

## NATIONAL NEWSLETTER

Spring 2016

Durham loan shark sentenced to 38 months in Prison.

Wai Lun Cheung, aged 47, who operated an illegal money lending business, was sentenced to 38 months in prison by His Honour Judge S R G Hickey following a hearing at Durham Crown Court in April.

Mr Cheung, of Durham Road West, Bowburn pleaded guilty to illegal money lending and money laundering offences between 5<sup>th</sup> March 2007 and 27<sup>th</sup> August 2014 at an earlier hearing.

On behalf of the prosecution, Jim Dunstan told the court how Mr Cheung frequented casinos in Teesside and Leeds, becoming involved in and then beginning to administer a savings scheme within the Chinese community which he described as The Pot. This in itself did not form part of the prosecution's case. However, Mr Cheung charged interest on a weekly basis to Pot scheme members when he paid their share of the Pot. He also made additional loans to Pot scheme members. These actions required the presence of a consumer credit license to be lawful, which Mr Cheung did not have.

The IMLT executed a warrant on Mr Cheung's home address on Durham Road West in Bowburn in August 2014, seizing documentation and £24,000 in cash.

One victim borrowed £3,000 (over 2 loans) and had to pay £150 a week. However, the original £3,000 remained outstanding until she could pay it off in full. She had paid £6,500 in interest when Mr Cheung contacted her and said she owed £13,000. She didn't receive the full £3,000 in the first place, as the first week's interest was deducted before the loan was handed over.

Text messages sent to this borrower included "If you do not call by now, I will send someone down to catch you. By the time, don't beg my mercy", "Are you trying not to pay? If you still not replying me, I'll get somebody to do thing. I warned you. You got to bear the consequences" and "If you still not get back to me, I will get someone to go down to your house next week. Getting your address is not that hard. I'm warning you."

Mr Cheung admitted making loans of £85,580 on which he charged interest, and £59,370 without interest. There were also a large number of cash deposits into his account, of which it was agreed a third related to illegal activity.



## Preston loan shark sentenced to two years

David Jackson, aged 58, who operated an illegal money lending business in Preston, was sentenced to two years in jail following a hearing at Preston Crown Court in March. Mark Hayhurst, aged 33, who worked for Jackson, was given a nine-month sentence, suspended for two years and ordered to do 150 hours of unpaid work.

On behalf of the prosecution, Ben Mills told the court how Jackson, after leaving his job as a collector for a legitimate loan company, set up his own illegal lending business, encouraging many of the company's customers to take loans from him instead. His son-in-law, Hayhurst, initially began working for him as a driver on his collection rounds, but as Jackson spent more time in Spain, Hayhurst took an active role in collecting payments and issuing loans.

The IMLT executed a warrant on a property owned by Jackson on Trower Street, Preston and Hayhurst's address on Garsdale Road in November 2014, seizing loan documentation and cash.

The records seized showed that victims were charged £60 interest for every £100 borrowed and that loans had been issued to at least 142 individuals. The Team also found evidence that Jackson had declared some of his income from money lending to HMRC, but was systematically hiding a significant percentage of his business by not submitting lists of his most lucrative victims to his accountant. During the years he ran his business, Jackson collected almost £430,000 from his victims.

Upon sentencing David Jackson, Mr Recorder TJ Hannam said "These are very serious offences and it's clear in this case that your behaviour was deliberately criminal. You were persuasive, insidious and damaging.

Your victims came from the most vulnerable areas of society, including the elderly and those addicted to gambling and very few were able to escape the spiral of debt in which you encouraged them.

You collected just short of £430,000 and became so busy that you employed Mark Hayhurst, enabling you to live in Spain. There was a level of sophistication in your method, you kept detailed records of both your on and off the book loans and those records you suppressed from your tax returns varied between 28% and 46% of the value of your business.

The aggravating factors are that you were active over a long period of time, you knew it was criminal, you failed to heed the warning of your accountant, targeted the vulnerable and involved a family member. Your offending is so serious that only a custodial sentence can be justified."

