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Record of Tape Recorded Interview

Record of Tape
Recorded Interview

Person Interviewed

(JW) JULIAN WILSON

Place of Interview

ASTWOOD LAW OFFICES

Exhibit No:
Number of pages:12Signature of interviewing officer
producing exhibit

Date of Interview 15.9.08

Time commenced 15.07

Time concluded 15.51

Duration of interview 44 MINUTES

Tape reference no 50314

Interviewing Officer(s) (GT) GARY THOMAS

(GB) GRAHAM BRANDER

Other persons present (DE) DONNA EVANS – BRANCH SECRETARY OF THE
FEDERATION OF SUB POSTMASTERS

(GC) GRAHAM CLARKE - SOLICITOR

Tape counter times	Person speaking	Text
		Voice identification of everyone present and nature of enquiry explained. Permission to tape record. Caution given and legal rights explained. JW told he is free to leave if he wishes. Form GS001 completed and signed – Solicitor present. Form GS003 completed and signed – Offer of friend – Friend present.
8.59	GI	Ok Mr. Wilson as I said the reason we're here today is to conduct an interview regarding the shortage discovered at Astwood Bank Post Office on the 11 th September 2008 when the shortage was discovered by the Post Office Auditors of a total of £27,811.98p. The Auditors arrived at the office around about 8 o'clock and apparently yourself arrived around 8.15 and they advised you that they were there to perform an Audit is that correct?
	JW	That's correct yeah.
9.50		Auditors Statement read out to JW and he confirmed his signature on the bottom of the same.
10.40		JW asked for his version of events:-
11.00	JW	I took over the Post Office on the 6 th November 2002. At that time Auditors were present and they carried out the full checks and I signed to say that I had received the correct amount of stock. I had an audit some 6 months later and everything on that audit was fine. I had training for one week when I first covered the Post Office, I didn't have any more training after that so not all of the transactions that I carried out I was familiar with so I therefore had to ask a member of staff how to perform a particular transaction had it not come up during that first week of trading. When I balanced, I balance every Wednesday as required by Post Office Limited, some weeks it was up some weeks it was down

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Record of Tape Recorded Interview – Continued

Tape counter times	Person speaking	Text
13.10	GT JW GT JW	and I kept a record of all those transactions as to what was up and down during you know my period as Postmaster. I at one time had a Manager who's the Line Manager in those days I think they were called, Paul Vantoosy and I raised the question of misbalances with him and I'd been keeping a record. I said could the system be wrong or are we doing, he said "no the system cannot be wrong there's nothing wrong with the system". Perhaps 2 years ago we had a letter sent round from the Federation as to whether anybody was experiencing misbalances. I said that I had and I actually then was asked to submit to the Federation copies of Trading Reports, this relates to Trading Reports not the old, the old system and I sent copies of those to the Federation. That's the Branch Trading Statements? Yes not, yes it's the trading statement not the previous. Not the cash accounts? Not the cash account the trading statement so I sent, I (inaudible) out ones where there were quite big discrepancies and sent those off. I also then had a BDM called, and his name was Keith Bridges, I also raised the fact that I was having these problems with balancing and I had noticed that when I declared the cash each night, on a Saturday, Friday/Saturday when you declared the cash there was never, it never balanced exactly but I noticed on a Monday, the discrepancy had increased so I asked the question as to whether anything could happen on the system over the weekend if anybody had access to the system 'cos I couldn't understand where from one figure on one, suddenly jumped the following day and he advised me that there was no way that could possibly happen. So to come back to what we were saying about the discrepancies over the period of time, the Horizon system as far as I can see is a very good system in as much as it gets information to Head Office and it gets information to Postmasters. Having seen that when these reports came out each week, that was the basis on which you receive your remuneration so 4 weeks down stream it could identify how many transactions you'd done for a particular Client whether it be Alliance and Leicester whether it be card account or whatever it was and each week those figures showed a discrepancy on the bottom of the balance figure when you rolled it into the next balance period or to the next trading period. I wrongly, head in the sand, presumed that eventually somebody would say hang on he was out last week, he was out the week before, he was out the week before he must be doing something wrong or something must be going on, let's get down there and find out what the problem is.
15.40	GT JW GT JW	Right. And here in hindsight, hindsight's a wonderful thing, I wish I'd raised it earlier, but all I did was I just kept rolling this forward so the figure got. So the discrepancies on the trading statements that you're talking about not the discrepancies in the transactions for the Client but the actual monetary discrepancy? Monetary yeah because I was saying, I was saying to Donna earlier on the Horizon system is very good but I thought there were certain transactions that you couldn't check like at night you can check your cheque deposit (inaudible) you can check your Alliance as to pays in and pays out but when it came to the swipe card or the business deposit there was no way of checking that because all you got at the end of the week was a total number of transactions amounting to whatever thousand it was and the same with the Post Office the pension card, the card account, you just did so many

