

Business owner jailed for selling controlled goods without a licence to Iran

A Lancashire businessman has been jailed for eight months and ordered to pay £30,000 costs for knowingly exporting controlled goods and in particular the supply of radiation detection equipment to Iran without an export licence.

1. Details of Case

Mr Philip Bisgrove of Morecombe, Lancashire, is the owner of NDT Mart, a company that exports non-destructive testing equipment. He was questioned by HMRC investigators about his export activities, particularly those involving sales of dosimeters to an Iranian company called Sakht Afzar Farayand Eng Co (SAFCO).

Dosimeters are items that measure either an individual or an object's exposure to the environment.

Between May 2007 and June 2008, Mr Bisgrove made 10 supplies of dosimeters and doserate meters to Iran without the required authorisation. These goods require a licence, for which Mr Bisgrove did not apply. Between November 2007 and July 2008 he also made three supplies of MY-2 Electromagnets to Iran, also without an export licence. Finally, in September 2008, Mr Bisgrove shipped a consignment of radiation detection equipment to Iran via Taiwan. The total value of the exported goods was over £14,500.

As part of the investigation into Mr Bisgrove's export activities, HMRC investigative officers searched his home. The officers took emails, invoices and other documents as evidence that he had known all along that the deals were illegal. For instance, emails from Mr Bisgrove's contact as SAFCO, Peyman Rostami, had discussed shipping goods via Dubai, Malaysia and China in order to avoid export licence controls. To try to cover his tracks, Bisgrove has also paid a separate company, RSM Motorsport, to ship and receive goods on behalf of NDT Mart.

When interviewed by HMRC, Bisgrove tried to mislead, avoid and confuse issues regarding his deals with the Iranian firm, claiming he did not know a licence was required to export the dosimeters. However, when faced with the evidence – particularly his own e-mails – he admitted he knew all along he needed a licence for the exports to be legal.

Mr Bisgrove was sentenced at Southwark Crown Court on 15 October 2010. He pleaded guilty to five counts of being knowingly concerned in the export of prohibited or restricted goods. Confiscation proceedings are currently underway.

2. Official Comments

Commenting on the case, Peter Millory, Assistant Director of Criminal Investigation for HMRC, said:

"Philip Bisgrove knew he was breaking the law by sending this equipment to Iran, but he went ahead with the deal because he put personal profit before everything else. This case shows that those who flout the law in this way will be identified, investigated and if convicted will receive a prison sentence."

3. Prosecuting Authority

The case was prosecuted on behalf of HMRC by Crown Prosecution Service. The CPS is an independent prosecuting authority. It reports directly to the Attorney General and is responsible for prosecuting some of the largest drug and fraud cases in the UK.

4. Wider Advice for Exporters

Exporters must take their export control responsibilities seriously and ensure full compliance with the regulations. This includes taking reasonable steps to assure themselves that destinations for export are not subject to sanctions or embargoes incorporating export controls - in cases of doubt exporters should contact the ECO. As this and other recent cases show, HMRC and the CPS can and will take action to enforce the controls.

The ECO also provides comprehensive advice on export controls on the Businesslink website – <http://www.businesslink.gov.uk/exportcontrol>

Our guidance includes details of:

- controlled items published on the UK Strategic Export Control Lists
- guidance on applying for an export licence
- guidance on current arms embargoes and sanctions
- how to comply with the controls
- information on the training and seminar programme provided by the ECO

5. Contact the ECO

For further details of strategic export controls please contact:

Export Control Organisation
Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel:020 7215 4594
Fax 020 7215 2635
Email: eco.help@bis.gsi.gov.uk
Website:

<http://www.businesslink.gov.uk/exportcontrol> or <http://www.bis.gov.uk/exportcontrol>

This notice is for information purposes only and has no force in law. Please note that where legal advice is required exporters should make their own arrangements.

Export Control Organisation
26 October 2010
NTE201038