

**IN THE CROWN COURT
AT MOLD**

**INDICTMENT
TRIAL NO.**

**STATEMENT OF INFORMATION RELEVANT IN ACCORDANCE WITH SECTION
16 (6)**

OF THE PROCEEDS OF CRIME ACT 2002

REGINA

V

HUGHIE NOEL THOMAS

STATEMENT DETAILS

Prepared and tendered by : Michael Francis MATTHEWS

**Address : Post Office Ltd Investigation Team
PO Box1
Croydon
CR9 1N**

Signature :

Date : 18th April 2007

Prosecutor : Juliet McFARLANE

**Address : Principle Lawyer
Criminal Law Team
Royal Mail Group plc
6A Ecclestone Street
London
SW1W 9LT**

1 Statement of Information

1.1 I, Michael Francis Matthews a financial investigator currently employed by Post Office Ltd, am accredited under Part 2 and Part 8 of the Proceeds of Crime Act 2002. This statement of information is further to;

- a) A statement of information prepared by me and tendered by Juliet McFarlane, Solicitor in this matter, in accordance with Section 16(3) of the Proceeds of Crime Act 2002 dated the 16 January 2007 and
- b) A further statement of information prepared and tendered by me in accordance with Section 16(6) of the Proceeds of Crime Act 2002 dated the 22nd February 2007.

I say as follows: -

1.2 I am duly authorised to make this statement of information on behalf of the prosecutor, who is The Solicitor to Royal Mail Group Plc, Criminal Law Team and who has conduct of the proceedings in this matter. I make this statement of information in accordance with Section 16 (6) of the Proceeds of Crime Act 2002.

1.3 Hughie Noel Thomas is the defendant in this matter

2 Extent of Benefit

Particular Criminal Conduct

2.1 I have reviewed the benefit figures from my previous statements to take into account the increase in the value of money between January 2007 and today's date.

2.2 The defendant has pleaded guilty to one count of false accounting. The benefit to the defendant as a result of this count is **£82,285.96**. This figure is obtained as follows;

2.3 The audit shortage of **£48,454.87** from the Post Office® account. Subpostmasters are immediately liable for losses in their branch account. As a result of the false accounting the defendant obtained a pecuniary advantage by failing to repay the loss and continued to earn remuneration as a subpostmaster. Post Office Ltd would have terminated the defendant's contract to provide Post Office Services had they been aware of the true facts in this matter.

2.4 The increase in the value of this money between the commission of the offence and March 2007 (the latest month that Retail Price Index (RPI) figures have been produced) is **£3,306.80**

Notes to 2.4 The figure is worked out as follows:

Period of Offending (RPI figure for September 2005) minus (RPI figure for October 2004), divided by (RPI figure for October 2004), multiplied by £48, 454.87 and then divided by 2 (This is to deal with the unknown rate of the increasing value of the shortage during the false accounting period).
Therefore $193.3 - 188.6 \div 188.6 = 0.0249204 \times £48, 454.87 = £1207.51 \div 2 = £603.75$.

Period from end of offending to March 2007 (RPI figure for March 2007) minus (RPI figure for November 2005), divided by (RPI figure for November 2005), multiplied by £48, 454.87. Therefore $204.4 - 193.60 \div 193.60 = 0.0557851 \times £48,454.87 = £2,703.05$

- 2.5 The sum of **£28,519.76**, which he was paid as remuneration, between October 2004 and October 2005. Post Office Ltd paid this money as the defendant provided Post Office Ltd Services. This money would not have been paid had Post Office Ltd been aware of the true facts in this matter as defendant's contract to provide services would have been suspended. The amounts of the monthly payments are detailed on the schedule associated as appendix 4
- 2.6 The increase in the value of this money between the commission of the offence and November 2006, on a month-by-month basis is a total of **£2004.53**. A schedule showing the relevant calculations is associated as appendix 4.
- 2.7 The figures above have been calculated on the dates detailed in the indictment. The exact date that the defendant incurred his first shortage and as such benefited is not known, however the prosecution is content to accept these dates for the purpose of confiscation, especially as the exact loss to the victim in the case was established by audit.
- 2.8 The calculation of benefit derived by the defendant has been made on the basis of the judgement of Mr Justice McCulloch in the High Court of Justice, Queens Bench Division, in the matter of R v K (TLR 01/10/1990), namely, that the benefit is the value of the property obtained. This judgement has been followed by the Court of Appeal, Criminal Division, in the matter of R v John Adeyemi Layode, Court of Appeal, Criminal Division 12 March 1993

3 Summary of Benefit

Source	Detail	Amount
Particular Criminal Conduct	Money short on audit	£48,454.87
	Increase in the value of that money	£3,306.80
	Money paid as remuneration	£28,519.76
	Increase in the value of money paid in remuneration	£2004.53
Total Benefit		£82,285.96

