EXAMPLES OF COUNCILS USE OF THE PROCEEDS OF CRIME ACT
August 2010

Background Information

Councils across England, Wales and Northern Ireland are using the full force of the law to help stamp out the lavish lifestyles of many criminals.

Under the Proceeds of Crime Act (POCA), trained officers can become `accredited financial investigators' (AFI) to help ensure those benefiting from crime pay back what they owe to society.

Depending on the level of involvement, the Home Office Incentivisation Scheme allows councils to recover up to 37.5% of the confiscated assets, with the remainder being distributed between HM Court Service and central government. This money is usually reinvested by councils back into undertaking enforcement work such as:

- tackling benefit fraudsters
- dealing with counterfeit goods
- tackling serial fly tippers and other environmental crime
- tackling loan sharks

Asset recovery is a crime-fighting tactic and is used as a tool in the disruption of crime and criminality.

Victims of crime, such as vulnerable adults, can be compensated and councils are reinvesting incentivisation funds to help improve local areas. They have installed park regeneration schemes, anti-graffiti projects and youth clubs. All designed to improve the local environment and reduce crime. Councils have also trained staff to become AFI.

Cllr Paul Bettison, chairman of Local Government Regulation (formerly LACORS), said:

"The Proceeds of Crime Act is a valuable crime busting tool for councils. With any crime someone always suffers the consequences. Why should those who believe they are above the law be able to fund their lavish lifestyles at the expense of others?

"Whether it's selling harmful counterfeit goods, damaging the environment, exploiting vulnerable tenants or charging outrageous amounts of loan interest to people at the end of their financial tether, it simply won't be tolerated by councils."

BASILDON COUNCIL

Paul Burns, 42, having previously pleaded guilty to 27 charges was given a Confiscation Order of £46,732.94 at Chelmsford Crown Court on 25 March 2010, of which Basildon Council is to be compensated for £16,132.13 .

Mr Burns has until 25 September 2010 to pay up otherwise he could face 12 months imprisonment.

Councillor Phil Turner, cabinet member for resources, was pleased the Council was using the Proceeds of Crime Act to bare its teeth. *"This is the first time we have successfully used these powers but based on these results, I must warn would-be fraudsters and assure honest residents that it won't be the last."*

Under the Proceeds of Crime Act 2003, the Council can apply to the courts to seize cash and goods linked to criminal activity. Action can be taken against offenders who are found guilty of committing fraud amounting to more than £5,000. Mr Burns received a total overpayment of Housing Benefit and Council Tax Benefit of nearly £7,900 over four months.

A judge determined the amount the Council can recover from an offender, based on evidence from an independent financial investigator.

Councillor Turner added: "*As the tough economic times appear to be deepening, it is vital we protect the public purse and seek to secure victory for those who work hard to weather the storm through honest means. I think residents will support my belief that those who commit benefit fraud should not only face criminal charges but also the prospect of losing their illegitimate gains."*

BIRMINGHAM CITY COUNCIL – TRADING STANDARDS NORTH WEST ILLEGAL MONEY LENDING TEAM

In February 2010 John Kiely was ordered to pay a £1.2 million confiscation order within six months or face a further jail sentence of up to five years.

The confiscation hearing at Manchester Minshull Street Crown Court under the Proceeds of Crime Act ruled that Kiely had made £3.6 million as a result of his illegal money lending business. Available assets for confiscation amounted to just over £1.2 million.

John Kiely

He was convicted in August 2009 of blackmail, acquiring criminal property, converting criminal property, illegal money lending and failing to provide information to the OFT, and sentenced to five years in prison.

Kiely was investigated and prosecuted by the North West Trading Standards illegal money lending team. He ran an illegal money lending business between May 2003 and December 2007, charging interest rates of between 433 and 2,437 per cent APR. He was known across east Manchester as 'Johnny Boy Kiely.'

CARDIFF CITY COUNCIL – WALES ILLEGAL MONEY LENDING UNIT

Ex-taxman turned Loan Shark ordered to repay £79,000

Retired tax inspector, Richard Griffiths of Longfellow Drive, Bridgend used the proceeds of his Inland Revenue pension to set himself up as an illegal money lender.

Griffiths, 68, targeted housewives and young mums living on state benefits on the Gurnos Estate in Merthyr Tydfil. He charged extortionate interest payments and retained benefit books as a means of enforcing payment.

