

Witness Name: Anthony Nicholas Stewart

MARSH

(Tony Marsh)

Statement No.: WITN06900100

Dated: 27th April 2023

POST OFFICE HORIZON ENQUIRY

FIRST WITNESS STATEMENT OF TONY MARSH

I, TONY MARSH, will say as follows...

1. This witness statement is made to assist the Post Office Horizon IT Inquiry (the 'Inquiry') with the matters set out in the Rule 9 Request dated 14 April 2023 (the 'Request').
2. I am a former employee of Post Office Ltd and held the position of Head of Security between September 1999 and December 2006. I joined The Post Office in November 1981 as a postman and progressed in January 1983 to the grade of Postal Officer (Counter Clerk). In 1985 I applied to join the Post Office Investigation Department (POID) and was promoted to Investigation Officer, taking up the role in September 1985. From September 1985 to September 1999 I performed a number of operational investigation roles, rising to Head of Revenue

Protection for the Post Office Security and Investigation Service, the successor to POID.

3. As an Investigation Officer in POID I was responsible for undertaking investigations into a range of theft and fraud crimes committed against The Post Office by staff members, sub-postmasters or members of the public. This included investigating thefts or frauds committed in Branch or Sub-Post Offices by staff members, sub-postmasters or their staff. During this time there were also periods when I was employed solely on investigating offences affecting the postal side of The Post Office, in particular when employed on the Mail in Transit Group (1988 - 1990) and the Revenue Protection Team (1996 -1998). From 1998 to 1999 I was the Head of Business Strategy for Corporate Security. As Head of Security for Post Office Network, subsequently Post Office Ltd, between September 1999 and December 2006, I was responsible for the security of staff, sub-postmasters and their staff, customers in post offices, cash and other assets in Post Offices, Cash Centres, Stock Centres and Notes Held to Order Centres. I was also responsible for assuring the secure design of Post Office products and processes. I was responsible for the work of a team of Home Office-recognised investigators and for ensuring their compliance with standards for operating that complied with relevant laws and regulations and with policies and standards set by the Post Office, subsequently Royal Mail, Corporate Security Team, who retained reserved powers over policy and standards during my period as Post Office Ltd Head of Security. For a period around 2002 or 2003 the Network Audit Team also reported to me, but I have no record of exactly when that was nor for how long. Between July 2004 and April 2005 I was the Service Lead for the Sales and Service Improvement

Programme, and from April 2005 until my departure in December 2006 the Post Office Ltd Equipment and Projects Teams also reported to me. There was also a period during this time when the Investigation Team, together with the Audit Team, were under the control of the Head of Compliance, a role in the Finance Directorate. I have no records to indicate when or for how long this was, but it may have coincided with the period between July 2004 and April 2005 when I was seconded onto the Sales and Service Improvement Programme, I do not believe that the Audit Team returned to me after this period.

4. On 1st January 2007 I moved from Post Office Ltd to Royal Mail Operations, where I took on the role of General Manager Security. This role had no responsibility whatsoever for Post Office Ltd security or investigations. In March 2008 I was promoted to Group Security Director for Royal Mail Group. This role and its Policy & Standards Teams created policies and standards that applied to all of the businesses across Royal Mail Group. This included Post Office Ltd up to the point of its legal separation from Royal Mail Group. For a period of time from the middle to the end of my time as Group Security Director the Royal Mail Group Criminal Law Team also reported to me, however as a non-lawyer I provided business leadership to the team but played no part in professional standards or compliance. I have no record of exactly when the team transferred to me but I believe that by the time this happened the team had already relinquished service provision to POL for POL prosecutions. I accepted voluntary redundancy from Royal Mail Group on 26th March 2017 and have been retired since then.

5. I have been asked to consider the agenda for a meeting on 28 October 1999 entitled "Horizon: Management of Security in the Live Environment" (WITN05970148), and in particular item 3g "Fraud Investigations Interface". I have no recollection of this meeting, the discussions that took place or its outputs. I had been in post in POL less than a month at this point. I have been asked "how was the transition to Horizon live expected to impact upon fraud investigation?" I cannot answer this in the context of this meeting, but in more general terms I believe that, as the initial iteration of Horizon was an automation of much of the accounting and balancing process for branch and sub-post offices, the impact was expected to be a variation in where evidence on stock, cash and accounting reports for an office would come from, from hand-completed paper records to computer-stored data, which would be produced by the Horizon system, although I did not know then nor did I ever learn exactly how evidence from Horizon was obtained.

6. I have been asked to consider two documents, references FUJ00001986 (Fujitsu Services/Post Office Ltd Operational Business Change -Branch Interface Agreement) and FUJ00001999 (Operational Business Change - Branch, Service Descriptions and schedule of service prices) and to explain my involvement in the agreements detailed in these documents and agreements relating to Fujitsu's contractual obligations more generally. As the Head of the Network Implementation and Security Team at this time, members of my team were responsible for negotiating and agreeing very detailed system changes to coordinate with changes in the Post Office Ltd network of offices. As the Head I was the designated approval authority for POL but I gave my approval having

received confirmation from the team members involved that the changes were appropriate and acceptable to POL. I do not believe that I had any significant involvement in discussions nor do I have any relevant views on the content of the documents now.

7. I have been asked to consider an email chain dating from January 2004 at FUJ00126036, the IMPACT R3 Branch Trading Issues Report from February 2004 at FUJ00126042 and the document entitled "Branch Trading Reporting, Management and Control and Transaction Management Conceptual Design" from March 2004 at FUJ00089971. I note that in the email I support concerns expressed by my own representative and those of other parts of the POL Operation that the retention of a suspense account without proper controls and an authorisation process could lead to an increase in postings of losses to the suspense account. I also note that I question whether it is still necessary to maintain a suspense account as such.

8. I have been asked to explain the role that a suspense account played before its removal. In responding to this I have been guided to review the following documents:
 - i) ' Losses and gains policy within the POCL agency network '(version 1, 20 November 1998) (POL00088904) (see, in particular, section 1, part 2 'Authority To Hold Losses In Unclaimed Payments');

ii) ' Post Office Ltd – Security Policy: Accounting losses policy for agency branches '(version 1, February 2003) (POL00086845) (see, in particular, section 3 ' –Authority to Hold Losses');

iii) ' Post Office Ltd – Security Policy: Liability for losses policy (for agency branches) '(version 1.7, September 2003) (POL00088867) (see, in particular, section 3 ' –Authority to Hold Losses').

From these I am reminded that the role of the suspense account was to hold the value of errors, predominantly losses, where the cause of the error is known and where a compensating error notice is expected to be received to balance and cancel the error within the following 8 weeks.

9. I have been asked to “explain the rationale for the removal of the suspense account function which had previously been available to SPMs as part of the IMPACT programme and your involvement in the decision-making about this.” Other than the documents that I have been shown I have no recollection of the IMPACT programme nor, beyond the email chain that I have seen, any recollection of what other involvement I may have had in the decision to remove the suspense account function.

10. I have been asked whether “the decision to remove the suspense account function proceed on the basis that SPMs were contractually liable for any discrepancies between Horizon generated cash and stock positions and the actual physical position determined by branch office staff? If so, where did this

understanding come from?" I have been guided to review the following documents to assist me in answering this question:

- i) "Post Office Ltd – Security Policy: Accounting losses policy for agency branches" (version 1, February 2003) (POL00086845) (see, in particular, section 1 and section 3);
- ii) "Post Office Ltd – Security Policy: Liability for losses policy (for agency branches)" (version 1.7, September 2003) (POL00088867) (see, in particular, section 1 and section 3).