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Record of Tape Recorded Interview _Continued

Tape counter times	Person speaking	Text
		transactions and that related to a value. Now I wasn't aware until I spoke to Donna earlier that you can actually check your Alliance and Leicester business deposits.
	GT	Yeah.
	JW	Now I wasn't aware of that on the system so whether that's down to me not having read the appropriate you know brochures on it.
	GT	So do you not, is that different then to the actual Girobank transactions that you would summarise and print off and check before they go away?
	JW	It is because what you have is a swipe card ok. You check the money against what they said it is and it produces one receipt and that's the receipt that you give to the customer back with his card but you don't have a receipt the printer doesn't generate a receipt that you can keep, I wasn't aware that there was a report somewhere else that you could actually check that whereas most transactions do generate a receipt, there is a receipt that goes to the customer and there is a receipt that you retain.
	GT	So what you're suggesting then is that if a customer's come in let's just say for arguments sake with a business deposit on a swipe card for £3,000.
	JW	Yeah
	GT	Or they've put down £3,000.
	JW	Can I just give you an example?
	GT	Yeah please do yeah.
	JW	Of something that happened last week.
	GT	Yeah
	JW	A customer comes in every Monday who I've got to know he's only been coming in about 5 or 6 weeks and pays in a reasonable amount of money and customers are always chatting to you and he paid in £3,620.00, I don't know the name of his company because it's not on his card I just know that he comes in every Monday and talking as you do perhaps losing concentration you're keying in the amount, well customer left, that evening when I'm checking the cash I'm 3,500 quid up and I immediately knew there was only one customer it could have been during that day and sure enough he came in the following day and he said "It's my fault I was talking to you when we were doing the transaction, instead of putting in 3,620 you put in 36.20 and I said "I knew it must have been you" but I'm just saying that's one of the things that can happen.
	GT	Yeah and of course that customers come back because he's out of pocket?
	JW	Absolutely.
19.40		JW admits if it was the other way round the customer would not have told him.
20.25		JW confirmed he does a cash declaration every day and checks the variance figure every day.
20.47	GT	So you kept a running total or a running book did you then of how much your variance was running at all the time over the last 5 years?
	JW	Yeah yeah I notated when we were doing the old cash report I notated every week what the discrepancy was, when we moved over the trading period then I've got a hard copy of that so I know

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Record of Tape Recorded Interview _Continued