Prosecutor, Carl Harrison said "the majority of the people who borrowed from him were women in financial difficulty. Griffiths previously worked as a tax inspector and kept meticulous records of the money he was loaning and what he was charging"

From these meticulous records the Wales Illegal Money Lending Unit were able to show the Court that 54 people had received loans from Griffiths which totalled £66,960 in advances.

By the time of Griffiths' arrest he had profited by £12,370 from his illegal enterprise. He was given a 10 month suspended sentence at Cardiff Crown Court in addition to a 12 month supervision order and an award for costs.

Judge Gareth Jones told Griffiths "These people's lives on this particular estate are difficult enough as it is and you preyed on them. You are an educated man and you used that to take money from those less fortunate than yourself"

The Wales Illegal Money Lending Unit then pursued a confiscation investigation against Griffiths under the Criminal Justice Act 1988 and calculated a total benefit of £79,330.67.

The figure included an adjustment in the value of monies obtained in accordance with Section 74(5) of the Act to fairly reflect the length of time that Griffiths had ran his illegal money lending business.

Cardiff Crown Court ordered Griffiths to pay the full amount of the calculated benefit, with a default sentence of 12 months.

Griffiths, who had assets valued at over £200,000 made a single payment of £79,330.67 within two weeks of the granting of the Order.

CHESHIRE EAST COUNCIL

Trading Standards Secures Compensation for Sporting Icons Victims

A businessman jailed for forging and selling sports' stars signatures has been ordered to pay £117,000 – a portion of which will be used to compensate his victims. Graeme Walker was sentenced to two years imprisonment in April 2008 after he was found guilty of 51 counts of cheating the customers of his Sporting Icons shop in Chester. Cheshire East Council Trading Standards Service successfully obtained a Confiscation Order against Walker during a hearing at Chester Crown Court on December 11 2009. He was ordered to pay £117,828.24 within six months or receive a further two years imprisonment. Part of this sum was to be used to reimburse some of the customers who purchased a counterfeit item from the sporting memorabilia company, which also traded online.

Councillor Lesley Smetham, Cabinet Support Member with responsibility for Safer and Stronger Communities, said: *"The Sporting Icons case was one of the biggest Trading Standards investigations carried out in Cheshire, underlining our commitment to protecting the rights of consumers. Customers paid sums ranging from £50 to several thousands of pounds for what they believed were genuine items of memorabilia. But many of these items were fakes, created to ruthlessly exploit the devotion fans show to their clubs and sporting heroes. The Confiscation Order will provide deserved compensation for those victims who gave evidence in court as well as the agencies involved in the prosecution."*

LIVERPOOL CITY COUNCIL

Liverpool landlord fined £39,000 for managing unlicensed and dangerous HMO

Liverpool City Council's innovative approach to using POCA coupled with close working between its Trading Standards and Environmental Health functions, has enabled a successful prosecution against a landlord for:

- Managing an HMO without license;
- Renting-out dangerous property in breach of a Prohibition Order;
- Claiming housing benefit when the property was subject to a Prohibition Order.

In this case, the City Council utilised the service of Trading Standards North West Financial Investigation Unit to protect vulnerable tenants from an unscrupulous rogue landlord and at the same time win a substantial award of funds. The landlord was not only fined by Liverpool Crown Court but also had a Confiscation Order for £23,000 under the Proceeds of Crime Act imposed on her as she continued to claim housing benefit in respect of tenants occupying the property when a Prohibition Order was in place that prevented the house being let out to tenants due to its poor condition. Liverpool City Council received £7,500 of this in incentivisation payments under the Home Office scheme, which it will use to increase enforcement and reduce costs to responsible owners who have licensed their premises.

His Honour Judge Clifton also ruled that the use of a Proceeds of Crime Confiscation Order should not preclude the Council's pursuing a Rent Repayment Order to recover housing benefit payments, in excess of £20,000, made to the defendant whilst the premises were unlicensed or in recovering its full costs in bringing this case to court.

LONDON BOROUGH OF BRENT & HARROW

A few years ago Brent & Harrow Trading Standards Service had its first success with the Proceeds of Crime Act 2002 when, following a financial investigation that was conducted by London RART, a confiscation order was made against **Alami International Ltd**. This company was ordered to pay £400,000 which represented the benefit made as a result of selling counterfeit handbags. When the order was paid Brent & Harrow Trading Standards Service received £132,000 as part of the Home Office incentivisation scheme.