I would say that this seems to be a reasonable assumption and I would refer to the fourth paragraph of the introduction of document POL00088904, which is dated 20 November 1998, which states "From a purely contractual perspective a sub postmaster or other agent is responsible for all losses caused through his own negligence, carelessness or error." This document predates my arrival in POL and this form of words carries forward into subsequent documents on the Losses Policy. I cannot remember being informed that any event, including the migration from paper accounting and balancing to the use of Horizon, had modified the sub-postmasters' contractual position.

11. I have been asked "Do you now and did you at the time consider that it was satisfactory that SPMs were required to "settle centrally" even where they disputed a Transaction Correction / Transaction Acknowledgement / discrepancy?" In response to this I will say that, from memory, this was a near-universally held position across POL and one from which I had not had cause to differ. At my current level of remove now from events of 20 years ago I do not feel it is appropriate to express an opinion.

12. I have been asked "For the period of time you worked within it, please provide an account of the role which the Security team played and the policies / practices in place relating to criminal investigation and prosecution of SPMs / Crown Office employees. Where the role / policies / practices changed over this period of time, please make this clear (by reference to dates and / or policies insofar as you are able to do so) and explain the changes." I have already outlined the high-level role of the team at paragraph 3 above, I shall provide more detail in the following paragraphs.

13. I have been asked "Please explain why Royal Mail Group Ltd (before the separation of the Post Office) and later POL (after the separation) had a practice of bringing private prosecutions against its agents / staff where they were suspected of financial crime, rather than referring the matters to the police / the CPS. You may be assisted by the document entitled "A Brief History of Investigations, Prosecutions and Security in Royal Mail" at LCAS0000124." I believe that I can rely entirely on document LCAS0000124 in answering this question, as I wrote the document, with considerable input from a former colleague Alan Baxter, as detailed in the copyright notice at the end of the document. In essence the answer is that since the mid-17th century the General Post Office and all of its successors had resourced and managed the investigation and prosecution of offences and offenders against its businesses and people. The knowledge and expertise within the investigation teams was valued by the Post Office and Royal Mail businesses and there was a belief that the existence of the investigation function had a strong deterrent effect, reducing the likelihood of the

commission of crime by both employees and agents and by outside offenders.

More recently it was also undoubtedly true that the police and Crown Prosecution Service (CPS) in many parts of England and Wales were over-stretched and that a more consistent approach to The Post Office/Royal Mail investigations was achieved across the UK through the use of retained resources. Obviously private prosecutions were only brought in England and Wales, with the Procurator Fiscal having authority in Scotland and the Director of Public Prosecutions in Northern Ireland.

14. I have been asked to consider the following documents:

- i) "Royal Mail Group Ltd Criminal Investigation and Prosecution Policy" (1 December 2007) (POL00030578, which appears to be substantially the same as the policy of the same date with a variation on the title at POL00104812) (see, in particular, section 3);
- ii) "Royal Mail Group Security – Procedures & Standards – Standards of Behaviour and Complaints Procedure" (version 2, October 2007) (POL00104806);
- iii) "Royal Mail Group Crime and Investigation (S2)" (version 3.0, September 2008) (POL00031004);
- iv) "Royal Mail Group Crime and Investigation Policy" (version 1.1, October 2009) (POL00031003);
- v) "Post Office Ltd – Security Policy – Fraud Investigation and Prosecution Policy" (version 2, 4 April 2010) (POL00030580);
- vi) "Post Office Ltd Financial Investigation Policy" (4 May 2010) (POL00030579);
- vii) "Royal Mail Group Security - Procedures & Standards – The Proceeds of

Crime Act 2002 & Financial Investigations” (version 1, September 2010)

(POL00026573);

viii) “Royal Mail Group Security - Procedures & Standards – Initiating Investigations” (September 2010); (POL00104857)

ix) “Royal Mail Group Ltd Criminal Investigation and Prosecution Policy” (version 1.1, November 2010) (POL00031008);

x) Post Office Ltd Financial Investigation Policy (version 2, February 2011) (POL00104853);

xi) Post Office Ltd Anti-Fraud Policy (February 2011) (POL00104855);

xii) “Royal Mail Group Policy Crime and Investigation S2” (version 3.0, April 2011) (POL00030786);

xiii) “Post Office Limited: Internal Protocol for Criminal Investigation and Enforcement (with flowchart)”, (October 2012) (POL00104929);

xiv) “Undated Appendix 1 - POL Criminal Investigations and Enforcement Procedure (flowchart)”, (October 2012) (POL00105226);

xv) Draft “Post Office Limited: Criminal Enforcement and Prosecution Policy” (November 2012) (POL00030602);

xvi) “Conduct of Criminal Investigations Policy” (version 0.2, 29 August 2013) (POL00031005);

xvii) “Conduct of Criminal Investigations Policy” (version 3, 10 February 2014) (POL00027863).

15. I have been asked to explain my role in the development, authorisation, management and/or assurance of any of these policy documents. I can say that as all of the documents are dated after my departure from Post Office Ltd I played

no part whatsoever in the development, authorisation, management and/or assurance of any of the documents published under the Post Office Ltd banner. Of the remaining documents, "Royal Mail Group Ltd Criminal Investigation and Prosecution Policy" (1 December 2007) (POL00030578) was produced whilst I was General Manager Security for Royal Mail Operations and I contributed to the assurance of it, whilst the remaining documents published under the Royal Mail Group banner were developed by members of my team, assured across relevant RMG business units and were owned by me as Group Security Director.

16. I have been asked to explain the organisational structure of the Post Office Security Team whilst I led it. When I joined Post Office Ltd in September 1999 the proposed structure, created by the team that led the Shaping for Competitive Success (SCS) programme, was one with three territories, North, East and West. Each was led by a Territorial Security Manager and within these territorial teams were a number of senior and more junior security managers, who were expected to be multi-functional, although most had specific skillsets in either security or investigations. Shortly after my arrival, probably within the first year, working with my lead team, I modified the team structure to create functional teams with a national and then geographical remit. This created a National Internal Crime and Investigations Manager (Head of Investigations) and an Investigation Team, which had a national remit, with suitable skilled personnel geographically placed around the UK, and a leadership structure that was also geographically located and responsible. As best I can remember, and I may not be entirely accurate with structure or team names, in addition there was an External Crime Team and a Physical Security Team, which followed similar structures, and a Commercial

Security Team and an Administration Team, which were central and London-based. This was the most significant change affecting investigation activity. Over the following five plus years further changes tended to involve reductions in staff numbers as part of cost-saving programmes, as well as me personally taking on wider responsibilities, as detailed in paragraph 3 above.

17. I have been asked who within the Investigation team determined how a criminal investigation would be conducted? I can say that Royal Mail Group documents existed dated prior to those that I have been shown at paragraph 14 above. These detailed policies for investigations across Royal Mail Group at the time that I was Head of Security for POL. Below these policy documents process and procedure documents also existed that gave trigger values and examples for the level of investigation that various events would warrant. These would normally have been interpreted by the Casework Management Team within the Investigation Team who would give initial advice and instructions to the investigator tasked with commencing an investigation. Decisions and guidance would also have been made or given by team leaders, regional leaders or the Head of Investigations, depending on the seriousness or value of the allegations or loss.
18. I have been asked what the role of the Financial Investigation Unit was, and in what circumstances they would become involved in an investigation being carried out by the Security team? The Financial Investigation Unit was only developed towards the end of my time at POL. The role of the unit, which was comprised of at least two Accredited Financial Investigators, was to use the provisions of the Proceeds of Crime Act 2002, in support of investigations in which significant

amounts of money had been stolen or defrauded, to recover the proceeds of the crime(s) under investigation from the offender(s), or any other party to which the offender(s) may have transferred them. I cannot make any comment on the approach adopted by the FIU after I left POL.

