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**ROYAL MAIL GROUP SECURITY - PROCEDURES & STANDARDS**

**RECOVERY OF PROPERTY OBTAINED DISHONESTLY, COMPENSATION, P&S Doc 9.6 V2 Nov  
COSTS & FINAL DISPOSAL OF CASE EXHIBITS 10**

**1. PURPOSE**

The aim of this document is to provide Investigators in Royal Mail Letters Security with clear guidance on the procedures to be adopted to ensure that the recovery of business assets dishonestly obtained is maximised and that appropriate applications are made for Compensation and Cost Orders at Court.

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**3. INTRODUCTION**

- 3.1** The recovery of criminal assets and Business losses is of paramount importance to Royal Mail Group Ltd. This not only increases the deterrent effect of committing acquisitive crime it also makes complete commercial sense. Accordingly Investigators must ensure that whenever possible offenders repay the value of any benefit acquired as a result of their criminality and any costs incurred by the Business as a result of the investigation or prosecution.
- 3.2** These Procedures and Standards (P&S) describe the processes to be adopted in cases where there is any loss to the Business, albeit there are different procedures in Scottish cases. Investigators in Scotland should note that the conditions in respect of the recovery of stolen cash and property apply; the same conditions do not apply however to property obtained as a consequence of an offence. The different conditions are detailed in Section 7 below.
- 3.3** Investigators are also reminded that in cases where there is a loss to the Business, or personal benefit of over £5,000, the case must be referred to the Financial Investigation Unit (FIU) on 0207 881 4339. This is so a Proceeds of Crime Act 2002 (POCA 2002) financial investigation can be initiated if appropriate. (See P&S 9.1 POCA Financial Investigations for further information).
- 3.4** The exact processes to be followed in respect of recovering property are dependant on whether the suspect is Fully Cooperating or Not Fully Cooperating with the investigation. To establish this it is often best to interview suspects under caution prior to searching. Detailed questioning will assist in ensuring that all relevant evidence is recovered on search and if appropriate "disclaimed" by the suspect.

**4. RECOVERING CASH & CHEQUES**

- 4.1** Cash is often good evidence of acquisitive crime. This section details the

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processes to be followed should cash be discovered during an Investigation. In all cases when cash is recovered it must be counted and a record made of the amount and denomination on either the GS005D Record of Property Seized During a Search or within an Official Notebook. In addition any recovered cash which is not;

1. Required in its original state as evidence, or
2. Required for forensic analysis, or
3. Returned to the rightful owner, (ensuring that appropriate evidence is recorded);

must be paid into an interest bearing account for the duration of the investigation and criminal proceedings. (If cash is retained and the reason for retention lapses then it should be paid into the account as soon as practicable). Accordingly a Royal Mail Letters Security Team "High Interest" Account has been opened for this purpose.

**4.2 Suspect Fully Cooperating with Investigation.** If cash is discovered and the suspect offender admits at any time that it is either stolen money or directly or indirectly the proceeds of crime then as well as recovering the cash as evidence the following actions should be undertaken;

1. The suspect should be asked to disclaim the property and informed that this property will be accepted without prejudice to any action which Royal Mail Group Ltd may be advised to take.
2. They should then be asked to complete a GS026 Disclaimer of Recovered Property.
3. A copy of the GS026 should be provided to the suspect as soon as practicable with a further copy being enclosed in Appendix C. The original should be retained by the Investigator until all proceedings have been concluded. When the case is ready for archiving the original GS026 should be forwarded to the PSO for association with the case papers.
4. Additionally, if prior to interview or further interview, the circumstances of the recovery/disclaimer should be detailed on the tape or notes of interview. If after interview, the circumstances of the recovery should be detailed in the Investigator's Official Notebook.

**4.3 Suspect Not Fully Cooperating with the Investigation.** If cash is discovered and the suspect offender is not fully cooperating with the investigation, Investigators must consider if the cash is either evidence of an offence (this includes Money Laundering offences) or obtained as a consequence of an offence and if so do they believe they are likely to be able to prove the case to the satisfaction of a Court. If it is considered so and the Investigator believes that it is necessary to recover the cash to prevent it being concealed, lost, disposed of or destroyed then it should be recovered. Should the offender refuse to allow the cash to be recovered then assistance of the Police should be requested as they have a power of seizure.

