

WITNESS: SAMI SABET

WITNESS STATEMENT: WITN0182_01

EXHIBITS: WITN0182_01/1

DATED: Jan 19, 2022

POST OFFICE HORIZON IT INQUIRY

FIRST WRITTEN STATEMENT OF SAMI SABET

THIS STATEMENT IS PROVIDED IN RESPONSE TO THE RULE 9 REQUEST OF
THE PUBLIC INQUIRY DATED 29/10/2021 TO ADDRESS THE HUMAN IMPACT
OF THE FAILINGS OF THE HORIZON IT SYSTEM

I, MR SAMI SABET, DATE OF BIRTH OF
 WILL SAY AS FOLLOWS:-

PERSONAL BACKGROUND

1. I was born in Cairo, Egypt and I am 66 years of age. I am married to my wonderful wife, and have been for the past 26 years. We have a daughter who is now 30 years of age.
2. I lived in Cairo for the first 3 years of my life, and then we moved as a family to Saudi Arabia until 1962. We briefly moved back to Egypt before spending 3 years in Kentucky, USA and then in Libya.
3. Following a move to the UK in 1970, I graduated as an electronics engineer with honours from Sheffield University. Subsequently, I worked for Philips

- Electronics and Gillette Industries. I acquired my Masters in Business Administration (MBA), allowing me to move away from the engineering sector and in to the commercial sector. I became a financial analyst for Gillette Europe.
4. During the next few years, I moved to a subsidiary of a large American Multinational where I was employed as Operation and Business Development Manager for the Middle East, Africa and the Indian Sub-Continent. I was asked to work in Saudi Arabia as a Commercial Manager for a Joint Venture belonging to the company. I was then approached to help assist in the setting up of a packaging company in Egypt. Having successfully run the beverage can manufacturing company from 1996, I was approached again to help resurrect a large 250 bed private hospital to its former international status. There, I held the position of Director of Operations until 2003, before returning to the UK.
 5. Back in England, I studied with The Coaching Academy, qualifying as a Personal Development coach. I also studied Business Coaching and I am an accredited DISC personality profiler. I have been elected as a Fellow Member of the Institute of Leadership and Management and was well respected in my community.

POST OFFICE HISTORY

6. I wanted to opt out of the 'rat race' and decided to purchase a Newsagent with a Post Office, which I thought would yield a regular income and would help support the retail outlet. After running the West Beach Post Office, for a year, I decided I needed more challenge. This led to the purchase of East Beach Post Office in August 2005, followed by the third branch, Mill Lane Post Office shortly

- afterwards. I chose the three branches because I had lived in the South East since 1974 (keeping the house I bought in 1987 whilst traveling and working overseas) and enjoyed the area very much. All three branches had newsagents, convenience stores and two of the branches had alcohol licenses. They showed great potential and return on investment.
7. I became Sub-postmaster of all three branches. Once I became a Sub-postmaster for West Beach Post Office, I could then automatically take on another branch as a Sub-postmaster, provided that I had not committed a serious offence and I was financially secure.
 8. I did receive some initial training on Post Office matters including the Horizon system's branch use.
 9. The businesses were definitely successful in the years following my takeover. Collectively, they were heading towards a £1,000,000 turnover.
 10. None of the branches were part of the home that I live in. I cannot recall the exact price that I paid for them. I do remember West Beach being about £45,000, East Beach was around £40,000 and Mill Lane was about £75,000.
 11. I took out a £100,000 loan and paid approximately another £60,000 for the purchase of the businesses.

CRIMINAL ALLEGATIONS AND ANY PROCEEDINGS/CONVICTION

12. I started to query the discrepancies with the Horizon system and the accounts in 2006. I contacted the help desk and spoke to regional managers.
13. Several letters and documents had been exchanged, by post, between me and several senior personnel at Post Office Limited, between 2006 and 2009 in relation to the problems encountered and possible malfunction of their system.

- They discuss the failings of Horizon and arguments intended to persuade them that there is an issue with their system and that the cash shortfalls they claimed were only "paper loss". Names of managers I remember now include Alan Cook – former Managing Director.
14. Carol Ballan, the Contracts manager met me and we communicated regarding the system issues and the shortfalls in December 2007. I am currently working abroad however I have correspondence between us from the time at home.
 15. I remember Keith Long as being, possibly the Post Office area manager responsible for my region. There were communications sent to him. Several of my correspondences received no response. I also have a reply from the Prime Minister's Office informing me that, following my letter to him, he asked the appropriate departments to deal with the issues. As detailed above, I am currently abroad however copies of the letters I have access to at present are attached as exhibit **WITN0182_01/1**.
 16. Auditors initially visited my branches on 17th March 2008. There were several auditors and they visited 2 branches on the same day. Afterwards my house was searched and I was interrogated. I was immediately suspended. Unfortunately I do not recall the names of the auditors/Post Office employees involved.
 17. I had been due to deliver a management training program with the Egyptian Post Office in Egypt, so I continued with that. I tried to put everything to the back of my mind.
 18. The Post Office accused me of false accounting and theft. I believe the wording was as follows: "between December 2007 and March 2008 at Mill Lane and East Beach Post Offices dishonestly made a false representation and

