

**POST OFFICE LTD CONFIDENTIAL: INVESTIGATION,
LEGAL**

POLTD/0910/0149

**OFFENCE
Theft/False Accounting**

Name: Mr Jennifer O'Dell

Rank: Subpostmaster **Identification Code:** 1

Office: Great Staughton SPSO **Branch Code:** 288230

Age: GRO **Date of Birth:** GRO

Service: 9 years 1 month **Date Service Commenced:** 20th November 2000

Personnel Printout: At Appendix: C

Nat Ins No: GRO

Home Address: GRO

Suspended/Contract for Services Suspended: Suspended on 6th January 2010 by Sue Muddeman Contracts Advisor.

To be prosecuted by: Royal Mail Group (including Post Office Ltd)

Designated Prosecution Authority: Andy Hayward, Senior Security Manager - Fraud Strand

Discipline Manager: Sue Muddeman

Corporate Security Criminal Law Team

The circumstances leading to the naming of the offender detailed in the above preamble are as follows.

On the 6th January 2010, Lesley Frost, Post Office® Auditor, visited Great Staughton Post Office® 24 The Highway, Great Staughton, Huntingdon, PE19 5DA to perform a verification of the financial assets due to the Post Office®. The result of the audit revealed a shortage of £9,616.66 and as a result the subpostmaster, Mrs Jenny O'Dell was precautionary suspended. A copy of Lesley Frost's audit report is enclosed in **appendix 'B'**.

During the audit, Lesley discovered that multiple cash declarations had been made for the one stock unit at the Post Office, AA, from the 17th December 2009 to the 5th January 2010. Lesley has produced a schedule of these multiple cash declarations

POST OFFICE LTD CONFIDENTIAL: INVESTIGATION,**LEGAL**

and a copy is enclosed in **appendix 'B'**. The schedule shows that on the 16th December 2009, user ID JOD001 (Jenny O'Dell) has declared the cash in the Post Office® as being £5,210.64 for till 01, stock unit AA.

However, on the 17th December 2009, her son Daniel O'Dell (DOD001) has entered a cash declaration of £8,880.87 against till 2 for stock unit AA. The Horizon computer system now thinks that the cash within the Post Office® should be £14,091.51 (till 01 and till 02 added together). On the 18th December 2009, user ID (JOD001) makes a cash declaration of £6,544.73 against till 3 for stock unit AA. The Horizon computer system now adds up all the cash declared for till 1, till 2 and till 3 and indicates that £21,970.33 cash is in the Post Office®. These multiple cash declarations continue until the 6th January 2010. What should have been happening in this case is that each day's cash declaration should have been entered against till 1 for stock unit AA.

The Horizon system allows multiple cash declarations for a single stock because in some Post Offices the stock and cash may be split between two clerks allowing them to work at two counter positions. At the end of the day they then both declare whatever cash they have using different till ID's even though it is for one stock unit.

Due to other more pressing cases, this investigation was delayed and the disciplinary hearing took place on the 8th February 2010 between Mrs O'Dell and Sue Muddeman, Contracts Advisor. As a result of this hearing I was sent further documents by Sue Muddeman to assist with my investigation.

What transpired at the disciplinary hearing is that at the end of May 2009, Mrs O'Dell completed her Monthly Trading Account and found a £1,000 cash shortage. When Mrs O'Dell completed her next Monthly Trading Account at the end of June 2009 she found that the shortage was now £2,000 and this increased to around £3,000 when the next Monthly Trading Account was produced at the end of July 2009. On the 4th August 2009, Mrs O'Dell reported these losses to the Post Office® Helpline. The monthly losses continued and on the 4th and 5th November 2009 further calls are made to the Post Office® Helpline indicating that she is now carrying a loss of £7,000 in her accounts. Details of the Helpline calls are enclosed in **appendix 'B'**.

In addition, Mrs O'Dell wrote to Sue Muddeman on the 21st December 2009 with regard to Great Staughton Post Office® losing £1,000 per month and querying why her accounts were showing a loss of £8,506 on the 16th December 2009 and a surplus of £5,000 on the 17th December 2009. A copy of this letter is enclosed in **appendix 'B'**.

Throughout the interview, Mrs O'Dell blamed Horizon for the losses and refused to make good the audit shortage.

