



T-B L-R Khan, Shah, Raja, Karsan, Ahmed, Rasool, Dhanji & Hayes

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£120 million booze fraudsters jailed for 46 years

A Berkshire-based gang that stole £34 million in VAT and laundered £87 million after selling illicit alcohol have been jailed for more than 46 years.

Nine fraudsters, headed up by Jayesh Shah, Riaz Khan, Fiaz Raja and Muhammad Rasool, orchestrated a missing trader (MTIC) VAT fraud. Gang members then laundered the stolen tax and the proceeds from selling illicit alcohol.

The group created a complex chain of paperwork detailing fictitious transactions, which were used as a cover for the illicit sale of smuggled alcohol.

Evidence showed £87m was laundered through more than 50 bank accounts in Britain, Cyprus, Hong Kong, Dubai and other foreign countries.

A HM Revenue and Customs (HMRC) investigation found the gang operated from an office in Eton High Street, and then moved to Windsor during the two-year fraud.

Officers caught the fraudsters red-handed when they installed covert cameras in one of the offices being used by the gang. Footage was shown in court of Khan, Rasool and Raja giving comprehensive instructions to other members of how to carry out the fraud.

Now, the gang of nine have been sentenced to more than 46 years in prison.

Richard Mayer, Assistant Director, Fraud Investigation Service, HMRC, said:

“This was a well-planned money laundering operation and tax fraud that stole millions of pounds of UK taxpayer money which should have been used to fund vital public services in the UK.

“The sums stolen by this organised crime group could have paid the equivalent of 1,400 salaries of newly-qualified teachers – enough to fully staff around 93 schools.

“Money laundering supports organised crime and is harmful to businesses, the public and society as a whole. Tackling this crime is a priority for HMRC and we will not hesitate to investigate those suspected of being involved.

“The honest majority of business owners pay what they owe and claim back the VAT they are entitled to claim. Concerted HMRC compliance activity has seen UK VAT losses from Missing Trader Intra-Community (MTIC) fraud decrease from three to four billion pounds in 2006 to around £250m a year today.

“If you know of anyone committing any type of tax fraud, you can report them to HMRC [online](#) or call our Fraud Hotline on 0800 788 887.”

Nasra Butt of the Crown Prosecution Service said: “Each of the convicted defendants played their part in a sophisticated operation designed to defraud HMRC. Between January 2013 and January 2015, they generated a loss of £34.2 million to HMRC and I am pleased that we have brought this organised crime operation to justice.

“Despite the evidence against them, some of the defendants refused to admit their part in this operation, but we were able to prove otherwise. They will now spend more than 46 years in prison.”

Six men were jailed earlier this year after a three month trial. Of the remaining three, one pleaded guilty in May and two were convicted after a second trial, which ended after eight weeks on 26 July 2019.

Shah, 52, of Wembley, Khan, 49, of Windsor, plus Raja, 51, and Rasool, 38, both of Slough, headed the gang who laundered the proceeds of illicit alcohol importations using companies under their control. The fraud was carried out over two years between January 2013 and 2015.

The sophisticated scheme would begin with a company purportedly supplying goods to another, and charging VAT on them. But instead of the supplying company handing over the VAT to HMRC, the fraudsters would pocket the money and the business would later disappear – becoming a “missing trader”.

The same consignment of goods would then be sold on through one or more so-called “buffer companies” before reaching a cash and carry at the end of the chain.

Each company in the chain would submit a VAT return showing that little or no tax was due to HMRC.

The investigation team dismantled the complex operation after executing more than 20 warrants in January 2015 across London, Berkshire, Surrey, East Sussex and Buckinghamshire, seizing computers, £370,000 cash and business records.

Confiscation proceedings against the group are now underway.

Sentencing comes just days after HMRC announced a record £7.8m fine for a Money Service Bureau in London for breaching anti-money laundering regulations. Fraud investigation Service director Simon York also delivered a keynote speech on Monday at the Cambridge Symposium on Economic Crime on how international collaboration can tackle the most hardened tax criminals in the world.

