

NEWS RELEASE

# Luther Strange

Alabama Attorney General



FOR IMMEDIATE RELEASE

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For More Information, contact:

Joy Patterson (334) 242-7491

Suzanne Webb (334) 242-7351

Jeff Sommer (334) 353-2199

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## **AG, REVENUE COMMISSIONER ANNOUNCE SENTENCING OF PELHAM WHOLESALER FOR TOBACCO TAX EVASION AND CRIMINAL POSSESSION OF FORGED INSTRUMENT**

(MONTGOMERY)--Attorney General Luther Strange and Revenue Commissioner Julie P. Magee announced the sentencing of a Pelham man for charges of tobacco tax evasion and criminal possession of a forged instrument. Shamim Ahmed Khan was sentenced in Shelby County Circuit Court yesterday to 10 years, which was split for the defendant to serve six months imprisonment and five years probation. In addition, he was ordered to pay restitution to the State of Alabama totaling \$1,721,996 in criminal and civil penalties and interest.

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.

On September 11, 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," said Attorney General Strange. "This is a serious crime that will be thoroughly investigated, prosecuted and punished, and we will act aggressively to recover funds that are due to the public treasury."

"When tax evasion occurs, state revenues are shortchanged, and that affects all of our citizens in some way or another," said Commissioner Magee. "Prosecution of such crimes levels the playing field for competing business interests. The bottom line is – tax evasion is not worth whatever short-term gain some may expect. Sooner or later, the evasion will be discovered."

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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501 Washington Avenue • Montgomery, AL 36104 • (334) 242-7300

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