

Kineton Music Festival Fraud

Final Outcome

As you may be aware there has been a serious issue with theft of money from KMF by the former Treasurer Samantha Strong. On Friday 23rd June Ms Strong pleaded Guilty to “Fraud by Abuse of Position” at Warwick Crown Court.

The KMF and KSSC Committees have been unable to provide much information to members while the Police investigation and subsequent prosecution have been ongoing so that we did not prejudice any trial. Now that the legal process has ended we can give you a full account.

Between 18/11/2015 and 23/08/2016 HSBC allowed £21,232.90 to be fraudulently removed from the KMF bank account by Ms Strong. The fraud was carried out using:-

- 15 unauthorised cheques between November 2015 and January 2016
- A debit card inappropriately issued by HSBC in January 2016

This should not have been possible as, under the terms of the account, money could only be withdrawn by cheque signed with two authorised signatures.

Due to HSBC's incompetence with regard to basic security the fraud was not detected and Ms Strong was still in a position of responsibility up to and beyond the 2016 Music Festival. She was therefore also responsible for £11,362 (cash raised on the day, advance ticket sales and sponsorship) destined for the Kineton Music Festival account.

The fraud was detected on 23/08/2016 when a cheque from KMF to KSSC bounced due to insufficient funds in the account at a point in time when the account balance should have been about £26,000.

At this point the other signatories to the KMF account visited HSBC Banbury where they discovered the account balance was only £209.67. Following investigation, HSBC accepted liability and refunded £21,230 to the KMF account.

After Ms Strong's crimes were detected the KMF and KSSC Committees unanimously agreed to inform the Police due to the seriousness of the theft and fraud. KMF carried out a detailed analysis of finances and provided the necessary evidence to the Police who in turn presented it to the Crown Prosecution Service. The CPS determined that a prosecution should be carried out and issued a Summons.

Following detection Ms Strong paid £6,200 cash plus another £13,000 into the KMF account.

HSBC seized the £13,000 (as they could see it was paid in by Ms Strong) to partially recover their losses. KMF then entered into a dispute with HSBC because some of the £13,000 constituted proceeds from the music festival and therefore was owed to KMF and not the bank. HSBC refused to back down so KMF took the dispute to the Financial Ombudsman. The Ombudsman found in our favour and ordered HSBC to re-pay us £4,162 by 28 June. We have now received this payment.

Ms Strong stole £29,763 and has repaid £19,200. All the money stolen from KMF has been recovered from Ms Strong and HSBC. HSBC are still owed £10,563 by Ms Strong.

On 14/07/2017 Ms Strong was sentenced to 24 months custody, suspended for two years. She will be required to carry out 20 days Community Service and wear an electronic tag for four months during which time she can only leave the house between 07:00 and 19:00.

KMF Committee (16/07/2017)