19. I have been asked which other teams within the Post Office were involved in criminal investigations and prosecutions, what were their roles in the process and how did the Security team work with them in this area? The primary input team to criminal investigations would have been the Audit team, who both reported deficits or other anomalies that they had discovered and also audited both branch and sub-offices upon request from the Investigation Team, where suspicions had been raised elsewhere. The Retail Line Teams, which managed branch and sub-offices would also provide information or detail suspicions that might start investigations. For the increasing number of offices working under Horizon, information had to be acquired from Horizon, which I think was arranged via the Network Business Support Centre (NBSC). The Transaction Processing team also provided information on accounting details for offices under investigation. In investigations directly affecting products the product manager in Network Banking, subsequently the Marketing Department of POL, might also be involved. Decisions on contracts for sub-postmasters or discipline for employees were made by the relevant manager in the Retail Line, as were decisions on prosecution, based on advice given by lawyers in the Post Office Legal Services Criminal Law Team.

20. I have been asked what legislation, policies, guidance and / or principles governed the conduct of investigations conducted by the Security team during the period I

worked within it and how this changed over the period I held relevant roles within it? I can say that the primary legislation that governed POL, and indeed all of RMG's approach to investigations was the Police and Criminal Evidence Act 1984, together with its various Codes of Practice. In addition surveillance and associated acquisition of data, which took place far less frequently in POL than in other parts of Royal Mail, was governed by the Regulation of Investigatory Powers Act 2000, and aspects of the prosecutions brought by Post Office Ltd and Royal Mail were subject to the Criminal Procedures and Investigations Act 1996. Following the development of the Financial Investigation Unit the Proceeds of Crime Act 2002 governed parts of the investigation of specific cases in which recovery of proceeds of crime were sought. These acts were subject to change following review by parliament and any changes to legislation were carried over into RMG and POL ways of working. Policies and standards for investigations existed in a variety of forms in The General Post Office and The Post Office from long before I joined the Post Office Investigation Department. There was a linear continuity between these and the updated documents produced by the RMG Security Policy and Standards Team, which set the standards for POL investigations between September 1999 and December 2006. Without sight of them and at this remove I cannot give accurate evidence on the details contained in these documents, but these standards would have been carried forward and included in any POL-specific principles or guidance used within the Investigation Team during this time.

21. I have been asked what the process was for dealing with complaints about the conduct of an investigation by the Security team? Document POL00104806,

Royal Mail Group Security – Procedures & Standards – Standards of Behaviour and Complaints Procedure” (version 2, October 2007), detailed above, provides full details of the procedures from October 2007 onwards, but I believe that this document is an update on a previous document which laid out very similar standards and processes. The document details expected professional standards of behaviour for investigators and explains fully how complaints relating to improper behaviour in the course of an investigation should be investigated.

22. I have been asked what, if any, supervision was there over criminal investigations conducted by Security Managers? I can say that at every level within the Security Team an individual would have a line manager who would be responsible for supervising both the quality of work of that individual and their general standards of behaviour, both professional and personal. In the case of investigators undertaking investigations, the investigation case file would be regularly submitted to the Casework Management Team for review, to update central records and to provide guidance on next steps. At the same time errors, omissions or poor practices would have been identified and brought to the attention of the investigator or their supervisor, depending on the seriousness of the issue.
23. I have been asked to explain the RMG / Post Office approach to suspected fraud and the responsibilities of the Security team in combatting fraud. The documents relating to fraud that are detailed in paragraph 14 all post-date my time at Post Office Ltd. I can say that, overall, the policy was that fraud should be prevented where possible, and deterred where prevention was not realistic. Where there was a suspicion or evidence that fraud had taken place then the circumstances and

perpetrators of the fraud were to be investigated, with the aim of gathering sufficient evidence for the perpetrator to be dealt with, by way of discipline, up to dismissal or termination of contract, and through the judiciary, if this course was appropriate. A parallel objective would also be to identify the value and manner of the fraud, and the movement of the assets subject to fraud, with the aim both of recovering all or as much of the value as possible, and also learning from the method of fraud, with the aim of preventing or deterring similar offences in the future. The Security Team would be central to all of these actions, with advisory roles around prevention and deterrence.

24. I have been asked how RMG / Post Office policy and practice regarding investigation and prosecution of Crown Office employees differed from the policy and practice regarding investigation and prosecution of SPMs, if at all, and whether this changed over the period of time that I held relevant roles? I would say that there was no significant difference in policy or practice in the investigation or prosecution of suspects during the time that I was Head of Security at POL. The investigative processes differed slightly in every case, whether employee or agent, but the ultimate aim was always to fully and fairly investigate a suspected or alleged crime. The principal objective would be to gather all available evidence, whether in support of the allegation, counter to it or in mitigation. This would be key to enabling the relevant line manager to make appropriate decisions on discipline or contractual status, Legal Services to advise on suitability for prosecution and the relevant line manager also to make a decision on whether to pursue prosecution.

25. I have been asked to explain the circumstances in which an auditor would be sent to conduct an audit at a Post Office branch. In the context of the Inquiry I can say that there are a number of circumstances in which auditors might attend a Post Office branch. Firstly this might be because the branch had not been audited for a significant period, from memory this was three years for sub-post offices, and it was therefore due a standard audit. Secondly because the Audit Risk Model had highlighted the branch as higher risk, which could occur for any number of reasons, such as elevated cash holdings, elevated levels of error notices, or a significant change in cashflows or transactions. Thirdly because the Security Team had formed a suspicion that something was amiss at the branch and either wanted to establish a baseline for the office accounts or because it was planned to invite the sub-postmaster or members of staff for interview. In the case of the interview of a Crown Office counter clerk, it would usually only be their personal stock rather than the whole branch that was audited. Finally, sub-post office branches were always audited fully prior to transfer to a new sub-postmaster.
26. I have been asked in what circumstances an investigator would attend an audit of a branch and what an investigator's role was on attendance? The overall circumstances in which an investigator might arrange for an audit to take place are detailed in the previous question. I would say that whether the investigator attended during the audit was often a matter of personal preference. Some offices were just too small to have at least two auditors and two investigators on site during the entire audit, and investigators would often attend nearby and wait for a phone call from the lead auditor with details of the outcome of the audit. In some circumstances, where the audit was clear, the investigator might not therefore

need to attend at that time. Some investigators always preferred to be on site, as initial reactions on the part of someone suspected of serious fraud were often telling. In some cases, where sub-postmasters had left the premises at the start of a previous audit and then returned with additional funds that enabled the office to balance, investigators would be on site to ensure this did not happen, or to ensure that in cases where it did the additional funds were preserved for evidential purposes.

27. I have been asked if a shortfall / discrepancy was identified during an audit of a branch, who would the auditor report that shortfall / discrepancy to? I can say that where the audit had been arranged at the request of an investigator it would of course be reported to the investigator. Where the audit was one taking place for a non-security reason it would normally be reported to the Retail Line Manager for the office and to the auditor's supervisor in the audit team. If either the auditor, their supervisor or the RLM were alarmed at the size of the shortfall then it might be reported to the Security Team, usually via the Casework Management Team as a central point of contact (in my time) who would decide whether an immediate security response was required.

28. I have been asked "Where a shortfall was identified following an audit of a SPM's branch:

i) What and who determined whether an investigation into potential criminality was conducted by the Security team or the case was taken forwards as a debt recovery matter by the Financial Services Centre and / or the relevant legal team? Did this change during the period you worked within the Security team?

ii) Did the SPM's local contract manager have any input into this decision-making process? Did this change during the period you worked within the Security team?

iii) What were the triggers / criteria for raising a fraud case following the identification of a shortfall / discrepancy in a SPM's branch? Were the triggers / criteria for raising a theft or false accounting case different and if so what were they? Did these change during the period you worked within the Security team?"