They have since secured further in-house confiscation orders, one of which was made against Mr Ahmed Rahimtulla who was ordered to pay £55,000 on 28th November 2008. Mr Rahimtulla sold counterfeit telephone accesscories on EBay and was given six months to pay. When the six months expired he had only paid a small fraction of the amount. Enforcement proceedings were started whereby he was told to pay up or face serving the default sentence that was set at 19 month's imprisonment when the confiscation order was made. Following this he paid the full amount and Brent & Harrow Trading Standards received £20,625.00 from the Home Office as an incentivisation payment.

A £30,000 order was made in March 2009 against **Imdad Ullah** who was involved with the supply of counterfeit goods and this order has also been paid in full. This was followed in October 2009 by two

smaller orders totalling £9,000 being made against a duo that sold trade mark infringing goods. On 26th October 2009, another confiscation order was made against Manmon Singh Chopra for £40,000. He was involved with the supply of counterfeit goods and was sent to prison for one year following his conviction in May 2009.

The assets of another online seller of counterfeit goods have also been restrained pre charge, as evidence shows that this person lived a luxury lifestyle by raking in large profits from knowingly selling counterfeit goods. The restrained assets include a high value Range Rover motor car.

In another case, twenty six second hand cars were seized from **Emat Ghulaman** and **Noor Ahmed Sidiqi** who traded as **'Emat & Son'** following an investigation by Brent & Harrow Trading Standards Service. These cars were initially seized under the Consumer Protection from Unfair Trading Regulations 2008, but now form part of the confiscation proceedings against the above mentioned individuals who are each serving 27 months in prison for the supply of clocked cars.

This picture is of a business premise, which is one of several assets that have been restrained in relation to ongoing confiscation proceedings against **George Lau**, who was sent to prison for 21 months in relation to the supply of IP infringing goods.

From 2 November 2009, Council Accredited Financial Investigators have had the powers to seize cash under the Proceeds of Crime Act 2002. So far Brent & Harrow Trading Standards have seized £5,500.00 using these new powers as a result of investigations into the supply of clocked cars.

Another offender currently under the financial spot light is **Nazakat Hussain** who is at present serving two years in prison after being convicted at Crown Court in relation to the supply of counterfeit goods from Wembley Market.

The financial investigation has revealed a wealth of assets that have all been restrained to prevent dissipation, including three houses, one business premise and a high value BMW motor car.

Mr Hussain applied to discharge the restraint order on the grounds that there was no risk of dissipation and when this failed he then attempted to get the order varied to allow payment to unsecured creditors, which also failed. The confiscation hearing was heard on 23 August 2010. The court accepted that Mr Hussain had benefited to the value of £600,000 from his criminal activities and he was ordered to pay a confiscation order of £254,000. He will have to pay the order in full within the next six months or he will

face serving a default prison sentence, which was set at 3 years. Should he serve a term in prison in default for non payment of the order, he would still owe the full amount. Furthermore, any outstanding balance after the six months deadline would start attracting interest.

Over the past two years Brent & Harrow Trading Standards have secured seven other confiscation orders under the Proceeds of Crime Act 2002, against individuals associated with the supply of counterfeit goods and clocked cars. These seven orders amount to £258,573.

Bill Bilon, the Head of Brent & Harrow Trading Standards Service said *"I hope that this case sends out a clear message that trading in counterfeit goods really doesn't pay. Those engaged in the sale of counterfeit goods, or indeed involved in high value crime will not just get a criminal record but they may also face being stripped of their assets. The Proceeds of Crime Act is a powerful piece of legislation and we will continue to use it to deprive those who choose to act in a criminal manner."*

LONDON BOROUGH OF ENFIELD

Bogus Burberry conman must pay back millions or face ten years in jail

The London Borough of Enfield Trading Standards has secured an £11 million confiscation order under the Proceeds of Crime Act 2002. The defendant, Amram Braha, was convicted in February 2008 of offences under the Trade Mark Act 1994, following the seizure of 30,000 pairs of counterfeit Burberry shoes from the defendant in August 2005 and has served a 10 month prison sentence.

The subsequent POCA investigation by Enfield's in-house AFI revealed that not only had the defendant been involved in counterfeiting but he was also a participant in a £72 million VAT Carousel fraud. The defendant has 6 months to pay or faces a 10 year default sentence.