- deposited cheques of £23,821.39 and £26,797.78, respectively, when you had intended to make a gain for yourself or expose the Post Office to risk of loss". I believe I was charged under the Fraud Act 2006.
19. My solicitors at the time advised me to plead guilty. They said if I didn't, I would certainly go to prison. They told me if I pleaded guilty there was a chance I would not go to prison.
20. I appeared at the Magistrates Court and Crown Court several times and I never had a chance to say anything. I was petrified, I didn't want to do anything that might cause me to go to prison. At the Crown Court In Lewes on 26th June 2009 following the advice I was given, I pleaded guilty to two counts of fraud by false representation.
21. I was even more frightened at the Crown Court when they were about to sentence me. The sentencing hearing took place on 7th August 2009. The Judge waved one of the references he had requested violently in the air and said he would not accept it. He aggressively told me the reference should not question the Post Office. Earlier, I was told that I might go to prison if the Judge saw fit.
22. I received two 12 month prison terms, to run concurrently, suspended for 2 years and 180 hours of community service.
23. My conviction was subsequently quashed on appeal on 19th July 2021.
24. At the time of my investigation by the Post Office, I was made to believe that I was the only sub-postmaster who suffered these shortages. It was not until the Group Action that I realised so many other sub-postmasters suffered similar fates.

THE HUMAN IMPACT

25. The human impact which the failings of the Horizon IT System have had and continue to have upon me and my family are set out in the remainder of this statement. The section headings follow the particular questions posed by the Inquiry.

WHAT WERE THE CONSEQUENCES OF BEING REQUIRED TO MAKE GOOD APPARENT SHORTFALLS SHOWN BY THE HORIZON IT SYSTEM?

26. The money I had repaid was approximately 30%-40% of my annual turnover. In the three months before the audit, desperate for cash due to demands from the shortfalls and from suppliers, requesting thousands of pounds, I had been post-dating cheques in order to pay staff. I thought this was a better option than shutting down the business, ruining people's lives and leaving the community without their Post Offices. I also knew Post Office Limited had just over £40,000, due to me as compensation for the closure of West Beach Post Office.

WHAT WERE THE COSTS OF MAKING GOOD ALLEGED SHORTFALLS SHOWN BY HORIZON?

27. In January 2008 the Post Office initially told me I owed circa £13,000 in shortfall/ discrepancies with the system. We entered into a payment plan which would allow me to pay it back over 18 months. Then they came and audited in March 2008 and included that figure in the amounts they said I owed. They had promised they wouldn't sue me for this figure as we had a payment plan in place. They went back on every promise they made me.

28. I was told by the Post Office that I would have to make up the total shortfall amount. Altogether, they said I owed about £62,000. They changed the figures throughout my case. In total, I think I repaid around £66,450 (not including all the payments made throughout the previous years in demand for shortfalls).

HOW WERE YOU AFFECTED WHEN ALLEGED TO BE RESPONSIBLE FOR SHORTFALLS OR DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

29. No one can imagine how truly difficult the situation was. I had creditors chasing me and County Court judgements against me. It was very, very hard.

30. I felt shame, the whole thing ran through my mind, every minute of every day. I tried to make sense of it, but I couldn't.

WHAT WERE THE CONSEQUENCES OF BEING HELD RESPONSIBLE FOR SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

31. I received a criminal conviction and had to do community service.

32. People didn't talk to me: they nodded at me when I saw them, but I know they believed I was a thief. They avoided me in public, refused to make eye contact and crossed the street so they wouldn't have to talk to me.

33. I was suspended and eventually had to sell the business including the two remaining branches.

WHAT WERE YOUR FINANCIAL LOSSES CAUSED BY ACTION TAKEN AGAINST YOU IN RELIANCE UPON HORIZON DATA?

34. As detailed above, I had to sell the business including my two remaining Post Office branches. The original branch, West Beach, was forced to close as a

- result of government cost cutting. I should have been paid £40,362 compensation for this. The Post Office never offset this against the money owed, and I did not receive this money. I have had to take a mortgage out against my property in this country and in Egypt, and I had increasing business debts.
35. I had already been using my credit cards, loans and overdrafts to keep everything afloat. I had over £90,000 in loans and on credit cards and there was already £100,000 secured against my family home from when I had purchased the Post Offices initially.
36. I had to borrow money from my family in Egypt, using a property that I had been unable to sell, as collateral against the loan. My wife had to borrow money from her family too.
37. My legal costs in respect of the proceedings brought against me were covered by Legal Aid.
38. At my sentencing hearing, I was however ordered to pay £1,000.00 prosecution costs.
39. I had problems obtaining insurance following my conviction and my home insurance was refused and I was without a policy for several years. I have suffered from higher premiums as a result of my conviction.