Proceeds of crime is ongoing in this case.

## Torquay Loan Sharks Sentenced

A couple from Torquay have been convicted of illegal money lending. Theodora Bacquain, aged 45, of East Pafford Avenue, Torquay, was given a 16-month sentence, suspended for 18 months and ordered to do 180 hours of unpaid work. Her husband, Nardo Bacquain, aged 40 was given a 9 month sentence, suspended for 18 months and ordered to do 100 hours of unpaid work.

On behalf of the prosecution, Simon Mortimer told the court how Theodora had been running a money lending business, providing loans within the Filipino community since 2007. She began her lending business when living in the Walthamstow borough of London, and continued after she moved to Torquay in 2012.

During the period in which she ran the illegal business, Theodora issued at least 115 loans, ranging from £250 to £5,000, to 58 individuals. She advanced £172,000, with the returns estimated to be in excess of £200,000, with penalties frequently imposed on those who had missed payments.

Theodora's husband, Nardo, was also part of the business, at times signing loan agreements as a witness and taking repayments from customers to pass on to his wife.

Upon sentencing, His Honour Judge George Mercer QC said "You were acting as illegal lenders and this is a very serious matter. Although the full financial picture is not clear, you were operating at a serious level and the amounts involved were probably in excess of £200,000.

Illegal money lending is a serious matter as it tends to prey on vulnerable people who cannot obtain credit elsewhere."

Proceeds of crime hearing ongoing

## Caerphilly loan shark ordered to compensate victims

A convicted loan shark who kept thousands in cash in pillowcases under his bed has been ordered to pay three of his victims £66,000 in compensation.

Gareth Jenkins, 63, was jailed for 15 months for illegal money lending in June 2015.

When officers raided his Caerphilly home, they found £30,000 stuffed in the pillowcases and recovered £61,000 from two bank accounts. The total compensation order of £91,073, has to be paid in full in 28 days, or Jenkins will have to serve a further nine months in prison.

The hearing was brought to court by the Wales Illegal Money Lending Unit (Wimlu) after Jenkins was convicted of four offences of loan sharking over a 10-year period.

Stephen Grey, investigations manager for [Wimlu](#), said: "We are very pleased with this result, as this is the first time we have been able to use seized assets to provide significant sums of money to compensate the victims directly.

"If anyone thinks that a loan shark is operating near them, please call us and we can use this intelligence to investigate."

## Scarborough loan shark given two eight-month sentences

Adelaida Thompson, 65, who operated as a loan shark in Scarborough, has been given two eight-month sentences, suspended for two years, and ordered to do 150 hours of unpaid work. She has also been given a curfew of 7pm to 7am.

Ms Thompson, of Limestone Road, Burniston, Scarborough, pleaded guilty to illegal money lending. Evidence showed that, over a period of more than four years, Thompson was lending to numerous people in the area's Filipino community, many of them nurses. The sentence came following a warrant executed by the IMLT in January 2015 at Ms Thompson's home address, during which loan documentation and over £8,000 in cash was found.

Simon Mortimer, prosecuting on behalf of the Illegal Money Lending Team, told the court that records seized from Thompson's home, which may have only covered a small part of the period in question, indicated that she had given out 167 loans to 29 different borrowers, loaning more than £113,000 and receiving over £142,000 in repayments.

Upon sentencing, His Honour Judge Batty said: "This sentence is on the basis that you are a loan shark, charging exorbitant rates of interest with penalties charged if payments were not made on time. On one occasion you went to a borrower's house and demanded money.

These offences are viewed seriously by the courts. Unlicensed lending targets the most vulnerable in society, they cannot, through no fault of their own, use the usual channels for funds so people like you flourish and make money from them. Society will not tolerate unlicensed lending in this or any other form."

## Penley Loan Shark sentenced

A man living near Wrexham used his savings to fund an illegal money-lending operation, a court heard. Arek Lewandowski, 40, was sentenced to four months in prison, suspended for two years, at Mold Crown Court, sitting in Chester.