Sue McDaid, Head of Business Regulation at Enfield Council, said: *"This was an extremely complex investigation which started in an Edmonton warehouse and led us to a bank in the Caribbean through which a £74mil VAT fraud operation had taken place. However, thanks to the diligence, tenacity and professionalism of my officers and excellent co-operation of HMRC, we have struck a hammer blow for consumers and legitimate traders everywhere."*

This confiscation order is one of the biggest ever obtained by any Council under the Proceeds of Crime Act 2002.

LONDON BOROUGH OF HOUNSLOW

London Borough of Hounslow has successfully used POCA to obtain a Confiscation Order for £186,000 against a landlord operating illegal houses in multiple occupations. The innovative case followed a prosecution under the Town & Country Planning Act 1990 by the Council's Planning Enforcement Team after the defendant was found to have converted two 3 bedroom semi-detached properties into nine residential units without having obtained the planning consent. As a result of the offending the defendant has been ordered to pay back all of the rental income he had made from renting the flats out during the 4 year period since they had been converted.

NEWPORT TRADING STANDARDS

Internet Counterfeiters ordered to pay £25,000 under the Proceeds of Crime Act

On 18 December 2006, at Newport Crown Court, Maria and David Hancock were sentenced to a conditional discharge for offences contrary to the Trade Marks Act 1994. The offences related to an illegal ebay sale of a counterfeit Disney DVD, 'The Jungle Book' and a subsequent raid at the defendants' home where 324 counterfeit discs were seized.

In addition to the sentence under the Trade Marks Act, the Recorder, Patrick Curran QC, ordered Maria Hancock to pay £24,015.72 and David Hancock to pay £1,134 under the Proceeds of Crime Act 2002. Failure to pay this confiscation order within twelve months would lead to a term of one months' imprisonment for Maria Hancock and 7 days for David Hancock, and they will still be required to pay the order upon their release.

Councillor Ray Truman, Cabinet Member for Community Safety and Sustainability stated, "This is a landmark case for Newport Trading Standards as it is the first time the confiscation orders under the Proceeds of Crime Act 2002 have been used in the City. It sends out a clear warning to anyone considering entering into this style of criminality; do not sell counterfeit goods, because if you do, when you get caught, Trading Standards will ensure that all the profits you have made are seized"

NORTHAMPTONSHIRE COUNTY COUNCIL

£85,000 confiscation for organic food fraud

The people behind a business responsible for an organic food scam have been ordered to pay a total of £85,000 following a court judgement today (Wednesday 13th January) thanks to action taken by Northamptonshire County Council's trading standards service.

In September 2009, Northamptonshire County Council trading standards service prosecuted Neil and Kate Stansfield (both of Newnham near Daventry) for a five-year scam which saw various products that were falsely described as organic being supplied by their company One Food Limited to consumers and businesses across the UK.

At a confiscation hearing at Northampton Crown Court on 13th January 2010, Neil and Kate Stansfield were ordered to pay a total of £85,000 confiscation under the Criminal Justice Act 1988 & Proceeds of Crime Act (2002).

- Neil Stansfield (the director of One Food Limited): a benefit figure of £300,000 was declared and he was ordered to pay £42,500.
- Kate Stansfield (the company secretary of One Food Limited): a benefit figure of £115,000 was declared and she was ordered to pay £42,500.

Both were given six months to pay the full amount, with a default sentence of 12 months imprisonment if they fail to pay. Both have paid £42,500:

Councillor Andre Gonzalez de Savage, cabinet member for customers and communities said*: "We are absolutely committed to tackling rogue traders in the county and will take action to prosecute wherever appropriate. Criminals operating in the county should also see this case as assurance that we will not hesitate to use the proceeds of crime legislation to take the benefit out of their crime and stop them profiting from their ill-gotten gains.*

NORTH YORKSHIRE COUNTY COUNCIL

Counterfeiter's assets stripped:

Teesside Crown Court, in a confiscation case under the Proceeds of Crime Act 2002, found that a counterfeiter had benefited from his offending and criminal conduct by £550,000.

Mark Edwards, 42, of 8 Haven Rise, Billericay, Essex, had previously pleaded guilty to 11 offences of supplying and possessing for counterfeit goods, conspiracy to defraud and money laundering. He was sentenced to 2 years' imprisonment in July 2008.