In answer to these questions I would say,

i) this question sounds as though it refers to processes brought in after I had left POL, during my time investigations into criminality were conducted by the Security Team, part of whose duty was to recover losses where possible. In a few cases where, after investigation, insufficient evidence existed to prosecute, the case might then be passed to Legal Services Civil Litigation to attempt recovery from individuals not bound under contract, but from memory this was rare, and rarely successful.

ii) again, I believe that the process referred to dates from after my time at POL

iii) I do not believe, during my time, that the triggers were different between fraud, theft or false accounting, in essence there needed to be a prima facie case to suspect criminality. There may have been specific monetary values but I am afraid that I was too remote from the casework management process to be able say now what those were, they may well also have changed during my time in POL as the number of staff in the Security Team was reduced.

29. I have been asked to consider the following documents

i) "Royal Mail Group Security – Procedures & Standards – Suspension from Duty" (version 1, November 2005) (POL00104809);

ii) "Royal Mail Internal Information – Criminal Investigation Team – 7.11

Suspension from Duty" (version 1.0 final, May 2012) (POL00105231);

I will say that document reference POL00104809 dates from my time as Head of Security for POL and makes specific reference to the treatment of POL employees and agents, albeit it was produced by Royal Mail Group Security. The second document POL00105231 was also produced by Royal Mail Group Security and dates from considerably after I had left POL and indeed I believe from after the date at which RMG and POL formally separated.

30. I have been asked what the Security team's role was in suspension decisions where a shortfall was identified by an audit? I would say that the Security Team had no role in suspension decisions where there was no suspicion of criminal activity stemming from a shortfall. Where the Security Team were involved due to suspicions of criminality, then document POL00104809 suitably details policy and procedure, both prior to and after its publication.

"2.3 The decision to suspend one of our employees or agents from duty lies solely with their business unit. Under no circumstances can Investigators advise suspension or suspend an employee themselves. The only exception to this concerns Agency Branch Office cases and is explained in detail at 8.1 below."

"8.1 In dealing with the question of suspension from duty of an individual working at an agency office it has to be borne in mind that such staff are not our employees. Sub-Postmasters and franchisees are regarded as agents who are contracted to provide services to our Business and their assistants are employees of the Sub Postmaster or franchisee. When therefore, it is essential that a Sub Postmaster's/Franchisee's contract for services is suspended the reasons must be

communicated to the Retail Line Manager (RLM) who is responsible for making this decision. The RLM will then decide whether the suspension from duty should be covered by placing the office (or equivalent) in the charge of a temporary Sub-Postmaster or by closing it temporarily. Normally it will be possible to effect the suspension from duty of an Assistant suspected of a criminal offence by discussing the matter with the Sub Postmaster/franchisee. The RLM or Contracts Manager must be made aware of all investigations carried out at an Agency Post Office Branch.”

31. I have been asked how the decision-making around suspension differed as between Crown Office employees and a SPM at an agency branch? I believe the answer to this question, as it relates to Security Team involvement, is covered in my response at paragraph 30 above. I cannot provide any information from a retail line perspective.
32. I have been asked “Once a decision had been made to conduct a criminal investigation, what process did Security team investigators follow in conducting their investigation?” and invited to consult documents now detailed at paragraph 14. As I noted earlier, none of those documents relate to my time at Post Office Ltd. I will say from personal experience that the fundamental investigation process involved validation of the alleged or suspected circumstances that led to the suspicion that a crime had been committed. Once this had been done the process would move on to the identification, gathering and securing of evidence through the analysis of business records and systems, the interviewing of suspects and witnesses, the searching of property and premises where appropriate, and the

legal accessing and analysis of external data such as banking records, again where appropriate. All of these processes had to be conducted in compliance with the legislation and codes of practice outlined in the response to paragraph 20 above, specifically but not solely, the Police and Criminal Evidence Act 1984, together with its various Codes of Practice, the Regulation of Investigatory Powers Act 2000, the Proceeds of Crime Act 2002 and the Criminal Procedures and Investigations Act 1996.

33. I have been asked to consider the following documents:

- i) "Post Office Internal Prosecution Policy (Dishonesty)" (December 1997) (POL00030659);
- ii) "Royal Mail Group Policy Prosecution (S3)" (created September 2008, version 3 effective from April 2011) (POL00030800);
- iii) "Royal Mail Group Prosecution Policy" (version 2.1, October 2009) (POL00031011);
- iv) "Post Office Ltd Fraud Investigation and Prosecution Policy" (4 April 2010) (POL00030580);
- v) "Royal Mail Group Ltd Criminal Investigation and Prosecution Policy" (version 1.1, November 2010) (POL00031008) (see, in particular, paragraph 3.2.9);
- vi) "Royal Mail Security – Procedures and Standards - Prosecution Decision Procedure" (version 2, January 2011) (POL00030598);
- vii) "Royal Mail Group Prosecution Policy" (version 3.0, April 2011) (POL00030685);
- viii) "Post Office Prosecution Policy" (version 1.0) (effective from 1 April 2012) (POL00031034);

- ix) "Post Office Limited: Internal Protocol for Criminal Investigation and Enforcement (with flowchart)", (undated but understood to have been produced in 2012) (POL00104929);
- x) "Appendix 1 - POL Criminal Investigations and Enforcement Procedure (flowchart)", (undated but understood to have been produced in 2012) (POL00105226);
- xi) Draft "Post Office Limited: Criminal Enforcement and Prosecution Policy" (November 2012) (POL00030602);
- xii) "Post Office Prosecution Policy England and Wales" (effective from 1 November 2013) (POL00030686);
- xiii) "Post Office Limited Prosecution Policy for England and Wales" (version 1, 22 January 2016). (POL00030811)

34. I have been asked to explain my role in the development, authorisation, management and / or assurance of any of the policies listed above. The first listed document above, Post Office Internal Prosecution Policy (Dishonesty)" (December 1997) (POL00030659), was signed by my predecessor as Group Security Director for Royal Mail Group, and as I was working for him at that time I may have contributed content to the document. All the other documents post-date my time as Head of Security POL and therefore, as with the documents at paragraph 14 above, I played no part whatsoever in the development, authorisation, management and/or assurance of any of the documents published under the Post Office Ltd banner. Of the remaining documents, Royal Mail Group Policy Prosecution (S3)" (created September 2008, version 3 effective from April 2011) (POL00030800), Royal Mail Group Prosecution Policy" (version 2.1,

October 2009) (POL00031011) and Royal Mail Group Prosecution Policy” (version 3.0, April 2011) (POL00030685) were all produced by the Head of Criminal Law, I believe at a time prior to the point at which the Criminal Law Team came under my control. The remaining documents, published under the Royal Mail Group banner with URNs POL00031008 and POL00030598, were developed by members of my team, assured across relevant RMG business units and were owned by me as Group Security Director.

35. I have been asked to describe the RMG / Post Office prosecution policy, the rationale behind it, its aims and any ways in which it changed during the period that I held relevant roles. I can best do this by quoting from Post Office Internal Prosecution Policy (Dishonesty)” (December 1997) (POL00030659) “The Post Office's policy is normally to prosecute those of its employees or agents who commit acts of dishonesty against the Post Office for the purpose of illegally acquiring Post Office property or assets, or the property or assets of Post Office customers and clients while in Post Office custody, where this is deemed to serve the public interest. Other wrongdoings will normally be dealt with via the discipline code.” This was the over-arching RMG policy whilst I was Head of Security POL and not a position that I differed from later when I became Group Security Director.