Lewandowski, of Grange Road, Penley, pleaded guilty at a previous hearing to illegally lending a total of £4,400 to three people. He had also admitted criminal damage to one victim's door. He must pay £500 in costs and an £80 statutory surcharge and must complete 120 hours of unpaid work.

Judge David Hale said what concerned him was the effect that the messages had on the recipients, rather than the intent. Lewandowski accepted it had been wrong to bang on the victim's door, his legal representation told the court, but he had "refused to discuss the matter".

Lewandowski had previously pleaded guilty to two counts of engaging in a consumer activity without a licence and three counts of engaging in an unauthorised transaction between December 30, 2013 and January 1, 2015.

Judge Hale told Lewandowski: "You readily lent these people money at interest rates that were far higher in the main than any other available lender. That was wrong and you must never do it again."

He said trying to enforce the debt by banging on the door and sending the text messages that Lewandowski did were "completely criminal". The judge spoke of the effect Lewandowski had on people "when their lives have gone wrong and they can't make these extortionate payments". But he added: "It's right to say that operation was limited".

## Manchester loan shark given eight-month sentence

Garry Marsh, 55, who operated as a loan shark in the Wythenshawe area of Manchester, was given an eight-month sentence, suspended for two years, following a hearing at Manchester Crown Court.

Mr Marsh, of Gladeside Road, Wythenshawe, pleaded guilty to two counts of illegal money lending. Evidence showed that Marsh was ran an unlicensed cash loan business under two separate business names between 2013 and 2015. It also showed that the gross income of the business was £15,000 per annum, based on records seized from Marsh's home when the IMLT executed a warrant at his home address in March 2015.

Simon Mortimer, prosecuting on behalf of the Illegal Money Lending Team, also explained how Marsh had utilised the County Court in order to recover unpaid debts from his victims.

Upon sentencing, Mr Recorder Stewart said "Regardless of how Mr Marsh thought of his activities, he was unpleasant and preying on vulnerable, disadvantaged people.

He was engaged in illegal money lending for two years and society rightly despises illegal money lenders".

## Convicted loan shark in Manchester ordered to pay back £43,000

A convicted loan shark has been ordered to pay back all available assets to the courts, following a financial investigation by the England Illegal Money Lending Team.

Samuel Hayes, aged 53, from Manchester had assets amounting to £43,041. He must pay back this amount within three months or face a default sentence of 18 months.

Mr Hayes previously pleaded guilty to illegal money lending and possession of Class A drugs and in September 2015 was given a 12-month sentence, suspended for 18 months. He was also ordered to wear an electronic tag.

Simon Mortimer, on behalf of the prosecution, told Manchester Crown Court, how Mr Hayes made a total of more than £150,000 over a period of almost three years through his illegal money lending business.

His assets included a 50% stake in a property on Court Drive, Clayton Bridge, Manchester and nearly £10,000 in cash which was seized.

Hayes had been running his illegal money lending business in Greater Manchester between December 2011 and November 2014, when the IMLT executed a search warrant at his address. He had lent money to a total of 118 people, with at least 280 loans issued. The interest rates he charged varied from 50% to 100%, though most commonly he charged 70%. Furthermore, all loans had a £25 admin fee added to the balance.

## Convicted Stockport loan sharks ordered to pay back £60,000

Two convicted loan sharks have been ordered to pay back all their available assets to the courts, following a financial investigation by the England Illegal Money Lending Team.

Alison Wilson, aged 53, and her husband Ian Wilson, aged 55, from Stockport had assets amounting to £60,000 and they have been ordered to pay back this amount within three months.

The Wilsons previously pleaded guilty to offences of illegal money lending and, in September 2015, Alison Wilson was sentenced to eight months in prison. Meanwhile, Ian Wilson was given a 10-month sentence, suspended for two years and told he must wear an electronic tag.

At the hearing, the Court heard how the Wilsons made a total of £300,000 through their illegal money lending business.

