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 ***News Release***

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|  | For the attention of **News and Business Desks**  | No of pages: 4 |  |
|  | Date: | 31 01 2020 | Ref: | E 01 20  |  |

**Print firm fraudsters slashed staff pay whilst stealing millions from taxpayers**

Five company directors from Essex have been sentenced for their part in a £3.1m fraud, that saw each of them pocket hundreds of thousands of pounds of taxpayer cash.

Stephen Knight, 67, John Knight, 74, Brian Thomas, 70, Paul Murphy, 57, and Philip Sach, 53, all played a part in a complex eight-year fraud that was uncovered following an investigation by HM Revenue and Customs (HMRC).

The five were all directors of collapsed Basildon-based large printing business Anton Group Ltd. Some of the directors conspired to keep cash sales of waste paper ‘off record’, whilst they all shared the proceeds, cheating the public purse out of £3.1m in Corporation Tax, Income Tax, VAT and National Insurance Contributions (NIC).

During the fraud, the directors slashed staff pay – including their own – telling employees that this would assist with cash flow and keep the business afloat. However, while it appeared they had each forfeited £5,000 of their own pay per month, the Knights, Thomas, Murphy and Sach were covertly stealing huge amounts of taxpayer money to line their own pockets.

Alongside non-taxed off record payments, the five received significant payments from the Anton Group Ltd, separate from any legitimate forms of payment.

Initial investigations focused on suspected evasion of Corporation Tax due on profits from sales of waste paper bi-product to a local recycling company.

HMRC officers were told that the paper was given to the recycling company free of charge, in exchange for the installation and upkeep of machinery. But, investigators found that money did change hands and the Anton Group Ltd received cash payments for the waste paper.

These cash payments were controlled by chief executive officer John Knight and production director Stephen Knight, who facilitated regular ‘off record’ payments to directors and employees between April 2004 and November 2012.

Around 90 fake invoices, amounting to approximately £1.4m, were also discovered in the company’s accounts. These had been declared as payments to suppliers, but the funds were siphoned off into the directors’ personal bank accounts and used to repay directors’ loans owed to the company.

Adam Kingsgate, Assistant Director, Fraud Investigation Service, HMRC, said:

“This was a high value and complex fraud involving a group of callous fraudsters who had no care for the impact of their crimes on others. They were complicit in almost running the business into the ground and leaving hundreds of people without jobs.

“HMRC is committed to taking action all those who steal from the public purse. Fraudsters who use sophisticated methods to hide their criminal proceeds should know that we are more than a match for them. No tax evader is beyond our reach.

“If you know of anyone committing any type of tax fraud, you can report them to HMRC online or call our Fraud Hotline on 0800 788 887.”

Today, Friday 31January, at Southwark Crown Court, the group were sentenced for their roles in the fraud.

* John Knight: Three years in prison. Disqualified as a director for seven years.
* Stephen Knight: 28 months in prison. Disqualified as a director for five years.
* Brian Thomas: 28 months in prison. Disqualified as a director for four years.
* Paul Murphy: Two years in prison, suspended for two years. Disqualified as a director for three years.
* Phillip Sach: Ten months in prison, suspended for 12 months.

HMRC is pursuing confiscation action to recover the stolen money.

**Notes for Editors**

1. John KNIGHT (DOB 15/05/1945), of Glebe Road, Ramsden Bellhouse, was sentenced at Southwark Crown Court on 31st January 2020 to three years in prison. Disqualified as a director for seven years.
	* He pleaded guilty to cheating the public revenue, due as Corporation Tax and Value Added Tax, by failing to declare income received by Anton Group Ltd from sales of waste paper and aluminium.
	* He pleaded guilty to cheating the public revenue, due as Income Tax and National Insurance Contributions, by failing to declare to Her Majesty’s Revenue and Customs payments made for the remuneration of directors and employees of Anton Group Ltd.
	* He was found guilty of cheating the public revenue, due as Corporation Tax, by concealing the true balances of directors’ loan accounts held by directors of Anton Group Ltd.
2. Stephen KNIGHT (DOB 14/03/1952), of Perry Street, Billericay, pleaded guilty to two counts of Cheating the Public Revenue contrary to Common Law. At Southwark Crown Court on 31st January 2020 he was sentenced to 28 months in prison and was disqualified as a director for five years.
	* Cheating the public revenue, due as Corporation Tax and Value Added Tax, by failing to declare income received by Anton Group Ltd from sales of waste paper and aluminium.
	* Cheating the public revenue, due as Income Tax and National Insurance Contributions, by failing to declare to Her Majesty’s Revenue and Customs payments made for the remuneration of directors and employees of Anton Group Ltd.
3. Brian THOMAS (DOB 01/01/1950) of Newton Road, Sporle, pleaded guilty to three counts of Cheating the Public Revenue contrary to Common Law in December 2017. He was sentenced at Southwark Crown Court on 31st January 2020 to 28 months in prison. Disqualified as a director for four years.
	* Cheating the public revenue, due as Corporation Tax and Value Added Tax, by failing to declare income received by Anton Group Ltd from sales of waste paper and aluminium.
	* Cheating the public revenue, due as Corporation Tax, by concealing the true balances of directors’ loan accounts held by directors of Anton Group Ltd.
	* Cheating the public revenue, due as Income Tax and National Insurance Contributions, by failing to declare to Her Majesty’s Revenue and Customs payments made for the remuneration of directors and employees of Anton Group Ltd.
4. Paul MURPHY (DOB 05/09/1961) of Spring Elms Lane, Little Baddow, was sentenced at Southwark Crown Court on 31st January 2020 to two years in prison, suspended for two years. Disqualified as a director for three years and ordered to complete 150 hours of unpaid community work.
	* He was found guilty to cheating the public revenue, due as Corporation Tax, by concealing the true balances of directors’ loan accounts held by directors of Anton Group Ltd.
	* He was found guilty of cheating the public revenue, due as Income Tax and National Insurance Contributions, by failing to declare to Her Majesty’s Revenue and Customs payments made for the remuneration of directors and employees of Anton Group Ltd.
5. Phillip SACH (DOB 20/06/1966) of The Lintons, Chelmsford, pleaded guilty to the fraudulent evasion of Income Tax in December 2017. He was sentenced to ten months in prison, suspended for 12 months, at Southwark Crown Court on 31st January 2020. Sach was not disqualified as a director. He was ordered to complete 100 hours of unpaid community work.
6. The five resigned as directors of the Anton Group Ltd on 1 October 2014, when the business was sold to the Anton Employee Ownership Trust. The company ceased trading on 5th April 2017.
7. Follow HMRC Press Office on Twitter @HMRCpressoffice

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

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