36. I have been asked “Following an investigation, who decided whether a SPM or Crown Office employee should be prosecuted and what would considerations determined whether a prosecution was brought?” This decision, which would be made with access to the offender report and the advice of a lawyer from the

Criminal Law Team, would always be made within the retail line in POL, usually by the direct line manager or supervisor of the suspect. The report and the lawyer's advice would detail the facts of the case, any mitigating or aggravating factors, the likely possibility of success of a prosecution and whether prosecution would be considered to be in the public interest.

37. I have been asked whether the SPM's local contract manager would have any input into this decision-making process and whether this changed during the period I worked in relevant roles? It is my belief that, during my time in POL, this decision would always have been taken by the Retail Line Manager, or any successor role as manager of the sub-postmasters' contracts.
38. I have been asked "When a decision was made to start a prosecution, what test was applied? In particular, what factors were considered at the public interest stage?" Although as I've noted above, this is a decision that I have never been required to take with regard to a sub-postmaster or counter clerk, the decision-maker would have the advice of the Criminal Law Team, which would cover the public interest test as part of the Code for Crown Prosecutors.
39. I have been asked "What advice, legal or otherwise, was provided to those making decisions about whether to prosecute a SPM or Crown Office employee?" I believe that this is fully covered in paragraphs 36 and 38 above.
40. I have been asked whether the legal advice on prosecutions was provided by internal or external lawyers, or both? I can say that during my time in both POL

and RMG, primary advice in cases under the control of teams that I led was always given by internal lawyers, although upon occasion there might also be ancillary advice provided by an instructed barrister.

41. I have been asked "Was there a particular approach applied to cases where a shortfall / discrepancy was identified on audit?" In answer to this I would say that there was a particular approach to any such cases where dishonesty was suspected, but it was the particular approach adopted for all cases of alleged or suspected dishonesty on the part of Post Office Ltd employees or agents, as it was important for the sake of fairness that there was a consistency in approach.

42. I have been asked "In what circumstances were steps to restrain a suspect's assets by criminal enforcement methods such as confiscation proceedings considered?" In answering this I will stress that at no point in time was I an expert on the provisions of the Proceeds of Crime Act. I will say however that in the final two years or so of my time as Head of Security, if the losses and actions in a case met the levels that were required for one of POL's Accredited Financial Investigators to take action, such as restraint of assets, then I believe these steps would have been considered.

43. I have been asked "Who decided whether criminal enforcement proceedings should be pursued and what factors did they consider when making decisions around this?" I can say that in POL from the introduction of the Financial Investigation Unit and subsequently in Royal Mail Group when the structure was introduced there, certain senior investigators were trained as Senior Appropriate

Officers, whose task it was to assess and authorise whether applications for disclosure, freezing or seizure of assets should be made. At no time was I one of those officers.

44. I have been asked "What training, qualifications and / or experience were required for an investigator within the Security team to be able to conduct investigations where a SPM / SPM's assistant / Crown Office employee was suspected of a criminal offence? Did the requirements change over the period you working within the Security team?" I can say that, when I joined the Post Office Investigation Department in 1985, I received a considerable volume of pre-reading before I took up post. When I took up post I received six weeks of classroom training in investigation techniques, legislation, the interviewing of suspects and witnesses etc. Following this I received three three-month periods of on the job training, each of which was with a different senior mentor, before being appointed to my first posting with, initially, relatively close supervision from a senior investigator. Over the following years this training process was modified so that new entrants spent a number of separate shorter periods in the classroom, interspersed with on the job experience focusing on the skills most recently learned. I was never directly involved in training delivery after my own induction, other than as an on the job mentor for a number of trainees. I cannot say with absolute certainty, but I believe that during my period as Head of Security POL, new entrant investigators to POL Security were sent to receive initial training from the RMG Security Team's Training Team, but would have performed their on the job and mentored periods of experience under the supervision of experienced POL Investigators.

45. I have been asked “What instructions, guidance and / or training were given to investigators within the Security team about interviewing a SPM / SPM’s assistant / Crown Office employee who was suspected of a criminal offence?” I can say that I have outlined above what I believe to be the general approach to training, across RMG and in POL during the time that I was Head of Security. Within the documents that I have been shown I have seen very few that relate to the actual time when I was the Head of Security. I have been asked to consider a number of documents, detailed at paragraph 46 below, all of which post-date my departure from Post Office Ltd and are not therefore strictly relevant. I will say however that I believe the detailed instructions and guidance given in the document “Royal Mail Internal Investigation Team – Criminal Investigation Team – 7.4 Interviewing Suspects” (version 1.0 final, March 2011) (POL00104867)” are an update on earlier documents that would have provided similar guidance to investigators.
46. I have been asked whether any of the following documents were provided to investigators within the Security team, and for any that were, to please summarise the key points in the document:
- i) “Royal Mail Group Security Investigation Guidelines – Group Security Investigation Circular 5- 2008: Written Records of Tape Recorded Interviews” (20 November 2008) (POL00104818);
 - ii) “Royal Mail Group Security Investigation Guidelines – Group Security Investigation Circular 5- 2008: Written Records of Tape Recorded Interviews” (version 5, June 2010) (POL00104836);
 - iii) “Royal Mail Internal Investigation Team – Criminal Investigation Team – 7.4 Interviewing Suspects” (version 1.0 final, March 2011) (POL0014867);

- iv) "Appendix 1 to P&S 7.4 Interviewing Suspects on tape – Quick Reference Guide England and Wales" (version 1, March 2011) (POL00104859);
- v) "Appendix 4 – Interviewing Suspects Using Notes of Interview Quick Reference Guide – England & Wales" (version 1, March 2011) (POL00104861);
- vi) "Royal Mail Internal Information – Criminal Investigation Team – 8.6 Written Record of Tape Recorded Interviews" (version 1.0 final, June 2011) (POL00104875);

I can say that the publication date of all of these documents post-dates my departure from Post Office Ltd to Royal Mail Group. Consequently I am unable to make any comment on the provision of these documents to POL Investigators after December 2006.

47. I have been asked "What instructions, guidance and / or training were given to investigators within the Security team about taking witness statements in the course of an investigation?" As with the question at paragraph 45 above regarding interviewing, I have been provided with none of the instructions or guidance documents that would have been available to POL investigators during the time that I was Head of Security POL. Again, however, I would draw attention to the documents quoted in the following paragraph 48, in particular the document "Royal Mail Group Security – Procedures & Standards – Witness Statements" (version 2, January 2010) (POL00104827)" and say that I believe that these are an update on earlier documents that would have provided similar guidance to investigators.

48. I have been asked whether any of the following documents were provided to investigators within the Security team, and for any that were, to please summarise the key points in the document:

i) "Royal Mail Group Security – Procedures & Standards – Witness Statements" (version 2, January 2010) (POL00104827);

ii) "Royal Mail Group Ltd Security – Procedures & Standards – Appendix 2 to P&S 5.4 – Managing the Witness and Structure and Contents of Witness Statements" (version 1, January 2010) (POL00104826).

I can say that the publication date of all of these documents post-dates my departure from Post Office Ltd to Royal Mail Group. Consequently I am unable to make any comment on the provision of these documents to POL Investigators after December 2006.

49. I have been asked "What instructions, guidance and / or training were given to investigators within the Security team about conducting searches in the course of an investigation?" As with the question at 45 above regarding interviewing, I have been provided with none of the instructions or guidance documents that would have been available to POL investigators during the time that I was Head of Security POL. Again, however, I would draw attention to the documents quoted in the following paragraph 50, in particular the document "Royal Mail Group Security – Procedures & Standards – Searching" (version 5, January 2009) (POL00104828)" and say that I believe that these are an update on earlier documents that would have provided similar guidance to investigators.

50. I have been asked whether any of the following documents were provided to investigators within the Security team, and for any that were, to please summarise the key points in the document:

- i) "Royal Mail Group Security – Procedures & Standards – Searching" (version 5, January 2009) (POL00104828);
- ii) "Royal Mail Group Security – Procedures & Standards – Searching" (version 6, January 2011) (POL00104849).