Their only asset was their house at Lenham Close, Brinnington, Stockport, which the court decided had a value, taking into account the outstanding mortgage, of £60,000. As joint owners of the property, the benefit was split between them and they must each pay £30,000 within the three month time period set out by the Court or face a default sentence of nine months.

The Wilsons, along with their daughter Cherie Wilson and family friend Angela Rutherford, ran an illegal money lending business in the Brinnington area of Stockport, which targeted people on the financial breadline. They issued loans to over 100 people, with amounts borrowed ranging from £50 to £200.

## West Lothian Loan Shark ordered to payback £6,461.64

Convicted Loan Shark Angela Smeaton from West Lothian has been ordered to pay back £6,461.64 following an investigation by the Scottish team. This followed a Proceeds of Crime hearing which found that she had benefited by £49,761.63, from her unauthorised Business.

Smeaton operated as a parallel lender working for a legitimate lender while offering loans from an unauthorised company to unsuspecting customers who were unaware of the problems they were getting into. Smeaton preyed on 18 victims prior to the investigation.

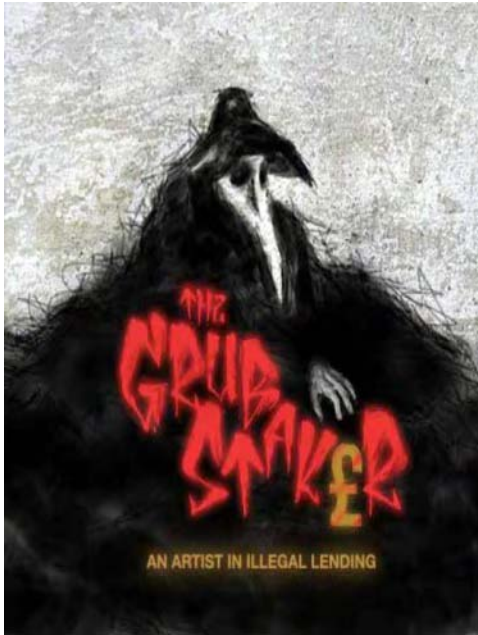
The case only came to light when a victim went to her local debt advice agency for support with her debt issues. The debt adviser contacted Trading Standards Scotland after becoming concerned about the legitimacy of the company.

Smeaton and her co-accused Steven Maxwell plead guilty at Falkirk Sheriff Court. Sentence has been deferred on Smeaton but Maxwell was fined £250.

Fiona Richardson, Chief Officer of Trading Standards Scotland, said "This conviction and confiscation shows that Illegal Money Lending will not be tolerated in Scotland. Loan Sharks cause their victims misery and stress, using harmful tactics to make sure that their victims continue to pay. We would encourage anyone with any information regarding a Loan Shark to contact our confidential hotline on 0800 074 0878"

# 18 suspected loan sharks arrested across 14 operations





The "Grubstaker" is spending criminal's money in Scarborough

A play about Illegal Money Lenders, paid for using proceeds of crime from convicted loan sharks premiered in Scarborough on January 23<sup>rd</sup>.

"Grubstaker", written by S. Alexander Briggs and directed by Cheryl Govan, followed the story of Hal Gregory, who is presented with difficult life circumstances when a visit from the ominous Grubstaker and his Associates promises to answer his problems. He soon finds his choices send him into a recurring nightmare. The play is a dark comedy created in response to a commission from the Illegal Money Lending Team and was paid for using proceeds of crime money the team has confiscated from loan sharks they have prosecuted.

[https://www.youtube.com/watch?v=\\_1W7ErCDy9A](https://www.youtube.com/watch?v=_1W7ErCDy9A)

## Training provided on the trouble caused by Loan Sharks to Edinburgh Foodbanks

Trading Standards Scotland has been working with the Trussell Trust Foodbanks based in Edinburgh to raise awareness of Loan Sharks. Training has been provided to volunteers who interact with foodbank customers in the hope of making sure that customers are not tempted by loan sharks. This work is part of a targeted awareness raising campaign in the Scottish Capital. If anyone wants to report a loan shark in Scotland they should contact Trading Standards Scotland on 0800 074 0878 or if they are interested in obtaining materials or training on Loan Sharks they should contact 0141 577 3534.