**4.4 POCA 2002 Cash Seizure.** If an Investigator discovers an amount of 'cash' of £1,000 or over in value which they think may be the benefit from crime, but do not think it is related to the case currently under investigation, then consideration must be given to arranging a cash seizure under POCA 2002. Under POCA 2002 Accredited Financial Investigators (AFI), Constables and Customs Officers have a power to seize cash of £1,000 or over, if they have reasonable grounds for suspecting that the cash has been obtained through unlawful conduct, or is intended, by any person, for use in unlawful conduct. Accordingly if such a situation is anticipated or occurs, contact in the first instance should be made with a Royal Mail Group Ltd AFI. If an AFI is not contactable then the local Police should be contacted in order that they can give consideration to conducting such a seizure.

**4.5 Royal Mail Letters Security (RMLS) Team Accounts.** RMLS have two accounts; one is a high interest account which should be used to deposit cash, the other is a current account which should be used to deposit cheques. (The high interest

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account **does not** accept cheque deposits so they have to be deposited into the current account, where once cleared, the funds will be transferred into the high interest account by the Prosecution Support Office (PSO)). Any cash, which does not require retention in accordance with paragraph 4.1 above, should be paid into the RMLS Team High Interest Account as soon as practicable. It should be noted that foreign currency can be paid directly into the account. Any cheques received should be paid in to the current account, again as soon as practicable. The Investigator must then complete a form GS025A RMLS Team Account Funding Notification, indicating whether the cash or a cheque was paid in and whether the money has been "disclaimed" by the suspect or not. (The GS025B details the relevant Sort Code and Account Numbers). The accounts are held by the NatWest Bank and as such in England and Wales any NatWest Branch can be used to deposit money. In Scotland monies should be deposited in any NatWest or RBS branch and in Northern Ireland any Ulster Bank branch. A copy of the completed GS025A should then be forwarded to the Prosecution Support Office (PSO) for the attention of the Investigation Information Manager with a further copy being placed in Appendix C.

- 4.6 Final Disposal of Cash.** The final disposal of cash/cheques paid into the RMLS Team Account will be dependant on the full circumstances of the case and advice from the Criminal Law Team (CLT), or prosecutor. They will be responsible for making the appropriate applications in Court in respect of the ownership of the money. With this in mind Investigators must include full details of the circumstances and status of any recovered cash within the Suspect Offender report or subsequent correspondence.

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## **5. TREATMENT OF OTHER PROPERTY**

- 5.1 Fully Cooperative Suspect.** Should Investigators receive admissions that other items of property have been stolen, or they have been obtained as a consequence of an offence then the relevant property should be recovered in the normal way. The suspect should then be asked to disclaim the property and again informed that the property is accepted without prejudice to any action which Royal Mail Group Ltd be advised to take. The suspect should then be asked to complete a GS026 Disclaimer of Recovered Property. Copies and treatment of the GS026 is the same as in 4.2.3 above. The recovery of the property must also be recorded in accordance with 4.2.4 above.
- 5.2 Not Fully Cooperative Suspect.** Investigators should also recover any other property that they have reasonable grounds to suspect is evidence of an offence or obtained as a consequence of an offence as long as it is **necessary** to prevent the property being concealed, lost, disposed of or destroyed. Should the suspect try to prevent the recovery of the property then the assistance of the Police should be sought as they have a power of seizure.
- 5.3 POCA 2002 Cases.** In cases where there is, or likely to be, a POCA 2002 Confiscation or Money Laundering Investigation, details of any asset that is not recovered (because it is not necessary in the cases of the items being evidence of an offence or obtained as a consequence of an offence or the asset is a legitimately obtained asset) should be recorded as follows;
- 1. Properties.** Establish how many properties the suspect offender has an interest in, the full ownership details and the approximate current value. Also establish if there are any mortgages or secured loans on them and if so who with. It is also important to establish who lives there and their status at the property. Finally Investigators should establish if any money has been spent on property improvements and its source.
  - 2. Bank & Building Society Statements.** If account statements are a "complete set" then it will probably be appropriate to recover them. If the set is not complete then the sort code, account number and latest balance should be recorded.

