



HM Revenue
& Customs



L-R Mohammed Khan, Matthew Sutherland & Mohammed Zaheer have been sentenced for R&D tax relief fraud

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Fraudsters jailed for £29 million research and development tax relief claim

Three men involved in a fraudulent £29.5 million claim for tax relief on a bogus IT project have been jailed for a total of 21 years.

Matthew Sutherland, 44, of Leamington Spa, Mohammed Zeb Zaheer, 37, and Mohammed Iqbal Khan, 53, both of Coventry, were prosecuted for Research and Development (R&D) tax relief fraud.

Sutherland was the architect of the crime and used his company, Convergica

(Clinical Information Systems) Ltd, to claim tax relief of £29.5m against a purported £137 million spend on developing an IT healthcare system for two countries in the Middle East.

Zaheer and Khan were the frontmen for companies used to carry out the fraud, which came to light when HM Revenue and Customs (HMRC) requested supporting documents for the claim.

A falsified bank statement was submitted in January 2016, prompting an investigation. Sutherland and Khan were arrested. All three men were charged with fraud in March 2018.

Kath Doyle, Deputy Director, Fraud Investigation Service, HMRC, said: “These men tried to extract an astronomical sum of money by claiming tax relief from a scheme designed to help legitimate companies do work that seeks to make advances in science and technology.

“This wasn’t research and development, it was out and out fraud. HMRC will continue to create a level playing field for law abiding businesses by rooting out the minority who seek to abuse these schemes, as this result clearly shows.

“Anyone with information about any type of tax fraud can report it to HMRC online or call our Fraud Hotline on 0800 788 887.”

Convergica claimed to have outsourced the programming work for the IT system to Mediatronix Ltd, a company controlled by Khan, which was purportedly paid more than £137 million by Everbright Financial XII Ltd, controlled by Zaheer, on Convergica’s behalf.

However, this payment was not made and the claim for R&D – a form of tax relief for expenditure on research and development projects – was fraudulent. The £29.5 million claim was not paid out by HMRC.

The men pleaded not guilty to conspiracy to cheat the public revenue at Birmingham Crown Court on 12 September 2018. They were found guilty at the same court on 26 February after an eleven week trial.

At Birmingham Crown Court today, 26 November 2020, Sutherland was jailed

for nine years, Khan was jailed for seven years and Zaheer was jailed for five years. Sutherland was jailed in his absence as he is in Dubai and is too ill to travel.

We have published guidelines on what projects qualify for reliefs at <https://www.gov.uk/guidance/corporation-tax-research-and-development-rd-relief>

Information about any type of tax fraud can be reported to HMRC on 0800 788 887 or online at <https://www.gov.uk/report-an-unregistered-trader-or-business>

Notes to Editors

1. Matthew Sutherland, DOB 24/03/76, of Blackdown Mill, Leamington Spa, Warwickshire, was found guilty of conspiracy to cheat the public revenue at Birmingham Crown Court on 26 February 2020. He was sentenced to nine years at the same court on 26 November 2020.

2. Mohammed Zeb Zaheer, DOB 27/02/83, of Wrigsham Street, Coventry, was found guilty of conspiracy to cheat the public revenue, at Birmingham Crown Court on 26 February 2020. He was sentenced to five years at the same court on 26 November 2020.

3. Mohammed Iqbal Khan, DOB 15/11/67, of Pennington Way, Coventry, West Midlands, was found guilty of conspiracy to cheat the public revenue, at Birmingham Crown Court on 26 February 2020. He was sentenced to seven years at the same court on 26 November 2020.

4. They were charged with conspiring together between 1 September 2014 and 29 June 2016 to cheat HMRC by dishonestly seeking to induce and facilitate the submission by the board of Convergica of a Corporation Tax return falsely claiming that:

- Mediatronix had carried out work to the value of £137,471,880 on behalf of Convergica (Clinical Information Systems) Limited.
- Everbright had genuinely agreed to lend Convergica (Clinical Information Systems) Limited £137,471,880.
- Everbright had paid Mediatronix £137,471,880 on behalf of

Convergica (Clinical Information Systems) Limited.

5. The claim was for Small and medium sized enterprises Research & Development Relief. SME R&D relief allows companies to:

deduct an extra 130% of their qualifying costs from their yearly profit, as well as the normal 100% deduction, to make a total 230% deduction

claim a tax credit if the company is loss making, worth up to 14.5% of the surrenderable loss

6. For images of the three men contact the press officer listed below.

7. Follow HMRC Press Office on Twitter @HMRCpressoffice

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Press enquiries only please contact:

Lucy Collins

Tel: 07900 394 601

Email: lucy.collins@hmrc.gov.uk

Out of hours

Tel: 07860 359544

Website www.gov.uk/hmrc

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HM Revenue & Customs (HMRC) is the UK's tax authority.

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.

Contacts



HMRC Press Office

Press Contact
news.desk@hmrc.gov.uk
03000 585018

HMRC Press Office Out Of Hours Contact

Press Contact
07860 359544