

DERBYSHIRE COUNTY COUNCIL

MEETING WITH CABINET MEMBER, HEALTH AND COMMUNITIES

03 November 2015

Report of the Strategic Director, Health and Communities

PROSECUTION OF GLOUCESTERSHIRE BASED ROGUE TRADER

1. Purpose of Report:

To advise the Cabinet Member, Health and Communities of the recent conviction of a rogue trader targeting voluntary and public sector organisations.

2. Information and Analysis:

- 2.1 We have recently been notified of the successful conviction of a Gloucestershire based itinerant trader that defrauded dozens of small businesses, charities, village halls, schools and other similar organisations from throughout the country – including Derbyshire. Leslie Smith of Minsterworth, Gloucestershire, trading as “Ringway Traffic Management”, “Traffic Management Solutions” and “Highway Safety Link”, was sentenced on 30 September 2015 at Bristol Crown Court to 16 months' imprisonment for Fraudulent Trading contrary to Section 9 of the Fraud Act 2006. This case illustrates the importance of local authorities sharing intelligence and working together with colleagues both regionally and nationally to gather evidence to help bring to justice the minority of traders who travel throughout the country to defraud and who rely on the ‘here today, gone tomorrow’ type of trading making them difficult to identify and to trace.
- 2.2 The conviction follows a lengthy investigation by the South West Scambusters Team which resulted in Smith pleading guilty in April 2014 for fraudulently trading between 2008 and 2012. Smith had committed offences across the country which saw 30 victims caught in a scam depriving churches, schools and charities of over £57,000. Smith would cold call on consumers – particularly schools, health centres, community centres and religious establishments – and offer a price per metre or foot for marking white lines in car parks. He would falsely claim that he was working on behalf of the Local Authority Highways and had been working on roads nearby with paint left over. Sometimes he would tell the consumer there was a legal requirement to have certain work done.
- 2.3 Once the work was completed - which was invariably of a poor quality and quite often involved more work than had been authorised - a demand was made for a grossly inflated bill. Many consumers refused to pay, but money

that did exchange hands started from around £400 to well over £1000. Smith was eventually arrested and identified by witnesses as the man behind the scam and he entered a guilty plea at a hearing on Friday 25th April 2014 at Bristol Crown Court.

- 2.4 The locations of the offences spanned the country, including Cheshire, Derbyshire, Essex, Gloucestershire, Humberside, Kent, Sussex, Lancashire, Northamptonshire, Bedfordshire, Northumberland, London & Birmingham. We received several complaints from schools, doctors' surgeries and a church in Derbyshire in February and March 2012. In all instances, the story followed a similar pattern. The establishment had received an unsolicited call from a representative from 'Highway Services' who claimed that they were working on behalf of the County Council and had lining paint left over from a Council job and could therefore offer to repaint lines in the establishment at a reduced rate. Typically the caller would speak to a secretary and would arrange for someone in authority to receive a follow-up call from an 'Ian Taylor'. The following incident illustrates the modus operandi of the rogue trader.
- 2.5 In March 2012 the Division received a complaint from a Doctor's Surgery in Ripley. A man calling himself 'Ian Taylor' contacted the Surgery saying that he represented Highway Services and offering to repaint white lines in the Surgery car park as they had paint left over from another job. The Surgery Practice Manager agreed to an appointment and 'Ian Taylor' visited the surgery in February 2012. He was dressed in a suit with reflective jacket and said he was a highway safety officer and implied he worked for the County Council. He showed an official looking ID that he wore around his neck on a lanyard and said that he was working in the area and had a quantity of yellow and white lining paint left in the machinery which would be left over when his current job was finished. He said this would be in a couple of days and the materials which would be left would otherwise be thrown away and because the job had been paid in advance the cost would only be £0.80 per linear foot.
- 2.6 The Practice Manager agreed in principle for the car park lines to be repainted and understood that Ian Taylor would come back the following day so that she could show him exactly what was required. However, the following day the work was carried out without further discussion and therefore had not been agreed. Ian Taylor subsequently returned to seek payment, but the Practice Manager refused and he departed. Fortunately she had the presence of mind to make a note of the registration number of the vehicle and contacted the County Council. Details of the incident were taken and entered on both the trading standards database (Flare) and also on to the trading standards national intelligence database (Memex). This led to information being shared with colleagues at the South West Scambuster Team and subsequently arrangements were made to provide a Criminal Justice Act Section 9 Witness Statement to assist with their investigation. Derbyshire Trading Standards also shared details of the incident with Police colleagues and a countywide alert was issued in March 2012 as well as a County Council Press Release to warn local groups to be cautious if approached in similar circumstances.

- 2.7 Colleagues from the South West Scambuster Team were collating evidence about the rogue traders. Crucial to this type of investigation is establishing the identity of the individuals engaged in the criminal activity. Central to this case were the two other names used by Smith in order to avoid detection by the authorities. These were 'Paul Lee' and 'Ian Taylor' – the name used in the Derbyshire incident - and Smith had gone to great lengths in creating these different identities. Enquiries with the Driving Vehicles Licensing Authority (DVLA) showed that they held details of driving licences in the name of Leslie Smith born 24/02/1975, Leslie Smith born 24/02/1972 and Paul Lee born 24/02/1975.
- 2.8 Enquiries with HM Passport Office showed that they held details of passports in the name of Leslie Smith born 24/02/1975 and Paul Lee born 24/02/1975. HMRC confirmed that a photograph identity card in the name of Ian Taylor was false. These documents were handed to an expert in facial mapping who reported that the similarities lend strong support to show that they are one and the same person, Leslie Smith. Smith was subsequently charged with the offence as outlined and has received an appropriate sentence for the distress and financial loss caused to the many victims caught up in this heartless scam.
- 2.9 Sadly, Organised Crime Groups such as that led by Leslie Smith can be very convincing and take time and resources to track down. The importance of local trading standards officers working with enforcement colleagues from other agencies and other parts of the country is clear from this type of investigation.
- 2.10 Fortunately none of the Derbyshire organisations parted with any money even though several of them – including a church in Alfreton – had had lines painted in their carparks. Itinerant rogue traders are opportunist and will seek to take advantage of vulnerable individuals. A robust response can be enough to avoid difficulties as illustrated in the following example from an ecclesiastical establishment:

'I said that I wasn't happy that they had gone about the work in the manner they did and was not at all happy about the un-agreed price they were charging. I also said that it was unusual for people to demand money the following day for any work like this and I said that £900 was way too expensive for 200 foot of lining. Having done some homework on prices, I said that the going rate was about £1 per metre and that he was trying to charge over 10 times the going rate.'

'He said that they had an invoice prepared for £480 and he didn't know why Mr Wilson was asking for £900.'

'I said £480 was still far too much. Mr Taylor said that this was a minimum call out fee. I said 'but we didn't call you out!''

'Mr Taylor then said 'well how much do you think the work is worth, I said '200 foot is about 70 metres, so at £1 per metre that is £70'.

'At this stage Mr Taylor wasn't very happy at all, and he said 'the Father can keep his £70, we will come and scrape the lining up'.

'I said that normally costs about £2 per metre for them to do that.'

'I then said 'I will leave that with you', and then he hung up on me.'

3 Other Considerations:

In preparing this report the relevance of the following factors has been considered; human resources, legal, financial, prevention of crime and disorder, equality of opportunity; environmental, health, human resources, property and transport considerations.

4 Background Papers:

None

5 Key Decision:

No

6 Call-in:

Is it required that call-in be waived for any decision on this report? No

7 Officer's Recommendation:

That the Cabinet Member, Health and Communities notes the report.

**David Lowe
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Health and Communities**