



HM Revenue
& Customs



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Ex-solicitor cons clients in £1.6m tax fraud

Malcolm Stewart Graham, 37, from Newcastle upon Tyne, conned clients by encouraging them to sign up to a scheme to help reduce their tax liabilities. He promoted the scheme, claiming that they could save millions of pounds in Stamp Duty Land Tax. It was, however, a complete fraud with Graham using altered legal documents to make the scheme appear legitimate.

He funded a lavish lifestyle by signing up hundreds of wealthy customers, charging them a 50 per cent administration fee on any reduction in tax their scheme generated. The plan manipulated the clients' property transactions

and tax returns to fraudulently reduce the amount of Stamp Duty they owed to HMRC. HMRC has taken action to recover the Stamp Duty, plus interest, from Graham's clients.

Gary Forbes, acting Head of Criminal Taxes Unit, HMRC, said:

“Malcolm Graham was posing as a professional advisor and was not only trying to defraud HMRC out of millions of pounds but was also more than happy to rip off clients who had trusted him.

“Graham was formerly a solicitor who was struck off in 2009 for dishonest practice, so he clearly knew that altering legal documents was a criminal offence but simply chose to ignore the law for a financial gain.”

Graham became the centre of an HMRC criminal investigation after it was discovered that he had set up a fraudulent tax avoidance scheme. He targeted a number of financial advisors, claiming the scheme would reduce their clients' tax liabilities. However, rather than operating a scheme to save them money, he was reaping huge financial rewards at their expense.

Notes for editors:

1. Malcolm Stewart Graham, 17/11/1975, Whickham Lodge Rise, Whickham, Newcastle upon Tyne. Graham had previously been the subject of glowing articles in the local press as a result of the rapid expansion of his practice, SFM Legal Services Ltd, during the property boom.

2. He pleaded guilty to seven counts of fraud by false representation at Newcastle Crown Court yesterday, Wednesday 30 October. He received a two-year prison sentence on each count, to run concurrently, suspended for two years. He was also disqualified as a director for five years.

3. Follow HMRC on Twitter @HMRCgovuk

4. HMRC's Flickr channel www.flickr.com/hmrcgovuk

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HMRC is responsible for making sure that the money is available to fund the UK's public services and for helping families and individuals with targeted financial support.

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