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 ***News Release***

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**Bournemouth brothers jailed for 14 years for £3m pub and restaurant tax scam**

Three brothers, who stole £3 million in a tax scam involving pubs and restaurants, have been jailed.

Bournemouth brothers Shahab Hashtroudi, 64, Shahin Hashtroudi, 58 and Hedayat Hashtroudi, 68, ran pubs and restaurants in Hampshire, Dorset and Surrey, using the money to prop up their loss-making business empire and fund their lifestyle. Shahab Hashtroudi drove a Porsche and sent his child to private school.

From October 2008 they set up 11 companies, all of which failed leaving huge debts. None of the companies lasted longer than 24 months, with some trading for less than a year. Some failed to pay a single penny in VAT to HM Revenue and Customs (HMRC), while stealing the Income Tax and National Insurance contributions of their employees.

Their bookkeeper Tracy Carder, 42, of Poole, Dorset, enabled the fraud to continue by lying to HMRC about the companies’ true tax liabilities. Her actions helped extend the life of some of these companies and allowed for further substantial amounts of VAT, tax and National Insurance to be fraudulently evaded.

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

“The Hashtroudi brothers were serial offenders in setting up businesses and ripping off the British taxpayer, by pocketing the Income Tax and National Insurance contributions employees had paid and also VAT on sales. The money they failed to declare is the equivalent to the starting salaries of 165 nurses for a year.

“Tax fraud is a serious crime and I ask anyone with information about possible fraudsters to report it to HMRC online or contact our Fraud Hotline on 0800 788 887.”

The Hashtroudis’ firms went under the names of:

* Alcatraz (including Alcatraz Dining Group Ltd, Alcatraz Pub Company Ltd, Alcatraz Restaurant Company Ltd and Alcatraz Wine and Beer Company Ltd)
* 8 Rivers (including 8 Rivers Inns Ltd, 8 Rivers Restaurants Ltd, 8 Rivers Pub Ltd)
* Apricot (including Apricot Pub Company Ltd and Apricot Restaurant Ltd)
* Alcatraz Group Ltd (formerly 8 Rivers Dining Ltd)
* Candy Experience Ltd (formerly 8 Rivers Bars Ltd).

HMRC launched an investigation into the brothers after Apricot failed in similar circumstances to their previous businesses.

Investigators found that taxpayers’ money was instead being used to maintain the family’s assets, as well as paying commercial mortgages, with the Hashtroudis’ homes at risk if they failed to keep up the payments.

Once the firms had been declared insolvent, they started trading again under a new name leaving hundreds of thousands of pounds of debt to HMRC behind.

After being disqualified as company directors, the brothers then became ‘shadow’ directors, pulling the strings behind the scenes.

The group of four were found guilty on 15 January 2019 of cheating the public revenue of £3 million after a seven-week trial at Southampton Crown Court. Shahab was also found guilty of tax fraud with Candy Experience Ltd (formerly 8 Rivers Bars Ltd).

They were sentenced at the same court on 1 February 2019.

Shahab Hashtroudi was given a six year jail sentence, Shahin Hashtroudi four years and Hedayat also four years. Carder received a two year jail sentence, suspended for two years, and was ordered to do 300 hours of unpaid work.

The Hashtroudis were also banned from being directors for a total of 28 years.

In sentencing the quartet, His Honour Judge Henry described Shahab Hashtroudi as the “orchestrator” of the fraud and “the power behind the throne.”

“You involved others in this fraud by pressure, by persuasion, by force of personality or by playing on the desire of some to keep their jobs,” he said.

Confiscation proceedings are underway to recover the proceeds of the crimes.

**Notes for Editors**

1. Shahab Hashtroudi, (DOB 15/06/1954) of Carrbridge Close, Bournemouth, Dorset, was found guilty of:
* Cheating the public revenue by failing to account for the PAYE and Value Added Tax from Alcatraz Dining Group Ltd, Alcatraz Pub Company Ltd, Alcatraz Restaurant Company Ltd and Alcatraz Wine and Beer Company Ltd between 28 October 2008 and 10 September 2010;
* Cheating the public revenue by failing to account for the PAYE and Value Added Tax from Alcatraz Wine and Beer Company Ltd, 8 Rivers Inns Ltd, 8 Rivers Restaurants Ltd and 8 Rivers Pub Ltd between 2 February 2010 and 11 December 2012
* Cheating the public revenue by failing to account for PAYE and Value Added Tax from Apricot Pub Company Ltd, Apricot Restaurant Company Ltd and Alcatraz Group Ltd (formerly 8 Rivers Dining Ltd) between 21 February 2012 and 30 October 2014
* Cheating the public revenue by failing to account for the PAYE and Value Added Tax from Candy Experience Ltd (formerly 8 Rivers Bars Ltd) between 21 February 2012 and 29 June 2016.
1. Shahin Hashtroudi, (DOB 09/09/1960) of Thwaite Road, Bournemouth, Dorset, was found guilty of cheating the public revenue by failing to account for PAYE and Value Added Tax from Alcatraz Dining Group Ltd, Alcatraz Pub Company Ltd, Alcatraz Restaurant Company Ltd and Alcatraz Wine and Beer Company Ltd between 28 October 2008 and 10 September 2010.
2. Hedayat Hashtroudi, (DOB 17/10/1950) of Stirling Road, Bournemouth, Dorset, was found guilty of cheating the public revenue by failing to account for PAYE and Value Added Tax from Apricot Pub Company Ltd, Apricot Restaurant Company Ltd and Alcatraz Group Ltd (formerly 8 Rivers Dining Ltd) between 21 February 2012 and 230 October 2014.
3. Tracy Carder, (DOB 29/10/1976) of St Peter’s Road, Poole, Dorset, was found guilty of cheating the public revenue of PAYE and Value Added Tax by failing to account for PAYE and Value Added Tax from Alcatraz Wine and Beer Company Ltd, 8 Rivers Inns Ltd, 8 Rivers Restaurants Ltd and 8 Rivers Pub Ltd between 2 February 2010 and 11 December 2012.
4. Anyone with information about people or businesses involved in tax fraud can report it online at <https://www.gov.uk/report-an-unregistered-trader-or-business>, or call our HMRC Fraud Hotline on 0800 788 887.
5. Anyone with queries about their PAYE contributions should call 0300 200 3300.
6. Fully qualified nurses start on salaries of £23,023 rising to £29,608 on Band 5 of the Pay bands and pay points on the second pay spine in England. Salaries in London attract a high-cost area supplement. <https://www.nhsemployers.org/tchandbook/annex-1-to-3/annex-2-pay-bands-and-pay-points-on-the-second-pay-spine-in-england>
7. Follow HMRC’s press office on Twitter @HMRCpressoffice.

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