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3. **Financial Products.** If the suspect has insurance policies, endowments, stocks & shares, unit trust etc, Investigators should record the financial institution concerned and any product identification numbers. Other useful information will be the value of the product and how it was paid for.
4. **Vehicles, Antiques, Art, Jewellery & other High Value items.** Record sufficient descriptive details (including the make model and registration/serial numbers) and the value of the item(s), along with how it was paid for. Also if practicable the item should be photographed.
5. **Businesses.** If the suspect offender operates a business, establish their interest (Sole Proprietor or their share in a partnership) and any assets in the business name. It would also be useful to obtain the details of their accountant. You should also look to recover the business daily cash takings book.

**Full details should then be supplied to the Financial Investigation Unit by completing a GS032 Financial Report.**

**5.4 Treatment of Recovered Property.** This section does not deal with the recovery of addressed postal packets which should be treated in accordance with the P&S 5.3 Schedules of Recovered Postal Packets. This section deals with all other property which should be treated as follows;

1. If it is thought that property has been stolen from course of post then enquiries should be undertaken to establish if the addressee can be identified. This includes making enquiries with the National Returns Centre (NRC) Belfast and making enquiries with the senders of "identifiable" items. (Identifiable items would include Lovefilm.com discs as they have their logo and a 9 digit serial number on them, or unaddressed items contained within Mail Order Company packaging). If the addressee can be identified then arrangements should be made for them to be specially delivered, whilst still maintaining the best evidence practicable.
2. If it is thought that any other property has been stolen then enquiries should be undertaken to see if the rightful owner can be identified. If they can then losers statements should be obtained.
3. If an owner cannot be identified then both stolen property and items obtained as a consequence of an offence should be retained until the completion of the criminal proceedings and the requirements of the Criminal Procedures and Investigations Act 1996 have been met. For further information see Appendix 1 to P&S 9.1 Committal Papers, Disclosure of Material.
4. The final disposal of the property will be dependant on advice from the CLT (or Prosecutor). They will be responsible for making the appropriate applications in Court in respect of the ownership of the recovered property. Again Investigators must include full details of the circumstances and status of any recovered property within the Suspect Offender Report or subsequent correspondence.
5. Any property that will not form part of the prosecution case as it is subsequently thought not to be stolen or obtained as a consequence of the offence should be returned to the suspect against completion of the GS025B Disposal of Recovered Property. However prior to such disposal the CLT must be informed.

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**6. POLICE PROPERTY ACT 1897**

- 6.1 Section 1 of the Police Property Act 1897.** This section deals with property in the possession of the Police in connection with their investigation(s) into a suspected offence(s). It allows for the Police, or a claimant of the property, to apply to a Magistrate for the return of the property to the owner. It also allows, if the owner cannot be ascertained, for the Magistrate to make such an order as they see fit. The important aspect of this legislation is that it only applies to property in the possession of the Police in connection with their investigations and therefore does not apply to property held by RMG Ltd

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Investigators.

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#### 7. SCOTTISH LAW

- 7.1** In Scotland, even when it is admitted or it can be proved, that certain property in their possession was purchased with money which they had stole from the post, or stolen, or fraudulently obtained, from our Business, none of the property may be removed from the custody of the offender unless:
1. It is necessary to take possession of any specific item or items to provide evidence in Court in support of a specific charge; or
  2. The offender himself/herself, without any request or suggestion whatsoever on the part of the Investigator, expresses a desire to surrender it to the 'Business', which must be embodied in the offender's written statement, or on tape or notes of interview, in the exact terms in which it is made.
- 7.2** Whether or not an Investigator takes possession of any such property they should prepare a list of it; which the offender should be asked, but not pressed, to sign, and should indicate its approximate value. This list must be enclosed with the Investigator's report.
- 7.3** Any such property recovered under 7.1.1 above and not subsequently retained by the Court must be returned to the subject against receipt immediately after the trial. Additionally, any such property recovered under 7.1.2 must be retained (unless perishable) for 6 months and then disposed of in the usual manner.

