodation details remained exactly the same as before.

[REDACTED] **GRO**

Accommodation was also reserved the night before outbound travel was originally due to take place, at the Le Meriden hotel at Gatwick on the 1st of November 2002. This was booked with the operator Superbreak at a cost of £141 and was paid for in cash on the 19th of September 2002. This booking also had to be amended when the main booking was altered. The new arrival date changed from the 1st of November 2002 to the 11th of November 2002 and the cost increased from £141 to £159.

I present the Customer Details, Booking Details x 3 (Cadogan), Cadogan Confirmation and Amendment Invoices, Booking Details x 2 (Superbreak/Luxury Hotel Collection), Luxury Hotel Collection (Superbreak), Confirmation and Amendment Invoice, Booking Forms x 2, Payment History x 2, that all relate to this booking, as Exhibit PB94.

I also present Royal Mail Special and Recorded Post slip numbers SU 4732 4873 5GB, SU 2834 3204 1GB, RE 0206 1406 0GB, RE 3670 9672 9GB, RB 8124 9888 5GB, RB 3756 1257 4GB, RB 3756 1256 5GB, RB 3756 0742 4GB, RB 3756 0736 7GB and RE 0206 1407 3GB, that were used to forward the aforementioned items to me. I present these as Exhibit PB95.

The exhibits referred to in this statement have been compiled by a person acting under a duty, namely as an employee of Thomas Cook Limited in the ordinary course of business from information supplied. The person or persons who supplied the information recorded in the records cannot reasonably be expected (having regard to the time which has elapsed since they supplied or acquired the information and to all the circumstances) to have any recollection of the matters dealt with in the information they supplied.

Evidence from Computer Records - I can confirm that there are no reasonable grounds for believing that this statement is inaccurate because of improper use of our computers, and that at all material times the computers were operating properly or if not that any respect in which they were not operating properly or were out of operation were not such as to affect the production of the documents or the accuracy of their contents.

GRO

WITNESS STATEMENT

(CJ Act 1967, S.9 MC Act 1980 SS.5A (3A and 5B), MC Rules 1981, r.70)

Statement of: Pippa Barker

Occupation: Compliance Officer –
Anti Money Laundering
Operations Audit & Security

Age: Over 21

This statement consisting of four pages signed by me is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

Dated the 2nd day of July 2003.

GRO

Signature:

I am employed by Thomas Cook Retail Limited in their headquarters in Peterborough as Anti Money Laundering Compliance Officer. Part of my duties include the authorisation of disclosures of information from our United Kingdom businesses to any third party including the Police.

On the 2nd of July 2003 Thomas Cook UK Ltd received a Production Order issued on the 1st of July 2003 to DC 3181 Andy Wood of Staffordshire Police. The Production Order is in relation to transactions carried out by **GRO** **GRO** Richard Tuckett and Sidney John Morris, between the period 1st of November 2002 and the 13th of January 2003.

GRO and **GRO** are the only individuals of the above named who have carried out transactions during the period in question. The transactions all took place at the Thomas Cook branch located at 99 New Street, Birmingham, B2 4HW.

The majority of payments made to **GRO** in exchange for the Euro notes he sold to Thomas Cook, were credited direct to bank account number **GRO** sort code **GRO**. The procedure adopted by **GRO** was that he would deliver the Euro notes to the Thomas Cook branch in person and leave it uncounted for the branch to verify. Once the verification had taken place, the Sterling equivalent would be credited to the bank account by a Head Office transfer known as a Hexagon payment.

GRO **GRO**, provided telephone number **GRO** as a contact, his Business Card, Driving Licence number **GRO** and Passport number **GRO** as identification, and his date of birth as the **GRO**.

I present the Business Card and photocopies of the Driving Licence and Passport as Exhibit PB96.

GRO

On the 1st of November 2002 [REDACTED] GRO [REDACTED] sold €346,800 Euro notes. The £216,831.31 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, photocopy of the Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 1 that relate to this transaction, as Exhibit PB97.

On the 4th of November 2002 [REDACTED] GRO [REDACTED] sold €200,000 Euro notes. The £125,825.73 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 4 that relate to this transaction, as Exhibit PB98.

On the 8th of November 2002 [REDACTED] GRO [REDACTED] sold €226,775 Euro notes. The £142,715.54 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 8 that relate to this transaction, as Exhibit PB99.

On the 11th of November 2002 [REDACTED] GRO [REDACTED] sold €342,850 Euro notes. The £214,683.78 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 11 that relate to this transaction, as Exhibit PB100.

On the 16th of November 2002, [REDACTED] GRO [REDACTED] sold €450,000 Euro notes on behalf of [REDACTED] GRO [REDACTED] The £282,308.66 Sterling equivalent, minus a £20 fee was credited to [REDACTED] GRO [REDACTED] s bank account. [REDACTED] GRO [REDACTED] provided passport number [REDACTED] GRO [REDACTED] as identification and her date of birth as the [REDACTED] GRO [REDACTED] The branch has recorded her date of birth in error, as the [REDACTED] GRO [REDACTED] GRO [REDACTED]

I present the Foreign Exchange Large Bordereau, Payment Receipt, Till Receipt, Hexagon Payment Sheet, photocopy of [REDACTED] GRO [REDACTED] Passport, plus 6 x Cash Bank Bands that some of the Euro notes were banded in, that relate to this transaction, as Exhibit PB101.

On the 25th of November 2002 [REDACTED] GRO [REDACTED] sold €252,200 Euro notes. The £156,743.32 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus 5 x Cash Bank Bands that some of the Euro notes were banded in, that relate to this transaction, as Exhibit PB102.

On the 30th of November 2002 [REDACTED] GRO [REDACTED] sold €536,600 Euro notes. The £337,272.16 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Large Bordereau, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus 3 x Cash Bank Bands that some of the Euro notes were banded in, that relate to this transaction, as Exhibit PB103. [REDACTED] GRO [REDACTED]

GRO

On the 5th of December 2002 [REDACTED] **GRO** sold €342,640 Euro notes. The £214,686.72 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus 6 x Cash Bank Bands that some of the Euro notes were banded in, that relate to this transaction, as Exhibit PB104.

On the 10th of December 2002 [REDACTED] **GRO** sold €349,430 Euro notes. The £219,215.81 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus 3 x Cash Bank Bands that some of the Euro notes were banded in, that relate to this transaction, as Exhibit PB105.

On the 13th of December 2002 [REDACTED] **GRO** sold €474,850 Euro notes. The £300,537.97 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus 6 x Cash Bank Bands that some of the Euro notes were banded in, that relate to this transaction, as Exhibit PB106.

On the 17th of December 2002 [REDACTED] **GRO** sold €305,900 Euro notes. The £192,632.24 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 17 that relate to this transaction, as Exhibit PB107.

On the 20th of December 2002 [REDACTED] **GRO** sold €439,180 Euro notes. The £276,561.71 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 20 that relate to this transaction, as Exhibit PB108.

On the 28th of December 2002 [REDACTED] **GRO** sold €30,000 Euro notes. The £19,120.46 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 28 that relate to this transaction, as Exhibit PB109.

On the 30th of December 2002 [REDACTED] **GRO** sold €29,950 Euro notes. The £19,100.77 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 30 that relate to this transaction, as Exhibit PB110.

On the 31st of December 2002 [REDACTED] **GRO** sold €50,000 Euro notes. The £32,010.24 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 31 that relate to this transaction, as Exhibit PB111.

GRO

On the 2nd of January 2003 [REDACTED] **GRO** sold €30,050 Euro notes. The £19,189.02 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 2 that relate to this transaction, as Exhibit PB112.

On the 3rd of January 2003 [REDACTED] **GRO** sold €30,000 Euro notes. The £19,108.28 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 3 that relate to this transaction, as Exhibit PB113.

On the 4th of January 2003 [REDACTED] **GRO** sold €30,000 Euro notes. The £19,083.97 Sterling equivalent, minus a £20 fee was credited to his bank account.

I present the Foreign Exchange Compliance Form, Payment Receipt, Till Receipt, Hexagon Payment Sheet, plus CCTV videotape number 4 that relate to this transaction, as Exhibit PB114.

I also produce two letters sent to [REDACTED] **GRO** by the Thomas Cook Sales Development Manager, dated the 10th of October 2002 and the 13th of January 2003.

I present these as Exhibit PB116.

I also present Royal Mail Recorded Post slip number RE 0206 1410 0GB that was used to forward the above mentioned items to me. I present this as Exhibit PB115.

The exhibits referred to in this statement have been compiled by a person acting under a duty, namely as an employee of Thomas Cook Limited in the ordinary course of business from information supplied. The person or persons who supplied the information recorded in the records cannot reasonably be expected (having regard to the time which has elapsed since they supplied or acquired the information and to all the circumstances) to have any recollection of the matters dealt with in the information they supplied.

Evidence from Computer Records - I can confirm that there are no reasonable grounds for believing that this statement is inaccurate because of improper use of our computers, and that at all material times the computers were operating properly or if not that any respect in which they were not operating properly or were out of operation were not such as to affect the production of the documents or the accuracy of their contents.

GRO

WITNESS STATEMENT

(CJ Act 1967, s.9; MC Act 1980, ss.5A(3)(a) and 5B; MC Rules 1981, r.70)

Statement of: ANDREW WOOD

Age if under 18: OVER 18 (if over 18 insert 'over 18') Occupation: DETECTIVE CONSTABLE

This statement (consisting of1..... page(s) each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated anything which I know to be false or do not believe to be true.

Signature:

GRO

.....

Date: 30/09/2003

I am a Detective Constable with the Staffordshire Police Financial Investigation Unit based at Police Headquarters. I am conducting a financial investigation into the affairs of **GRO** and Carl Adrian PAGE in conjunction with an enquiry by the Post Office Investigation Department.

On 14th January 2003 Carl Adrian PAGE signed a bank disclosure authority in respect of accounts he held at the Nat West Bank in Rugeley. As a result of presenting these to the bank I have received copy statements of two accounts numbered **GRO** to which he has access.

On 17th January 2003 **GRO** signed a bank disclosure authority in respect of accounts to which he was signatory held with the HSBC Bank in Rugeley. I served this form on the HSBC Bank and as a result I received the following:

Copy statements of HSBC Bank account number **GRO** in the name of **GRO** D dated from 12/04/2002 to 24/01/2003. I now produce these as exhibit reference AW 1 (exhibit no.).

Copy statements of HSBC Bank account number **GRO** in the name of **GRO** (business account) dated from 15/12/1999 to 15/01/2003. I now produce these as exhibit reference AW 2 (exhibit no.).

As a result of further enquiries and on 1st July 2003 I obtained production orders under the Police and Criminal Evidence Act 1984 from Stafford Crown Court in relation to material held by Thomas Cook Ltd, First Choice Retail Ltd and My Travel Financial Services Ltd. I sent these orders by registered post.

On 13th August 2003 I received from First Choice Retail a copy of a document headed ' Large Transaction Form' in the name of **GRO** now produce this as exhibit reference AW 3 (exhibit no.).

On 9th September 2003 I received from My Travel Financial Services a copy of a document headed 'My Travel Financial Services Ltd' in the name of **GRO** I now produce this as exhibit reference AW 4 (exhibit no.).

On Thursday 2nd October 2003 at 11am I handed all the above exhibits to Mr Manish PATEL of the Post Office Investigations Department.

Signature:

GRO

Signature witnessed by:

Witness Statement
(CJ Act 1967, s.9 MC Rules 1981, r.70)

Statement of **Barry JAMIESON**

Age if under 18 Over 18 (if over 18 insert 'Over 18'). Occupation Detective Constable

This statement (consisting of 1 page(s) each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

Dated the 14th day of August 2003

Signature

GRO

I am a detective Constable of the Staffordshire Police presently serving with the Financial Investigation Unit located at Police headquarters, Cannock Road, Stafford.

At 1025 hours on Thursday 10th July, 2003 I attended the premises of the Thomas Cook Headquarters located at Peterborough and subsequently received from a Pippa Barker a box containing documentation and video cassettes.

On returning to the Financial Investigation Unit the box was placed in a secure store.

At 1115 hours on Thursday 14th August, 2003 I retrieved from the secure store the said box and handed it to Mr Manish Patel, Post Office Investigator.

