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***News Release***

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**Little silver book brought down £16m tobacco tax fraudsters**

A silver notebook helped HM Revenue & Customs (HMRC) smash a North West illegal cigarette network that evaded more than £16 million in tax.

Nine members of the criminal network have now been jailed for a total of nearly 22 years after the last one, John Swanick, was today sentenced to two-and-a-half years behind bars.

HMRC can now reveal the full extent of the criminal ring, how they operated and how they were brought to justice.

The silver dealer book belonged to Iqbal Haji. He was the ringleader, playing the key role in the distribution of more than 44 million illegal cigarettes and 38,000kg of hand rolling tobacco across the North West of England.

When officers searched his Blackburn home, in September 2014, they found more than £100,000 in criminal cash, including £48,000 hidden inside a freezer drawer containing chicken nuggets and £19,000 in his pillowcase.

They also discovered meticulous records of his illegal trade in a second dealer book that helped prove how the network evaded more than £16 million of duty between 2010 and 2014.

Haji was jailed for six years in 2016 while eight of his customers have now been handed immediate and suspended sentences totalling 15 years and seven months and ordered to repay more than £731,000.

The last customer to be sentenced, John Swanick, 63, of Weaste Avenue, Little Hulton, Manchester, was jailed today at Manchester Crown Court.

Swanick evaded more than £319,000 in taxes and pleaded guilty to two counts of evading excise duty. Haji’s dealer books showed he bought illegal tobacco from him on 127 different occasions between 2011 and 2014.

Sandra Smith, Assistant Director, Fraud Investigation Service, HMRC, said:

“Iqbal Haji is a greedy, arrogant criminal who hid behind a veil of respectability while orchestrating an organised, sustained and despicable attack on the public purse.

“His notebooks were like gold dust. They provided a detailed record of how this criminal conspiracy peddled cut-price, illegal cigarettes at the expense of legitimate traders and the UK taxpayer.

“We are determined to create a level playing field for local businesses, by disrupting the trade in illegal cigarettes. Criminal networks like this steal money that should be spent on our schools and hospitals.

“Anyone with information about the trade in smuggled or counterfeit tobacco can report it to us online or contact our Fraud Hotline on 0800 788 887.”

Information about any type of tax fraud can also be reported to HMRC online at [www.gov.uk/report-an-unregistered-trader-or-business](https://www.gov.uk/report-an-unregistered-trader-or-business).

**Case Background**

On the face of it Iqbal Haji was an honest and well-respected member of the local community.

But the reality was very different.

The father-of-four had turned the family home, in Blackburn’s Whalley Street, into a criminal cash and carry for a network of middlemen who picked up millions of illegal cigarettes from his garage and then sold them on across the North West of England.

Haji claimed he was earning £500 a month by working at a local Post Office. But despite the modest income, he drove expensive BMWs, wore designer clothes and went on trips abroad.

Financial investigators found he spent more than £100,000 renovating the family home including having roller shutters fitted to the garage of the terraced property where he stored and sold his cigarettes.

During a four-year period Haji’s network shifted more than 44 million illegal cigarettes and more than 38,000kg of illegal hand rolling tobacco.

But Haji had no idea that investigators from HMRC were watching his house, before moving in to arrest him in September 2014.

Officers discovered his two dealer books during the raids, which they have since described as being like “gold dust”.

Haji had his foot on one of the books when he was arrested and tried to kick it under the sofa as he was led away.

The two books detailed how he was selling sleeves of 200 cigarettes for between £18 and £20, as well as pouches of hand rolling tobacco for between £7.20 and £7.40, which is around a third of the price charged by legitimate traders.

Crucially, for the investigators, the books also named who was buying what and when.

His loyal customers would arrive at his house (usually within 48 hours of a new delivery) and reverse up an alleyway to load-up directly from his garage.

The middlemen bought Pect and President branded cigarettes and Golden Virginia and Amber Leaf hand rolling tobacco that was not intended for UK sale.

Investigators believe the cigarettes were sold on via a network of distributors on housing estates, in pubs and at car boot sales.

Haji also didn’t know that the hired vans he used to collect the cigarettes were fitted with tracking devices so investigators could chart exactly where he had been. Analysis of his movements showed he covered thousands of miles in the hired vans, with tobacco and cigarettes ending up in Blackburn, Preston, Burnley, Wigan, Rochdale, Liverpool, Manchester and beyond.

