COPF0000242

Durham, Rana

From:	Beaton, Paul GRO
Sent:	06 August 2013 09:34
To:	MacNeill, Lindsay
Cc:	Irvine, Laura; Wallace, Gertie
Subject:	RE: Post Office Ltd - Review Our ref: POST/3/1

Morning Lindsay,

Thank you for the information, could you please tell me what the position is of the Post Office Investigator in relation to these cases?

I would be grateful if you could ask him to provide an additional statement in relation to each of the cases to confirm whether any of the known computer issues affect the preparation and prosecution of them. It would also be of benefit to know whether it is thought that any of the issues could be said to affect any of the previous cases.

At this stage, I am happy to be the point of contact for these.

thanks

Paul

Paul E Beaton
Policy Division
Crown Office
25 Chambers Street, Edinburgh EH1 1LA
Direct Dial GRO
Email GRO

From: MacNeill, Lindsay GRO
Sent: 02 August 2013 16:33
To: Beaton, Paul
Cc: Irvine, Laura
Subject: Post Office Ltd - Review Our ref: POST/3/1

Good Afternoon Paul,

We've been in touch with Martin Smith at Cartwright King and write to provide an update on their review of the Scottish Post Office Ltd cases.

So far, 4 out of 5 of the Scottish cases have admissions and are not reliant on Horizon evidence, however, it is obviously for the Crown to decide whether it is necessary for the Second Sight and Helen Rose reports to be disclosed in these cases. The cases with admissions are:

KW13000211	**EVIE**	GRO
GG13010308	**GORBALS**	
KC13003720	**KINGHORN**	

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KC13001814 **NEW CARDEN** GRO

The fifth case which is against Christine Gourlay, reference below, is slightly different as there is a suggestion that there are training issues involved.

HM13003852 **HAMILTON** Christine GOURLAY

Sometimes, when there is a shortfall of cash in a branch, a member of staff may inflate items of stock such as stamps to cover up the loss. A transaction is deliberately put through Horizon which shows that the branch has 'bought' a quantity of stock, which has been paid for with money held in the branch - therefore explaining the absence of the money to auditors. However, as the branch has not actually received any items of stock in the transaction, the stamps, or whatever was 'purchased', will be absent at audit.

I am told that the case against Christine Gourlay concerns an alleged inflation of self-adhesive stamps amounting to £48,000. Ms Gourlay's position is that the Post Office Ltd Stock Team in Chesterfield (who monitor stock adjustments each day and query the biggest transactions) contacted her to say there was a problem with her stock levels and advised her what to do to rectify the issue. Ms Gourlay claimed at interview that what she was told to do to fix the problem actually caused the cash shortfall discovered at audit. The shortfall reported to COPFS is lower (£45,535.96), due to accounting errors elsewhere in the system.

A statement taken from Rachelle Shimwell who works in the Stock Team notes that she called Ms Gourlay's branch twice to check up on significant positive stock adjustments – for first class adhesive stamps: 100 sheets - £33,000 and second class stamps: 100 sheets - £15,000. During the first call, Ms Shimwell was advised that a customer had purchased a large order of stamps, then, seeing the branch was now running low, the stamps were bought back from the customer. In the second call, Ms Shimwell was told that the stamps had been transferred in from another branch, but the person on the phone would or could not identify the name of the branch which sent them. When auditors came to the branch, the stamps were not present and were recorded as a significant shortfall.

'Cash rich' branches - those which hold a high amount of money in their safes - are periodically asked to return money to Post Office Ltd to avoid any branch holding too high an amount at any time. The adjustments were made just before Ms Gourlay left the branch to go on holiday and Mr Daily, who investigates the Scottish cases on behalf of Post Office Ltd., advises that, had the shop showed a surplus of £48,000 cash, Post Office Ltd. would have asked for the surplus back. Mr Daily has suggested that this could be the motive for Ms Gourlay converting the surplus to stock/stamps prior to her absence – in order to avoid other staff in the branch finding the deficit and reporting it.

The case is currently with the PF and has not been marked.

From the facts as I have been advised, there is clearly a suggestion by Ms Gourlay that the system played a part in the shortfall and so the reports may strengthen the defence case. As previously stated, I acknowledge that it is entirely the prerogative of the Crown to disclose any evidence which falls within the disclosure regulations.

I would be grateful to receive contact details of fiscals who could assist in relation to dealing with the potential disclosure issues in relation to each of these cases. We suspect that Sue Forbes will be dealing with the Kirkwall case as she is the only depute there, and we know that Andy Lazzarin is dealing with the Gorbals case. Contact details for fiscals dealing with the other three would be very useful.

I trust this information is of assistance and I am happy to discuss any of the above if required. In the meantime I will continue to keep you advised of developments in the review by Cartwright King.

Kind regards,

Lindsay MacNeill
Solicitor

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Please keep in touch. Follow us on:

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Durham, Rana

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