Signature

GRO

Witnessed by



Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

| | |
|---|---------------------------------------|
| Statement of | COLIN RICHARD PRICE |
| Age if under 18 | Over 18 (If over 18 insert 'over 18') |
| <p>This statement (consisting of 3 (three) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.</p> | |
| <p>Dated the 22nd day of September 2003</p> | |
| <p>Signature C R Price</p> | |
| <p>I am employed as an Investigation Manager for Post Office Ltd and have been so employed for approximately three years, though I have been employed by the Post Office for approximately thirty-two years. I am responsible for the detection and investigation of criminal activity committed by employee's against the Post Office.</p> | |
| <p>On Tuesday 1st April 2003, together with my colleague, Mr M Patel, I was in attendance at Stafford Police station when a gentleman who I now know to be GRO</p> | |
| <p>GRO returned to bail and was accompanied by his solicitor, Mr Ghulam Sohail.</p> | |
| <p>I was later present during two taped interviews with GRO the 1st commencing at 11:24 hours and concluding at 12:07 hours, tape reference 21/CG/995/03/01 refers and the 2nd commencing at 12:11 hours and concluding at 12:57 hours, tape reference 21/CG/995/03/02 refers.</p> | |

Signature C R Price

Signature witnessed by M Patel

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of COLIN RICHARD PRICE

Apart from a prepared written statement from [REDACTED] **GRO** [REDACTED] which was read out by Mr Patel at the start of the interview, [REDACTED] **GRO** [REDACTED] made a "no comment" reply to all questions asked. Following the interview, [REDACTED] **GRO** [REDACTED] was released from Police Bail.

Later that afternoon, I was present when a gentleman who I now know to be Mr Carl Adrian Page returned to Police bail at Stafford Police station, he did not arrive with a solicitor. I heard Mr Patel inform Mr Page that he would be further interviewed and Mr Page responded by saying he wished to have a solicitor in attendance. Attempts were then made by the Custody Officer to get hold of the solicitor requested by Mr Page, however, this proved unsuccessful and a Duty solicitor was requested. Later that afternoon, after Mr Patel and I had spoken with the Duty Solicitor, it became apparent that Mr Page's 24 hours in custody was fast approaching and therefore it was agreed that there was insufficient time to conduct an interview that day. Mr Page was then released from Police bail.

On Wednesday 23rd April 2003, together with Mr M Patel, I attended the offices of Hand Morgan & Owen, 17 Martin Street, Stafford ST16 2LF at which time I met Mr Page's solicitor, Mr Patrick Farrington, Mr Page was also present.

Later that afternoon, I was present during five (5) taped interviews conducted by Mr

Signature C R Price

Signature witnessed by M Patel

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Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of COLIN RICHARD PRICE

Patel in accordance with P.A.C.E and voluntarily attended by Mr Page.

The tapes commenced and concluded as follows:-

1st tape commenced 15:45 hours, concluded 16:28 hours, tape serial number 058037.

2nd tape commenced 16:31 hours, concluded 17:15 hours, tape serial number 058038.

3rd tape commenced 17:18 hours, concluded 18:00 hours, tape serial number 058039.

4th tape commenced 18:02 hours, concluded 18:48 hours, tape serial number 058040.

5th tape commenced 18:54 hours, concluded 18:57 hours, tape serial number 058041.

During the break between the 4th and 5th tape, Mr Farrington explained that he had a prior engagement that evening and that he also did not have his keys to lock up the office and that the cleaner would therefore have to lock up the office at about 19:00 hours and so the interview had to be cut short.

Mr Patel and I then left the building.

I am able to corroborate what took place during the interview.

Signature C R Price

Signature witnessed by M Patel

CS011A

Version 3.0 11/02



Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

Statement of **Manish PATEL**

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of fifty five (55) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything, which I know to be false or do not believe true.

Dated the 25th day of February 2004

Signature M Patel

I am employed as an Investigation Team Manager for Post Office Ltd (POL) and have been so employed since June 1990. I am responsible for the detection and investigation of criminal activity committed by employees against the Post Office. I also liaise and assist other law enforcement bodies with investigations where Post Office Ltd may be the target of fraud.

In early December 2002, I was asked by the Money Laundering section within Post Office Ltd to contact H.M. Customs & Excise in London as their enquiries involved a Post Office outlet in Rugeley Staffordshire, which came under my geographical area of responsibility.

Upon speaking to H.M Customs & Excise in London, I was made aware of the fact that they had an enquiry ongoing into possible money laundering by an individual called

GRO and that large value cheques, usually over £50,000 each, in the company name of RPX Recycled Plastics Ltd and made payable to Post Office Ltd were being accepted at Rugeley Post Office. H.M Customs & Excise were concerned that such large value cheques were being accepted at Rugeley Post Office and that they had not been informed about these through the normal channels under the Money Laundering disclosure procedure.

Signature M Patel

Signature witnessed by M Bushell

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

I was able to establish that large amounts of foreign currency, mainly Euros were being sold on a weekly basis from Rugeley Post Office and that our own Money Laundering section had not been notified by anyone at Rugeley Post Office of these large transactions as should be the case. This information was imparted to H.M Customs & Excise.

In Early January 2003, H.M Customs & Excise contacted me again and made me aware of an HSBC bank cheque that they had in their possession to the value of £112,765.96, it was drawn on the account of RPX Recycled Plastics and was dated 11th November 2002, made payable to Post Office Ltd and had been accepted at Rugeley Post Office for payment of Euros. I therefore initiated enquiries to try and establish the exchange rate used by Rugeley Post Office for that one transaction on 11th November 2003.

On the afternoon of Monday 13th January 2003, before I had received the information regarding the exchange rate used on the 11th November 2002, I received a call from our internal Money Laundering section requesting that I urgently contact H.M Customs & Excise.

Upon contacting H.M Customs & Excise, I was made aware that earlier that morning, H.M Customs & Excise officers had made observations on **GRO** **GRO** and Rugeley Post Office and that as a result of their observations they had arrested **GRO**. At the time of arrest, **GRO** had with him a large holdall containing a very large amount of euros in cash and a receipt from Rugeley Post Office indicating that 584,000 euros had been purchased for a sterling value of £360,493.83 at an exchange rate of 1.62. I was informed that at the time of arrest, **GRO** was about to enter the premises of the Holiday Hypermarket in Birmingham.

Signature **M Patel**

Signature witnessed by **M Bushell**

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

I was soon able to establish that the exchange rate which should have been applied to the sale of euros that day (13.01.03) by all Post Office outlets was 1.4583 and that if a single transaction was for £5,000 worth of Sterling or more, a preferential exchange rate of 1.4752 could have been applied. Therefore it appeared that Rugeley Post Office had sold euros to **GRO** at a very preferential rate as shown below.

- 584,000 Euros bought at 1.62 exchange rate = £360,493.83 sterling paid
- 584,000 Euros at the correct exchange rate of 1.4752 = £395,878.52 sterling should have been paid.
- Therefore the transaction was underpaid by £35,384.69.

I then spoke to Mr Philip Hunt, H.M Customs & Excise officer and also Detective Inspector Mark Abbotts of the Staffordshire Major Crime Unit. I was informed that the investigation had now been handed over to DI Abbotts team by Customs & Excise to pursue what now appeared to be Theft from the Post Office as opposed to Money Laundering as first believed by H.M Customs & Excise.

I then contacted one of my team, Mandy Bushell and requested that she meet up with officers from Staffordshire Major Crime unit (MCU) with the view to arrest the Postmaster of Rugeley Post Office, a gentleman called Carl Adrian Page.

I also requested another one of my team members, Mr Colin Price to make arrangements with the Post Office Audit section to have Rugeley Post Office audited on Tuesday 14th January 2003.

Signature **M Patel**

Signature witnessed by **M Bushell**

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

I then made my way to Staffordshire Police HQ and met up with my colleague Mrs Bushell and other officers from the Major Crime Unit. I was made aware at this point that Mr Page the Postmaster had left the Post Office earlier that afternoon and had not returned to the office, I was also made aware that a person called Brendon Douglas Horton, a driver, had also been arrested by Customs & Excise at the time of **GRO**
GRO arrest and that both were currently in Police custody.

It was agreed that Mr Page's whereabouts should be ascertained and the Police officers commenced this process, it was also agreed that Rugeley Post Office should be searched and therefore the Major Crime Unit obtained a search warrant.

Later that evening at approximately 20:50 hours together with Mrs Bushell and a number of Police Officers, I attended the premises of Rugeley Post Office, 18 Anson Street Rugeley. In order to gain access to the premises, the Police had arranged for one of the Post Office staff, Mrs Margaret Pearce to attend with the office keys. Shortly after our arrival at the Post Office, a lady who I now know to be Mrs Margaret Pearce arrived and I heard the Police officers explain to her what their intentions were. Mrs Pearce then unlocked the premises and disabled the alarms before we all went inside.

A search of the secure area of the Post Office was then conducted by the Police Officers though Mrs Bushell and I advised on the type of documentation, which should be seized. All three safes in the Post Office were also opened including the safe containing the Bureau till which was removed from it's insert. On examination of this till it was noticed that there were five (5) HSBC bank cheques contained within this till, these were seized by the Police and are now exhibited as item number NJW/5. A closer examination of these cheques showed that all were drawn from the same account (account number 71392875), RPX Recycled Plastics Ltd and all were for substantial amounts, details of each cheque are shown below.

Signature **M Patel**

Signature witnessed by **M Bushell**

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

1. Cheque No. 100148, dated 02.01.03 for an amount of £278,181.82
2. Cheque No. 100159, dated 13.01.03 for an amount of £100,000.00
3. Cheque No. 100160, dated 13.01.03 for an amount of £100,000.00
4. Cheque No. 100161, dated 13.01.03 for an amount of £100,000.00
5. Cheque No. 100162, dated 13.01.03 for an amount of £60,493.83

The four (4) cheques dated 13th January 2003, in total amount to a sterling value of £360,493.83, which matched the value of the Post Office Bureau de Change receipt (Exhibit HUNT A), found on **GRO** at the time of arrest earlier that morning.

Further documentation in relation to the Bureau de Change transactions including all the Forde Moneychanger till rolls that could be found (items NJW/1 & NJW/2) were also seized by the Police.

The search concluded at approximately 2130 hours and the safes were time over locked until 08:00 hours the following morning, the office was made secure before all present left. During the course of the search, I was made aware by one of the Police Officers that Mr Carl Page, the Postmaster had contacted the Police by telephone and was due to attend the Police station later that evening.

On the following morning, Tuesday 14th January 2003, together with Mrs Bushell, I attended Rugeley Post Office and met up with four (4) members of the audit team, we were also met by Mrs Margaret Pearce and two other staff members. All present then went into the Post Office, which remained shut to the public for the whole of that day. The audit team then commenced a full audit of the Post Office. I later met Mr Mark Irvin the Retail Line Manager responsible for Rugeley Post Office who also attended the office and explained the situation to him, though I had appraised him briefly the previous day.

Signature **M Patel**

Signature witnessed by **M Bushell**

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Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

Later that morning, I attended Staffordshire Police HQ and discussed the next course of action. It was agreed that the Post Office Investigation section would lead this enquiry and conduct any prosecution, the Police would assist with enquires mainly by providing use of their Financial Investigation team. I was also made aware at this time that a short interview had been conducted with Mr Carl Page, the Postmaster, on the previous evening and that he had denied any wrongdoings though had admitted providing **GRO**

GRO with preferential exchange rates, which he (Mr Page) had set using his own discretion in order to bring business into the Post Office claiming that 'middle management' in the Post office were aware of this practice.

I was also informed that **GRO** was currently in hospital having suffered a possible angina attack whilst in custody.

I later returned to Rugeley Post Office and after having a discussion with Mr Mark Irvin, I contacted the Custody Suite at Stafford Police station and spoke to Mr Carl Adrian Page. I informed Mr Page that on the authority of Mr Mark Irvin, I was precautionary suspending his contract for services pending a full investigation. Mr Irvin then briefly spoke to Mr Page. I later asked Mr Irvin if he was aware of Mr Page providing preferential exchange rates to any customers to which he replied "no", I also spoke by telephone to the previous Retail Line Manager for this Post office, Mr James Coney and asked him if he was aware that Mr Page provided preferential exchange rates to any customer, again Mr Coney also denied that he knew of such a practice. Subsequently statements were taken from two of the staff members, Mrs Margaret Ann Pearce and Ms Shirley Jayn Batey.

On conclusion of the audit, I was informed that the overall shortage was £645,345.18 this was made up of the five missing cheques (seized by the Police), which equated to

Signature **M Patel**

Signature witnessed by **M Bushell**

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of MANISH PATEL

£642,258.79 and a further shortage of £3,086.39 relating mainly to postage provided to business customers who had yet to settle their account.

Later that day, Mrs Bushell and I attended Stafford Police station and met with DC Chris Andrews and DC Lisa Deans. I was informed that [REDACTED] **GRO** had been bailed without further interview due to his medical condition, he was due to return to Cannock Police station on 24th February 2003. Mr Horton the driver had also been bailed and was also due to return to Cannock Police station on 24th February 2003.

It was agreed that a further interview of Mr Page should be conducted and that I should form part of the interviewing team in order to cover the internal procedures of the Post office.

At 17:17 hours on Tuesday 14th January 2003, I was present at Stafford Police station when a tape recorded interview in accordance with P.A.C.E was conducted by DC Andrews with Mr Carl Adrian Page, also in attendance was Mr Page's solicitor, Mr Nigel Pepper. The interview concluded at 18:46 and two (2) tape cassettes were used, tape numbers 21/CG/109/03/2 and 21/CG/109/03/3 refers. Subsequently I prepared transcripts of these two tapes, which I now produce as item numbers MP/84 & MP/85.

