

Raising cases for investigation

February 2014

Purpose

1. The resultant cultural shift as a result of the current Branch Network Improvement Programme, together with a reduction in resource capability will clearly have an impact on security activities. There is therefore a need to look at more effective ways to provide the expected level of service to the business. The purpose of this report to apply some objectivity around raising cases to ensure that our processes are proportionate, fair and meet business needs.

Background

2. The investigation landscape has significantly changed since publication of the interim Second Sight review in August. The Audit team have placed a £20k threshold on anomalies for potential audit. Additionally Contract advisors will not now *precautionary suspend* as a matter of course, without first considering whether or not the subject remaining in the Post Office:
 - Is likely to hinder the investigation
 - Whether or not the reason for the loss has been identified
 - Whether keeping the subject in post is unlikely to risk further loss
3. There appears to have been a significant shift in process where unlike previously precautionary suspension is now seemingly used as a last resort. This proposal has been accepted by the business.
4. Where an agent remains in post, any criminal prosecution is unlikely to pass the *successful prosecution test* rendering criminal investigation unviable. Clearly, a cessation of low level audits and revised processes adopted by Contract Advisors will have a significant impact on the numbers of cases raised for investigation.

Proposal

5. Cases will only be raised for criminal investigation once all alternative avenues which may culminate in a successful outcome have been explored and dismissed. Consideration must be given to crime reduction or disruption activities such as those previously undertaken as fraud risk programmes. Civil recovery can also be explored. In any event the decided course of action needs to be proportionate, justified and necessary in terms of meeting business needs.
6. Cases raised for investigations will be limited to those likely to seriously damage the brand or reputation of the Post Office; this may be a POCA case

involving multiple victims affecting the elderly and vulnerable. Other cases will be considered where there is a clear and obvious business need to conduct a criminal investigation; Offending which results in significant loss or harm to POL or the community. Likewise a Post Office business client who has been subjected to significant loss.

The mechanism

7. On deciding the appropriate course of action consideration must be given to the following:

- The seriousness of any offence and extent of harm
- Duration of the offence
- The victim; vulnerable, multiple or client impacting
- Any voluntary disclosure or confession made by the person concerned
- The age, physical and mental condition of the person concerned
- Previous convictions or evidence of offending by the person concerned
- Any breach of trust
- Other social factors
- Likely expectations of key stakeholders
- Any likely delays in an enforcement decision being reached?

Weighting Matrix

Consider	Circumstances	Low 1	Med 2	High 3	Extreme: 4
Value	If the losses incurred significantly high <£5k: Low 1 Between £5k and £10k: Medium 2 £10k <-> £15k: High 3 Over £15k: Extreme 4		2		
Evidence	Documentary evidence likely to support a successful prosecution			3	
Witnesses	Eyewitness accounts, availability of CCTV to support allegation: High Yes, Low: No	0			
Subject	Disclosures Admits offence: 3/4 Admits offence prepared to return money taken: 2 Denies Offence: 1			3	
Subject	Physical or mental condition Medical Evidence supporting victims condition: 1 [dependent]			3	

	Indication from subject: 2 No indication:3				
Subject	Previous offending or non-compliance by the subject	0			
Subject	Intelligence received concerning subject's activities; substantiated by recognised source; ie client partner will be High. Unsubstantiated or unknown unreliable source is low.	0			
Subject	Level of training, expertise, length of time in the business. Length of service scores high.		2		
Victim	Vulnerable, elderly, multiple victims	1			
Business impact	Seriously damage client relationship	1			
Media impact	Will there be significant media interest that may damage the reputation of the Post Office		2		
Stakeholder	Expectations in internal stakeholders in pursuing criminal investigation		2		
	Total Score: 19	2	8	9	

Scoring (decision making)

8. Cases scoring higher than 15? will be raised for investigation. *(There could always be instances whereby the severity of the offence may require an immediate investigation being raised (i.e. business flag case, extreme high loss). However this would still not inhibit the latter decision on whether to proceed with a criminal prosecution thereafter).
9. The decision to raise a case currently sits with the team leader. For the benefit of consistency and governance, consideration should be given to raising the line of responsibility to Senior Programme Manager, with input from the team leader/security manager.
10. Where the decision is taken to raise a case, the prosecution test must be considered at the earliest possible stage as follows:
 - Evidence of guilt sufficient to give a realistic prospect of success in criminal proceedings,
 - A prosecution must be deemed in the public interest.

Case not raised

11. The matter will be forwarded for consideration by line management, Contracts Managers or the Civil Recoveries teams with any necessary support from Security.

Informal Action [Contractual]

12. This will usually take the form of letters or reports sent to the person concerned in the case of a minor offence but can also include verbal warnings. Informal action should be acted upon by the individual or business and in the event they fail to do so and there is new evidence of dishonesty, consideration should be given to conducting a criminal investigation.
13. Examples of when informal action might be appropriate include circumstances where:
- An early admission of guilt (in the case of a minor offence) is made.
 - The offence is not deemed serious enough to warrant criminal investigation.
 - Action taken by the offender to repay or make amends for criminal act.
 - The past history of the individual or business suggests that informal action will deter future offending.

Formal Action [Contractual]

14. Where criminal proceedings are not considered appropriate but the criteria is deemed greater than the informal approach, the Contracts Manager will decide on any enforcement actions required taking into consideration
- The seriousness of any offence and extent of harm
 - Duration of the offence
 - The age, physical and mental condition of the person concerned
 - Any voluntary disclosure or confession made by the person concerned
 - Previous convictions or evidence of offending
 - Any breach of trust
 - Other social factors
 - Any delays in a criminal enforcement decision being reached

Civil Proceedings

15. This will be considered where the seriousness of the offence or the attitude of the offender renders formal action inappropriate. Civil proceedings can be used to vary/ terminate a contract, recover monies stolen from POL or as financial compensation for other wrongdoing.

Disciplinary proceedings

16. There will be circumstances where the offence not suitable for criminal investigation occurs within the Crown or other Post Office support function and the person concerned is an employee of the Post Office. In which case, a conduct investigation under the POL discipline code will be undertaken by line management. Any necessary assistance to support the conduct investigation will be provided.

Conclusion

17. Research already conducted suggests that cases raised will reduce by circa 50%. Although there are likely to be some concerns that reduced investigations may lead to an increase in losses and the potential for wider undiscovered offending, this could be mitigated by robust crime prevention initiatives. This would include a number of fraud risk programmes being undertaken by the security team and delivered in conjunction with key stakeholders, which will provide mitigation for a decrease in the level of frauds being committed at an earlier stage and therefore reduce the current level and value of losses.

Submitted for consideration

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