

COUNTERFEITER ORDERED TO PAY £11 MILLION

London Borough of Enfield Trading Standards has secured a Confiscation Order against defendant convicted of possessing counterfeit Burberry shoes for more than £11 million. The Order is one of the biggest obtained by a Local Authority under the Proceeds of Crime Act 2002.

The 53 year old defendant, Amram Braha, of 250 Perth Road, Gants Hill, Ilford, was convicted, along with two co-defendants, at Wood Green Crown Court in February 2008 for offences under the Trade Marks Act 1994. The conviction followed the seizure of 30,000 pairs of Burberry shoes from a warehouse in Langhedge Lane, Edmonton in August 2005. On conviction Mr Braha had been sentenced to 10 months imprisonment.

As a result of the conviction an investigation was launched into the financial affairs of the defendants to identify any assets they had acquired from their criminal activities.

This investigation identified Mr Braha's as the main protagonist in the sourcing of the counterfeit goods as his company, Anavim Ltd, was the importer.

It was also discovered that the company had operated an off-shore bank account with the First Curacao International Bank (FCIB) in the Dutch Antilles.

Enquiries established that the FCIB had its licence removed by the Dutch banking authorities in October 2006 as a result of the bank having been used in connection with multi-million pound VAT Carousel frauds and money laundering activity.

In September 2009 LB Enfield with the assistance of Her Majesty's Revenue & Customs were able to secure access to details of the FCIB bank account held by Anavim Ltd and to which Mr Braha's was sole signatory. These records showed during a 3 week period in February and March 2006 in excess of £72 million had passed through the bank account.

Documentation obtained from HMRC purported that the transactions were the result of sales of mobile phones by Anavim Ltd to other UK suppliers.

These types of goods are a common feature of Missing Trader Fraud where a fraudster imports some goods, and then sells them, charging the price of the goods, plus VAT. The trader then absconds with the VAT instead of paying it to the Government. Carousel fraud is a more complex version of this in which the goods are transferred between UK based companies, each of which claims refunds of VAT.

During evidence, given at a three day Confiscation Hearing at Wood Green Crown Court on 14th April 2010, Mr Braha claimed that he opened the FCIB account in December 2005 as he had received threats from third parties who had been involved in the importation of the counterfeit goods and who had incurred a loss as a result of the seizure of the shoes in August 2005. He stated that these individuals had then used the bank account for their own purposes without his knowledge of the nature of their activities.

However, Recorder Lucas, who presided over the case, determined that there were inconsistencies in the defendant's evidence that lead him to conclude that Mr Braha's account in relation to the FCIB account was false.

In assessing the benefit that Mr Braha had received in relation to his criminal conduct Recorder Lucas identified approximately £10.7 million in unpaid VAT relating to the FCIB transactions and £354,000 from the original counterfeiting activity.

Mr Braha failed to provide any explanation as to the destination of the funds that passed through the FCIB account and as such was determined to have "hidden assets".

He was therefore ordered to repay the full amount of his benefit from his criminal conduct of £11,182,609.52. He will be required to pay this amount within 6 months or face a default prison sentence of 10 years.

ENDS

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