Mr Page was informed that there was a vast amount of documentation to examine and that he would be required to attend a further interview at a later date, Mr Page also signed authorities for the Police to investigate his bank accounts and credit card accounts.

Following the interview, Mr Page was released on bail to return to Stafford Police station on 4th March 2003.

Signature M Patel

Signature witnessed by M Bushell

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

On Wednesday 15th January 2003, after having taken advice from the Post Office Legal department in Croydon, it was agreed that of the five (5) HSBC bank cheques seized by the Police from Rugeley Post Office (item number NJW/5), four (4) of these related to the one transaction conducted on the morning of Monday 13th January 2003 and as the euros for this transaction had been seized and were currently being held by Customs & Excise, then these cheques should not be presented to the bank for clearance, however the fifth cheque for an amount of £278,181.82 and dated 2nd January 2003 and which Mr Page during interview had stated was in lieu of three (3) cheques which 'bounced' during Christmas 2002, should be presented to the Bank for clearance as the equivalent value of Euros had already been provided to **GRO**. As a result I requested Mrs Bushell to make arrangements to present the above-mentioned cheque to a bank for express clearance and also to recover all of the exhibits taken from the Post Office during the search from the Police in Staffordshire.

Later that afternoon, I was made aware by Mrs Bushell that she had been contacted by a lady in the accounts section of the Post Office in Chesterfield who was in possession of three (3) very large value cheques accepted at Rugeley Post Office during Christmas 2002 for Bureau Transactions and all three had "Payment Stopped". Mrs Bushell informed me that she had provided my details to this lady and asked her to contact me directly.

Later that afternoon, I spoke to the lady who had earlier spoken with my colleague, Mandy Bushell. Mrs Elaine Lievesley informed me that she had copies of three (3) cheques which had all been accepted at Rugeley Post Office over the Christmas 2002 period for Foreign currency transactions, all three cheques were drawn from the same account of RPX Recycled Plastics Ltd for the amounts of £100,000.00, £ 87,272.73 and £90,909.09 and dated 20.12.02, 20.12.02 and 23.12.02 respectively. Copies of these three cheques were then faxed to my office in St Albans. Mrs Lievesley also informed

Signature **M Patel**

Signature witnessed by **M Bushell**

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1987, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

me that she had been made aware by the Co-op Bank that two (2) further large value cheques totalling £184,332.18 were also being returned to the Post Office as payment had been stopped.

The first 3 cheques mentioned above in total equate to £278,181.82, which matches identically in value to the fifth cheque, cheque number 100148 (item NJW/5) seized by the Police from the Post Office, this cheque's value being £278,181.82.

As the value of stopped cheques was now substantial, five (5) cheques totalling £462,514.00 and therefore ultimately a potential loss to the Post Office, I sought advice from the Post Office Commercial Litigation section with regards to freezing bank accounts and assets of those concerned.

Later that day I requested one of my colleagues, Mr Michael Cooksey to recover the exhibits held by Mr Mark Irvin and to meet me the following morning to hand them over to me.

On the morning of Thursday 16th January 2003, I meet with Mr Michael Cooksey and took possession of all the exhibits NJW/1 to NJW/8, which had been seized, from the Post Office. I then took these exhibits to the Offices of Mrs Biddy Wyles, Senior Lawyer, Post Office Commercial Litigation section. Subsequently I liaised with Commercial Litigation over a number of days until Monday 20th January 2003, when the High Court granted freezing orders for RPX Recycled Plastics Ltd, **GRO** and Mr Carl Adrian Page to the value of £640,000.00.

Later in the day on 16th January 2003, the accounts section in Chesterfield advised me that payment had been stopped on a further cheque for an amount of £278,181.82. This cheque was in fact part of exhibit NJW/5, the fifth cheque (No. 100148) that I had

Signature **M Patel**

Signature witnessed by **M Bushell**

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Version 3.0 11/02

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

made arrangements to present to the Co-op bank on Wednesday 15th January 2003 for express clearance.

Subsequently I received five (5) HSBC Bank Cheques from the accounts section in Chesterfield, the three (3) totalling £ 278,181.82 and two (2) further cheques totalling £184,332.18, all five (5) cheques bore the word "Payment Stopped" on the front and were drawn on the RPX Recycled Plastics Limited account, number **[REDACTED GRO]**. I now produce these Cheques as item numbers **MP/1** and **MP/2** respectively.

In total the Post Office was now in possession of ten (10) HSBC bank cheques, all drawn on the RPX Recycled Plastics Ltd bank account number **[REDACTED GRO]**. Of these ten (10) cheques, six (6) of them had 'bounced' or had payment stopped, the remaining four (4) which related to the transaction of Monday 13th January 2003 had not been presented to the bank for clearance as the cash equivalent were the euros being held by Customs & Excise. In total the value of all ten (10) cheques amounted to £1,101,189.60, of the six (6) where payment had been stopped the amount stood at £740,695.82.

I have listed the details of each cheque below:-

1. Cheque No. 100140, dated 20.12.02 for an amount of £100,000.00 **(MP/1)**
2. Cheque No. 100142, dated 20.12.02 for an amount of £87,272.73 **(MP/1)**
3. Cheque No. 100144, dated 23.12.02 for an amount of £90,909.09 **(MP/1)**
4. Cheque No. 100148, dated 02.01.03 for an amount of £278,181.82 **(NJW/5)**
5. Cheque No. 100156, dated 07.01.03 for an amount of £100,000.00 **(MP/2)**
6. Cheque No. 100157, dated 07.01.03 for an amount of £84,332.18 **(MP/2)**
7. Cheque No. 100159, dated 13.01.03 for an amount of £100,000.00 **(NJW/5)**
8. Cheque No. 100160, dated 13.01.03 for an amount of £100,000.00 **(NJW/5)**

Signature **M Patel**

Signature witnessed by **M Bushell**

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1987, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of MANISH PATEL

9. Cheque No. 100161, dated 13.01.03 for an amount of £100,000.00 (NJW/5)
10. Cheque No. 100162, dated 13.01.03 for an amount of £60,493.83 (NJW/5)

Subsequently over the next few weeks and months, I liaised with both H.M. Customs & Excise, the Major Crime unit and the Financial Investigation team of Staffordshire Constabulary and various sections within the Post Office organisation in order to further this investigation. Large amounts of documentation was received from the various sections and analysed, certain information being incorporated into various schedules compiled by me to illustrate various findings.

One of the main parts of the analysis centred around the examination of the Forde Moneychanger till rolls, items NJW/1 & NJW/2, which had been recovered from Rugeley Post Office during the Police search on Monday 13th January 2003.

There were a large number of till rolls recovered and an examination revealed till rolls relevant to periods in 2001, 2002 and up until 13th January 2003. Of the till rolls relevant to the year 2001, the dates ranged from 18th January 2001 to 30th August 2001, covering roughly an eight month period, however this did not cover a continuous 8 month period as a quantity of till rolls were missing, in total some 4 months of the 8 month period was missing due to the lack of till rolls. For the purposes of this investigation none of the till rolls relating to 2001 have been examined, they now form part of the unused material.

The investigation has been concentrated to cover the period of 2002 and early 2003, of the till rolls which were recovered for this period they covered the period from 7th March 2002 to 13th January 2003, week number 46 to week number 42 of the following financial year, however even this period is not continuous as there are several till rolls missing which cover a period of 27 working days. I have listed below the till rolls which

Signature M Patel

Signature witnessed by M Bushell

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1987, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

are missing and therefore information such as any transactions conducted by **GRO** **GRO** over those periods cannot be verified.

Till rolls missing

01.03.02 to 06.03.02
16.03.02 to 18.03.02

06.05.02
19.05.02 to 21.05.02

24.07.02 to 31.07.02

03.09.02 to 08.09.02
12.09.02 to 15.09.02

15.11.02 to 17.11.02

Each of the till rolls have now been examined to look for a number of areas as shown below:-

1. Every large transaction involving the purchase of Euros has been identified and a photocopy of that portion of the till roll taken, I produce these photocopies as item number **MP/3A**. The process of identifying those transactions conducted by **GRO** was quite straightforward as the monetary values concerned were so large. The information from these transactions has been incorporated onto a schedule covering the period from 09.03.02 to 13.01.03, I now produce this updated schedule as item number **MP/3**. I should add that whilst going through all of the transactions again on the Forde Moneychanger till rolls, I discovered that the entry for 31.08.02 originally had been shown on schedule MP/3 as 115,000 euros purchased with a sterling value of £69,696.97. This was not correct and the actual amount purchased that day was in fact 155,000 euros

Signature **M Patel**

Signature witnessed by **M Bushell**

CS011A

Version 3.0 11/02

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

with a sterling value of £93,939.39 and hence the Grand total figures have changed since the interview with Mr Page on 23rd April 2003. All previous copies of schedule MP/3 are now part of the unused material.

2. Every transaction where Rugeley Post Office had bought back (buy back) 1000 euros or more from a customer was also identified and similarly a photocopy of that section of the till roll taken, I produce these photocopies as item number **MP/5A**. In certain cases where a transaction of less than 1000 euros occurred immediately after a transaction for over 1000 euros, this transaction was also included. The information from these transactions has been incorporated onto a schedule, which I now produce as item number **MP/5**.
3. Forde Moneychanger till roll Command 10 weekly summaries covering weeks 19 to 22 (01.08.02 to 28.08.02) and weeks 24 to 41 (05.09.02 to 13.01.03). Again the section of till roll relevant to the above weeks was photocopied and I produce those copies as item number **MP/81**.
4. All currency transfers into the Forde Moneychanger between weeks 33 to 42, (w/e 13.11.02 to w/e 15.01.03), again the section of till roll relevant to the above weeks was photocopied and I produce those copies as item number **MP/83**. The information from these transfers has been incorporated onto a schedule, which I now produce as item number **MP/82**.

Schedule **MP/3** lists every transaction for the purchase of Euros conducted by **GRO** **GRO** at Rugeley Post Office between 09.03.02 to 13.01.03, the day he was arrested. There will be some transactions missing from this schedule which correspond to the days on which **GRO** **GRO** purchased Euros from Rugeley Post Office but the till rolls from the Post Office are missing, the missing dates have been identified above.

Signature **M Patel**

Signature witnessed by **M Bushell**

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

For every transaction that has been found on the till roll, I have entered the details onto the schedule. The schedule indicates the date of the transaction, the cash account week number which it falls in, the time of transaction as shown on the till roll, the amount in volume of euros purchased, the exchange rate applied to that transaction and the Sterling amount paid by **GRO** to the Post Office. There are then four further columns, the first shows an exchange rate which should have been applied on the day in question for all transactions of less than £5000 in value. This is the published rate, which is stipulated by First Rate Travel Services (FRTS), and is the exchange rate, which would appear on the daily fax, sent to each Bureau de Change on Demand Post Office outlet.

The second column shows an exchange rate, which would be applicable to any transaction of £5000 or greater in value. This exchange rate would have to be obtained by the relevant Post Office outlet by contacting FRTS directly via telephone.

The third column shows the sterling value, which should have been paid by **GRO** **GRO** to the Post Office if the correct exchange rate stipulated, by FRTS had been applied by Rugeley Post Office. In every case apart from the 5th transaction on 7th June 2002 at 17:05 hours the exchange rate applied is the over 5K rate as the transactions are all above £5000 in sterling and a preferential rate could have been obtained by contacting FRTS who would have then provided the rates as shown on the schedule. As can be seen the 5th transaction on the 7th June 2002 was for an amount of 4000 euros (under £5000 in value) so the normal published rate has been used for this transaction.

The fourth column then shows the difference between what **GRO** **GRO** actually paid to the Post Office and what he should have paid using the correct exchange rates, the underpayment.

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(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 58, MC Rules 1981, r 70)

Continuation of statement of MANISH PATEL

It became apparent from the time of the observations carried out by H.M. Customs & Excise officers on Monday 13th January 2003 of [REDACTED] GRO [REDACTED] that he was seen outside Rugeley Post Office at 07:47 hours though his vehicle (silver BMW) was parked outside the Post Office at 07:18 hours. Upon [REDACTED] GRO [REDACTED] arrest, a Post Office Forde Moneychanger receipt was found on his person, which was dated 13th January 2003, and the time indicated as 08:38 hours. Having been to the Post Office later that evening and the following day, I have confirmed that the internal clock built into the Forde Moneychanger had not been altered in the autumn of 2002 when British Summer Times (BST) ends and the clocks are put back by one (1) hour, hence all of the Forde Moneychanger till receipts after this period would show a time 1 hour ahead of the correct time. This would explain why the receipt found on [REDACTED] GRO [REDACTED] showed a time of 08:38 hours when observations had shown that [REDACTED] GRO [REDACTED] had left Rugeley Post Office by 07:47 hours.