The investigation into his counterfeiting activities commenced in December 2005, when North Yorkshire County Council Trading Standards conducted a project examining the level of counterfeiting on the internet auction site, eBay. Edwards was first arrested in March 2006, at which point he had been using the identity and bank account of his sister to supply the goods. Whilst the investigation was underway, Edwards continued to sell counterfeit goods using his previous identity, Mark Callow. This came to the attention of North Yorkshire Trading Standards in September 2006, when they conducted a financial investigation into his activities. He was re-arrested in October 2006 and, at that time, was also found to be offending in the name of his friend, Jason Timms, and together with his girlfriend, Kate Barley, using her identity and bank account. Subsequent enquiries also revealed he had used the bank account and identity of his landlord, Ian Marson, as another means of offending.

Throughout the period of Edwards' offending, namely December 2004 to January 2007, he sold amongst other things counterfeit Chanel sunglasses, Links of London jewellery, Jean Paul Gautier perfumes and other branded goods.

Edwards was also found to have £18,600.07 in available assets and to have hidden assets of £20,000. He has been given 6 months to pay the £38,600.07 and, should he fail to do so, will serve 15 months' imprisonment in default.

The County Council's Executive Member for Trading Standards and Planning Services, Cllr Clare Wood, said: *"The Proceeds of Crime Act is a very valuable crime-fighting tool. Offenders need to be aware that we will take all possible steps to ensure that crime does not pay in North Yorkshire. This includes removing assets offenders have gained as a result of their criminal behaviour."*

NOTTINGHAM CITY COUNCIL

'Uncle Tony' student landlord ordered to pay £62,200

In a recent prosecution against an unlicensed HMO (Houses in Multiple Occupation) student landlord, Nottingham City Council successfully applied to the court for a Confiscation Order. The Court ordered the confiscation of more than £37,500 being the equivalent of the rent the landlord received during the time he let unlicensed HMO accommodation.

Anthony Carroll

Anthony Carroll of Dunkirk, Nottingham (locally known as "Uncle Tony"), was prosecuted for a 'basket of breaches' of the Housing Act 2004 and associated HMO Management Regulations. The offences were aggravated by his unlawful eviction of two tenants that he had locked out of their accommodation, contrary to the Protection from Eviction Act 1977.

Upon inspection by the Council's Environmental Health Officers, the unlicensed properties were found to have potentially life threatening hazards including dangerous, untested wiring and obstructed escape routes. One property also had a rodent infestation.

Fines of £14,700 were imposed in relation to the HMO offences along with £15 victim surcharge. The Court found that Carroll had benefited financially from these offences and, in addition to the fines, confiscated £37,516.70 – equivalent to the rent he received for illegally letting the properties. A four month prison sentence (suspended for a year with supervision from a parole officer) was handed down for the illegal eviction offence.

NOTTINGHAMSHIRE COUNTY COUNCIL

Operation going straight 2

Stuart Philip Peach, Lisa Jayne Pepper and Tony Hall were charged on 23 and 24 February 2010 with offences of Money Laundering under Proceeds of Crime Act 2002 and Trade Marks Act 1994 and were given bail to Nottingham Magistrates Court for an initial hearing on 27 April 2010.

In 2008 Customs and Excise officers identified counterfeit 'GHD' branded hair straighteners being imported into the UK from China at numerous UK airports that were destined for the subject, Peach. Approximately 5,000 counterfeit 'GHD' hair irons have been seized by HMR&C at the point of entry to the UK, all addressed to Peach or associates in the Eastwood and Mansfield area.

Enquiries commenced by Nottinghamshire County Council's Trading Standards Service together with the recently formed East Midlands 'Scambusters' Team. Financial enquiries by Nottinghamshire Trading Standards financial investigators identified that the subject, Peach, together with his partner, Pepper, and another associate, Hall, had transferred a total of £487,522.56 to China for the purchase of counterfeit products. This amount was mainly in cash in 272 separate transactions through Western Union Money Transfer Bureau between September 2006 and June 2009.

On 19 August 2009 warrants were executed jointly with Nottinghamshire Police at three private addresses and two lock up container units rented by Peach. Large amounts of counterfeit goods were recovered including 'GHD' hair straighteners (subsequently found to be dangerous), 'UGG' boots, 'Apple' IPods, Microsoft software, Tiffany jewellery and branded clothing.
Also recovered were labels, packaging and screen prints for the manufacture of these branded items.

