

Regulator investigating eight linked fraudulent charities

The Charity Commission is today announcing a class statutory inquiry into a group of charities alleged to be involved in money laundering, which had common trustees.

The charities are:

The Commission has been investigating the charities since June 2014 when it was notified of a Metropolitan Police investigation into the charities over concerns that they were being used to launder £10 million. The Commission assessed information and found a pattern of regulatory concerns across the charities; these included signs of fraud and mismanagement.

The Commission therefore opened a class statutory inquiry on 13 June 2014. It has been unable to announce the investigation until now so as to avoid prejudicing criminal proceedings, under which the inquiry has been working closely with the Metropolitan Police. On 26 June 2019 the administrator of Chabad UK was convicted of laundering money through the charities, as well as for supplying false information to the Commission. He was [sentenced](#) at Southwark Crown Court on 4 July 2019.

Amy Spiller, Head of Investigations Team at the Charity Commission, said:

This case has involved a dishonest abuse of charity and we welcome the sentence. Charities exist to do good and strengthen society, so abuse of position of this kind has no place in charity. It is right that the individual has been held to account for his actions through the conviction.

The inquiry has included examining:

- the use of the charities for a non-charitable purpose and as a conduit to launder the proceeds of crime;
- the misapplication of charitable funds for an improper or criminal purpose;
- personal benefit to trustees in breach of trust;
- how the charities were set up;
- the supply of false or misleading information to the Commission.

The Commission will now progress the final stages of its inquiry and report on its findings and conclusions in due course. Reports of previous inquiries are available on [GOV.UK](#).

Ends

Notes to Editors

1. The Charity Commission is the independent regulator of charities in England and Wales. To find out more about our work see the [about us](#) page on GOV.UK.
2. Search for charities on our [check charity](#) tool.