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Casework Manager
Investigation Team

Interim Report

POLTD/0607/0108 North Bransholme
Branch Code 174 321 – Janet Louise SKINNER
Branch Loss £59,216.43

These papers refer to a cash shortage of £59,216.43 identified at North Bransholme Post Office on Tuesday 30th May 2006.

North Bransholme is a 4 counter position branch within an independently owned convenience store. It is located within a deprived area of Hull. The branch is operated by Temporary Subpostmistress Janet Skinner who employs 4 staff, Katherine Ayres, Theresa Holmes, Colleen Kates and Wendy Lyell.

Rural Support Manager Diane Hoyles was requested to visit the branch by the cash management team regarding the Overnight Cash Holding (ONCH) figures reported by North Bransholme. The branch had also failed to return excess cash despite being requested to do so on several occasions.

Mrs Hoyles visited the branch on Tuesday 30th May 2006, accompanied by her colleague Julia Stephenson. Mrs Hoyles explained to Miss Skinner that they wished to confirm the cash on hand at the branch. Miss Skinner informed Mrs Hoyles that there was a shortage in the accounts of around £40,000.

Ms Skinner was asked the reason for the loss and was stated that she had no idea where the money had gone. A statement was written by Mrs Hoyles, which Miss Skinner has signed. Miss Skinner was suspended at this time.

An audit took place the following day and was lead by Branch Auditor Paul Field. The audit confirmed a shortage in the branch of £59,216.43 of which £58,942.41 was in the cash. The branch was defunded at this time.

On Thursday June 1st 2006, accompanied by my colleague Stephen Bradshaw, I interviewed Miss Skinner on tape under caution. Miss Skinner admitted to producing false cash accounts for North Bransholme Post Office since November 2004. She stated she did this by inflating the £10 and £20 notes to disguise the shortages.

Miss Skinner made no admissions to stealing the money but on numerous

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occasions during the interview, she made reference to an employee Katherine Ayres. Miss Skinner stated that she was warned by a previous manager to keep an eye on Mrs Ayres as she had been the subject of an internal investigation by her then employers, United News Group. The result was inconclusive and Mrs Ayres was reinstated.

Miss Skinner also stated that the losses in the office were poor and customers were regularly returning as Mrs Ayres had short changed them, often by large amounts. To eradicate the problem, staff were put on individual stocks. The results were favourable until Mrs Ayres had a £1,400 loss in November 2004. An agreement was made between Miss Skinner and Mrs Ayres whereby Mrs Ayres would repay the money at £10 or £20 a week. This would be placed in a plastic bag kept in the safe with Mrs Ayres keeping a tally of what money was being repaid. Miss Skinner stated this bag disappeared a week prior to Mrs Hoyles visit.

Miss Skinner agreed to the £1,400 being added to the cash on hand each week by Mrs Ayres until the full amount was repaid. To date only £500 of this amount has been repaid by Mrs Ayres, this was in a lump sum back in February 2006.

Miss Skinner stated that Mrs Ayres was off sick for 6 months, returning in December 2005. During this period the balancing had been good and the branch returned to operating a shared stock unit. It was shortly after December that the large losses started to appear.

In trading period 10, covering 22nd December 2005 to 19th January 2006, Miss Skinner stated there was a shortage of £7,500, this again was covered up by inflating the cash on hand figures to avoid showing the loss on the accounting document. This rose to £9,000 in February and in large amounts until the £59,000 present figure.

Although Miss Skinner doubts the honesty and integrity of Mrs Ayres, she gave her a set of door and safe keys to the branch in order to open up in the mornings. Miss Skinner stated that customers were complaining that the branch was not opening on time so Mrs Ayres, who lives locally, assumed this responsibility. Miss Skinner stated that as she only worked mornings, Monday to Thursday, another set of keys was rotated between clerks Colleen Kates and Theresa Holmes.

Miss Skinner stated that Mrs Ayres son came into the branch recently and he appeared under the influence of drugs. She discussed this with Mrs Ayres

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who admitted her son was undergoing a course of methodone treatment to help his drug addiction. Miss Skinner also stated Mrs Ayres son has a girlfriend who has recently been imprisoned for drug dealing offences.

Throughout the interview, Miss Skinner denied stealing any money but admits to operating the branch with poor procedures and did not try to stop the losses occurring. She also added that she did not speak to her staff about the losses or try to find the perpetrator. She admits to falsifying her accounting documents since November 2004.

Miss Skinner stated that the losses in the branch were declared as cash in dormant stock unit CC. On trading statement 02 for 26th April to 25th May 2006 an amount of £40,253.85 was declared as cash when in fact there was no cash present. Miss Skinner believes this was the current loss figure and could not explain how a further £19,000 had disappeared in 3 working days.

Miss Skinner stated throughout the interview that we could search her home address. When this was requested she insisted this could only be done when her children were not present. They were off school at this time and this would have to be delayed until their return to school the following week. Assistance from Humberside Police at Bransholme station was requested, however this was declined due to lack of resources at that present time.

Bank authority was given and I have received 6 months statements from the Halifax in respect of Miss Skinner's current account. There is currently £1,989.98 of direct debits per month on this account with a Post Office salary of around £5,100 being received each month.

I have received Horizon data for the periods January 2006 and May 2006. On examination, it was noted that the CC stock unit was balanced and rolled over on May 24th on Mrs Ayres user code KAA001. A transfer of £20,000 was accepted at 16.35 hours with 3 cash declarations made within a 4 minute period. This resulted in £40,253.85 being declared as cash on hand in this stock unit.

I have discussed this case with Mick Matthews, Financial Investigator to inform him of the present position.

Colleen Kates has contacted the Contracts Manager, Vicky Harrison and appears to want to speak to me regarding this issue. Ms Kates wishes to become the interim at the branch and that may be her motive for wanting to discuss this situation.

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I now intend to interview Mrs Ayres about the loss and her involvement at North Bransholme. Due to the fact that I have been made aware of a drugs problem at her home address, I will discuss this further with North Humberside police in order to seek their involvement in undertaking a search of Mrs Ayres home address.

These papers are forwarded for the present position to be noted and returned to this office for the investigation to continue.

Diane Matthews
Investigation Manager
16th June 2006

GRO