I can say that the publication date of all of these documents post-dates my departure from Post Office Ltd to Royal Mail Group. Consequently I am unable to make any comment on the provision of these documents to POL Investigators after December 2006.

51. I have been asked what instructions, guidance and / or training were given to investigators within the Security team about the duty on an investigator to investigate a case fully? Although I have not been provided with any documents on which to rely for this, I can say that I believe that all investigators would have been made aware, during the course of their training, of the importance of following all avenues during an investigation, so that the investigation is completed in the fullest manner possible, and that all information and evidence, whether in support of an allegation or counter to the allegation, should be gathered and made available to the suspect's managers (for employees and agents), to casework management and lawyers advising on the case and, in due course if a prosecution ensues, to the defence.

52. I have also been asked what instructions, guidance and / or training were given to investigators within the Security team about obtaining evidence in the course of an investigation? Again, although I have not been provided with any documents on which to rely for this, I can say that I believe that all investigators would have been made aware, during the course of their training, of the importance of gathering all available information and evidence, whether in support of an allegation or counter to the allegation, and making it all available to the suspect's managers (for employees and agents), to casework management and lawyers advising on the case and, in due course if a prosecution ensues, to the defence.

53. I have been asked "Were the Security team ever given guidance on whether and in what circumstances evidence should be sought from third parties who might hold relevant evidence and, in particular, Fujitsu, where shortfalls were identified in branch?" I have no direct personal experience on which to rely for this, but as I note above I believe that all trained investigators would have been aware of their duty to investigate and acquire all relevant evidence and, in the case of a branch operating on Horizon, where it was believed that Fujitsu as the system operator had additional evidence beyond that available through Post Office Ltd channels, this evidence should have been sought from Fujitsu.

54. I have been asked "What instructions, guidance and / or training were given to investigators within the Security team about an investigator's disclosure obligations?" As with the question at paragraph 45 above regarding interviewing, I have been provided with none of the instructions or guidance documents that would have been available to POL investigators during the time that I was Head of

Security POL. Again, however, I would draw attention to the documents quoted in the following paragraph 55, in particular the document “Royal Mail Group Ltd Security – Procedures & Standards – Appendix 1 to P&S 9.5 Disclosure of Unused Material & the Criminal Procedure and Investigations Act 1996” (July 2010) (POL00104848)” and say that I believe that these are an update on earlier documents that would have provided similar guidance to investigators.

55. I have been asked whether any of the following documents were provided to investigators within the Security team, and for any that were, to please summarise the key points in the document:

i) “Royal Mail Group Ltd Security – Procedures & Standards – Appendix 1 to P&S 5.4 – Rules and Continuity of Evidence” (version 1, January 2010)(POL00104891);

ii) “Royal Mail Group Ltd Security – Procedures & Standards – Appendix 1 to P&S 9.5 Disclosure of Unused Material & the Criminal Procedure and Investigations Act 1996” (July 2010) (POL00104848);

iii) Royal Mail Internal Information – Criminal Investigation Team – Appendix 7 to 7.4 Dealing with Defence Solicitors & Complaints by Suspects (version 1, March 2011) (POL00104893).

I can say that the publication date of all of these documents post-dates my departure from Post Office Ltd to Royal Mail Group. Consequently I am unable to make any comment on the provision of these documents to POL Investigators after December 2006.

56. I have been asked “What instructions, guidance and / or training were given to investigators within the Security team about drafting investigation reports to enable a decision to be made about the future conduct of a case?” As with the question at paragraph 45 above regarding interviewing, I have been provided with none of the instructions or guidance documents that would have been available to POL investigators during the time that I was Head of Security POL. Again, however, I would draw attention to the documents quoted in the following paragraph 57, “Royal Mail Internal Information – Criminal Investigation Team – 8.2 Guide to the Preparation of Suspect Offender Reports, England, Wales and Northern Ireland” (version 1.0 final, June 2011) (POL00104881) and “Royal Mail Internal Information – Criminal Investigation Team – Appendix 1 to 8.2 Suspect Offender Reports, Preamble Guide, England, Wales and Northern Ireland (version 1.0 final, June 2011) (POL00104879). and say that I believe that these are an update on earlier documents that would have provided similar guidance to investigators.

57. I have been asked whether any of the following documents were provided to investigators within the Security team, and for any that were, to please summarise the key points in the document:

i) “Royal Mail Internal Information – Criminal Investigation Team – 8.2 Guide to the Preparation of Suspect Offender Reports, England, Wales and Northern Ireland” (version 1.0 final, June 2011); (POL00104881)

ii) “Royal Mail Internal Information – Criminal Investigation Team – Appendix 1 to 8.2 Suspect Offender Reports, Preamble Guide, England, Wales and Northern Ireland (version 1.0 final, June 2011) (POL00104879).

I can say that the publication date of all of these documents post-dates my departure from Post Office Ltd to Royal Mail Group. Consequently I am unable to make any comment on the provision of these documents to POL Investigators after December 2006.

58. I have been asked to “Please consider the last heading on page 6 of the document entitled “Security Operations Casework Review” (February 2013) at POL00105223. Prior to the introduction of the tool Credence (which the Inquiry understands to have been introduced in 2009), what analysis was done by Security team investigators of Horizon data when a SPM / SPM’s assistant / Crown Office employee attributed a shortfall to problems with Horizon? Is the document at POL00105213 of relevance to this question and if so can you assist with the likely date of the document?” I can say that the first document POL00105223 post-dates my departure from POL by over 6 years, and the second document POL00105213 means nothing to me. Consequently I cannot assist with this question.

59. I have been asked “For the period of time you held relevant roles, please explain the process for requesting Horizon data from Fujitsu and how that process changed over time.” I can say that at no point in my time at POL did I have any requirement to request Horizon data from Fujitsu, that I never requested Horizon data from Fujitsu and that I cannot explain anything about the process or how it may have changed over time.

60. I have been asked "What were ARQ logs and what did you understand their use to be? What other logs were you aware of and how did they differ?" I can say that I have no idea what ARQ logs are, nor am I aware of any other logs with respect to Horizon.
61. I have been asked "Whose decision was it whether ARQ data was requested from Fujitsu in any given case?" I have no knowledge to enable me to answer this question.
62. I have been asked "Where a shortfall had been identified and the relevant SPM / SPM's assistant / Crown Office employee was attributing the shortfall to problems with Horizon, where the SPM / SPM's assistant / Crown Office employee did not have corroborating evidence of material problems with Horizon, was ARQ data requested from Fujitsu as a matter of course? If not, why not?" Again, I have no knowledge or experience that would enable me to answer this question or its supplemental.
63. I have been asked "Where ARQ data was obtained from Fujitsu, in circumstances where a shortfall had been identified and the relevant SPM was attributing the shortfall to problems with Horizon, was this data provided to the SPM in question as a matter of course? If not, why not?" Once again, I have no knowledge or experience that would enable me to answer either of these questions.
64. I have been provided with a list of names and have been asked "What (if any) are your recollections of the following criminal cases:" I have chosen not to list the

names in this statement but can say that at no point in my time as Head of Security POL did I ever perform the role of investigator, and consequently I never investigated any specific cases involving sub-postmasters, sub-post office assistants or crown office counter clerks. None of these names are familiar to me nor are the details of their cases.

65. I have been asked “whether there are any prosecutions (including but not limited to the above) which you had a role in as investigator which you consider are relevant to the matters being investigated by the public inquiry (in particular, bugs, errors and defects in the Horizon system)? If so, why do you consider them to be relevant?” I can say, as I have noted above, that I had no direct involvement in any investigations which I would consider relevant to the Inquiry, and I have no knowledge of bugs, errors, or defects in the Horizon system.