Tape counter times	Person speaking	Text
		what it was.
	GT	The previous month?
	JW	Yeah so I knew that when I was down let's say 20,000 the one week if I was 500 quid out the following week, trading period then it's going to be 20,500.
	GT	Right ok and is that the same on a Monday then because obviously you mentioned about your cash being changed on a Monday do you do a cash declaration first thing in the morning on a Monday or?
	JW	No only at night.
21.50		JW confirmed he always presumed an error had taken place during the course of Monday.
22.00	GT	Well obviously in respect of the Horizon system obviously it's been in for quite a number of years now, we've had shall we say instances or allegations by Postmasters who have claimed that the systems not perhaps working correctly which may have triggered off your letters originally out from the Federation, I think possibly speaking to Donna since that some of those things that have been generated by those questions from Postmasters weren't founded in the Horizon system in that they'd been up to no good.
	JW	So in understand yeah.
22.47	GT	You mentioned obviously about bringing up to the BDM's or the various people about the balancing problem, misbalancing problems.
	JW	Yeah
	GT	I think it was 2 you mentioned.
	JW	Yeah
	GT	Did you explain to them at that time the levels of the shortages or the levels of what you were misbalancing by?
	JW	No I didn't.
23.38		JW clarified that he only mentioned it on one occasion with each of the 2 balancing problems.
24.20		WILSON states the loss increased by about £300.00 to £400.00 per week rather than a specific occasion where there was a substantial shortage. He said he has not paid any of his bills through the Post Office and went on to say:-
25.30	JW	The Post Office money and stock and everything is the Post Office, if we're going to pay bills the shop till is the place where the money for the bills comes. Post Office money is Post Office money it's nothing at all to do with the retail side of the shop so no.
26.18		It was put to JW that having looked at his bank statements it appears there have been high overdrafts, outstanding credit cards, and refinances, one recently for £40,000 to Royal Bank of Scotland and JW explained:-
26.48	JW	Yeah basically what happened there in discussions with my business Manager on the company account which is the Post Office, sorry because it's called Astwood Bank Post Office it's very difficult to,

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Record of Tape Recorded Interview _Continued

Tape counter times	Person speaking	Text
		but I'm talking about the retail side. How that came about was that our business manager for the Post Office was interested in taking over the RBS account at the time and they were offering us a better deal than RBS were at that time and because we'd got an overdraft facility with the bank on the retail side we thought it might and she suggested why don't we have some more and put some money into the Post Office side of things and get rid of the overdraft facility which we did do yeah we did that.
28.16		JW was informed that 6 statements for Lloyds TSB Bank were recovered but JW said there was no significance that the ones missing were the ones showing the £40,000 going out.
28.55	GT	I mean obviously when the 60,600 went in on the 16 th June of this year?
	JW	Yeah
	GT	Obviously Astwood Law who are here and representing you today seem to have obviously been involved with obviously clearing the Royal Bank of Scotland 40,000.
	JW	Yeah they did.
	GT	That obviously put your account from a 9,000 overdraft into a £10,000 credit at that time which was obviously the difference from the 40 and 60. At the current time I think in the file I think it shows that there's somewhere in the region of about £6,000 credit.
	JW	There was a tax bill that went out for £9,000.
30.14	GT	From the Lloyds TSB account.
	JW	From the, was it from that account or was it from the business account, I thought it was from the, is that the?
	GT	That's the joint account is it?
	JW	Yeah.
31.43	GT	So this particular account is what I'm more interested in 'cos obviously when the £20,000 went in as it were which is the 60,000 going in on this statement which I'll refer to for the tape which is sheet number 205 this if the one where we've got the 60,600 and the 40,000 going back to pay the Bank of Scotland.
	JW	Yes.
	GT	And we had £10,000 credit in the account at that time.
	JW	Yeah
	GC	I'd like to intervene at that point for clarity. That £40,000 going out of the account Julian what was that?
	JW	That was the RBS.
	GC	But didn't that come out of my.
	JW	Second one.
	GC	But didn't that come out my firm's account. I had no recollection with that going through the file, I handled that transaction for you I don't know it's just.
	JW	No as far as I was aware.
	GC	Ok that's fine.