For illustration if we take the first transaction on the schedule, this occurred on 9th March 2002, which falls into the Post Offices cash account week number 51. The transaction was conducted at 07:57 hours and [REDACTED] GRO [REDACTED] purchased forty thousand (40,000) euros. The exchange rate, which was applied, was 1.715; the exchange rate that should have been applied (over 5K rate) was 1.5781. [REDACTED] GRO [REDACTED] therefore actually paid the Post Office £23,323.62 when he should have paid £25,346.94 for those 40,000 euros. This meant that [REDACTED] GRO [REDACTED] under paid the Post Office £2,023.32 in just that one transaction.

In total there are one hundred and ten (110) transactions excluding the transaction of 13th January 2003 recorded on schedule MP/3 and over the 10 month period, [REDACTED] GRO [REDACTED] purchased 11,172,450 euros for which he paid £ 6,725,339.50 to the Post Office, however if the correct exchange rates had been applied, [REDACTED] GRO [REDACTED] should

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(CJ Act 1987, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

have paid £ 7,318,142.20 and therefore he has underpaid the Post Office £592,802.74.

Schedule MP/5 illustrates all of the transactions where Rugeley Post Office has bought back euros from customers in excess of 1000 notes at a time. The Post Office does offer a commission free 'Buy Back' service for foreign currency aimed at holidaymakers who have gone abroad with an amount of foreign currency and not spent all of it on holiday and have therefore returned to the United Kingdom with an amount of currency, which they would like to convert back to sterling. It would be reasonable to expect that these amounts being brought back to the UK would be relatively small amounts and therefore I set a level of 1000 euros or above as my criterion in order to compile the schedule. It would be expected that a normal holiday maker is unlikely to bring back more than 1000 euros to the UK hence I wished to examine what level of these transactions were being conducted at Rugeley Post Office. It can be seen from this schedule that the first such buy back occurs on 28.03.02 and the last recorded transaction occurs on 04.01.03 and that in total 90,830 euros were bought back by Rugeley Post Office giving a Sterling equivalent of £58,507.64. In the last column of this schedule I have added a Remarks column where I have recorded certain information mainly to do with when a transaction for the sale of Euros was conducted with **GRO** and its timeliness with a buy back.

Exhibit item number MP/81 is a number of photocopies of the relevant section of till roll relating to the weekly Forde Moneychanger Command 10 summary printout. The periods produced cover weeks 19 to 22 (01.08.02 to 28.08.02) and weeks 24 to 41 (05.09.02 to 13.01.03). Week number 23 (w/e 04.09.02) is missing as it is falls into the period of missing till rolls, however the Chesterfield copy of it is available in exhibit item number MEP/01.

A Command 10 weekly summary is a printout requested from the Forde Moneychanger

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Continuation of statement of MANISH PATEL

at the end of the cash account week (Wednesday evening) that will provide the user with a full summary of what has been occurring within the Bureau de Change till that week. It will show a list of the currencies sold (SN) and bought (BN) that week, the total amount of sales and also the sterling value of cash held in the till. Armed with this printout it would be a simple matter of checking the amount of each currency physically held in the Bureau Till or elsewhere if currency is held in the main safe or anywhere else, against what the Command 10 summary says you should have on hand. The same would also apply to the sterling amount held in the Bureau till. If all of the amounts agree then the Bureau till is said to have 'Balanced' a term used frequently in the Post Office to signify a correct account which is neither short or over.

The Command 10 summary also indicates the revaluation figure for that week and a commission figure. Exhibit MP/81 are photocopies taken from the under copy of the Forde Moneychanger till roll, the top copy Command 10 summary must to despatched weekly to the Post Office accounting section in Chesterfield together with an attached P4833 form, the Commission and Revaluation Summary form, which shows the commission and revaluation figures which have been copied from the Command 10 summary.

Furthermore the figures in relation to the Sterling value of cash held in the Bureau Till as shown on the command 10 summary together with the revaluation and commission figure must be physically entered into the Horizon computer terminal by an operator. These figures are required to be fed into the Horizon system in order to take into account the transactions conducted by the Forde Moneychanger, which is a 'stand alone machine' and not directly connected to the Horizon system. In order to carry out the full weekly Office 'Balance' the figures from the Command 10 summary are required to be fed into the Horizon computer system which can then perform the weekly office balance and produce the weekly cash account.

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When the weekly cash account is printed off, the three figures discussed will also appear on the account. The Foreign Currency Sterling equivalent figure will appear on page 2 of the cash account in table 5 labelled 'Cash, Stock etc in Hand' at line 52. The Bureau de Change commission figure and Revaluation figure will appear on page 3 of the cash account in the Receipts table at lines 86 and 70 respectively.

Exhibit item number MP/83 consist of several copies of the portion of Forde Moneychanger till roll relating to the transfer of currency into the office between weeks 33 to 42 (13.11.02 to 13.01.03). The information contained on these portions of the till rolls has been summarised on schedule MP/82, which I now produce. When the Post Office outlet receives Foreign Currency from the Stock Centre in Hemel Hempstead, it does so via a special delivery pouch conveyed by secure transport. As the insurance limit per pouch is limited to £2,500, each pouch will only contain a maximum of up to £2,500 in foreign currency, therefore if an office orders a large volume of currency, say for instance £25,000 worth, the office would receive ten (10) pouches each containing up to £2,500 of foreign currency.

Upon receipt of the currency at the Post Office outlet, a delivery advice note will have been enclosed in the pouch which will provide a breakdown of each type of currency enclosed (an example is item number LGH/02), the volume of currency and it's sterling value based on the exchange rate shown on the advice note. The recipient is then required to input the volume and exchange rate of each currency into the Forde Moneychanger. By performing this task the operator is effectively 'topping up' the Bureau de Change till and telling the Forde Moneychanger by how much and of what currency you are topping it up with. The Forde Moneychanger knows what currency and the value of that currency it had before (Command 10 summary) and therefore by transferring more currency into it, the Forde Moneychanger is aware of how much

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Continuation of statement of **MANISH PATEL**

additional currency has been added and therefore the total volume and value of currency held in the office whether that be physically in the Bureau till itself or partly in the Bureau till and the Main safe or anywhere else used to house the bulk currency.

As sales of currency and buy backs are performed throughout the week, the Forde Moneychanger is used to perform these transactions and therefore it keeps a running tally of what has been sold and what has been bought, which ultimately allows the operator at the end of the cash account week to request the Command 10 summary at which time the Forde Moneychanger will have worked out what you started with, what was sold and bought throughout the week and what was transferred in from the stock centre and tell you what you should have left in way of both volume of currency and sterling value.

It can be seen from schedule **MP/82** that throughout the weeks in question, almost on a daily basis, large volumes of euros are transferred into the Forde Moneychanger. If the figures from this schedule are compared to the schedule supplied by Mr Hutchins, **LGH/04** it can be seen that the sterling values virtually match those for the relevant periods, the slight differences being that schedule **LGH/04** shows the sterling value of the entire order which in some cases includes other currencies as well as Euros and **MP/82** only takes into account the sterling value of the euros transferred in.

In the last week on the schedule, week number 42, it can be seen that on the 9th, 10th and 11th of January 2003, 150,000 euros each day is transferred into the Forde Moneychanger and as can be seen from schedule **MP/3**, **GRO** purchased 584,000 euros from Rugeley Post Office on the Morning of Monday 13th January 2003.

During the early part of this investigation, I was provided with a schedule compiled by Customs & Excise, which showed details of transactions from various Thomas Cook

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Continuation of statement of MANISH PATEL

Bureau de Change outlets in the Midlands area where [REDACTED] **GRO** [REDACTED] or his associates had sold large quantities of euros and converted the euros back into Sterling. The proceeds from these sales were in the majority of cases electronically transferred by Thomas Cook Retail Limited to [REDACTED] **GRO** [REDACTED] accounts, either his personal account or that of the Company, RPX Recycled Plastics Ltd.

This schedule commences from 16.01.02 to 04.01.03 and was used by me to carry out further examination of documentation and the production of further schedules to illustrate various findings. In due course I prepared my own version of this schedule, which I now produce at item number MP/80. The information provided by Mrs Pippa Barker, Thomas Cook Retail Limited Anti Money Laundering Compliance Officer in her two statements and the related evidence allowed me to compile the new up to date schedule. I was also able to include information from two further Bureau de Change outlets, First Choice Retail and MY Travel Financial Services who had both conducted transactions with [REDACTED] **GRO** [REDACTED] on 7th January 2003; this information was gained via DC Andrew Wood of the Financial Investigation Unit attached to Staffordshire Police Headquarters.

The new schedule, item number MP/80 detailed all transactions from 16.01.02 to 07.01.03 which showed that [REDACTED] **GRO** [REDACTED] or those acting on his behalf sold just over **14 million euros** (14,042,405.00) to a number of Bureau de Change outlets, mainly to the chain of Thomas Cook Retail outlets in and around the Birmingham area over that time period and that this equated to a little over **8½ million pounds sterling** (£8,598,889.69). The original schedule provided to me by H.M Customs & Excise now forms part of the unused material.

Using the information contained on schedule MP/3 (Transactions extracted from Forde Moneychanger till rolls for Rugeley Post Office) and information from schedule MP/80

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Continuation of statement of **MANISH PATEL**

(Schedule of euros sold by **GRO** to Bureau de Change outlets) and also information gained from microfilm copies of the bank cheques used by **GRO** to pay for the euros he purchased from Rugeley Post Office, I was able to prepare another schedule known as the **Euros Purchase and Deposit schedule** which I now produce as item number **MP/4**.

There are three main elements to this schedule, the first shows the details regarding the purchase by **GRO** of euros from Rugeley Post Office and this section shows the date and day of purchase together with the total volume of euros bought by **GRO**. The second section shows details of the cheque used by **GRO** **GRO** to purchase the euros from the Post Office.

As mentioned previously, I arranged for microfilm copies of all cheques accepted at Rugeley Post Office over a 2-year period in the name of **GRO** or **GRO** to be forwarded to me from our accounting section in Chesterfield. Having examined these copy cheques, which unfortunately are of a fairly poor quality, I was able to extract those relating to the transactions shown on schedule **MP/3**, covering the period of 09.03.02 through to 13.01.03.

The copy cheques together with the relevant copy Batch Control Voucher (BCV) are part of exhibit **SB/01**; further copies of cheques prior to 09.03.02 are now part of the unused material. I must also point out that not all of the cheques in relation to the transactions shown on schedule **MP/80** have been located, this has been noted in the remarks column.

The cheque detail section of schedule **MP/80** shows the date written on the cheque itself, the amount shown on the cheque and in some instances the cheque number and the date, which appears on the BCV.

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Continuation of statement of **MANISH PATEL**

When the Post Office despatches cheques, which have been accepted over the counter as payment for transactions or indeed deposits into bank accounts, these cheques must be despatched by the office on a daily basis so that bill payments are met and funds credited to customers accounts.

The normal process used by Post Offices is to set a time every day called the 'Cut off' time when a member of staff or the manager will collate and despatch various documentation which needs to be accounted for daily such as the cheques taken over the counter. Each serving position in the Post Office will more than likely have taken several cheques in lieu of payment from the general public over the course of the day, at the 'Cut off' time which is normally somewhere between 1630 hours and 1700 hours each day, apart from Wednesday, each counter position will hand over the number of cheques they have taken that day together with a printout showing the total number and value of the cheques. These are then collated by one individual who amalgamates all of the cheques together and obtains a total figure in relation to quantity and value.

These two figures are then entered onto the Batch Control Voucher (BCV) together with the office FAD code, the date of despatch and a datestamp impression before it and all the associated cheques are placed into a special envelope called a 'Cheque envelope' which is just slightly smaller than an A4 envelope and is coloured in distinctive red and white stripes. This envelope together with other special envelopes containing other products which are accounted for daily are then handed to the Royal Mail postman when he/she arrives at the office to collect all of the other mail, hence the reason to have a 'Cut off' time as if it was left until the office closed at 1730 hours, it would take 10 or 15 minutes to then amalgamate the cheques and other daily work which would mean the postman would be delayed, therefore all of the daily accounting work is prepared a short time before the postman arrives so that when the office closes at

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Continuation of statement of **MANISH PATEL**

17:30 hours, the postmen merely have to empty the post box and be on their way.

Any cheques taken for transactions after the 'Cut off' time would be held in the Post office until the following day when the process would start all over again. As stated before all cheques must be despatched daily regardless of which type of transaction it has been accepted for, this includes Bureau de Change transactions.

I mentioned earlier that the cheques are to be despatched daily apart from Wednesday, this is because Wednesday evening is the Post Office's 'Balancing' day. Every Wednesday evening after the Post Office closes for business to the public the accounts for that week must be brought to account and a 'balance' performed, which is basically a verification of transactions and sales performed that week together with a verification of the money accepted at the counter. In order to perform this task the Horizon computer system is used which can provide you with breakdowns of various types of transactions etc, it also provides you with a breakdown of what stock and cash the office should hold at the end of business on Wednesday evening and then it is a process of physically checking the amount of stock and cash held in the office and comparing it with what the Horizon computer system says you should have.