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#### 8. REPAYMENTS MADE AFTER PROSECUTION AUTHORISED

- 8.1** Should a suspect offender wish to make repayment after a prosecution has been authorised then the Investigators should ensure that the suspect offender is informed that the repayment is "without prejudice" to any action that Royal Mail Group Ltd are advised to take. The money should then be accepted and a GS025 Without Prejudice Receipt issued. The Investigator must then, without delay inform the Criminal Law Team (and if a POCA 2002 investigation is underway the FIU) of the amount of money repaid. This is important as the CLT must be aware of the position in respect of restitution whilst conducting the prosecution for compensation purposes. The Investigator should retain the "Original Copy" of the receipt and arrange for a copy to be placed in Appendix C, until the case is archived at which time the original copy should be forwarded to the PSO for association in Appendix C.
- 8.2** Any repayment should be deposited into the relevant RMLS Team Account (in accordance with paragraph 4.5 above) and a GS025A Account Funding Notification completed indicating that the suspect has relinquished ownership of the amount. This should then be forwarded to the Investigation Information Manager in the PSO.

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#### 9. COMPENSATION & COSTS (FINANCIAL LOSS & RECOVERY INFORMATION FORM GS103)

- 9.1** Two weeks prior to the first hearing the PSO will forward a request to the Investigator to complete a GS103 Financial Loss & Recovery Information. This should be completed and returned to the PSO within 1 week. The purpose of the form is two fold; firstly to give the prosecutor in the case substantive information to enable them to make the correct applications at Court in respect of compensation and the recovery of property obtained as a consequence of an offence; and secondly, to provide management information. In respect of compensation Investigators should note that the Prosecutor can only claim compensation if we can demonstrate, on the balance of probabilities, that we

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have suffered an **actual** loss. If we cannot demonstrate a loss, even though the suspect has admitted the theft of additional items, we must not claim compensation. Guidance in general terms on the completion of the GS103 is given in the following paragraphs.

**9.2 PART 1 - Operational Recoveries. (Disclaimer Obtained)**

1. **Cash Disclaimed on the GS026.** This is self explanatory.
2. **Other property disclaimed. (Actual/estimated value of property on the GS026).** Investigators should detail in Part 5 of the form the substantive information which caused the Investigator to arrive at this figure. For example if an "actual" figure has been recorded due to loss information, details of these losses should be associated. In cases where the actual value of recovered property is unknown Investigators should use the internet to estimate values. These valuations should be associated.

**9.3 PART 2 - Actual Financial Loss.**

As mentioned previously compensation can only be paid if we can demonstrate, on the balance of probabilities, the offender is responsible for a loss which either we or an identified customer has suffered. This includes CD & DVD, it is not sufficient to estimate a £500 loss if the suspect has admitted the theft of 50 DVD, we must have loss data to demonstrate the loss. Loss data should be demonstrated by means of a schedule, which should be associated with the GS103. In addition to this the losses have to be the subject of either a charge or a TIC. The actual losses should be detailed under the following categories;

1. **Losses to Royal Mail Group Ltd** The losses under this section could include payments for such things as compensation, overtime, D2D or the cost of any fraudulent postings.
2. **Losses to Clients or Members of the Public (MoP).** This includes the direct cost of losses such as cheque losses (including DWP & HMRC) and the recorded losses from greeting cards. It would also include the "spend" on credit cards if the suspect admits using the cards. If the suspect denies using the cards then the spend would become a consequential loss.
3. **Consequential Losses.** Includes all consequential loss caused by the suspect's actions and would include special delivery of postal packets. (If Investigators do not have a specific figure from the delivery office then a figure of 6p should be used for each item specially delivered).

Again Investigators must give substantive details of the actual amounts involved for each element of the total loss figure in Part 5 of the form.