## Youth Football Benefits from Proceeds of Crime

Saltash United FC in Cornwall unveiled a new kit for their Youth Team on 31<sup>st</sup> March. Sponsored by the England Illegal Money Lending Team and paid for using proceeds of crime money taken from convicted criminals the kit features the Stop Loan Sharks hotline, 0300 555 2222, to help spread the message that help is available for anyone caught in a loan shark's trap. The football club received the new strip at a presentation by Councillor Geoff Brown, Cabinet Member for Communities .

Robin Duff of Saltash United FC said "We were very pleased to be involved with the initiative to highlight illegal money lending. We work hard to be part of the Saltash community and that means we have a responsibility to help protect our players and their families as well as the wider community."



### **Awareness raising campaigns have been ongoing in:**

- Wolverhampton – a week of action with Wolverhampton Homes in January with information stalls, freebies and a quiz to engage residents. Wolf Savings and Loans were present, promoting the benefits of opening credit union savings accounts and their loan products as a safer and cheaper alternative to using loan sharks.
- York - awareness days in March in partnership with Acomb CAB and My Living Credit Union, targeting schools and libraries with the Stop Loan Sharks message. A bus was parked by the credit union shop, where people accessed information and advice on how to tackle loan sharks. Also present at the event was the Stop Loan Sharks mascot, Sid the Shark
- Fenham, Newcastle – a week of action with Your Homes Newcastle, Newcastle CAB, Northumbria Police and Newcastle Trading Standards. The week launched in March with a charter signing at Fenham Library, supported by Joyce McCarty, the Deputy Leader of Newcastle City Council.
- Kings Lynn - local agencies united to sign a charter pledging a zero tolerance approach to illegal money lending and to increase the confidence of residents to use safe legal credit options

such as a local Credit Union. The charter was introduced by Cllr Colin Manning, the Mayor of King's Lynn, and was followed by training sessions, school visits and a coffee morning to get the Stop Loan Sharks message to local residents.

- Arun – working with Arun CAB and Think Family on a campaign that included “Community Advocate” training and a resident’s survey to find out information on illegal money lenders.
- Event in Port Clarence – IMLT attended a Health and Wealth event hosted by thirteen group which aimed to help people make positive choices about their finances
- Broughton and Brooklands, Milton Keynes – week of action with Milton Keynes Council, Swan Credit Union, Community Action Group, Walton Churches Partnership and local schools. This included training sessions, work with Brooklands Farm primary school, a fun day and distribution of stop loan sharks literature

