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**POST OFFICE LIMITED**

**REGINA**

**V**

**GRANT IAN ALLEN**

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**CHARGING ADVICE**

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**The Prosecution Case**

1. This case concerns an investigation into audit shortages at the Winsford Post Office, Cheshire. It was run by Grant Ian Allen, the subpostmaster through a franchise agreement between POL and Allco Ltd, of which Mr. Allen had been a director. He employed a number of staff at the branch, who all used individual stock units.
2. The audit was conducted on the 8<sup>th</sup> February 2012. Shortly after it commenced, Mr. Allen admitted to Mr. Cross, the auditor that his stock unit would be about £10000 short. Due to financial difficulties he had been unable to make good the shortages, and so inflated the cash on hand accordingly. He hoped for an "over scale" payment from POL to make good these shortages. He refused to sign a record of conversation (RC/1) to this affect, but subsequently confirmed the conversation as correct in his interview.
3. The audit identified an overall loss of £17,811.49. Of this, £4645.24 had previously been settled centrally, although this remained unpaid. Mr. Allen explained that it related to costs incurred during branch relocation and was a debt due to the building contractors ROMECC, but that he was in dispute with them over the quality of the work conducted. His particular stock unit KK had a cash shortage of £11705 and

the remainder of the audit discrepancy was found in the postage, cash and stock spread across the other 8 stock units and in due course was not seen as attributable to him.

4. In his interview on the 19<sup>th</sup> April 2012, Mr Allen stated as follows:
- i) he took over in November 2009
  - ii) it cost him £100000 to relocate in March 2010
  - iii) in the first 4 weeks there were wiring problems with the terminals, which he believed meant Horizon was not sending out (Polling) data.
  - iv) in that period a £3000 discrepancy arose in the accounts which could not otherwise be explained
  - v) he never made good that loss believing a transaction correction would resolve the issue in due course
  - vi) in each subsequent balancing period, anything other than insignificant discrepancies of £50 or less were added onto this original £3000 loss
  - vii) all such discrepancies were transferred across to his stock unit
  - viii) he inflated his cash on hand to achieve a balance putting the approximate amount on the unusable notes line from April 2010 to February 2012
  - ix) when cash was checked independently during migration to Horizon online in 2010 he reintroduced cash already counted into his stock unit to make it balance
  - x) he denied stealing any money from the Post Office
  - xi) he denied knowing that falsifying the accounts was a criminal offence believing that it was merely a contractual matter
  - xii) he confirmed the Record of Conversation (RC/1) as correct
  - xiii) he admitted the figures in the 6 Branch Trading Statements he was shown were inflated
  - xiv) he was not in a position to repay the money
5. Enquiries conducted subsequently confirmed:
- i) the Non polled report following the branch relocation showed that an engineer attended on the

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16<sup>th</sup> and 17<sup>th</sup> March 2010 to complete a base unit build and that BT fixed a fault. However as of the 17<sup>th</sup> March 2010 the number of days Not Polled is shown as 12.

- ii) the Branch Conformation Team had not been contacted in relation to a £3000 discrepancy
- iii) no calls had been made to the National Business Support Centre regarding any discrepancy between March 2010 to 23 April 2012.

### **The Defence Case**

6. By admitting to inflating cash declarations to cover losses, and provided these losses can be proved, Mr Allen is in effect accepting the actus reus for the offences of false accounting or fraud by false representation. The only avenue open to him to defend either of these potential charges then would be to deny that he had the necessary mens rea i.e. to say that he had not done so dishonestly. In interview he denied knowing that falsifying his trading accounts was a criminal offence, believing it was merely a breach of contract. Obviously, ignorance of the law is not in itself a defence, nor is it proof, if indeed accepted that he was so ignorant, that his actions were not in any event dishonest. Since dishonesty with regard to a contractual obligation remains dishonesty nonetheless. The lack of any calls to the Branch Conformation team or business support also belies the suggestion that he believed the £3000 loss was a genuine error as a result of lost data he would receive recompense for. The amount had also been outstanding for almost two years. In fact the level of his dishonesty is perhaps encapsulated by the incident referred to in paragraph 4. ix) above, when he reintroduced cash already counted once during migration to Horizon online.

### **Statements**

7. I note that statements have already been provided from the investigators Stephen Bradshaw and Andrew Wise dealing with the investigation and subsequent interview of Mr Allen.

I would advise that an additional statement be provided by, I assume Mr Bradshaw, into the enquiries conducted after the interview with regard to the non polled report, and lack of calls to the Branch Conformation Team and National Business Support Centre. With regard to the Non Polled report, a separate statement will be required explaining in lay man's terms, why this does not show that data could have been lost during the 12 day period identified thus generating the £3000 loss as claimed by the defendant.

### Charges

8. Subject to a satisfactory answer to the above query about the possibility of lost data then I would advise that a charge of fraud by false representation would suit the circumstances described for the period covering Mr Allen's admission's in interview with regard to inflated cash declarations. The figure of £11705 has been identified as being attributable to him for the reasons already explained above. There is insufficient evidence to prove to the criminal standard who if anyone, actually stole money from the Post Office. The draft charge is attached to this advice.

Andrew Bolc  
Cartwright King