All of the information relating to the weekly office balance is transferred automatically by the Horizon computer system onto a weekly cash account document, which is then printed off. The cash account document shows a summary of all of the transactions conducted that week, the amount of stock and cash on hand and a host of other accounting figures. These accounting figures basically fall into two categories, either **Receipts or Payment**, for instance if a customer had paid in an amount of money into their Girobank account, this would be classed as a receipt and would form part of the total value recorded in the receipts section of the cash account.

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If the Post office paid out a pension to a customer then this would be classed as a payment and would form part of the total value recorded in the payments section of the cash account. By comparing the total figure obtained in the Receipts sections with that obtained in the payments section we are able to determine if a 'Balance' has been reached. If the two figures are identical than the office is said to have 'Balanced' exactly, if however the figure obtained for receipts is higher than that obtained for payments then the account has not balanced and a surplus is recorded on the cash account on page 1 under the discrepancies table and similarly if the receipts figure is lower than the payments figure than a shortage must be declared on the cash account.

Upon completion of the cash account, two cash account documents are printed off, both should be signed by the Postmaster or office manager to signify that they are a true and accurate record of the office accounts, they should also be datestamped and then one copy is retained at the office and the other is forwarded to the accounts sections in Chesterfield where it is archived for a period of time.

As the Post Office performs the office balance on Wednesday evening after close of business, there is not a 'Cut off' time on Wednesday's and therefore any cheques taken on Wednesday right up to the point of when the office closes would be included in the office balance. As the office balance is performed after closing no documentation is despatched that night including the cheque envelope, it is normal for the Post Office outlets to retain the cheque envelope and other daily accounting documentation until the following morning (Thursday) when they would be collected by the postman on the morning collection. Wednesday's are the only time when it is appropriate not to despatch the cheques taken on that day and can be held over until the following morning after the office has been balanced.

Hence the date, which appears on the BCV, should be the date when the cheques were

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Continuation of statement of **MANISH PATEL**

despatched and therefore I have used this date for the purposes of interpreting the delay in submitting the **GRO** cheques shown on schedule **MP/4**.

The third section of schedule **MP/4** is in relation to the 'deposits' **GRO** made at the various other Bureau de Change outlets as detailed on schedule **MP/80**. This section shows the date the deposit (selling of euros) occurred, the amount sold and any difference in the quantity from what **GRO** purchased from the Post Office to what he sold at the other Bureau de Change outlets and then any remarks I have recorded.

An examination of this schedule shows that in the majority of cases, **GRO** would purchase an amount of euros from Rugeley Post Office and later on the same day, he would sell the same number or sometimes a lesser amount of euros to the other Bureau de Change outlets. Indeed by examining the time recorded for the purchase of euros from the Post Office as shown on schedule **MP/3** to the various exhibits produced by Pippa Barker of Thomas Cook Retail Limited, which also record the time the euros were sold to their outlet, it can be seen that in a number of cases the sale occurs within an hour or two of the purchase from Rugeley Post Office.

To illustrate, the first entry on schedule **MP/4** shows that **GRO** purchased 40,000 euros on Saturday 9th March 2002. The cheque used for payment was dated 8th March 2002 (Friday) and made out for an amount of £23,323.62; this cheque was associated with the BCV dated Wednesday 13th March 2002.

On the same day as the euros were purchased, Saturday 9th March 2002, **GRO** **GRO** sold (deposited) 40,000 euros to a Thomas Cook outlet who would have then electronically credited his bank account for the sterling equivalent minus their fees. So in that instance, **GRO** merely purchased 40,000 euros from the Post

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Continuation of statement of MANISH PATEL

Office for £23,323.62 and sold the same amount to Thomas cook later that day (11:47 hours as per exhibit PB/23). By looking at schedule MP/80 you can see that Thomas Cook credited **GRO** account by £24,222.42 (having taken a £20 fee) which meant that **GRO** made £898.80 from that one transaction by buying a quantity of euros from Rugeley Post Office and taking them to Thomas Cook a couple of hours later and selling them.

Furthermore the cheque accepted by Rugeley Post Office for this transaction on Saturday 9th March 2002 from **GRO** was not despatched for processing until Wednesday 13th March 2002, some 4 working days afterwards, though more likely would have been despatched on Thursday morning (14th) as explained earlier.

An examination of the copy bank account statements obtained by DC Wood, item number JW/2 which is the private bank account in the name of **GRO**, account number **GRO** shows that on Monday 11th March 2002 an electronic transfer of £24,222.42 was credited to this account by Thomas Cook Retail Limited, the first working day after the euros had been sold to Thomas Cook on Saturday 9th March 2002. However at the time that the money was credited to **GRO** account the cheque for £23,323.62 was still being held at Rugeley Post Office, indeed a further examination of the bank statements JW/2 shows that the cheque for £23,323.62 was not debited from **GRO** account until Monday 18th March 2002, some 8 working days later.

It can also be seen from schedule MP/3 that after the transaction on Saturday 9th March 2002 and before the associated cheque for £23,323.62 cleared on Monday 18th March 2002, **GRO** purchased a further 57,000 euros on Tuesday 12th March 2002 and 64,900 euros on Thursday 14th March 2002 for £33,333.33 and £37,994.32 respectively from Rugeley Post Office and sold the euros to Thomas Cook on the same

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day of purchase. Indeed the sterling equivalent from the sale of these two amounts was electronically credited to **GRO** account on 12th March 2002 and 14th March 2002 (the same day as the deposit) and all before the first cheque used on 9th March 2002 had even been despatched let alone debited.

Effectively this meant that over the 6 day period from 9th March 2002 to 14th March 2003, **GRO** had physically walked away from Rugeley Post Office with euros in cash worth £94,651.27 at the exchange rate he had been given by Rugeley Post Office, though none of the three (3) bank cheques he had provided to the Post Office in lieu of payment had within that time been 'banked' or cleared, indeed they hadn't even left the Post Office premises until 14th March 2002. However in that same time period, **GRO** having sold the euros he had purchased in those 3 days to Thomas Cook Retail, received funds worth £95,769.54, which had been credited to his Bank account, nothing had been debited from his account for the payment of those euros to the Post Office.

Furthermore from schedule MP/3 it can be seen that had Rugeley Post Office applied the correct exchange rate to the transaction on Saturday 9th March 2002 (1.5781) the amount **GRO** should have paid to the Post Office would have been £25,346.94, in this instance when **GRO** sold the same amount of euros to Thomas Cook later that morning he was given an exchange rate of 1.65 and received £24,222.42, which would have meant that rather than making a profit of £898.80, he would have made a loss of £1,124.52.

Schedule MP/4 also illustrates that **GRO** did not always sell the same amount of euros to Thomas Cook Retail as he had bought from Rugeley Post Office, for instance on Thursday 14th March 2002, **GRO** purchased 64,900 euros from Rugeley Post Office and later that day he sold 60,000 euros through Thomas Cook

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Retail, a difference of 4,900 euros. On other occasions, [REDACTED] **GRO** [REDACTED] sold more euros than he had purchased that day from the Post Office.

There are a number of anomalies, which arise from the data contained in this schedule, which I will address later in this statement.

At the time of the audit of Rugeley Post Office on Tuesday 14th January 2003, I was made aware that included in the overall office shortage of £645,345.18 was a figure of £282,000.00 which was the difference found by the auditors in the 'AM' stock unit. The 'AM' stock unit has since been confirmed by Mr Page himself to be his main stock unit.

At the time there was also a single cheque in the Bureau de Change till for an amount of £278,181.82, part of exhibit NJW/5 and therefore this cheque and more importantly the amount became associated with the £282,000.00 shortage in the AM stock unit. However following questioning of Mr Page during the PACE interviews, Mr Page stated that the cheque for £278,181.82 was a replacement cheque given to him by [REDACTED]

GRO [REDACTED] early in 2003 to replace three (3) cheques which [REDACTED] **GRO** [REDACTED] had used over the Christmas 2002 period at Rugeley Post office to purchase euros, exhibit MP/1, which had all 'bounced'. With that being the case the single cheque for £278,181.82 should not have formed any part of the office balance and should not have been taken into account by the audit team, however, at that time, I nor anyone else was aware of the explanation Mr Page would give in relation to this cheque. That single cheque therefore was being held by Mr Page in the Bureau de Change till until the three (3) 'bounced' cheques (which came to exactly the same amount) were returned to the office in the form of an error notice, a method used by the Post Office accounting section to advise Post office outlets of any accounting errors which need to be rectified.

From what Mr Page has told me during interview, once he had received the error notice

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in relation to the three (3) bounced cheques he would have then submitted the single cheque for £278,181.82 to rectify the error.

When I became aware of this explanation, I began to examine the Post Office documentation more closely as this meant that the single cheque for £278,181.82 should not have formed any part of the accounts at Rugeley Post Office on Tuesday 14th January 2003 and therefore there was an unidentified loss of £282,000.00 in the 'AM' stock unit.

Examination of the audit result and specifically exhibits KO/01 and DAE/05 show that the £282,000.00 difference in the 'AM' stock unit was in relation to a figure recorded in the AM stock unit for Foreign Currency. The 'AM' stock unit as agreed by Mr Page during interview was the main Post Office safe (two safes) located in Mr Page's office and would have contained various amounts of bulk cash and stock. When the auditor's examined these safes and verified their contents on 14th January 2003, they did not find £282,000.00 worth of foreign currency located in the 'AM' stock unit, indeed there was no foreign currency at all in the AM stock unit, the only foreign currency found at the Post Office that day was all contained within the Bureau de Change till insert.

As the discrepancy in the AM stock unit related to foreign currency the auditors decided to electronically transfer that shortage to the Bureau till (BU stock unit) using the Horizon computer system, in order to keeps things neat, hence exhibit DAE/05

The Bureau till (BU stock unit) had already shown a shortage as the five (5) cheques, exhibit NJW/5, had been seized from the till by the Police the day before. What wasn't known at the time is that the fifth cheque, the one for an amount of £278,181.82 had not been entered into the Forde Moneychanger or the Horizon system and was merely sitting in the bureau till awaiting the three bounced cheques and the error notice from

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(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

the Post Office accounting section in Chesterfield at which time it would have been brought to account as stated by Mr Page.

The four (4) other cheques, which form part of exhibit, NJW/5 in total equate to £360,493.83 and were the four cheques used by **GRO** for the transaction conducted on Monday 13th January 2003 and had been entered into the Forde Moneychanger. As a result taking the figure for the four cheques of £360,493.83 and adding to this the £282,000.00 of foreign currency said to be in the AM stock unit we obtain a figure of £642,493.83, with other smaller discrepancies found in the accounts the final overall office shortage was £645,345.18. This figure is not based on taking the single £278,181.82 cheque into account, as it had not been entered into any of the accounts at Rugeley Post Office, either on the Forde Moneychanger or the Horizon system. However at the time of the audit and possibly due to the similarities of the two amounts, £278,181.82 and £282,000.00, the two were linked and it was not realised at the time that there was in fact an actual shortage of the 'AM' stock unit of £282,000.00.

As a result I began to examine the previous Cash accounts for Rugeley Post Office and the under copy Command 10 summary printouts. I obtained a number of weekly Cash accounts from Rugeley Post Office, and those that I could not recover from the Office itself; I obtained duplicate copies from the accounting section in Chesterfield.

I now produce the following weekly cash account documents in relation to Rugeley Post Office.

