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 ***News Release***

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**Accountants’ £710k sting on workers’ redundancy fund ends in jail**

Three accountants who tried to steal £710,000 from a government redundancy fund for workers whose employer had gone bust have been jailed for a total of 15 and a half years.

Lennox McLeod, 46, of West Wickham, London, recruited accountants Francine Francis, 43, from Streatham and Mohammed Nadeem, 41, from Croydon, to work for him and help commit the fraud, an HM Revenue and Customs (HMRC) investigation revealed.

Together they arranged for 105 false claims totalling £710,000 to be submitted to the Redundancy Payment Service (RPS) over a six-year period, for employees of insolvent companies.

The accountants were acting for various companies as they made claims for unpaid wages, redundancy and holiday pay. In some cases, the group used false National Insurance numbers and identities to make the fraudulent claims and pocketed the cash. More than £450,000 was paid out by the RPS before the fraud was detected.

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

“McLeod was the driving force in this despicable fraud, stealing money from a redundancy fund that’s in place to help those in real need of financial help. These three abused their position of trust and should have known better. The money could have paid the starting salary of the equivalent of 25 new London nurses.

“HMRC worked closely with other law enforcement agencies to gather the strong evidence that helped convict McLeod and the others engaged in making these fictitious claims.

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

Nathan Marsh, Senior Manager for the Redundancy Payment Service, said:

“McLeod and his cronies made bogus claims against a system that was specifically put in place to help those who need urgent financial support when they lose their jobs.

“Their actions were particularly unscrupulous and we will continue to work with HMRC and other government agencies to bring fraudsters to justice.”

The gang members denied involvement in the conspiracy at Croydon Crown Court on 14 May 2018 but were found guilty of cheating the public revenue on 13 July 2018 after a nine-week trial.

In a separate case at Croydon Crown Court, McLeod also admitted a £111,332.82 VAT repayment fraud between June 2014 and June 2017, where he pocketed VAT refunds paid to The Luxe Agency Limited after ‘taking over’ the business when the company’s director died.

He updated its trading address and business bank account but did not forward the VAT refunds to The Luxe Agency or the estate of the deceased director.

The defendants were sentenced at Croydon Crown Court on 17 December 2018, following the conclusion of the second case.

In passing sentence, trial judge His Honour Judge Flahive described McLeod as ‘the architect’ of the fraud, and jailed him for a total of nine years. Francis was jailed for four years and Nadeem for two years and six months.

Confiscation proceedings to recover assets from the gang will now begin.

**Notes for Editors**

1. Lennox Garnete McLeod,DOB 29/06/1972, an accountant who ran companies based in Croydon, including Macs Business Services, Macs and Co UK LLP, Macs Accountants Ltd and Taylor Allen Accountants, of Manor Park Road, West Wickham, denied conspiracy to cheat the public revenue and was sentenced to six and a half years in jail. He denied money laundering and was given a three-year sentence and denied possession of false documents for which he was given a nine-month sentence. All the sentences will run concurrently. He also admitted VAT repayment fraud in a separate case and was sentenced to two years and six months in prison. He will serve the sentence consecutively to the others, meaning he has a total jail sentence of nine years. He was also disqualified from being a director for 12 years.
2. Francine Francis, DOB 03/08/1975, an accountant of Welham Road, Streatham London, SW16 denied conspiracy to cheat the public revenue and was sentenced to four years in jail. She denied money laundering and was given an 18-month prison sentence, to run concurrently. She was disqualified from being a director for five years.
3. Mohammad Nadeem, DOB 14/08/1977, an accountant from Borough Hill, Croydon denied conspiracy to cheat the public revenue and was sentenced to two years and six months in jail.
4. Anyone with information about people committing this type of fraud should report it to HMRC online at <https://www.gov.uk/government/organisations/hm-revenue-customs/contact/customs-excise-and-vat-fraud-reporting> or call our Fraud Hotline on 0800 788 887.
5. The Redundancy Payment Service (RPS), administered by the Insolvency Service, was set up by the Government to help employees in financial distress as a result of insolvency. Claims are paid out of the National Insurance Fund collected by HMRC.
6. The starting salary for a new nurse in London on Band 5 of the NHS Agenda for Change Pay Rates is £27,627.60. <http://www.nhsemployers.org/your-workforce/pay-and-reward/agenda-for-change/pay-scales/including-hcas>
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