66. I have been asked, looking back, whether I have any concerns about any criminal cases in which I was involved? I can say that I had no direct involvement in any investigation case involving a frontline POL employee, sub-postmaster or sub-office assistant after 1996, and that I have no unresolved concerns about any Post Office or Royal Mail Group criminal case in which I was involved.

67. I have been asked “Did you have, or were you aware of, any concerns regarding the robustness of the Horizon IT system during your time working for the Post Office / RMG? In this context, the term “robustness” includes (a) the accuracy and integrity of the data recorded and processed by the Horizon IT System (b) the extent to which deficiencies in the Horizon IT System were capable of causing and

/ or caused apparent discrepancies or shortfalls in the branch accounts (c) the ability of the Horizon IT System to identify errors in data and discrepancies or shortfalls in branch accounts and the cause of the same and (d) the ability of the Horizon IT System continue to operate satisfactorily in the presence of adverse conditions.” I can say that at no time did I have any real involvement with the Horizon IT System and that I had no concerns regarding the robustness of the system whilst I worked for POL or RMG. I was not aware of any other person expressing concerns about the robustness of the system either. I will note that during the period towards the end of my tenure in POL when the Equipment Team worked for me, the team ran a programme to roll out or update (I’m not sure which) Uninterruptible Power Supplies (UPSs) to various branch and sub-post offices, to ensure the capacity of Horizon equipment to operate in the event of a power cut. However, whilst that would clearly be an adverse condition, I do not believe that anybody would expect a computer system to continue to operate, satisfactorily or otherwise, in the absence of electric power.

68. I have been asked to “consider section 6 of the “Post Office Ltd – Security Policy: Accounting losses policy for agency branches” (version 1, February 2003) at POL00086845) and the same section in the “Post Office Ltd – Security Policy: Liability for losses policy (for agency branches)” (version 1.7, September 2003) (POL00088867).” I have then been asked “Did the suggestion that system faults with Horizon were “very rare” correspond with your understanding of the position in 2003?” I can say that the statement, made at the relevant times in two documents owned by me, that “System faults are very rare...” was exactly my understanding of the situation with the Horizon system at that time and throughout

my time as Head of Security at POL. It was a position held and promulgated by the IT Directorate and the Horizon roll-out programme, by the Retail Line and by other departments in the Operations directorate and I had no reason, examples or evidence to believe otherwise, or I would not have assured these documents.

69. I have been asked to consider documents bearing the URNs NFSP00000458 (NFSP NEC October 1999), NFSP00000447 (NFSP NEC January 2000), NFSP00000540 (NFSP NEC June 2001), NFSP00000481 (NFSP NEC January 2004), NFSP00000474 (NFSP NEC March 2004), NFSP00000509 (NFSP NEC June 2004), NFSP00000517 (NFSP NEC March 2006) and NFSP00000444 (NFSP Neg Comm October 2006). I have done so.
70. I have been asked to "Please summarise the nature and extent of your interactions with the NFSP." I can say that, following my appointment in September 1999 I met regularly with the then NFSP General Secretary Colin Baker and his relevant deputy John Peberdy. I believe the objective was to hold quarterly meetings, although this timescale could elongate depending on availability, issues to discuss and progress on issues previously raised. Generally speaking the sorts of issues discussed were levels of burglary and robbery and steps being taken to investigate and prevent these. We also discussed and I provided regular updates on levels of funding for investment in security equipment and how this would be rolled out. General points about criminal investigations came up occasionally and, very occasionally, specific cases were raised. During the period that I was responsible for the Audit Team the issue of losses and the

review of the policy on the recovery of losses obviously also came up, according to the documents provided.

71. I have been asked "Did the NFSP ever raise concerns with you the robustness of the Horizon IT system and / or about action being taken against SPMs following the identification of discrepancies between Horizon generated cash and stock positions and the actual physical position in branch? If so, how did you respond to those concerns?" I can say that I have no recollection of the NFSP ever raising specific concerns with me over the robustness of the Horizon system or about the Horizon system in the context of action being taken against sub-postmasters following the identification of discrepancies at a branch. That said, there was a regular background level of general complaint from the NFSP about crime, losses and the POL contractual position on recoveries of losses and I refused to be drawn into general discussions without specific examples. Where any specific examples of cases were provided to me these were passed to the relevant person in my team or, occasionally, to a suitable person outside the team and I made a point of feeding back on the issue at the next Security/NFSP meeting. I do not recollect any specific case being raised with me where an issue was alleged with the accuracy of Horizon data.

72. I have been asked to consider the minutes of a meeting of the POL Board of Directors on 20 August 2003 at POL00021483. I can see that I am noted as being "in attendance". I can see no indication from the available text as to why I was at the meeting, but I presume that I was there only for a portion of the meeting, relating to a subject that was redacted from the minutes before they were supplied

to the Inquiry. I was not a Director in POL at this or any other time, and at no time was I a Board Director or officer of either Post Office Ltd or Royal Mail Group.

73. I have been asked how frequently I attended Board meetings when I held the role of Head of Security. As can be inferred from my answer in paragraph 72 above, I rarely attended Board meetings, only as required if there was a specific security-related matter to raise at Board level that my Director did not feel able to cover. In these cases I would only be present for my specific topic. I doubt that I attended more than 5 or 6 in this manner in my 7 years in POL.

74. I have been asked whether I recall any concerns being raised at Board meetings about the robustness of the Horizon IT system and / or about action being taken against SPMs following the identification of discrepancies between Horizon generated cash and stock positions and the actual physical position in branch, and if so who raised concerns and how were they dealt with? I can say that I do not remember any mention of the robustness of Horizon or of action being taken against sub-postmasters being raised at any Board meeting that I attended.

75. I have been asked whether I raised any such concerns myself, and if so what was the response to any such concerns? I can say that I never had cause to raise any such concerns and did not do so.

76. I have been asked if there are any other matters that I wish to bring to the attention of the Chair of the Inquiry? As a matter of candour I wish to advise the Inquiry that, in keeping with the authorization given and recommendation made to

me in the request dated 14th April 2023, I have made contact with Post Office Ltd to establish whether they and their insurance cover would provide funding for me to obtain legal advice on this matter, if required. As part of this contact, as permitted, I have shared details of the Rule 9 Request dated 14th April 2023 with POL Legal Services. Post Office Ltd have confirmed that they would provide such funding, however I have not felt it necessary to obtain legal advice in the production of this statement and I have not shared any details of the draft or final statement with POL, their lawyers or any other legal representative. I will advise the Inquiry if and when this situation changes. There are no other matters that I wish to bring to the attention of the Chair of the Enquiry.

