

**Tesco PLC**

## Former Tesco executive acquitted over £250m accounting scandal

Carl Rogberg is third of three managers at the UK retailer to be cleared in case



Carl Rogberg, 52, was formerly UK finance director at Tesco © PA

**Jane Croft** in London JANUARY 23 2019

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A former [Tesco](#) executive was acquitted by a UK criminal court on Wednesday over a £250m accounting scandal at the grocer, bringing an end to one of the highest-profile criminal prosecutions brought by the Serious Fraud Office.

[Carl Rogberg](#), 52, a former UK finance director at Tesco, was one of three former executives at the chain to face a criminal trial for their alleged role in the accounting scandal. The retailer shocked the stock market in September 2014, just weeks after chief executive [Dave Lewis](#) had taken charge, when it revealed it had overinflated its profits by £250m, causing £2bn to be wiped off its market value.

Sasha Wass QC, representing the SFO, told Southwark Crown Court that the agency offered no evidence in the case, in which Mr Rogberg had denied one charge of fraud and one charge of false accounting. Judge Deborah Taylor formally entered a verdict of not guilty.

Mr Rogberg's former colleagues Christopher Bush, 53, and John Scouler, 50, had been [cleared](#) of fraud and false accounting in December, after trial judge Sir John Royce ruled that the prosecution case was "so weak" it should not be allowed to proceed.

The three men's first trial was abandoned in February 2018 after Mr Rogberg had a heart attack. His case was then postponed and the SFO pursued a re-trial of Mr Bush and Mr Scouler before the case was halted in December in a highly unusual move.

## **There was never any evidence of my wrongdoing and I should never have been charged**

**Carl Rogberg**

The three acquittals are a [severe blow for the SFO](#), headed by new director Lisa Osofsky, and will lead to questions about its investigation of the scandal.

The outcome also raises questions about why Tesco Stores Ltd agreed a £129m plea bargain, known as a Deferred Prosecution Agreement, with the [SFO](#) to avoid criminal prosecution when no one has been convicted.

The DPA document signed in April 2017 and published on Wednesday names all three men — even though they have now been acquitted by the criminal courts.

Mr Rogberg's lawyer Neil O'May, head of the corporate and white collar crime team at Norton Rose Fulbright, said the DPA was "plainly wrong" as it was based on the assumption of guilt of the men.

"The trial judge who heard the witnesses and examined the evidence . . . over four months ruled the direct opposite, that there was no evidence in which the case could be brought against those individuals," he added.

Ross Dixon, partner at Hickman & Rose representing Mr Bush, warned that the DPA process means any senior executives caught up in an SFO investigation could find themselves cleared by the criminal courts "yet have their reputation publicly besmirched" in a DPA agreement.

The SFO had claimed in both trials that the men, who always denied wrongdoing, were aware that income was incorrectly being included in financial records to meet targets and make [Tesco](#) look healthier than it was.

It alleged the men, whom it dubbed the "generals", knew income had been "pulled forward" in one financial period when it should have properly been booked in another, and resorted to "conniving and manipulating" figures by incorrectly encouraging others to pull forward income.

However, the SFO was unable to produce evidence that the defendants knew any income was being booked illegally. The second trial also heard that "pulling forward" income was legitimate in some circumstances, such as promotions.

Mr Rogberg said his acquittal was a “huge relief”, adding that the prosecution had had “enormous consequences” on his health. He said there were serious questions for Tesco and the SFO about the way the case was handled, adding that his former employer had “rushed to the wrong judgment” and then entered into a DPA.

“This decision is so much more than simply an acquittal. In short, there was never any evidence of my wrongdoing and I should never have been charged.” he said.

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