

# Press release: Directors' conduct in fine wine investment scam leaves sour taste

Customers who thought they were investing in fine wines investment scheme have been left out of pocket by nearly £1 million.

The investigation by the Insolvency Service found that Crimson Fine Wines Limited, based initially in London and then in Sittingbourne in Kent, used cold calling tactics and then failed to purchase or allocate wines to customers who had paid for their investments. The scheme offered investors returns over 12 months to five years, at a time when they claimed the property market and shares were less attractive.

The Secretary of State for Business Energy and Industrial Strategy accepted disqualification undertakings from Craig Cooper and Jefferey Kushner, preventing them from acting as directors for 11 and 9 years respectively.

Kushner was the listed director of Crimson Fine Wines Limited but lived in Canada, and allowed Cooper, who had previous experience in the industry, to run the operation.

As a result of this failure, at the time of liquidation of Crimson Fine Wines Limited there was insufficient wine held in the bonded warehouse to satisfy customers' claims.

Additionally, Cooper used the company's bank account for his own personal benefit, used his own personal bank account for the receipt of company funds and was paid at least one third share of £114,106 in dividends. Kushner was negligent in failing to monitor the company account, allowing it to be used for non-commercial benefits, but also received at least one third share of £114,106 in dividends.

Customer claims in the liquidation totalled £989,258, of the overall debts on liquidation of £1,080,724.

Karen Jackson, Official Receiver, said:

One of the main purposes of the Company Directors Disqualification Act is to ensure proper standards of conduct of company directors are maintained and to raise those standards where appropriate.

These disqualifications should serve as a reminder that the Insolvency Service will investigate unacceptable conduct by company directors.

The Insolvency Service will take action against directors who do not take their obligations seriously and abuse their position.

## Notes to editors

Jeffrey Kushner's date of birth is December 1980 and he resides in Ontario, Canada.

Craig Cooper's date of birth is January 1983 and he resides in Chatham, Kent.

Crimson Fine Wines Ltd (CR0 No. 07537346) was incorporated on 15 January 2008 and latterly traded from Sears Business Centre, 3-9 Station Street, Sittingbourne, United Kingdom, ME10 3DU.

Cooper was initially appointed as the company's co-director with Kushner from incorporation on 1 February 2011. Cooper then resigned as a director at Companies House on 22 March 2011 but continued to act as a director until the company went into liquidation on 17 August 2015. The estimated deficiency at the date of Liquidation was £1,080,724.

On 18 July 2017, the Secretary of State accepted a Disqualification Undertaking from Craig Cooper, effective from 8 August 2017, for 11 years.

On 25 May 2017, the Secretary of State accepted a Disqualification Undertaking from Jeffrey Kushner, effective from 15 June 2017, for 9 years.

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership
- be a receiver of a company's property

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a [range of other restrictions](#).

The Insolvency Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

BEIS' mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and

promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies. The agency also authorises and regulates the insolvency profession, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

You can also follow the Insolvency Service on:

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## **Press release: PM's European Council press statement: 20 October 2017**

The United Kingdom will take its seat at the European Council table for another year and a half, and we have important work to achieve together in this time.

But cooperation with our European friends will not stop in March 2019.

The UK will stand alongside the EU, as a strong and committed partner, working to promote our shared interests and values.

Nowhere is this more important than in our approach to the global challenges we face.

Whether security and defence, migration or foreign policy issues – we face common opportunities and risks, and we must continue to address them together.

As I've said before, the UK is unconditionally committed to the security and defence of Europe. We share the vision of a strong, secure and successful EU, with global reach and influence. An EU capable of countering shared threats to our continent, working alongside a confident, outward-looking UK.

Yesterday we discussed a range of subjects including migration, the digital economy and some of the most pressing foreign policy issues, such as North Korea and Iran.

We stand united in our clear condemnation of North Korea's aggressive and illegal missile and nuclear tests and urge all states, including China, to play their part in changing the course Pyongyang is taking.

On Iran, we have reiterated our firm commitment to the nuclear deal, which we believe is vitally important for our shared security.

And last night at dinner, I spoke to my fellow leaders about my vision for a new, deep and special partnership between the UK and the European Union after Brexit.

A partnership based on the same set of fundamental beliefs – in not just democracy and rule of law, but also free trade, rigorous and fair competition, strong consumer rights, and high regulatory standards.

I am ambitious and positive for Britain's future and for these negotiations. But I know we still have some way to go.

Both sides have approached these talks with professionalism and a constructive spirit. We should recognise what has been achieved to date.

The UK and the EU share the same objective of safeguarding the rights of EU nationals living in the UK and UK nationals living in the EU.

EU citizens have made a huge contribution to our country and let me be clear that – whatever happens – we want them and their families to stay.

While there are a small number of issues that remain outstanding on citizens' rights, I am confident that we are in touching distance of a deal.

On Northern Ireland, we have agreed that the Belfast agreement must be at the heart of our approach and that Northern Ireland's unique circumstances demand specific solutions. It is vital that joint work on the peace process is not affected in any way – it is too important for that.

Both sides agree that there cannot be any physical infrastructure at the border and that the Common travel area must continue.

We have both committed to delivering a flexible and imaginative approach on this vital issue.

This Council is an important moment. It is a point at which to assess and reflect on how to make further progress.

