

NEWS RELEASE

Luther Strange

Alabama Attorney General



FOR IMMEDIATE RELEASE

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Page 1 of 1

AG, REVENUE COMMISSIONER ANNOUNCE CONVICTION OF PELHAM WHOLESALE FOR TOBACCO TAX EVASION AND CRIMINAL POSSESSION OF FORGED INSTRUMENT

(MONTGOMERY)--Attorney General Luther Strange and Revenue Commissioner Julie P. Magee announced the conviction today of Shamim Ahmed Khan for charges of tobacco tax evasion and criminal possession of a forged instrument.

Khan, a Pelham man who operates a wholesale company that distributes goods to retail convenience stores, was indicted by a Shelby County grand jury on January 11. He is the owner and president of Capital LLC, which is located in Pelham and does business as Capital Wholesale and Distribution.

Today Khan pleaded guilty for failing to pay \$806,466 in state tobacco taxes for the period of February 2008 through April 2010. Khan also pleaded guilty to criminal possession of a forged instrument, which he admitted to filing with a public employee of the Department of Revenue for the State of Alabama in order to conceal his nonpayment of state tobacco taxes.

"This case should serve as a reminder that tax evasion will not be tolerated – it is a serious crime that will be thoroughly investigated, prosecuted and punished," said Attorney General Strange.

"Tax evasion is costly to all involved, and far outweighs any chance of personal gain. Convicted individuals face penalties and jail time, but even more importantly, when tax evasion occurs, state revenues are shortchanged, and that affects all of our citizens in some way or another," said Commissioner Magee.

Khan is set to be sentenced on November 19, when he faces a penalty of up to five years imprisonment and a fine of up to \$100,000 for tax evasion, as well as up to 10 years imprisonment for second-degree possession of a forged instrument, which is a Class C Felony.

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

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