On one occasion Haji covered more than 2,000 miles in just one four-day period.

By combining the information from the vans and the books they were able to show that on one occasion he drove from his Blackburn home to an address in Liverpool with two separate loads containing a total of 2.4 million cigarettes.

In March Iqbal Haji was ordered to pay back more than £478,693.

Despite claiming to have “no assets whatsoever” investigators discovered two houses in Blackburn, a BMW F80 M3 car worth £61,000, and hidden assets totalling £41,000.

If Haji and his customers do not hand over the £731,000 they owe, or sell assets to pay off the debts, they will face extra time behind bars and will still owe the money when released.

**Facts and figures**

* Haji travelled thousands of miles in hired vans collecting and distributing tobacco and cigarettes.
* A dealer book, dated from 2010, listed sales of 32,794.80 kilos of illegal HRT and 37,463,420 illegal cigarettes. The sales in the second book amounted to over £13,391,578 in evaded UK Excise Duty and VAT.
* A second book, from May 2014, showed Haji had sold 5,915.35 kilos of illegal Hand Rolling Tobacco (HRT) and 7,321,400 illegal cigarettes, worth over £2,769,306 in evaded UK Excise Duty and VAT.
* In total, over four years, Haji was responsible for the onward sale of 38,710.15 kilos of (HRT) and 44,784,820 cigarettes. The total stolen tax amounted to £16,160,885.

**Prison sentences and confiscations**

* Iqbal Haji (DOB 28/10/65) of Whalley Street, Blackburn, was jailed for six years in May 2016. He has since been ordered to repay £478,693 or face a further four years in jail and still owe the money.
* Keith Allen (DOB 10/07/49) of West View, Oswaldtwistle, Accrington, Lancashire, was jailed in May 2016 for four years. He has since been ordered to repay £65,444 or face a further 18 months in jail and still owe the money.
* James Willmott (DOB 14/07/61) of Wellfield, Clayton le Mors, Accrington, Lancashire, was jailed in May 2016 for one year and 4 months. He has since been ordered to repay £42,000, or face a further 15 months in jail and still owe the money.
* Wayne Russell Brown (DOB 03/08/64) of Springvale Garden Village, Darwen, Lancashire, was jailed in May 2016 for one year and one month. He has since been ordered to repay £67,616, or face a further 18 months in jail and still owe the money.
* Mark Wood (DOB 01/06/60) of Rochdale Road, Middleton, Manchester, was jailed in November 2017 for 12 months, suspended for 12 months. He has since been ordered to repay £32,808, or face a further 14 months in jail and still owe the money.
* Kenneth Blakeley (DOB 01/08/56) of Mersey Road, Wigan, was jailed in November 2017 for 12 months, suspended for 18 months. He has since been ordered to repay £45,000, or face a further 15 months in jail and still owe the money.
* John Bailey (DOB 21/09/53) of Mosedale Road, Middleton, Manchester, was jailed in June 2017 for 12 months.
* Lee Foster (DOB 31/03/68) of Highfield Close, Oswaldtwistle, Lancashire, was jailed in June 2017 for four years and nine months.
* John Swanick (DOB 04/07/54) of Weaste Avenue, Little Hulton, Manchester was jailed for two-and-a-half years at Manchester Crown Court on May 23, 2018.

**Notes for Editors**

1. For images of the men, cash seizures and the silver book visit mynewsdesk at
2. Picture Captions for attached images:

IMG1 – Iqbal Haji with his shiny silver dealer book, one of its pages and his second green book.

IMG2- Iqbal Haji’s freezer drawer where £48,000 was found hidden amongst chicken nuggets.

IMG3 – A bag containing £19,000, which was found inside Iqbal Haji’s pillowcase

IMG4 – Members of the criminal network (clockwise from left to right) Wayne Brown, Lee Foster, Keith Allen, James Willmott and Iqbal Haji (centre)

IMG5 – A drawstring bag found under Iqbal Haji’s kitchen worktop with £29,000 inside.

IMG6 – John Swanick

1. Follow HMRC’s press office on Twitter @HMRCpressoffice

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