**9.4 PART 3 - Financial Losses Prevented**

If Investigators have prevented any payment being made as a result of their investigation activity then these amounts should be recorded as follows;

1. **Fraudulent compensation claims prevented.**
2. **Fraudulent revenue postings prevented.**
3. **Other fraudulent claims prevented (T&S, D2D, and Overtime etc.).**
4. **Other loss prevented (e.g. VR payment).**

**9.5 PART 4 - Operational Recoveries (No Disclaimer).**

In this category Investigators should record details of items recovered from suspects who are likely to contest ownership and as such have not signed a disclaimer. The following categories apply;

1. **Cash Seized.** Detail in Part 5 whether cash seized is under PACE 1984 or POCA 2002.
2. **Other Monetary Value Property Seized.** Include gift vouchers or gift cards and such like.
3. **Actual/Estimated Value of any Other Property Seized.** Investigators should detail in Part 5 the substantive information which caused the Investigator to arrive at this figure. (See Paragraph 9.2.2 above). This part should only be used to record property where legal instruction will be sought to prevent the property being returned to the suspect. It **should not** include the value of cash and property seized and returned to, or likely to be returned to the suspect. Neither does it include recovered test money or property.

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**9.6 PART 5 - Narrative (Use the following section to provide substantive information)**

This part should be used to provide an explanation of how amounts detailed in Parts 1 to 4 were arrived at.

- 9.7 Investigation Costs.** Investigations cost should **not** be included as a loss on the GS103. These costs will be obtained by the PSO and provided to the CLT or prosecutor prior to the relevant hearing at Court and will be claimed as costs and not compensation or restitution. The cost of specialist services such as forensic analysis or specialist auditors should be claimed under Part 2 as a Consequential Loss.
- 9.8 POCA 2002 Financial Investigations.** If a Confiscation Investigation has been initiated in support of the prosecution then a copy of the GS103 should also be forwarded to the AFI.
- 9.9 Recovery from RMG Ltd Pension funds.** The PSO on receipt of the GS103 will, if relevant, approach the RMG Ltd Pension Trustees to request repayment of losses from the pension contributions made by suspected offenders. Should repayment be made the CLT or Prosecutor will be informed by the PSO.

**10. FINAL DISPOSAL OF CASE EXHIBITS**

- 10.1** The Criminal Procedures & Investigation Act 1996, (CP&I) details the **minimum** period of retention of case material. These time limits (detailed in Appendix 1 to P&S 9.1 Committal Papers) must be complied with.
- 10.2** In addition to this and in order to deal with any potential future appeals or enquiries the PSO archives case papers for up to 8 years. As such at the conclusion of a case Investigators should forward all documents and significant video recordings, (such as images of the suspect committing offences rather than general periods of observation), **generated by the investigation team**, to the PSO for association with the case papers.
- 10.3** Although documents generated by the investigation team need to be archived there is no need to retain items such as cash from test letters or recovered stolen property. These "physical" exhibits should be disposed of as follows;

Description of Property	Disposal
Cash and Cheques, Including Foreign Currency	With the exception of marked coins any cash and cheques should be deposited in the RMLS Team Accounts. Investigators should report the final disposal, as decided at Court, to the Investigation Information Manager in the PSO who will arrange to "defund" as appropriate.
Marked Coins	In accordance with Section 14 of P&S 6.5 Testing.
Identified Personal Property	Should be returned to the owner against signature on the GS025B Disposal of Recovered Property.
Identified Business Property	Returned to the correct office against signature on the GS025B Disposal of Recovered Property.

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<b>High value items (not covered above)</b>	If the owner cannot be identified but it is believed to be stolen from course of post then the item should be sent the NRC with a GS025B and a final request for them to see if they can identify the owner. If the item was obtained as a consequence of an offence then the disposal will be in accordance with the Order of the Court. (If the Order is that the property is transferred to Royal Mail it should again be sent to the NRC with a GS025B).
<b>Low value items (not covered above)</b>	Low value items should be treated the same as high value items with the exception that low value items can be retained for use in future testing operations as long as a final check to trace the owner is made with the NRC.
<b>Master Audio tapes</b>	Forward to the PSO with a completed GS023 Master Tape Receipt by SD.
<b>Recorded Surveillance Media not detailing Suspicious activity</b>	Destroy by shredding or breaking the disc or removing the magnetic tape rendering it useless, either locally or through the PSO.
<b>Working Copies of Audio Tapes.</b>	To be destroyed locally by removing the magnetic tape from the cassette and rendering the tape useless. The PSO can carry out this function in cases where large amounts of tapes are involved.
<b>Remaining Paper Items</b>	Evidentially significant items should be associated with the Case Papers. "unused" material can be shredded locally.