Notes for editors

1. Riaz Khan (DOB 13/06/1970) of Hatch Lane, Windsor, was convicted after trial of cheating the public revenue, contrary to common law and conspiracy to commit money laundering, contrary to section 1(1) of the Criminal Law Act (1977). He was convicted at Southwark Crown Court on 24 April 2019 and sentenced at the same court to eight years in prison on 24 May 2019.

2. Jayesh Shah (DOB 27/10/1966) of Crawford Avenue, Wembley, admitted to cheating the public revenue, contrary to common law and conspiracy to commit money laundering, contrary to section 1(1) of the Criminal Law Act (1977). He admitted the offences at Southwark Crown Court on 20 December 2018 and was sentenced at the same court to seven-and-a-half years in prison on 24 May 2019.

3. Fiaz Raja (DOB 08/10/1967) of Goldsworthy Way, Slough, admitted to cheating the public revenue, contrary to common law. A further count of conspiracy to commit money laundering, contrary to section 1(1) of the Criminal Law Act (1977) was ordered to lie on file. He admitted the offence at Southwark Crown Court on 27 March 2019 and sentenced at the same court to six years prison on 24 May 2019.

4. Divyesh Karsan (DOB 03/08/1969) of Grosvenor Crescent, London, admitted to cheating the public revenue, contrary to common law. A further count of conspiracy to commit money laundering, contrary to section 1(1) of the Criminal Law Act (1977) was ordered to lie on file. He admitted the offence at Southwark Crown Court on 27 March 2019 and was sentenced at the same court to five years and two months on 24 May 2019.

5. Salmon Ahmed (DOB 04/08/1970) of Wallis House, Brentford, admitted

cheating the public revenue, contrary to common law and conspiracy to commit money laundering, contrary to section 1(1) of the Criminal Law Act (1977). He admitted the offences at Southwark Crown Court on 4 February 2019 and was sentenced at the same court to five years and two months on 24 May 2019.

6. Muhammad Rasool (DOB 04/02/1981) of Carmarthen Road, Slough, was convicted after trial of cheating the public revenue, contrary to common law and conspiracy to commit money laundering, contrary to section 1(1) of the Criminal Law Act (1977). He was convicted at Southwark Crown Court on 24 April 2019 and sentenced at the same court to eight years in prison on 24 May 2019.

7. Waqas Aslam (DOB 04/12/1980) of Church Road, Hayes, was convicted after trial of cheating the public revenue, contrary to common law, contrary to section 1(1) of the Criminal Law Act (1977). He was convicted at Southwark Crown Court on 25 July 2019 and sentenced at the same court to 26 weeks in jail, suspended for 24 months and 150 hours unpaid work on 6 September 2019.

8. Sameer Dhanji (DOB 14/05/1982) of Upton Road, Slough, was convicted after trial of cheating the public revenue, contrary to common law, contrary to section 1(1) of the Criminal Law Act (1977). He was convicted at Southwark Crown Court on 26 July 2019 and sentenced at the same court to three years and six months in jail on 6 September 2019.

9. Geoffrey Hayes (DOB 27/05/1978) of Denmark Villas, Hove, pleaded guilty to cheating the public revenue, contrary to common law contrary to section 1(1) of the Criminal Law Act (1977). He pleaded guilty at Southwark Crown Court on 24 May 2019 and sentenced at the same court to three years and six months in jail on 6 September 2019.

10. At its most basic, MTIC (Missing Trader Intra Community) fraud involves a bogus trade between two companies with one firm charging VAT and disappearing and the other then reclaiming it. The fraud comes from the VAT never being paid to HMRC by the first company and HMRC paying out the VAT claim to the second company.

11. [Newly qualified teachers](#) in England and Wales earn a minimum of £23,720 a year.

12. As of 2016/17 there were 32,113 schools in the UK and around 506,400 full time teachers ([source](#)). This equates to roughly 15 teachers per school.

13. More details about the record £7.8m fine for a London money service bureau can be found [here](#).

14. Other examples of MTIC fraud cases can be found [here](#)

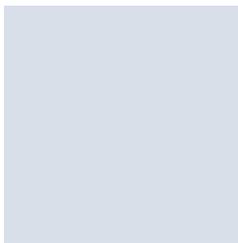
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