- MP/7** Cash account for week 22 (w/e 28.08.02) – Office copy
- MP/10** Cash account for week 36 (w/e 04.12.02) – Office copy
- MP/12** Cash account for week 37 (w/e 11.12.02) – Office copy
- MP/14** Cash account for week 38 (w/e 18.12.02) – Office copy

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- MP/16 Cash account for week 39 (w/e 27.12.02) – Office copy
- MP/19 Cash account for week 41 (w/e 08.01.03) – Office copy
- MP/21 Cash account for week 18 (w/e 31.07.02) – Office copy
- MP/22 Cash account for week 01 (w/e 03.04.02) – Office copy
- MP/23 Cash account for week 02 (w/e 10.04.02) – Office copy
- MP/24 Cash account for week 17 (w/e 24.07.02) – Office copy
- MP/25 Cash account for week 40 (w/e 03.01.03) – Office copy
- MP/26 Cash account for week 35 (w/e 27.11.02) – Office copy
- MP/27 Cash account for week 34 (w/e 20.11.02) – Office copy
- MP/28 Cash account for week 33 (w/e 13.11.02) – Office copy
- MP/29 Cash account for week 32 (w/e 06.11.02) – Office copy
- MP/30 Cash account for week 31 (w/e 30.10.02) – Office copy
- MP/31 Cash account for week 30 (w/e 23.10.02) – Office copy
- MP/32 Cash account for week 29 (w/e 16.10.02) – Office copy
- MP/33 Cash account for week 28 (w/e 09.10.02) – Office copy
- MP/34 Cash account for week 27 (w/e 02.10.02) – Office copy
- MP/35 Cash account for week 26 (w/e 25.09.02) – Office copy
- MP/36 Cash account for week 25 (w/e 18.09.02) – Office copy
- MP/37 Cash account for week 24 (w/e 11.09.02) – Office copy
- MP/38 Cash account for week 23 (w/e 04.09.02) – Office copy
- MP/39 Cash account for week 21 (w/e 21.08.02) – Office copy
- MP/40 Cash account for week 20 (w/e 14.08.02) – Office copy
- MP/41 Cash account for week 19 (w/e 07.08.02) – Office copy
- MP/42 Cash account for week 16 (w/e 17.07.02) – Office copy
- MP/43 Cash account for week 15 (w/e 10.07.02) – Office copy
- MP/44 Cash account for week 14 (w/e 03.07.02) – Office copy
- MP/45 Cash account for week 13 (w/e 26.06.02) – Office copy

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- MP/46** Cash account for week 12 (w/e 19.06.02) – Office copy
- MP/47** Cash account for week 11 (w/e 12.06.02) – Chesterfield copy
- MP/48** Cash account for week 10 (w/e 05.06.02) – Chesterfield copy
- MP/49** Cash account for week 9 (w/e 29.05.02) – Office copy
- MP/50** Cash account for week 8 (w/e 22.05.02) – Office copy
- MP/51** Cash account for week 7 (w/e 15.05.02) – Office copy
- MP/52** Cash account for week 6 (w/e 08.05.02) – Office copy
- MP/53** Cash account for week 5 (w/e 01.05.02) – Office copy
- MP/54** Cash account for week 4 (w/e 24.04.02) – Office copy
- MP/55** Cash account for week 3 (w/e 17.04.02) – Office copy
- MP/56** Cash account for week 53 (w/e 27.03.02) – Office copy
- MP/57** Cash account for week 52 (w/e 20.03.02) – Office copy
- MP/58** Cash account for week 51 (w/e 13.03.02) – Office copy
- MP/59** Cash account for week 50 (w/e 06.03.02) – Office copy

By also examining the top copy of the Command 10 summary printouts obtained from the accounting section in Chesterfield, item number **MEP/1** and the under copy sections of the Forde Moneychanger till rolls recovered from Rugeley Post Office, item number **MP/81**, I was able to extract the figures in relation to the Foreign Currency on hand as declared on the cash account and that shown on the Forde Moneychanger Command 10 summary printout. As stated previously those two figures should be the same as the figure shown on the Command 10 summary should be the figure fed into the Horizon Computer system by the operator, which ultimately produces the Cash account printout.

When I carried out this exercise, I noticed some differences, which I have illustrated on a further schedule called the **Foreign Currency Discrepancies Schedule**, which I now produce as item number **MP/6**.

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Continuation of statement of MANISH PATEL

This schedule commences in week number 36 (week ending 28.11.01) and finishes in week number 43 (w/e 22.01.03). From the office cash accounts in my possession I have extracted the declared Cash on Hand figure for each week (page 2, table 5 line 50) and then also the declared Foreign Currency Sterling Equivalent figure for each week (page 2, table 5 line 52). I have then extracted the 'Cash Held' figure, which is in Sterling from the weekly Command 10 summaries either from those supplied to me by Chesterfield or from the under copies in my possession.

Although this schedule commences in week 36 (w/e 28.11.01), I have not obtained the relevant figure until week 50 (w/e 06.03.02), which is when schedule MP/3, commences and is the period from which this enquiry commences.

In week 50 (w/e 06.03.02), the office cash account states that there was £133,340.07 in sterling cash, physically on the premises at close of Business on Wednesday 06.03.02. It also states that there was £15,255.02 sterling equivalent of foreign Currency physically on the premises at close of Business on Wednesday 06.03.02.

Examination of the relevant Forde Moneychanger Command 10 summary printout for week 50, part of exhibit item number **MEP/1**, the 'Cash Held' figure also shows the sterling value of £15,255.02 as it should do and therefore there is no inflation of the amounts declared.

Between week 50 (w/e 06.03.02) and week 12 (w/e 19.06.02) the figures declared as Foreign Currency (sterling value) on the cash account match those shown on the Command 10 summary printout apart from 3 of those weeks (weeks 51, 01 & 10), in weeks 51 and 10 the difference (inflation) matches the declared revaluation figure on the appropriate Command 10 summaries and therefore it would appear that whoever

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input those weeks figures into the Horizon Computer system mistakenly added the revaluations figure to the Cash Held figure and entered this figure into the Horizon Computer system. As for week 01, this was different by 40 pence, which is likely to have been a keying in error.

During those weeks it can be seen that the sterling equivalent of Foreign Currency physically held at the office on Wednesday evening remained between £3,000 and £38,000, whilst the Cash On hand figure ranged from £133,000.00 to £365,000.00, with the majority being in the upper £200,000 to lower £300,000 area.

In week 13 (w/e 26.06.02), there was an Audit carried out at Rugeley Post Office and as stated to me by Mr Page during interview, he was not present at the time of the audit as he was holidaying in Euro Disney, however, Mr Page did contact the office by telephone numerous times that day and spoke to both his staff and members of the audit team. It would appear that the Office accounts had not been completed when the audit team went into the office on Thursday 27th June 2002 and therefore the audit team spent most of their time completing the office accounts rather than carrying out a verification of those accounts.

Subsequently between week 14 (w/e 03.07.02) and 16 (w/e 17.07.02) there are a couple of discrepancies the 1st for just under £5,000 in week 14, and then just under £50,000 in week 16 with a Nil inflation in week 15. The large discrepancy caused in week 16 is due to the revaluation figure having been used by someone at the office to feed into the Horizon computer system rather than the 'Cash Held' figure.

In week 17 (w/e 24.07.02) the Cash on hand figure declared is £421,791.72, indeed over the month of July 2002 the cash on Hand figures have all been over the £400,000.00 level. The Foreign Currency on hand figure declared on the cash account

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is £6,683.95, which is identical to the figure declared on the appropriate Command 10 summary printout.

The following week, week number 18 (w/e 31.07.02) the cash on Hand figure reduces to £87,162.07, the Foreign currency on hand figure increases to £191,095.97 whilst the appropriate Command 10 summary for that week indicated that the Cash Held figure was 13,595.97, a difference of £177,500.00.

Whilst conducting this investigation it became known to me that during week 18 an amount of cash, £160,000.00, was despatched from Rugeley Post Office back to the Cash Centre on the instruction of a Retail Line Manager, Mr Stephen Cartwright. Mr Cartwright and Mr Douglas Brown explain the reasons behind this course of action in their respective statements.

Subsequently there is a difference of £85,636.65 in week 19 (w/e 07.08.02) followed by two further weeks, weeks 20 & 21 (w/e 14.08.02 & 21.08.02) where there is no difference in Foreign currency declared values to the Command 10 summary figure.

However from week 22 (w/e 28.08.02) through to week 41 (w/e 08.01.03) which is the last full cash account period whilst Mr Page was in charge of the office, there is a steady inflation each week commencing with an inflation of £188,000.00 (week 22) and reaching £282,000.00 in week 41, which is also the exact amount indicated as Foreign Currency in the 'AM' stock unit on the day of the Audit, 14th January 2003, item number KO/01 refers.

Throughout this same period the Cash on Hand figures declared on the cash account remain lower than previously, being in the £40,000.00 to £160,000.00 bracket, when previously they had reached levels in excess of £400,000.00 and the Foreign Currency on hand declared on the cash accounts jumps from between £3,000 to £38,000 prior to

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week number 18 to between £100,000.00 to £450,000.00.

The evidence as borne out by the Command 10 summary printouts from week number 18 (w/e 31.07.02) onwards suggests that whoever fed in the value for Foreign Currency on Hand into the Horizon computer system at the end of each cash account week, input false figures and inflated these figures by several hundred thousand pounds at a time, leading the Post Office to believe that a higher value of foreign currency was physically held at Rugeley Post Office when in fact it wasn't, as borne out by the evidence of the audit on Tuesday 14th January 2003 when £282,000.00 worth of foreign currency was said to be held within 'AM' stock unit though was physically not there.

This inflation of the Forde Moneychanger Cash held figures seems to have started in week number 18, which in itself may be of relevance as that is the same week when Mr Stephen Cartwright personally oversaw the removal of £160,000.00 from Rugeley Post Office as the Post Office matrix team had considered that the office was holding too much cash and had made attempts to have some of it returned without success.

Also if you compare the figures before week 18, for instance weeks 14 to 16, if you add the cash on hand figure (column 3) to the Foreign Currency on Hand figure (column 4) you obtain a figure of roughly £425,000.00 to £465,000.00. This declaration suggests that at the end of the relevant cash account week, the office physically had on the premises, that value in cash, whether that be in sterling or foreign currency.

After week 18, from week 22 onwards, if you perform the same addition you still obtain values in the £320,000.00 to £500,000.00 bracket mark, however these figures include the inflated values in the declared foreign currency and so if the inflation is subtracted from the overall value, the values drop to between £130,000.00 to £270,000.00. By adding an inflated value to these figures they can be brought back to the level pre week

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number 18 before any cash was actually removed from Rugeley Post Office.

During one of the PACE interviews I had with Mr Page on Wednesday 23rd April 2003, I questioned him briefly about the £282,000.00 figure in the AM stock unit and was informed by Mr Page that the figure on the Command 10 printout only related to the currency held within the Bureau till, therefore for example the Command 10 printout may say £50,000, which would mean that within the Bureau till itself there was various amounts of currency giving a total sterling value of £50,000. However, Mr Page then suggests that he would be holding an additional amount (mainly the Euros for **GRO**

GRO in his main safe, which is known as AM stock and this is why there are two different figures, one on the Command 10 summary printout and a different value on the cash account. It is therefore suggested by Mr Page that the bulk of the euros destined for **GRO** would be held in his main safe ('AM' stock unit) and handed to **GRO** when he attended the office.

It is evident from schedule MP/3 and copy till rolls MP/3A that the transactions were keyed into the Forde Moneychanger when the euros were sold to **GRO**. Having now examined the till rolls for the bulk currency transfers received from Hemel Hempstead and produced schedule MP/82 and associated copy till rolls sections MP/83, an exercise that had not been done prior to interviewing Mr Page on 23rd April 2003, it is evident that the large volumes of currency received, mainly consisting of the euros for **GRO** were 'booked' into the Forde Moneychanger on the day of receipt.

Having keyed these entries into the Forde Moneychanger the associated value of currency held becomes part of the Bureau stock unit (BU stock unit) regardless of whether most of it was held in the main safe or not, indeed £200,000.00 worth of euros would probably not have fitted into the Bureau till.

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Continuation of statement of **MANISH PATEL**

The Post Office at Rugeley used a number of Stock units, to identify them, for instance those used by the counter staff were given alphabetical/numerical letters to distinguish them, i.e. stock unit AA or 01 etc. As mentioned previously the Bureau till was labelled and identified as stock unit BU and Mr Page had his own stock unit labelled and identified as Stock unit AM.

Once the Currency received from Hemel Hempstead had been keyed into the Forde Moneychanger, as clearly it was being, as indicated on schedule **MP/82**, the value of the BU stock unit would increase by that amount 'booked' in. No other stock units would increase in value even if the euros themselves were placed in the main safe, AM stock unit. For the value to increase in the AM stock unit an operator would be required to manually key that value into the Horizon computer system and associated it with the AM stock unit.

Since all of the currency being received from Hemel Hempstead was being correctly keyed into the Forde Moneychanger it could not be booked in under AM stock unit as well. Furthermore if an amount of currency had not been 'booked' into the Forde Moneychanger then the command 10 weekly summary could not illustrate correctly how much currency had been sold during the course of the week as the Forde Moneychanger would not be 'aware' of the existence of other currency held in the Post Office as it had not been 'booked' into the system.

For instance in week 42 (week commencing 09.01.03), schedule **MP/82** shows that on Thursday 9th January 2003 at 10:47 hours, 150,000 euros with a sterling value of £92,177.23 was 'booked' into the Forde Moneychanger. On the following day, Friday 10th January 2003 at 14:46 hours a further 150,000 euros with a sterling value of £92,489.83 was 'booked' into the Forde Moneychanger. Then on Saturday 11th

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Continuation of statement of **MANISH PATEL**

January 2003 at 11:39 hours a further 150,000 euros with a sterling value of £92,707.05 was 'booked' into the Forde Moneychanger. Therefore within the 1st 3 days of cash account week number 42, Rugeley Post Office had taken delivery of and 'booked' in 450,000 euro with a sterling value of £277,374.11 into the Forde Moneychanger.

On Monday 13th January 2003, the day of **GRO** arrest, Mr Page sold to **GRO** **GRO** 584,000 euros for which **GRO** paid £360,493.83.

