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## The businessman and the bogus books

A London businessman, who cooked the books of his television production company to rob the UK taxpayer of more than £410,000 in a VAT fraud, has been jailed for two-and-a-half years.

HM Revenue and Customs (HMRC) launched a criminal investigation into the business affairs of Mashallah Ali, a director of Eclipse Sat Ltd, after officers became suspicious of anomalies in his company's VAT returns.

The investigation revealed Ali would check how much VAT was due and then 'decide' what he wanted to declare. He submitted 16 false VAT returns to HMRC, showing what he chose to declare and pay, rather than what he

actually charged on sales between 2011 and 2014, knowing the information was incorrect.

Following his arrest in December 2014, Ali told HMRC that the business had been having money troubles and that he had started “messing around with the VAT” in an attempt to keep the company afloat.

David Margree, Assistant Director, Fraud Investigation Service, HMRC, said:

“Ali knew what he was doing was illegal. He was trying to prop up a failing business using public money like a private bank, at the expense of honest taxpayers. HMRC is determined to clamp down on this type of crime and to ensure there is a level playing field for all businesses.

“Today’s sentencing sends a clear message to anyone who is considering tax fraud - HMRC can and will come after you and you too could end up behind bars.

“The vast majority of taxpayers pay the tax they owe, but if you know of anyone committing tax fraud please report them by calling our Hotline on 0800 59 5000.”

A search of the business premises found paperwork which proved that Ali had also failed to declare and pay £173,500 in VAT from the sale of previous business premises.

Ali pleaded guilty to evading VAT at an earlier hearing and was sentenced today (9 September 2016) at Southwark Crown Court.

### **Notes for editors**

1. Mashalahe (Mashallah) Hadji Mohammad Ali (DOB 17.03.62) of Minster Road, London NW2, was sentenced to 30 months in prison at Southwark Crown Court on 9 September 2016. He pleaded guilty to evasion of VAT contrary to the VAT Act 1984 s.72(1).
2. The amount of VAT evaded was £413,849.68.

3. Business address: Eclipse Sat Limited, Duchess Street, London W1 6AN
4. HMRC's Flickr channel [www.flickr.com/hmrcgovuk](http://www.flickr.com/hmrcgovuk)
5. Follow HMRC Press Office on Twitter @HMRCpressoffice

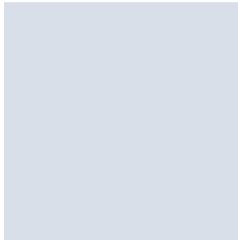
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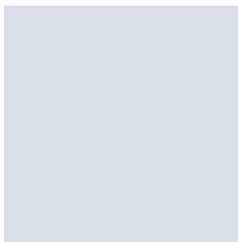
*HM Revenue & Customs (HMRC) is the UK's tax authority.*

*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.*

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