|  |  |  |
| --- | --- | --- |
| HMRC_327_AW |  |  |
|  |  |  |

***News Release***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | For the attention of **News Desks** | | No of pages: 2 | |  |
|  | Date: | 20 December 2018 | Ref: | WA 05 18 |  |

**Shopkeepers bagged for tax fraud**

A pair of shopkeepers caught with more than 1.2 million illegal cigarettes, 300 kg of tobacco and nearly 6,000 litres of alcohol have been jailed.

Wrexham-based Hallmat Mahmood, 33, and Dara Ahmed, 36, were arrested after HM Revenue and Customs (HMRC) investigators found the products, which were worth £468,182.38 in unpaid duty, in storage units, a flat and a car.

HMRC searched four storage units the pair rented under false names and found 1,241,660 illegal cigarettes.

Mahmood and Ahmed claimed they only stored legitimate items in the storage units and the illegal goods belonged to a friend who they allowed access to just five days earlier.

HMRC investigators found more tobacco and cigarettes in Mahmood’s vehicle when they arrested him, but he insisted they belonged to another friend and he was just delivering them for him. More illegal goods were found in a flat above the pair’s shop, which was owned by Mahmood and run by Ahmed.

In total, 1,254,700 cigarettes were seized over the course of the operation – enough to fill more than 62,000 packets. A further 5,888.9 litres of beer was seized, as well as 300.75 kilos of tobacco.

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

“Mahmood and Ahmed constructed a web of lies to try and cover up their illegal operation, which undercut honest, hard-working retailers who do the right thing. Now they’re paying the price for their actions.

“I would urge anybody with information about individuals or businesses involved in tax fraud to report it to HMRC online or call our Fraud Hotline on 0800 788 887.”

Mahmood and Ahmed pleaded guilty to excise duty fraud at Caernarfon Crown Court on 7 November 2018. Mahmood was responsible for £276,000 of the excise duty fraud and on 19 December 2018 was sentenced to 19 months in jail. Ahmed was sentenced to six months in jail on the same day after being responsible for £191,000 of the fraud.

A Range Rover owned by Mahmood was seized and sold at auction and further confiscation proceedings are underway.

Information about any type of tax fraud can 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).

**Notes to Editors**

1. Hallmat Mahmood, DOB 10/07/1985, of Herbert Jennings Avenue, Wrexham, pleaded guilty to evasion of excise duty at Caernarfon Crown Court on 7 November 2018 and was sentenced to 19 months in jail before the same court on 19 December 2018.
2. Dara Ahmed, DOB 20/01/1982, of High Street, Wrexham, pleaded guilty to evasion of excise duty at Caernarfon Crown Court on 7 November 2018 and was sentenced to six months in jail before the same court on 19 December 2018.
3. Follow HMRC Press Office on Twitter @HMRCpressoffice.

**Issued by HM Revenue and Customs Press Office**

**Press enquiries only please contact:**

Will Lyon

Tel: 07469 023 331

Email: william.lyon@hmrc.gsi.gov.uk

Out of hours

Tel: 07860 359544

**Website** [www.gov.uk/hmrc](http://www.gov.uk/hmrc)