



**AG, REVENUE COMMISSIONER ANNOUNCE ARREST OF BIRMINGHAM
WHOLESALE FOR TOBACCO TAX EVASION AND CRIMINAL
POSSESSION OF FORGED INSTRUMENTS**

(MONTGOMERY)--Attorney General Luther Strange and Revenue Commissioner Julie P. Magee announced a 242-count indictment resulting in the arrests of two Birmingham business partners who own and operate a wholesale distribution company that supplies goods to retail convenience stores.

Farhad Jiwani, 57, and Allaudin Merchant, 65, have been arrested by the Jefferson County Sheriff's Office. Jiwani surrendered on December 21 and has been released on bond. Merchant surrendered today.

Jiwani and Merchant are the vice president and president, respectively, and the owners of "Joey Enterprises, Inc." The company is located in Birmingham and does business as "Northstar Wholesale." In all, Jiwani and Merchant are accused of evading \$1,050,244.74 in state tobacco taxes.

This is the second time in the past year that the Attorney General's Office has partnered with the Alabama Department of Revenue, a member of the Attorney General's Special Prosecution Alliance, to prosecute individuals for evading Alabama's tobacco taxes. On November 20, 2012 Shamim Ahmed Khan, also the operator of a wholesale distributor, pled guilty in Shelby County to criminal possession of a forged instrument in an attempt to evade state tobacco taxes. Khan was sentenced to 10 years, which was split for the defendant to serve six months imprisonment and five years probation. In addition, Khan was ordered to pay restitution to the State of Alabama for taxes owed plus interest and penalties, totaling \$1,721,996.

In this case, Attorney General Strange's Office presented evidence to a Jefferson County grand jury on December 7, which resulted in Jiwani and Merchant's indictment.* Specifically, the indictment charges the two men with the following:

- 44 counts each (for a total of 88 counts) of willful tobacco tax evasion, in violation of Alabama Code Section 40-29-110, with each month of tax evasion constituting a separate count, beginning in January 2007 and continuing through August 2010; and
- 77 counts each (for a total of 144 counts) of second-degree possession of a forged instrument in violation of Section 13A-9-6, with separate counts for each commercial invoice presented to the Alabama Department of Revenue by the defendants.



No further information about the investigation or about Jiwani and Merchant's alleged crimes other than that stated in the indictment may be released at this time.

If convicted, both men face up to five years imprisonment and fines of up to \$100,000 for each of the 44 tax evasion counts, as well as a maximum of 10 years imprisonment and fines of up to \$15,000 for each of the 77 class C felony counts of second-degree possession of a forged instrument. If found guilty, the men also could be subject to other financial penalties plus interest on the taxes evaded.

Attorney General Strange and Commissioner Magee commended those involved in this case, noting Deputy Attorney General Mike Duffy and Assistant Attorney General Pete Smyczek of the Attorney General's Special Prosecutions Division and Special Agent Jerome Dangerfield of the Alabama Department of Revenue's Investigations Division.

**An indictment is merely an accusation. The defendants are presumed innocent unless and until proven guilty.*