Statement of Truth

I believe the content of this statement to be true

Signed:

GRO

Dated:

27th April 2023

Index to First Witness Statement of Tony Marsh WITN0690

No	URN	Document Description	Control Number
1	WITN05970148	Horizon: Management of Security in the Live Environment	WITN05970148
2	FUJ00001986	Fujitsu Services/Post Office Ltd Operational Business Change -Branch Interface Agreement	POINQ0008157F
3	FUJ00001999	Operational Business Change - Branch, Service Descriptions and schedule of service prices	POINQ0008170F
4	FUJ00126036	Email chain RE: Impact Branch Trading issues	POINQ0132249F
5	FUJ00126042	Impact R3 Branch trading Issues	POINQ0132255F
6	FUJ00089971	Branch Trading Reporting, Management and Control and Transaction Management Conceptual Design	POINQ0096142F
7	POL00088904	Losses and gains policy within the POCL agency network (version 1, 20 November 1998)	POL-0085962
8	POL00086845	Post Office Ltd – Security Policy: Accounting losses policy for agency branches (version 1, February 2003)	POL-0083903
9	POL00088867	Post Office Ltd – Security Policy: Liability for losses policy (for agency branches) (version 1.7, September 2003)	POL-0085925
10	LCAS0000124	A Brief History of Investigations, Prosecutions and Security in Royal Mail	VIS00010364
11	POL00030578	Royal Mail Group Ltd Criminal Investigation and Prosecution Policy (1 December 2007)	POL-0027060
12	POL00104812	Royal Mail Group Ltd Criminal Investigation and Prosecution Policy (1 December 2007)	POL-0080444

No	URN	Document Description	Control Number
13	POL00104806	Royal Mail Group Security – Procedures & Standards – Standards of Behaviour and Complaints Procedure (version 2, October 2007)	POL-0080438
14	POL00031004	Royal Mail Group Crime and Investigation (S2) (version 3.0, September 2008)	POL-0027486
15	POL00031003	Royal Mail Group Crime and Investigation Policy (version 1.1, October 2009)	POL-0027485
16	POL00030580	Post Office Ltd – Security Policy – Fraud Investigation and Prosecution Policy” (version 2, 4 April 2010)	POL-0027062
17	POL00030579	Post Office Ltd Financial Investigation Policy (4 May 2010)	POL-0027061
18	POL00026573	Royal Mail Group Security - Procedures & Standards – The Proceeds of Crime Act 2002 & Financial Investigations” (version 1, September 2010)	POL-0023214
19	POL00104857	Royal Mail Group Security - Procedures & Standards – Initiating Investigations” (September 2010)	POL-0080489
20	POL00031008	Royal Mail Group Ltd Criminal Investigation and Prosecution Policy” (version 1.1, November 2010)	POL-0027490
21	POL00104853	Post Office Ltd Financial Investigation Policy (version 2, February 2011)	POL-0080485
22	POL00104855	Post Office Ltd Anti-Fraud Policy (February 2011)	POL-0080487
23	POL00030786	Royal Mail Group Policy Crime and Investigation S2” (version 3.0, April 2011)	POL-0027268
24	POL00104929	Post Office Limited: Internal Protocol for Criminal Investigation and Enforcement (with flowchart), (October 2012)	POL-0080561

<u>No</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
25	POL00105226	Undated Appendix 1 - POL Criminal Investigations and Enforcement Procedure (flowchart), (October 2012)	POL-0080851
26	POL00030602	Draft Post Office Limited: Criminal Enforcement and Prosecution Policy (November 2012)	POL-0027084
27	POL00031005	Conduct of Criminal Investigations Policy (version 0.2, 29 August 2013)	POL-0027487
28	POL00027863	Conduct of Criminal Investigations Policy (version 3, 10 February 2014)	POL-0024504
29	POL00104809	Royal Mail Group Security – Procedures & Standards – Suspension from Duty” (version 1, November 2005)	POL-0080441
30	POL00105231	Royal Mail Internal Information – Criminal Investigation Team – 7.11 Suspension from Duty” (version 1.0 final, May 2012)	POL-0080856
31	POL00030659	Post Office Internal Prosecution Policy (Dishonesty) (December 1997)	POL-0027141
32	POL00030800	Royal Mail Group Policy Prosecution (S3)” (created September 2008, version 3 effective from April 2011)	POL-0027282
33	POL00031011	Royal Mail Group Prosecution Policy” (version 2.1, October 2009)	POL-0027493
34	POL00030598	Royal Mail Security – Procedures and Standards - Prosecution Decision Procedure” (version 2, January 2011)	POL-0027080
35	POL00030685	Royal Mail Group Prosecution Policy (version 3.0, April 2011)	POL-0027167
36	POL00031034	Post Office Prosecution Policy (version 1.0) (effective from 1 April 2012)	POL-0027516
37	POL00030686	Post Office Prosecution Policy England and Wales (effective from 1 November 2013)	POL-0027168

<u>No</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
38	POL00030811	Post Office Limited Prosecution Policy for England and Wales (version 1, 22 January 2016)	POL-0027293
39	POL00104818	Royal Mail Group Security Investigation Guidelines – Group Security Investigation Circular 5- 2008: Written Records of Tape Recorded Interviews (20 November 2008)	POL-0080450
40	POL00104836	Royal Mail Group Security Investigation Guidelines – Group Security Investigation Circular 5- 2008: Written Records of Tape Recorded Interviews (version 5, June 2010)	POL-0080468
41	POL00104867	Royal Mail Internal Investigation Team – Criminal Investigation Team – 7.4 Interviewing Suspects (version 1.0 final, March 2011)	POL-0080499
42	POL00104859	Appendix 1 to P&S 7.4 Interviewing Suspects on tape – Quick Reference Guide England and Wales” (version 1, March 2011)	POL-0080491
43	POL00104861	Appendix 4 – Interviewing Suspects Using Notes of Interview Quick Reference Guide – England & Wales” (version 1, March 2011)	POL-0080493
44	POL00104875	Royal Mail Internal Information – Criminal Investigation Team – 8.6 Written Record of Tape Recorded Interviews” (version 1.0 final, June 2011)	POL-0080507
45	POL00104827	Royal Mail Group Security – Procedures & Standards – Witness Statements” (version 2, January 2010)	POL-0080459
46	POL00104826	Royal Mail Group Ltd Security – Procedures & Standards – Appendix 2 to P&S 5.4 – Managing the Witness and Structure and Contents of Witness Statements” (version 1, January 2010)	POL-0080458

<u>No</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
47	POL00104828	Royal Mail Group Security – Procedures & Standards – Searching” (version 5, January 2009)	POL-0080460
48	POL00104849	Royal Mail Group Security – Procedures & Standards – Searching” (version 6, January 2011)	POL-0080481
49	POL00104891	Royal Mail Group Ltd Security – Procedures & Standards – Appendix 1 to P&S 5.4 – Rules and Continuity of Evidence” (version 1, January 2010)	POL-0080523
50	POL00104848	Royal Mail Group Ltd Security – Procedures & Standards – Appendix 1 to P&S 9.5 Disclosure of Unused Material & the Criminal Procedure and Investigations Act 1996” (July 2010)	POL-0080480
51	POL00104893	Royal Mail Internal Information – Criminal Investigation Team – Appendix 7 to 7.4 Dealing with Defence Solicitors & Complaints by Suspects (version 1, March 2011)	POL-0080525
52	POL00104881	Royal Mail Internal Information – Criminal Investigation Team – 8.2 Guide to the Preparation of Suspect Offender Reports, England, Wales and Northern Ireland” (version 1.0 final, June 2011)	POL-0080513
53	POL00104879	Royal Mail Internal Information – Criminal Investigation Team – Appendix 1 to 8.2 Suspect Offender Reports, Preamble Guide, England, Wales and Northern Ireland (version 1.0 final, June 2011)	POL-0080511
54	POL00105223	Security Operations Casework Review” (February 2013)	POL-0080848
55	POL00105213	Fraud Risk Security Pro-forma - Guide To Obtaining Reports From Horizon	POL-0080838
56	NFSP00000458	NFSP NEC October 1999	VIS00008916

<u>No</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
57	NFSP00000447	NFSP NEC January 2000	VIS00008905
58	NFSP00000540	NFSP NEC June 2001	VIS00008998
59	NFSP00000481	NFSP NEC January 2004	VIS00008939
60	NFSP00000474	NFSP NEC March 2004	VIS00008932
61	NFSP00000509	NFSP NEC June 2004	VIS00008967
62	NFSP00000517	NFSP NEC March 2006	VIS00008975
63	NFSP00000444	NFSP Neg Comm October 2006	VIS00008902
64	POL00021483	Minutes of a meeting of the POL Board of Directors on 20 August 2003	POL0000016