An examination of item number DAE/01, a Command 2 and Command 3 printouts produced from the Forde Moneychanger by the auditor Mrs Edwards on 14th January 2003 indicated that during the course of that week (week number 42) there had been 44 transactions where notes (currency) had been bought amounting to a sterling value of £371,082.58 and that the balance of currency left as shown on the Command 2 printout indicated a sterling value of £21,263.79.

Of the £371,082.58 worth of currency sold that week, £360,493.83 was as a result of **GRO** **GRO** transaction in the early hours of Monday 13th January 2003, which only leaves a little over £10,000.00 worth of other currency sales. There could not have possibly been anymore euros at the office, as everything received from Hemel Hempstead since at least week number 33 (w/e 13.11.02 when schedule MP/82 commences) had been 'booked' into the Forde Moneychanger upon receipt and therefore the figure of £282,000.00 shown in the AM stock unit is false, indeed further Horizon balance printouts for AM stock unit, recovered from the office by me, show similar figures of foreign currency held which identically match the inflated figures shown on my schedule MP/6 for the corresponding week.

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Continuation of statement of **MANISH PATEL**

I recovered from the archived office files at Rugeley Post Office, certain documentation in relation to various cash account weeks and the Bureau (BU) stock unit and the AM stock unit, these were the only documents I could locate at the office in relation to the BU stock unit and the AM stock unit for the period in question.

I now produce the following exhibits:-

MP/8 Horizon Office snapshot printout for week 22 (w/e 28.08.02) showing a foreign Currency sterling figure of £283,616.12

MP/9 Horizon Bureau Stock final balance printout for week 22 showing a foreign Currency sterling figure of £95,616.12.

MP/11 Horizon Office snapshot printout for AM Stock unit week 36 showing a foreign Currency sterling figure of £255,000.00.

MP/13 Horizon Bureau Stock final balance printout for week 37 showing a foreign Currency sterling figure of £98,936.38.

MP/15 Horizon Office final balance printout for AM Stock unit week 36 showing a Foreign currency sterling figure of £270,000.00

MP/17 Horizon Office final balance printout for AM Stock unit week 39 showing a Foreign currency sterling figure of £272,000.00

MP/18 Horizon Bureau Stock final balance printout for week 39 showing a foreign Currency sterling figure of £15,775.05.

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MP/20 Horizon Office final balance printout for AM Stock unit week 41 showing a Foreign currency sterling figure of £282,000.00

Furthermore as shown by schedule **MP/3**, the large volumes of euros being sold to **GRO** occur from at least 9th March 2003, yet throughout March 2002 through to June 2002, the value declared on the weekly cash account relating to Foreign currency on hand compared to the Cash Held figure on the Forde Moneychanger till roll (Command 10 printout) is exactly the same as it should be and there are no inflated figures, therefore there could not have been an additional amount of euros being held in Mr Page's main safe (AM stock unit) awaiting collection by **GRO**. However since the incident with the RLM in week 18 (w/e 31.07.02), there would continually be two different figures being declared, the correct one on the Command 10 printout, which was being sent to Chesterfield and an inflated one in the relevant section of the Cash account.

Following the initial interview I had with Mr Carl Page at Stafford Police station on the evening of Wednesday 15th January 2003, Mr Page was released on Police bail to return to Stafford Police Station on Tuesday 4th March 2003. Subsequently on that day, Mr Page was further bailed to return to Stafford Police Station on Tuesday 1st April 2003.

Both Mr Douglas Horton and **GRO** who had been arrested on Monday 13th January 2003, were initially interviewed by Officers from H.M Customs & Excise. Mr Horton was later further interview by Police Officers from Staffordshire Major Crime unit, when the investigation was passed over to them and subsequently Mr Horton was bailed to return to Cannock Police Station on Monday 24th February 2003 at which time he was released from Police bail with no further action being taken against him by

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Continuation of statement of **MANISH PATEL**

either the Police or the Post Office.

GRO after having being interviewed by Customs & Excise and whilst still in Police detention, suffered from a suspected angina attack and was conveyed to Hospital, subsequently he was bailed at the hospital to return to Cannock police station on Monday 24th February 2003 at which time he was further bailed upon my instruction to attend Stafford Police Station on Tuesday 1st April 2003.

On Tuesday 1st April 2003, together with my colleague, Mr Colin Price, I commenced a tape recorded interview in accordance with P.A.C.E with **GRO** also in attendance throughout the interview was **GRO** solicitor, Mr Ghulam Sohail. The interview commenced at 11:24 hours and concluded on tape number two at 12:57 hours.

I now produce the mater tape reference number 21/CG/995/03/01 as item number MP/86 and tape reference number 21/CG/995/03/02 as item number MP/87. Subsequently I have prepared a transcript of this interview, which I now produce as item numbers MP/88 and MP/89.

It can be seen that at the commencement of the interview, I was handed by Mr Sohail a typed statement from **GRO** which contained a few handwritten amendments. I was informed by Mr Sohail that this prepared statement was the only information **GRO** **GRO** proposed to provide at this interview and that he would not be answering any further questions put to him.

I read out the statement handed to me by Mr Sohail in full on tape for the record. The statement also bore an original date of 24th February 2003 that had been crossed out and a manuscript entry of 1st April 2003 written over it. Mr Sohail explained that the

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Continuation of statement of **MANISH PATEL**

statement had been prepared in readiness for an interview on 24th February 2003, the 1st bail return date from 13th January 2003 and as no further interview had taken place that day, the prepared statement had just been amended to reflect the date of the interview conducted on 1st April 2003.

The original Statement was retained by Mr Sohail though I was provided with a copy of it, which I now produce as item number **MP/103**.

Although further questions were put to **GRO** and documentation shown to him throughout the course of the tape-recorded interview, **GRO** chose to reply "no comment" to all of my questions apart from one question in tape number 2 at about 34 minutes when I asked **GRO** about whether Mr Page had ever queried him over the post dated cheques he handed over, **GRO** replied "no" to this question.

Later that day on 1st April 2003, Mr Page had also been bailed to return to Stafford Police station and in the delay in interviewing **GRO** in the morning, that interview not concluding until 12:57 hours and Mr Page's arrival at 12:00 hours further compounded by the fact that Mr Page had arrived at the Police Station without a solicitor and when informed that a further interview would take place, he suggested that he would like to have a solicitor present. Although the Custody Sergeant made attempts to contact the solicitor requested by Mr Page, this person was unavailable and therefore a Duty solicitor was contacted. It transpired that a duty Solicitor was already present at Stafford Police Station though was with another client and by the time she had finished with her first engagement and then spoken to Mr Page, I was informed by the Custody Sergeant that we had about 45 minutes left before Mr Page had been in Custody for a total period of 24 hours.

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In view of this, I explained to Mr Page that I had a number of questions to put to him in a formal interview, which would go beyond the 45 minutes we had before his time limit in custody expired. I therefore arranged to have Mr Page released from Police bail, Mr Page having agreed that he would arrange with his solicitor to attend a voluntary interview with me in due course.

Subsequently I was contacted by Mr Page's solicitor, Mr Patrick Farrington of Hand Morgan & Owen Solicitors in Stafford. Mr Farrington informed me that Mr Page was agreeable to attend a further interview on a voluntary basis and that the interview could be conducted at the offices of Hand Morgan & Owen on a suitable date.

Subsequently on the afternoon of 23rd April 2003, Mr Colin Price and I attended the offices of Hand Morgan & Owen in Stafford. After providing advance disclosure to Mr Farrington, I commenced a formal tape-recorded interview in accordance with P.A.C.E. with Mr Carl Adrian Page, in attendance was his solicitor Mr Farrington.

As this was a voluntary interview, I used the appropriate Post Office forms with regards to the explanation of the Legal Rights and the rights to a Post Office 'Friend' at interview. Both of these rights were explained to Mr Page using forms CS001 (Legal Rights form) and form CS003 (Post Office 'Friend' form). I now produce both forms as item numbers MP/60 and MP/61 respectively.

The tape-recorded interview commenced at 15:45 hours and spanned five (5) tape cassettes concluding at 18:57 hours. I now produce the following in relation to the tape-recorded interview.

MP/90 Master tape serial No. 058037 Interview of C A Page 23.04.03

Signature **M Patel**

Signature witnessed by **M Bushell**

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Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of MANISH PATEL

MP/91 Transcript of Interview with Mr C A Page on 23.04.03 (Tape Ref:058037)

MP/92 Master tape serial No. 058038 Interview of C A Page 23.04.03

MP/93 Transcript of Interview with Mr C A Page on 23.04.03 (Tape Ref:058038)

MP/94 Master tape serial No. 058039 Interview of C A Page 23.04.03

MP/95 Transcript of Interview with Mr C A Page on 23.04.03 (Tape Ref:058039)

MP/96 Master tape serial No. 058040 Interview of C A Page 23.04.03

MP/97 Transcript of Interview with Mr C A Page on 23.04.03 (Tape Ref:058040)

MP/98 Master tape serial No. 058041 Interview of C A Page 23.04.03

MP/99 Transcript of Interview with Mr C A Page on 23.04.03 (Tape Ref:058041)

During the course of the interview I made reference to various schedules and documentation, which were shown to and discussed with Mr Page.

Mr Page was shown a copy section of the relevant part of the till roll for the 8th May 2002, which I now produce as item number MP/62.

Mr Page was referred to a copy section of till roll, which I now produce as item number MP/63 relating to Tuesday 28th May 2002.

At 07:19 hours, 60,000 euros were transferred into the Forde Moneychanger at an exchange rate of 1.6764, giving a sterling value of £35,790.98. Then immediately afterwards at the same time, 07:19 hours 55,000 euros were sold at an exchange rate of 1.67, given a sterling value of £32,934.13. Mr Page agreed that the initial transfer in

Signature M Patel

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(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

of euros would have been the bulk cash he received that morning from Hemel Hempstead and that **GRO** would have been physically present at the Post Office at 07:19 hours when he purchased 55,000 euros.

I explained to Mr Page that in order for me to illustrate a comparison of what was booked in and what was sold I would have to work on the principle that if 55,000 euro (the amount bought by **GRO**) had been transferred in at an exchange rate of 1.6764, its sterling value would have been £32,808.40 and that if this figure was then subtracted from what **GRO** actually paid the Post Office, £32,934.13, then **GRO** **GRO** would have only paid an extra £125.73, compared to what Mr Page had actually 'paid' for them via his order to Hemel Hempstead.

Mr Page was informed he need have only sold 2000 euros that day using the correct published rate to make £127.10 more than had been paid to purchase the amount from Hemel Hempstead.

A further example was then shown to Mr Page using the copy till roll section, which I now produce as item number **MP/64**, giving details of entries made on 8th, 9th and 10th August 2002.

On Friday 9th August 2002 at 08:58 hours, 85,000 euros were transferred into the Forde Moneychanger at an exchange rate of 1.6685, giving a sterling value of £50,943.96. If this were reduced to 80,000 euros for comparison purposes, the value of those 80,000 euros when transferred in at an exchange rate of 1.6685 would have come to £47,947.26. At 09:36 hours the same day, 80,000 euros were sold to **GRO** at an exchange rate of 1.67 for which **GRO** paid £47,904.19, therefore the difference between what Mr Page 'paid' for them from Hemel Hempstead and what he sold them to **GRO** for was an extra £43.07. To make the same amount, Mr

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Continuation of statement of **MANISH PATEL**

Page would have only needed to sell 700 euros that day at the correct published exchange rate to make £44.44.

Later on the same day at 09:41 hours a further 80,000 euros were transferred into the Forde Moneychanger at an exchange rate of 1.6722, giving a sterling value of £47,841.17, this was immediately followed at 1 minute later (09:42) with the sale of 80,000 euros to **GRO** at an exchange rate of 1.67 for which **GRO** paid £47,904.19, an extra £63.02 more than Mr Page had transferred it in at.

I now produce the copy till roll section in relation to 22nd and 23rd August 2002 as item number **MP/65**. This example was not discussed during the course of the interview but further demonstrates that two quantities of euros totalling 170,000 were transferred into the Forde Moneychanger at 08:52 hours and 09:50 hours giving a total sterling value of £102,996.03 and that later in the same day at 09:59 hours and 10:00 hours, 170,000 euros were sold to **GRO** who paid £103,030.30, a difference of £34.27 extra to what Mr Page had transferred them in at.

I now produce the copy till roll section in relation to 17th October 2002 as item number **MP/66**. This example was not discussed during the course of the interview but further demonstrates that 85,000 euros were transferred into the Forde Moneychanger at 07:32 hours, giving a sterling value of £50,767.48 and that at 07:33 hours 85,000 euros were sold to **GRO** who paid £50,898.20, a difference of £130.72 extra to what Mr Page had transferred them in at.

Mr Page was then shown the copy till roll section in relation to 24th October 2002, which I now produce as item number **MP/67**. At 07:38 hours, 120,000 euros were transferred into the Forde Moneychanger at an exchange rate of 1.6725 giving a sterling value of £71,748.88 and at 07:40 hours, 120,000 euros were sold to **GRO** who paid

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Continuation of statement of **MANISH PATEL**

£71,748.88, exactly the same amount as they were transferred in at.