PLYMOUTH CITY COUNCIL

Car 'clocker' is ordered to pay back £67,710 - December 2009

Mark Constantine

A used car dealer Mark Constantine, owner of the Maritime Car Company, of Woodland Terrace, Greenbank was convicted of 'clocking' cars he sold to private hire drivers. Constantine was jailed for six months after pleading guilty to 10 charges of applying a false trade description and asking for 12 similar offences to be taken into account. The cases were brought to court by Plymouth City Council Trading Standards Service.

His customers, many from the Czech Republic, were often people who wanted to set themselves up in business as taxi drivers, but could not afford to buy a car outright or get normal credit.

Judge Ian Leeming QC ordered Constantine to pay £67,710 by 14 May 2010, or face two years in prison; he will still have to pay the sum if he serves the prison sentence.

Plymouth City Council will recover assets following the confiscation hearing at Plymouth Crown Court under the Proceeds of Crime Act 2002 and costs of £2,500 were awarded to the Council.

This is the first time Plymouth City Council's Trading Standards has recovered money under this Act.

Trading Standards officer Richard Green said: *"We are delighted with this result as it is the culmination of many months of hard work. We have deprived Mr Constantine of much of the money he made from his criminal activity, and all the time and effort he put into clocking cars has been wasted as he has lost his financial benefit."*

A financial investigator looked at Constantine's finances and worked out how much money he made from selling clocked cars. Constantine's realisable assets, such as money, possessions and property, were also taken into account as part of the investigation.

Half of the money taken from Constantine will go to HM Treasury, and the rest will be split between the courts, the prosecuting authority (Plymouth Trading Standards) and the financial investigating authority.

Trading Standards will use its share of the money to offset the cost of the proceedings, with any remaining money being ploughed back into the service.

Cllr Peter Brookshaw, Cabinet Member for Safer and Stronger Communities, said: *"Trading Standards wants people to be able to buy vehicles with confidence and car clocking damages that confidence and will not be tolerated.*

"As always, but particularly at a time when the legitimate traders are struggling, we will do what we can to ensure there is a level playing field. "This case is important because it shows crime does not pay."

PORTSMOUTH CITY COUNCIL

Portsmouth loan shark says he will have to sell his home to find almost £338,000

Vivian Young was an illegal moneylender in the Portsmouth area. Young was caught when trading standards officers raided his home in January 2008. They found a list of 63 names of people to whom Young had lent money between September 2007 and January 2008. Young's accounts showed he had loaned these customers, who were mostly friends and colleagues, more than £31,000 and recovered in excess of £53,000. The document stated he was still owed £164,000 by these people. Officers also found a spreadsheet at Young's property showing his illegal money lending business dated back to 2003. His customers would pay him back by putting cash in an envelope with their name on and post it through his letterbox. One customer was charged an APR interest rate of more than 11,000 per cent, while others paid between around 800 and 5,000 per cent APR.

In May 2009 a confiscation order was made at Portsmouth Crown Court for £337,935.00 plus costs of £25,000, following conviction for money laundering offences under POCA and Consumer Credit Act offences. The Order was paid in full in November 2009.

Robert Briggs, head of trading standards at Portsmouth City Council, said: *"This ruling shows how serious we and the courts are prepared to get with loan sharks. We will use all the powers available to protect local people from them. 'Illegal moneylenders are sometimes perceived as being a community service, but in reality they prey on the most vulnerable in our communities, charging large amounts of interest, operating in the ghost economy, breaching people's rights and in the most blatant cases using fear and intimidation to ensure they maintain their extortionate profits. 'People can talk to us in confidence and can rest assured we can and will help them."*

Vivian Young

ROCHDALE METROPOLITAN BOROUGH COUNCIL

Rochdale Council husband & wife eBay counterfeit seller

Following proactive monitoring of the activities of counterfeit goods sellers on the auction website eBay by officers of Rochdale Trading Standards, they were able to launch a complex investigation into a couple selling counterfeit fashion brand clothing on eBay. Investigator were able to show sums of money directly linked to the sale of counterfeit goods were being transferred overseas to fund the purchasing of more counterfeit clothing and then trace the sales of the clothing back to both business and domestic address in Rochdale. Proceedings against the husband and wife team for breaches of the Trade Marks Act and for money laundering offences under the POCA were ultimately laid and guilty pleas obtained. Through the close working of investigators from the TSNW FIU, the trading standards case officer and the solicitor in the case the husband and wife's complex legitimate and illegitimate business dealings were unravelled. Rochdale MBC successfully obtained confiscation orders against both the husband and wife where the combined criminal benefit figure for their criminality was over £550,000. They are currently pay back to society £146,235 which represents their total available assets.