POST OFFICE LTD CONFIDENTIAL: INVESTIGATION,**LEGAL**

On Thursday 27th May 2010, arrangements were made to interview Mrs O'Dell under caution at Cambridge Crown Office. Mrs O'Dell completed forms GS001 and GS003 indicating that she did not require a solicitor or friend to be present at the interview. These forms can be found in **appendix 'B'** and **'C'** accordingly.

I was assisted at the interview by my colleague Lisa Allen. The interview commenced at 10.55 hours and finished at 12.08 hours. The interview was recorded onto two tapes with seal numbers 060370 and 060371. I hold the master tapes and the working tapes can be found in **appendix 'B'**. A full tape transcript has been prepared and can be found at pages **8** to **42**.

During the interview Mrs O'Dell admitted that when she completed the Monthly Trading Account for the period 6th May 2009 to 3rd June 2009 she discovered a cash shortage of about £1,000. She re-checked everything but could not find anything to account for the loss. Mrs O' Dell said that as she knew that she had not taken the money she inflated the cash on hand to show a clear balance hoping the shortage would be discovered when she balanced the following month. For the Monthly trading periods of 3rd June 2009 to 1st July 2009 and 1st July 2009 to 5th August 2009 the losses increased by £1,000 for each month and Mrs O' Dell admitted to inflating the cash to make the accounts balance. She said that she had not taken the money and that the losses must be caused by the Horizon system. Mrs O' Dell admitted that she did the balancing within the Post Office® and the only other person who worked in the Post Office® was her son Daniel who worked on an ad hoc basis as he was a student. Mrs O'Dell said that her husband did not work in the Post Office® but knew where the safe key was situated in the secure area.

On the 4th August 2009, Mrs O'Dell said that she contacted the Post Office® Helpline and reported that she had ongoing discrepancies and wanted assistance. Mrs O'Dell said that the Post Office® Helpline operator who she spoke to was very curt and very nasty and suggested that she just had to make the loss good. Mrs Knight said that she asked to speak to her Branch Development Manager only to be told that she did not now have one.

Mrs O'Dell said that the losses of £1,000 per month kept continuing and she in turn kept inflating the cash on hand at the Post Office® to make the accounts balance.

Mrs O'Dell continued to make further calls to the helpline with regards to the shortage and they are recorded as follows;

23rd October 2009 - *"Could someone ring PM as she needs to discuss the Pin pad with them as she has been having a few problems with this and thinks it is causing the office a discrepancy. Needs to discuss this in private"*.

POST OFFICE LTD CONFIDENTIAL: INVESTIGATION,**LEGAL**

4th November 2009 - "Office has a loss of £7,000. She has been carrying this since May, refused to make it good as she said its not her loss. E-mailed NSA but PM wants a call back from tier 2".

5th November 2009 - "Spoke to Mrs O'Dell today. Office has a loss of £7,000. She has been carrying the loss since May. Explained to PM that this loss should have been made good when she has been rolling her TP but she refuses to make it good as she said the loss is not hers".

5th November 2009 - "Spmr reports having £1000 loss a month since May now totalling £7,000+ that she refuses to make good as she blames the system for the losses. Spmr has

done many checks and cannot find anything and not had corrections. Spmr insisting on escalating.....".

When I asked Mrs O'Dell to identify which transactions she thought were causing the losses she was unable to suggest any. Mrs O'Dell said that she has asked for transaction log data but this has been refused by Post Office® Ltd. I told her that I had been asked to reply to her about her request for data and that it had been refused because there could be a cost of up to £2,000 to obtain the period she required. I informed her that if she could be more specific with types of transaction, times, dates e.t.c then a small sample of transaction log data could be obtained but Mrs O'Dell could not provide me with this.

Mrs O'Dell said that she had never been properly trained on Horizon by Post Office® Ltd and was unable to give a logical explanation as to why multiple cash declarations had been done in December 2009. The schedule of multiple cash declarations which Lesley Frost completed, was shown to Mrs O'Dell at interview and a copy can be found in **appendix 'B'**. Mrs O'Dell said that she has been appalled at the way she has been treated by Post Office® Ltd over the last 5 months.

Mrs O'Dell was shown the following Monthly Branch Trading Accounts during the interview of which copies can be found in **appendix 'B'**.

Monthly Branch Trading Account - 2nd December 2009 to 30th December 2009,
Monthly Branch Trading Account - 1st April 2009 to 6th May 2009,
Monthly Branch Trading Account - 1st July 2009 to 5th August 2009.