I now produce the copy till roll section in relation to 2nd November 2002 as item number MP/68. This example was not discussed during the course of the interview but further demonstrates that 200,000 euros were transferred into the Forde Moneychanger at 09:20 hours, giving a sterling value of £119,660.17 and that at 09:21 hours 200,000 euros were sold to **GRO** who paid £119,760.48, a difference of £100.31 extra to what Mr Page had transferred them in at.

Mr Page was then shown the copy till roll section in relation to 20th December 2002, which I now produce as item number MP/69. At 08:46 hours, 150,000 euros were transferred into the Forde Moneychanger at an exchange rate of 1.65 giving a sterling value of £90,909.09. If this were reduced to 144,000 euros for comparison purposes, the value of those 144,000 euros when transferred in at an exchange rate of 1.65 would have come to £ 87,272.73 and at 08:48 hours, 144,000 euros were sold to **GRO** **GRO** at an exchange rate of 1.65 for which he paid £87,272.73, exactly the same amount as they were transferred in at.

I now produce the copy till roll section in relation to 21st and 23rd December 2002 as item number MP/70. This example was not discussed during the course of the interview but further demonstrates that 160,000 euros were transferred into the Forde Moneychanger at 11:24 hours on 21st December 2002 at an exchange rate of 1.6506 giving a sterling value of £96,934.45. If this were reduced to 150,000 euros for comparison purposes, the value of those 150,000 euros when transferred in at an exchange rate of 1.6506 would have come to £90,876.04. On 23rd December 2002 at 09:40 hours, 150,000 euros were sold to **GRO** **GRO** at an exchange rate of 1.65 for which he paid £90,909.09, a difference of £33.05 extra to what Mr Page had transferred them in at.

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(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

Mr Page was then shown the copy till roll section covering the period between 8th January 2003 to 13th January 2003, which I now produce as item number **MP/71**.

150,000 euros transferred in on 8th January 2003 at 1.6277 = £92,154.57

150,000 euros transferred in on 9th January 2003 at 1.6273 = £92,177.23

150,000 euros transferred in on 10th January 2003 at 1.6218 = £92,489.83

150,000 euros transferred in on 11th January 2003 at 1.618 = £92,707.05

Therefore 600,000 euros had been transferred into the Forde Moneychanger between 8th January 2003 to 11th January 2003 and there were no amounts sold to **GRO** **GRO** during that period.

If this were reduced to 584,000 euros for comparison purposes, the value of those 584,000 euros would have come to £359,698.89 (assuming only 134,000 euros of the 150,000 euros, came from the transfer of 8th January 2003).

Mr Page was then referred to the copy till roll section for 28th March 2002, which I now produce as item number **MP/72**, which showed the purchase by **GRO** **GRO** of 45,000 euros.

Mr Page was also shown sections of till rolls relevant to 19th to 23rd April 2002 and 2nd May 2002, which I now produce as item number **MP/73**.

Signature **M Patel**

Signature witnessed by **M Bushell**

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of **MANISH PATEL**

I also produce the following sections of till roll:-

- MP/74** Forde Moneychanger till roll section relating to 29.05.02 to 31.05.02.
- MP/75** Forde Moneychanger till roll section relating to 07.06.02.
- MP/76** Forde Moneychanger till roll section relating to 13.06.02 & 14.06.02.
- MP/77** Forde Moneychanger till roll section relating to 01.07.02 & 02.07.02
- MP/78** Forde Moneychanger till roll section relating to 12.07.02 & 15.07.02

Whilst the 5th tape cassette was being loaded into the machine in readiness to continue the interview, Mr Farrington, the solicitor stated that he had an evening engagement and also that the cleaners would lock up the offices at 19:00 hours and he had left his set of keys at home therefore he felt that we could not continue the interview any further.

As a result I started the fifth tape at 18:54 hours just to capture the reasons behind the termination of the interview, which then concluded at 18:57 hours. Mr Page did state both on the 5th tape and after the end of the interview that he was happy to continue with a voluntary interview at a later date and indeed wished to arrange a date there and then, however, Mr Farrington interjected and stated that he would let us know in due course. Subsequently, Mr Farrington on behalf of Mr Page declined to attend a further voluntary interview.

Further to the interview conducted on 23rd April 2003, I have performed some further analysis of various documentation and produced some further schedules.

I now produce schedule, item number **MP/79** which has been compiled to illustrate a 6 week period, from week number 1 to week 6 (28.03.02 to 08.05.02), of when cheques were received from **GRO** when those cheques were sent away for

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Continuation of statement of **MANISH PATEL**

processing, the amount paid to the Post Office, when the euros where sold to Thomas Cook Retail and when the funds were credited to **GRO** account and the level of profit made by **GRO** and the number of days it took for the cheque to be cleared from the date it was presented to the Post Office.

It can be seen that even though **GRO** receives the funds via electronic transfer from the sale, usually on the same day as purchase of the euros, from Thomas Cook Retail, the cheques he has used to purchase the euros do not clear his account until late the following week and can be anywhere between 6 to 13 days after the cheque was presented to Rugeley Post Office, in the meantime several further purchases and sales have take place.

For instance in week number 1, **GRO** purchases 45,000 euros on Thursday 28.03.02, then 37,500 euros on Tuesday 02.04.02 and then 50,000 euros on Wednesday 03.04.02. He uses three (3) cheques (100271, 100273 & 100274) to pay for the above amounts. **GRO** sells all of the above amounts to Thomas Cook retail within a day of purchase from the Post Office and the funds from the sale are credited immediately to his bank account.

The following week, week number 2, **GRO** purchases 30,000 euros on Thursday 04.04.02 and then a further 45,000 euros on Friday 05.04.02, again these are sold to Thomas cook within a day of purchase and therefore the funds are credited to **GRO** account immediately.

The three cheques taken in week 1, do not clear **GRO** account until Tuesday 09.04.02, during which time **GRO** has purchased and deposited some 207,500 euros for which he has received credits to his bank account of £125,801.68 by Friday 05.04.02, even though not a single penny in payment for those

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Continuation of statement of MANISH PATEL

euros has been debited from his bank account.

This pattern follows throughout the six weeks covered on schedule MP/79 and indeed throughout the period under investigation.

During the course of the interview with Mr Page, he had claimed that he or his staff would on occasions when the Post Office ran short of foreign currency, go along to the local Co-op Travel shop and purchase the required currency from them, bringing the currency back to the Post Office and transferring it into the Forde Moneychanger before selling it to the customer.

Both Mrs M Pearce and Ms Batey, staff members employed at Rugeley Post Office have confirmed the practice of purchasing foreign currency from the local Co-op Travel shop when the Post Office was running low of a certain type of currency. Both had also attended the Co-op store themselves to conduct these transactions.

Furthermore, I have obtained a statement from Mrs Gwen Talbot, the foreign exchange cashier employed at the Rugeley Co-op Travel store, who has also confirmed the practice of Rugeley Post Office purchasing foreign currency from their outlet. I requested Mrs Talbot to extract from their archives all of the documentation relating to the sale of foreign currency to Rugeley Post Office between the beginning of 2002 through to 13th January 2003.

Subsequently Mrs Talbot handed to me copies of all of the transactions she could find relating to the sale of foreign currency to Rugeley Post Office over the period specified, the originals, item number GT/1 were retained by Mrs Talbot. Using the information contained on the sales receipts GT/1, I compiled a schedule, which I now produce as item number MP/100 illustrating the various dates and amounts involved. As can be

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Continuation of statement of **MANISH PATEL**

seen from the schedule, there are a number of different types of currency purchased from the Co-op store and those concerning euros have been highlighted. When the dates of the euros purchased from the Co-op are compared to the Buy Notes transaction schedule, item number **MP/5**, there are still a far greater number in terms of volume and value of buy backs which do not correspond to the dates or amounts when the euros where bought from the Co-op store.

I also requested from Mrs Talbot the exchange rates that the Co-op would have been selling euros for during specific dates during 2002, namely the dates listed on schedule **MP/3**, i.e. the dates **GRO** had purchased euros from Rugeley Post Office. When Mrs Talbot had extracted a sales receipt relating to euros for the particular date in question from their archived records, I kept a copy of it, though entered the exchange rate onto another schedule, which I now produce as item number **MP/101**, labelled Co-op Travel Rugeley – Euro exchange rate. The copy sales receipts used for this exercise now form part of the unused material.

Subsequently I have also examined the Bureau sales figures for a main Branch Post Office located in Swansea, which also has a high level of foreign currency sales. I have extracted the sales figures from week number 1 (w/e 03.04.02) to week number 45 (w/e 05.02.03). This schedule indicates the revaluation ratio, which have remained between +8 to +12 percent throughout the period and as indicated by Mr H Stacey in his statement, the accepted boundaries for revaluation ratios should be between +7 and +12 percent for a normally operated Post Office. I now produce this schedule as item number **MP/102**.

Subsequently, I requested Mr L Hutchins, the Foreign Currency Manager at Hemel Hempstead to provide me with all of the wholesale exchange rates for euro purchased from FRTS since 1st March 2002 to 31st January 2003. I received from Mr Hutchins a

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Signature witnessed by **M Bushell**

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Continuation of statement of **MANISH PATEL**

schedule (LGH/05) illustrating the relevant wholesale exchange rates.

By using this schedule and my own schedule MP/3, I have compiled another schedule, which I now produce as item number MP/104. This schedule compares the sterling value of the euros sold to **GRO** using both the wholesale rate supplied to the Post Office (Hemel Hempstead) and the exchange rates applied by Mr Page.

The dates indicated on schedule MP/3 relate to when the transaction was conducted with **GRO** and therefore in order to carry out this exercise, the wholesale rate I have used for comparison purposes is the rate on the day before the sale.

For instance the 1st entry on schedule MP/3 is Saturday 9th March 2002, I have therefore used the wholesale exchange rate from LGH/05 for Friday 8th March 2002 (1.6137) as the euros would have been despatched to Rugeley Post Office on the 8th to arrive and be sold on the 9th. In most cases the wholesale rate I have used is that of the day before the sale apart from sales made on Mondays when the wholesale rate for Friday would have been used, also when bank holidays have affected the deliveries.

This schedule shows the day & date on which the transactions took place, the amount of euros purchased by **GRO**, the wholesale exchange rate used by FRTS to supply the euros to the Post Office (Hemel Hempstead) and therefore their sterling value, the exchange rate applied by Mr Page to the sale of those euros and again the sterling value paid by **GRO**.

As can be seen in every case throughout that period, the Post Office paid a greater amount in sterling (lower exchange rate) to FRTS than **GRO** paid to Rugeley Post Office for the same amount of euros (higher exchange rate).

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Continuation of statement of **MANISH PATEL**

For instance on 9th March 2002, FRTS supplied euros to the Post Office at an exchange rate of 1.6137, using 40,000 euros for comparison purposes that amounts to a sterling value of £ 24,787.75, which is what the Post Office paid to FRTS. **GRO**

GRO purchased 40,000 euros on that same day at an exchange rate of 1.715 for which he paid to Rugeley Post Office, £ 23,323.62, giving a difference of £ 1,464.13. So the Post Office having bought the euros at a wholesale rate from FRTS, still lost £ 1,464.13 from that sale alone based purely on the wholesale rates, which does not take into account any profit margins at all, with those taken into account the loss was as shown on schedule MP/3 (£2,023.32).

It can be seen that over the period in question, just over 11 million euros were sold to

GRO (11,172,450) and that using only the wholesale rates, the amount of money paid by the Post Office to FRTS was £ 7,119,221.02. The amount of money paid by **GRO** to Rugeley Post Office for the same amount of euros was £ 6,725,339.48, meaning that **GRO** paid £ 393,881.54 less than Hemel Hempstead had purchased them for. Again this is based purely on the comparison of the wholesale rates and does not take into account any profit margins at all, with those taken into account the loss was as shown on schedule MP/3 (£ 592,802.74).

Signature **M Patel**

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Signature witnessed by **M Bushell**

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(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)



Statement of Mrs Margaret Ann PEARCE

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of one (1) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 15th day of March 2004

Signature M Pearce

In the statement of I made on 26th March 2003, I was shown several cash account documents by Mr Patel of the Post Office Investigation section relevant to the following weeks which are identified as shown below:-

Week number 19, identified as item number MP/41

Week number 20, identified as item number MP/40

Week number 23, identified as item number MP/38

Week number 25, identified as item number MP/36

Week number 26, identified as item number MP/35

Week number 29, identified as item number MP/32

Week number 31, identified as item number MP/30

Week number 33, identified as item number MP/28

Week number 34, identified as item number MP/27

Week number 35, identified as item number MP/26

Week number 37, identified as item number MP/12

Week number 38, identified as item number MP/14

Signature M Pearce

Signature witnessed by M Patel

CS011 (Side A)

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