

NEWS RELEASE

Luther Strange

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FOR IMMEDIATE RELEASE

February 4, 2014

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AG, REVENUE COMMISSIONER ANNOUNCE SENTENCING OF BIRMINGHAM WHOLESALERS FOR TOBACCO TAX EVASION, CRIMINAL POSSESSION OF FORGED INSTRUMENTS, AND COLLECTION OF \$1.4 MILLION

(MONTGOMERY)--Attorney General Luther Strange and Revenue Commissioner Julie P. Magee announced the sentencing on Friday in Jefferson County Circuit Court of two Birmingham wholesalers for multiple convictions of tobacco tax evasion and criminal possession of forged instruments. Farhad T. Jiwani and Allaudin Merchant own and operate a wholesale company that distributes goods to retail convenience stores. The company, Joey Enterprises, Inc., does business as Northstar Wholesale in Birmingham.

Jiwani and Merchant each were sentenced to 46 months on five counts of tobacco tax evasion and five counts of criminal possession of a forged instrument. The sentences, which will run concurrently, were split so that each defendant will serve six months in the Jefferson County Jail, followed by five years of supervised probation. Immediately following the imposition of the sentence, the State also collected \$1,437,812.98 as restitution to the Department of Revenue for unpaid taxes and interest. Those funds have been deposited in the General Fund for the State of Alabama.

The Attorney General's Special Prosecutions Division presented evidence to a Jefferson County grand jury on December 7, 2012, which resulted in their indictments. The defendants pleaded guilty on August 12, 2013, for failing to pay state tobacco taxes for the period of January 2007 through May 2007. They also pleaded guilty to criminal possession of forged instruments, which were filed with a public employee of the Department of Revenue for the State of Alabama in order to conceal their nonpayment of state tobacco taxes.

This is another case where 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, pleaded 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.



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“Our prosecutions of these cases send a strong warning that tax evasion will not be tolerated,” said Attorney General Strange. “These matters are serious crimes and we are committed to work together to thoroughly investigate such matters and see that violators are punished appropriately for their crimes.”

“Such crimes are committed purely out of greed, as both defendants, in this most recent case, were found guilty of keeping a significant amount of tax revenue, as part of their tax evasion scheme. Honest taxpayers are really the ones who suffer from the consequences of such schemes. Over \$1.4 million in lost tobacco tax revenue can now be restored to the State General Fund. The ADOR remains committed to investigating such cases and partnering with the Attorney General’s Office to build strong, successful prosecutions of such crimes,” said State Revenue Commissioner Julie P. Magee.

Attorney General Strange and Commissioner Magee commended those involved in this case, noting Deputy Attorney General Mike Duffy and Assistant Attorney General Bill Lisenby Jr. of the Attorney General’s Special Prosecution Division and Special Agent Jerome Dangerfield of the Alabama Department of Revenue’s Investigations Division.