Mrs O' Dell admitted to completing all the Monthly Branch Trading Accounts but said she never looked at them once she had completed the balance. However, she did admit that the cash on hand carried forward figures for the 30th December 2009 balance and 5th August 2009 balance were inflated. The Monthly Branch Trading Account ending 6th May 2009 would have been the last non-inflated cash account that she produced.

POST OFFICE LTD CONFIDENTIAL: INVESTIGATION,**LEGAL**

Mrs O'Dell was also shown two further schedules which were printed from Horizon transaction logs. The first one shows that on the 4th November 2009 at 13.57 hours, user ID JOD001 has declared cash as £1,600.50 and then at 14.05 hours on the same day the cash has been re-declared at £8,125.03 with no obvious cash transactions to account for this increase. Mrs O'Dell said that she had probably declared the physical cash in the office as £1,600.50, then after seeing what the discrepancy was has then inflated the cash to £8,125.03 to make the accounts balance. Similarly on the 2nd December 2009 at 16.14 hours, user ID JOD001 declared cash of £3,414.94 and then at 16.56 hours on the same day re-declared the cash as £12,463.20. Again, Mrs O'Dell said that the increase in the second cash declaration was a combination of cash remittances received and a cash inflation to make the accounts balance. Both of these schedules are enclosed in **appendix 'B'**.

Mrs O' Dell has provided me with copies of her bank statements since the interview. I have examined these and apart from an entry of £21,411.50 which appears to be for a new loan there does not appear to be anything that may assist with this enquiry. Copies of the bank statements are enclosed in **appendix 'B'**.

After speaking to Mrs O'Dell I then spoke to her son, Daniel on a GS003 basis. Daniel did not want a friend present and the GS003 is enclosed in **appendix 'C'**. Daniel said that he had no set hours for working in the Post Office® as he was a student. He said that the Post Office® only required one person to serve the customers and he would only work now and then to give his mother a break or if she needed to be elsewhere. Daniel said that his father did not work in the Post Office® as he was a full time electrical engineer. Daniel said he did not suspect that his mother or father of stealing from the Post Office® and denied that he had ever stolen money from the Post Office®.

Daniel explained that when he did the cash declaration on the 17th December 2010 he did not know that he had entered the total amount under a different till ID but did recall that there was a discrepancy of about £6,000 gain.

The total loss to Post Office® Ltd is currently £9,616.66 and Mrs O'Dell is refusing to make this loss good.

This case has been discussed with Paul Southin, Financial Investigator, but as the total loss falls short of the £15,000 threshold he is unable to assist further.

In my view there is not sufficient evidence to prove that Mrs O'Dell, her son Daniel, or her husband have stolen any monies from the Post Office®. However, there are admissions from Mrs O'Dell that she has been failing to make losses good in the Post Office® since the end of May 2009 and has inflated the Monthly Branch

POST OFFICE LTD CONFIDENTIAL: INVESTIGATION,

LEGAL

Trading Accounts to show a balance. Mrs O'Dell was unable to offer an explanation that made any sense as to why multiple cash declarations were made in December 2009. Mrs O'Dell is adamant that the losses are as a result of discrepancies on Horizon but could not suggest exactly what type of transactions have caused the errors. Mrs O'Dell has contacted the Post Office® Helpline on a number of occasions and informed them of the accumulating losses and that she is inflating the cash on hand to cover the losses. Mrs O'Dell said that she was very disappointed by the lack of assistance she received. Two weeks before the audit was carried out, Mrs O'Dell has written to her contracts manager, Sue Muddeman and further expressed her concerns over the balancing within the Post Office®. The fact that she raised her difficulties with the Post Office® Helpline will in my view provide strong mitigation on her behalf and may lead to some damning questions as to why an audit of the Post Office® was deferred for 5 months after she first raised her concerns in early August 2009. If charges of false accounting are to be considered then **Section 1 of the Fraud Act 2006** would seem the most appropriate.

NPA01 and CS033 have been completed and forwarded to casework management on 10th June 2010. (Copy of NPA01 and CS033 now associated at **appendix C**).

A copy of this report, the discipline report and tape transcript have been e-mailed to Post Office Security on the 10th June 2010.

I have retained all original documentation.

These papers are now submitted to Corporate Security Criminal Law Team for advice.

Jon Longman
Security Advisor

(m)

GRO

14th June 2010