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Tape counter times	Person speaking	Text
	GT	But it may well have been because the actual payment says it's Astwood Law so maybe your firm settled the account and then Mr. Wilson settled your firm of 40,000 to replenish you.
	GC	My recollection is that it didn't happen that way so I'm puzzled.
	JW	I thought they BACS the money to you.
	GC	Lloyds TSB did?
	JW	Yeah
	GC	I beg your pardon alright ok.
	GT	So Lloyds TSB have BACS you back for the money that you settled for the Royal Bank of Scotland
	GC	Yeah that's perfectly correct I beg your pardon.
	GT	That's fine so obviously all I'm saying though is whether that's from Mr. Clarke's firm or direct from yourself there's the 40,000 to repay that loan
	JW	Yeah
	GT	We've then gone from a 9,000 overdraft to at £10,403.20 credit.
	JW	Yes.
	GT	Ok when I go to current statement we've got on the 13 th August £5,831.00.
	JW	Yes.
	GT	So we've gone from a credit of 10,000 to 5 thousand 9 now so there's about 4, 4 and a half thousand pounds that's gone down in the last, well since June to August so it would suggest I mean, is there any reason why the monies go down is it because of the financial position?
	JW	No no it's just way the business is at the moment. If you look at the payments going in.
	GT	There'll be the business payments.
	JW	They're business payments going in, they're far lower because everybody is feeling the pinch than they were.
	GT	Right so basically your money coming in from the business isn't covering your expenditure in the last 2 months by 4,000 really is what we're saying?
	JW	It's it's, over the last, yes, generally July and August are bad months in our type of business.
35.16		JW states he now wishes he had spoken to somebody before it had got to this stage. JW states he isn't aware of the leeway the BDM may give but he was informed this information was in his contract.
37.20	GT	Are you in a position to repay the Post Office 27,000 odd pounds?
	JW	No.
	GT	So when you went into a credit back in June of the 10,000 after being in a 9,000 deficit.
	JW	Yeah
	GT	Did you pay any money into the Post Office to repay any of the shortages that have been building up over the last 5 years at that time?
	JW	No I didn't.
	GT	Right have you ever paid any money back into the Post Office in respect of shortages?
	JW	Yes.
	GT	Right so when would the last time have been that you'd have put money back in?

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	JW	Would have been I would think after the 6 month audit following me taking over.
	GT	Right so after your appointment 6 month audit?
	JW	Yeah.
	GT	And then after that time you would have started at that point then of not putting the money in or?
	JW	Yeah because peoples I had spoken to before I mean you know I mean the previous Sub postmaster he used to have an account that he used to put money into and take the money out and what have you but I didn't see the point of that and I didn't see the point of stuffing it in an envelope which the training said stick it in an envelope and stick in the safe, I didn't see the point of that because it wasn't your money.
	GT	That's if your surplus?
	JW	Yeah.
39.16	GT	So what we're basically saying then is is that from 6 month after appointment following your last audit if you like all loses and gains and that time for each Branch Trading Statement, Cash Account if it was prior to Branch Trading would have been rolled over to each subsequent week or 4 week
	JW	Yeah I would take into account whatever if it was a surplus or whether it was a minus (inaudible).
40.00		JW states he is in a position to pay some of the money back to the Post Office.
41.12		JW confirmed his signature on Trading Statement from 16 th July 08 to 20 th August 08.
41.41	GT	On page 1 there is obviously a cash on hand amount there which says £46,667.57p. Would that be a true reflection of what the physical cash would have been in the office at that time on the 20 th August 08?
	JW	No.
	GT	Ok and on that particular Trading Statement you're showing a shortage of £1,064.42p.
	JW	Yes
	GT	So that would have been your loss during that period?
	JW	During that period from the 16 th July through the 20 th .
	GB	Can I just ask there if it's not a true reflection of how much cash was on hand at the branch, why was it not?
	JW	Because of what I'd said previously.
	GB	Right so just to clarify then so when you actually do your balance the official balance at the end of the month then this figure here of 46 odd thousand pounds am I right in thinking that would include partially the genuine amount of cash in hand in the Post Office?
	JW	Yes.
	GB	Plus what I'll term as an inflated figure?
	JW	Yes.
	GB	OK and did you keep a record of how much to inflate it by month on month?
	JW	Yes I did.

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Tape counter times	Person speaking	Text
43.00		JW states he kept this figure in his head although prior to the new system he made a weekly note of the same. Master tape seal signed on number 50313. Interview terminated at 15.51