Mrs Rifat Mukhtar, Solicitor, Rochdale MBC commented "*from a legal perspective the Proceeds of Crime Act is a very powerful and useful tool for local authorities. It enables them to dig into defendants' lifestyles and recover monies that they have received from their criminality*".

SURREY COUNTY COUNCIL

Baldish Sing Sangha pleaded guilty on 19 November 2009 at Staines Magistrates Court to 13 offences under section 92 Trade Marks Act 1994 and was committed to Guildford crown court on 16 April 2010 for confiscation.

On 2 April 2009 Mr Sangha had been found at Kempton Market to be in possession of 824 counterfeit items of clothing and the court accepted that he was a substantial dealer in these goods and had made large profits. He produced accounts as a limited company showing an annual turnover and profits which he had paid himself a salary from. However none of the accounts were audited and could not demonstrate any legitimate business. They were effectively figures created by the defendant with no supporting documents. Accounts in one year were missing although his current account showed cash credits from his dealing. The accredited financial investigator used the figures produced by Mr Sangha as a measure of his profits.

The defendant accepted that his business accounts which he produced were made up of 75% counterfeit goods. This is because Surrey County Council Trading Standards Officer had observed the extent of goods in his possession to be 50% counterfeit but represented a much higher figure of the sales potential. His trading was aimed at the market involved in branded goods and not Pri-mart as he asserted. This was agreed in part but again essential to the subsequent confiscation. Mr Sangha was sentenced to 4 months imprisonment on each of the counts, concurrent, which was suspended for two years and 200 hours unpaid work. He accepted that he had benefited from his criminal activity to the value of £298,821.51p and had assets of £61,210.70 to satisfy the confiscation order. He has been given 6 months to pay and if he fails to do so will receive a further 18 months imprisonment in default. The £298,821.51p figure is made up of £223,915 from the sale of counterfeit goods, £48,155.76 in household expenditure and £26,750 value of goods in his possession. Under incentivisation, Surrey County Council will receive £22,954.01.

WARWICKSHIRE COUNTY COUNCIL

Counterfeiting Doesn't Pay! Bedworth man must pay £64,000 or go to prison

In 2009 Nathan Mark Clayton, of Ash Green, Bedworth pleaded guilty to 9 offences under the Trade Marks Act and was handed a nine-month suspended prison sentence, ordered to do 150 hours of unpaid work and given a twelve month supervision order. At Warwick Crown Court on 15 April 2010 Mr Clayton was ordered to pay a confiscation order for £55,991 under the Proceeds of Crime Act, the amount the judge decided he had benefited from his criminal activities. Costs totalling £8,089 were awarded to Warwickshire Trading Standards Service, bringing a total of £64,000.

This is the first case brought by Warwickshire County Council Trading Standards Service under the Proceeds of Crime Act. Mark Ryder, Head of Warwickshire County Council Trading Standards Service said: *"We want to send out a strong message to the manufacturers and sellers of counterfeit goods, that we will no longer stop at prosecuting you. We will seek to confiscate any money you have made from your crimes. Warwickshire Trading Standards is committed to taking action to prevent intellectual property crime and protect consumers and legitimate businesses."*

Warwickshire Trading Standards Officers were alerted to the activities of Mr Clayton by Warwickshire Police who s found over 2000 copied DVDs, over 1000 blank DVDs and some copied and blank CDs during a search of Clayton's home. They also discovered five printers, two multi disc copiers and a computer, equipment typically used to produce copies of DVDs and CDs in large quantities. With the assistance of experts, Trading Standards Officers were able to confirm that the DVDs were counterfeit and launched an investigation.

In mitigation Raj Punia, representing Mr Clayton when he was sentenced at Warwick Crown Court in October 2009 argued that her client was not running a small business, but "a hobby," and that he copied DVDs and CDs and sold them to friends or gave them away.

If Mr Clayton fails to pay the £64,000 owed, he will receive a 15 month prison sentence. On release however, he will still be required to pay the £64,000.