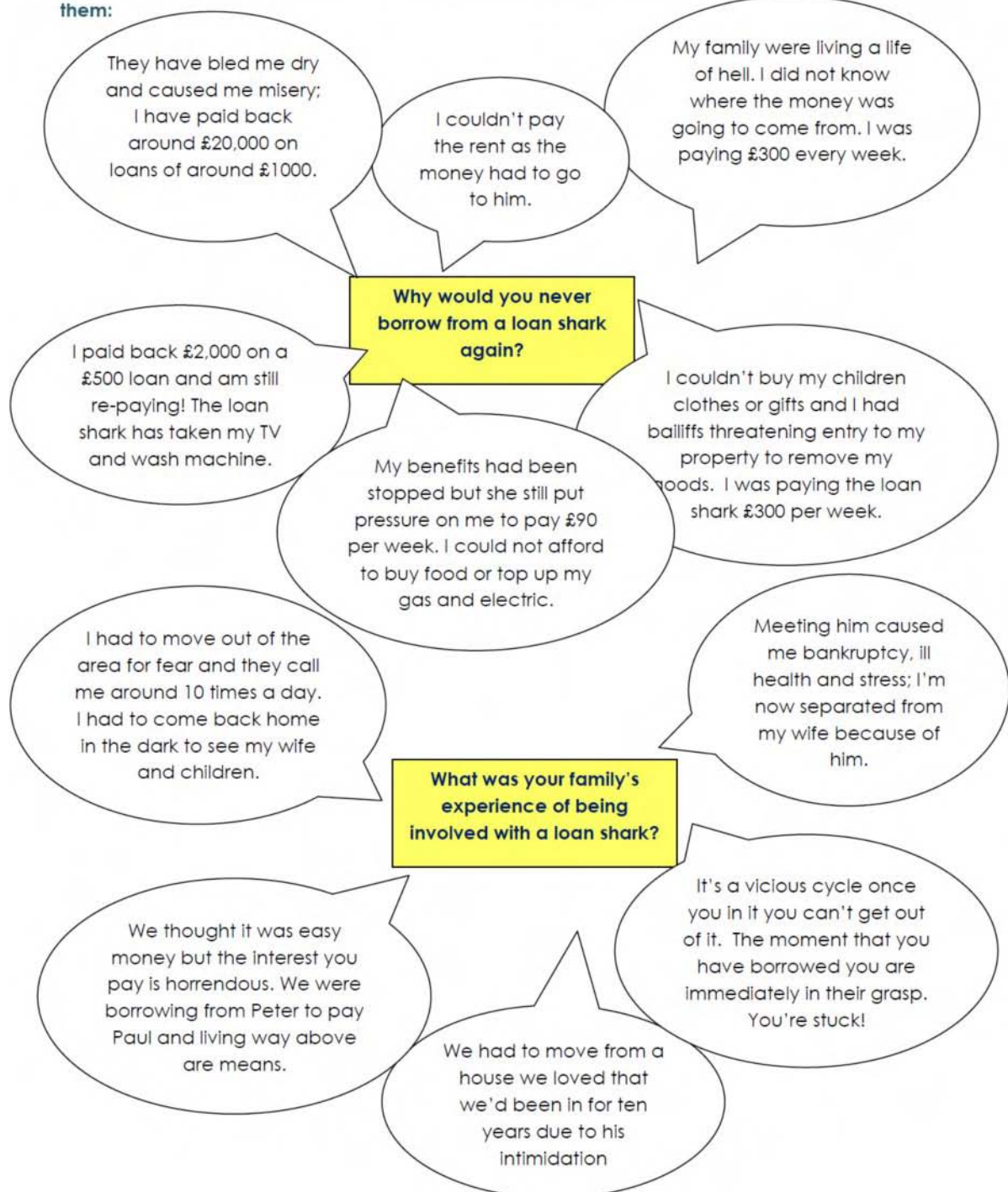


- Bracknell – a week of action in April, including an awareness event at Involve with Trading Standards and the CAB
- East Devon - A week of action in January with East Devon Council visited a number of areas in East Devon to raise awareness of loan sharks. Door knocking and leaflet dropping took place in Axminster, Exmouth, Sidmouth, Honiton, Seaton, Beer and Ottery St Mary. Presentations were delivered to the children in the Switch project in Littleham and Heathpark. An awareness tea and coffee workshop was held in Lymebourne Community Centre as well as a stand outside Tesco in Honiton. During the week we estimate over 10,000 people in East Devon were targeted and made aware of the dangers of borrowing from a loan shark.



- Lincolnshire Police have set up Operation REVIVE with the purpose of befriending, supporting, advising and liaising with vulnerable and elderly members of the community who have been identified by Local Policing Teams as being victims of crime or potential victims of crime. This is done with the help of a trained group of Police Support Volunteers. The England Illegal Money Lending Team were invited to give additional training to these volunteers early this year. The volunteers have all received a wide range of training on subjects such as rogue traders, hate crime, mate crime, doorstep crimes, scams and now illegal money lending.

**Most victims are pleased to no longer be involved with a loan shark – how do we know? We ask them:**



**To report a loan shark call us 24/7**

**on 0300 555 2222**

**Text us on 07860022116**

**Say hello to us on Twitter @loansharknews  
facebook -**

**[www.facebook.com/stoploansharksproject](http://www.facebook.com/stoploansharksproject)**