4 Available Amount

- 4.1 The property the former Post Office Gaerwen Isle of Anglesey LL60 6DB, has been valued by Dafydd W Rowlands BSc Hons, MRICS. The value took into account the work that has been carried out on the property by the defendant's son since the sale to him, on the 3rd October 2007. The market value then was £120,000. Mr Rowlands is of the view, again taking into account the work completed by the defendant's son, that the value of the property would not have increased between then and now.
- 4.2 We have been served a letter from Morgan Evans dated March 2006 in which they quote a realistic market figure should be offers in the region of £125,000
- 4.3 In the defendant's statement dated the 20th February 2007 Mr Thomas says that, "I approached Messrs Morgan Evans & Co a local experienced firm of Estate Agents who suggested that an asking price might be £125,000" He also goes on to say, "I knew that if I placed the property on the market with that asking price I would receive offers somewhat lower. I did not feel that I was acting inappropriately when, following discussion, I agreed to sell the property to my son for £100,000.
- 4.4 Mr Thomas States that his wife has a joint interest in the property but the prosecution has not seen any evidence of her contributions to the payment of the Asset.

Approximate amount that Gaerwen Post Office was undersold - £20,000

- 4.5 The increase in the value of this money between the October 2006 and March 2007 (the latest month that Retail Price Index (RPI) figures have been produced) is **£3,306.80**

Notes to 4.5 The figure is worked out as follows: (RPI figure for March 2007) minus (RPI figure for October 2006), divided by (RPI figure for October 2006), multiplied by £20,000. Therefore $204.4 - 200.4 \div 200.4 = 0.019960079 \times £20,000 = £399.20$

The increase in the value of the tainted gift - £399.20

- 4.6 Further to paragraph 9.6 in my statement of information dated the 16th January 2007 pertaining to funds in an Alliance and Leicester account (balance £4712.04). The prosecution accepts that there was an endowment policy with Phoenix Life Insurance in the names Mr HN and Mrs EV Thomas, which was surrendered. The prosecution has seen two remittance advices from Phoenix, both in the sum of £2,835.12, one in respect of Mr NH Thomas and the other in respect of Mrs EV Thomas. It also accepts that this money forms a substantial amount of the balance in the Alliance and Leicester account. What the prosecution has not seen is evidence of how the endowment policy was paid for and as such is not in a position to say if Mrs EV Thomas is entitled to 50% of the benefit of the policy.

**Money thought to be in the Alliance & Leicester personal account -
£4712.04**

- 4.7 Notwithstanding this the prosecution would have been content for Mrs EV Thomas to realise the quarterly pension payments amounting to £76.05 per quarter that have accumulated within the Alliance & Leicester account since it was restrained. However we have been informed that no such payments have been made.
- 4.8 Additionally the prosecution has confirmed since the statement dated the 22nd Feb 2006 that the defendant holds an annuity with Norwich Union that after tax liabilities have been paid the Her Majesties Revenue and Customs would be available for confiscation. The prosecution is advised that the annuity was valued at £6819.64. The sum to be realised however after the payment of tax liabilities is estimated to be in the region of £1,500

**Money thought to be in the realisable from the Norwich Union Annuity -
£1500.00**

5 Summary of Available Assets

Detail	Amount
Tainted Gift in sale of Gaerwen Post Office	£20,000.00
Increase in the value of money Tainted Gift	£399.20
Alliance & Leicester personal account less 2x	£4712.04
Money from Norwich Union approximately	£1,500.00
TOTAL	£26,611.24

6 Confiscation Order

If the Court accepts that the Defendant has benefited from the proceeds of crime to the extent of **£82,285.96** the Court should declare the benefit in that amount, or in any other amount in respect of which the Court finds the defendant has benefited.

The recoverable amount is an amount equal to the defendant's benefit from the conduct concerned. If the Defendant shows that the available amount is less than the benefit, the court should make a confiscation order in that sum.

7 Effect of Compensation on Confiscation

The effect of Section 13 (5) of the Act permits the Court to make a compensation order under section 130 of the Sentencing Act as if a confiscation order had not been made.

If the defendant cannot pay both, compensation can be recovered from sums paid in satisfaction of the confiscation order.

8 Royal Mail Group Plc request compensation in this case as follows:

Detail	Amount
Money short on audit	£48,454.87
Increase in the value of that money	£3,306.80
Total	£51,761.67

Any reply to this statement made under the Proceeds of Crime Act 2002 should be served on Caernarfon Crown Court, and a copy sent to Royal Mail Group plc, Legal Services, 6A Eccleston Street, LONDON, SW1W 9LT