WHAT EFFECT DID IT HAVE TO BE ACCUSED OF COMMITTING CRIMINAL OFFENCES AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

40. My personality has completely changed. My wife says I am more aggressive now. I lose my temper a lot and very easily. My siblings say that I am not the same as I used to be.
41. I have health conditions which I believe have been brought on by the stress of the situation. I became depressed and lacking in confidence.
42. When I heard the words "prison sentence", my knees gave way. At this point my self-esteem was very low; I felt inferior, disrespected and trapped. It made me feel worthless, confined and like a failure. Throughout the years that followed, I felt this awful dread of being punished again.
43. No one can imagine how truly difficult the situation was. A friend of mine's partner advised my wife to leave me because I was a criminal and a thief. I felt humiliated and ashamed.
44. When I was working in Saudi Arabia and Egypt I had been dining with royalty, Ambassadors, Senior Government ministers and several prominent members of society. I was a well-respected pillar of the community. I flew business class everywhere; my family has always been wealthy. Then, everything came crashing down around me and I found myself in debt and unable to look after my family.
45. It had a massive impact on my health. I now have Type 2 diabetes and I suffered a heart attack in 2017, requiring open heart surgery and resulting in the loss of my peripheral vision. I believe this was due to severe long-term stress.
46. I suffered from depression but I didn't want anyone to know about it because of the stigma attached to mental health. I couldn't cope with any more setbacks. I suffered from anxiety and panic attacks.

WHAT WERE THE CONSEQUENCES OF BEING CONVICTED OF A CRIMINAL OFFENCE AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

47. I was sentenced to a suspended sentence and 180 hours of community service and I was plunged into debt. We had bailiffs coming round to the house which was mortifying.

48. I applied for a few jobs commensurate with my qualifications and experience, but could not secure any due to my criminal conviction. My previous qualifications meant I was able to apply to train as a teacher at Brighton University. I successfully gained my PGCE and got a job teaching, which I kept until I eventually stopped due to ill health.

49. When I finally got a job teaching at a college, they wanted me to apply to become a member of the board of governors. However, I couldn't because of my conviction.

WHAT EFFECT DID THESE ISSUES HAVE UPON YOUR RELATIONSHIPS WITH YOUR FAMILY, FRIENDS, COLLEAGUES AND LOCAL COMMUNITY?

50. The whole situation caused a lot of friction with my wife. We were arguing a lot, and she had to borrow money from her family. I feel as though I am not respected any more by wife's family because I haven't been able to provide for my family. I am eternally grateful that she stood by me. I, also, had several issues with my siblings.

51. I have lost friends as a result of my conviction. Lots of friends don't speak to me anymore. My old neighbours still look at me like I am a criminal.

52. I was a big part of the community: everyone knew me. I took part in art club meetings with my wife. I was very visible in the community. Afterwards, people thought I was a thief and people were so quick to judge me. I lost everything. We left the house where we lived to get away from the community and its judgement.

PLEASE DESCRIBE THE DIRECT AND INDIRECT EFFECT WHICH THESE ISSUES HAD UPON THE MEMBERS OF YOUR FAMILY?

53. My wife's family and my family had to lend us money. This was very embarrassing for me.

54. We did try and keep everything the same for our daughter.

55. In some ways I feel lucky because I was eventually able to get a job as a teacher but for a while I had to take any job I could: night shifts at the petrol station, stacking shelves, cleaning the floors and toilets, and trying to keep the business from collapsing until its sale. This meant I rarely saw my family. I just did anything I could to support us.

CONCLUDING REMARKS

56. This has completely destroyed my life and now I want answers. I want to understand why it is that, even with so many pleas and letters, the Post Office would not accept any fault on their part. Why they did not opt for face-to-face reconciliation and a solution that did not involve litigation?

57. I have so many questions and it makes me angry. It has changed my life. I was humiliated and disgraced. Why was I automatically incompetent and not them?

58. It was very easy for the Post Office to lay the blame with me; to say that everything that went wrong was our problem. They played around with figures to balance their books, and the shortfalls that were their problem, landed at my feet.

59. When I first heard my conviction was going to be overturned, I was jumping up and down with my wife. I had tears rolling out of my eyes. It was the joy of knowing my conviction was to be quashed. However, nothing can reverse what happened to me. Nothing can change the stress I went through over the last 15 years.

Statement Of Truth

I believe that the facts stated in this witness statement are true.

Signed:

GRO

Position Or

Office Held:

Print Full

Date of signature: Jan 19, 2022

Name: SAMI SABET

FILE REFERENCE: GRO