My speech in Florence made two important steps, which have added a new impetus to the negotiations. I gave a firm commitment on the financial settlement and I proposed a time-limited implementation period based on current terms, which is in the interest of both the UK and the EU.

Both sides agree that subsequent rounds have been conducted in a new spirit. My fellow leaders have been discussing that this morning and I believe that it is in the interests of the UK that the EU 27 continues to take a united approach.

But if we are going to take a step forward together it must be on the basis of joint effort and endeavour.

We must work together to get to an outcome that we can stand behind and that works for all our people.

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## **Press release: PM call with Prime Minister-elect Jacinda Ardern: 20 October 2017**

The Prime Minister spoke to Prime Minister-elect Jacinda Ardern of New Zealand today and extended her warm congratulations on the election result.

They agreed to work together to build on the close and historic partnership between our two countries, including on trade as the UK prepares to leave the EU.

They also agreed on the importance of our cooperation on security and counter-terrorism, as well as our intelligence-sharing partnership under the Five Eyes alliance. They committed to continuing this collaboration in the face of global challenges, such as the growing threat from North Korea.

They ended by saying they hoped to meet at the earliest opportunity.

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## **Press release: Court finds vitamin scam a bitter pill to swallow**

Greenlife Wellness Limited and Naturecare Wellness Limited made false and misleading claims in persuading elderly and vulnerable customers to purchase grossly overpriced health supplements. The companies, both based in London, have now been shut down following an investigation by the Insolvency Service.

The two companies purchased data lists containing details of UK-based individuals over the age of 65 with health concerns over arthritis and joint pain. They then used third party call centres in India, some operated by the same common directors of the two companies, to make unsolicited calls to the individuals to try to sell them a range of health supplements.

The investigation found the companies' customers were subjected to lengthy telesales calls during which the callers gave the impression they were calling on behalf of UK medical bodies and that they were healthcare professionals promoting an official healthcare campaign.

Some customers were found to have paid several hundreds of pounds a month in separate transactions spread over several years. In one case, an 81-year old customer had paid over £19,000 for supplements over a 4 year period.

Customers were called repeatedly, some despite being registered on the Telephone Preference Service or being ex-directory, and falsely told that their details had been obtained from their GP or medical centre.

Customers were also pressurised into purchasing supplements despite being concerned that they those supplements may adversely affect medication they were already being prescribed.

Other customers felt pressured into purchasing more supplements than they wanted as sales agents were persistent and demanding.

Between January 2013 and August 2017 the companies generated a combined turnover of around £2,000,000 from the sale of health supplements.

Commenting on the case, Irshard Mohammed, Senior Investigator at the Insolvency Service, said:

The sales methods used by the companies were manipulative, misleading and wholly unfair.

These winding-up proceedings show that the Insolvency Service will use the full weight of its powers to take action against companies that operate in such an unscrupulous way.

Sales representatives acting on behalf of the companies:

- made claims about the health benefits and qualities of the supplements which have no medical basis
- implied that they had medical experience when they had none
- implied that they were calling on behalf of genuine medical bodies when they were not
- claimed to be conducting an official healthcare campaign, when that was not found to be the case

The petitions to wind-up both Greenlife Wellness Limited and Naturecare Wellness Limited were presented under s124A Insolvency Act 1986 on 20 July 2017. The companies were wound up on 18 October 2017 and the Official Receiver has been appointed as liquidator. ## Notes to Editors

Greenlife Wellness Limited – company registration number 08281856 – was incorporated on 6 November 2012. The company's registered office is at New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ. This address situated the company accountant's office.

Naturecare Wellness Limited – company registration number 09251111 – was

incorporated on 6 October 2014 under the name Goldstar Wellness Limited before changing its name on 8 October 2014 to Naturecare Wellness Limited. The company's registered office is at New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ. This address situated the company accountant's office.

The winding-up orders were made by Mr Registrar Jones on 18 October 2017, with Lucy Wilson-Barnes appearing for the Secretary of State and no one on behalf of the companies.

Company Investigations, part of the Insolvency Service, uses powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK on behalf of the Secretary of State for Business, Energy & Industrial Strategy (BEIS).

Further information about live company investigations is available [here](#)

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Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

By virtue of the appointment of the Official Receiver all public enquiries concerning the affairs of the company should be made to: The Official Receiver, Public Interest Unit, 2nd Floor, 4 Abbey Orchard Street, London SW1P 2HT. Email: [piu.south@insolvency.gsi.gov.uk](mailto:piu.south@insolvency.gsi.gov.uk)

You can also follow the Insolvency Service on:

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# Press release: Sports charity investigated by Charity Commission

The Charity Commission, the independent regulator of charities in England and Wales, has opened a statutory inquiry into Dream It Believe It Achieve It, a charity working to advance the physical education of children and young people and to relieve disability. The investigation was opened on 5 January 2017.

The Commission has been engaging with the charity since March 2014, after concerns were raised about its fundraising activities. The inquiry follows on from this engagement and will examine:

- the administration, governance and management of the charity by the trustees, including its financial controls
- the charity's relationship with connected companies and whether these relationships are in the best interests of the charity
- transactions between the charity and companies connected to the trustees and former trustees, and whether any unauthorised benefits have been received

The Commission stresses that opening an inquiry is not in itself a finding of wrong doing. The purpose of an inquiry is to examine issues in detail and investigate and establish the facts so that the regulator can ascertain whether there has been misconduct and mismanagement in the administration of the charity; establish the extent of the risk to the charity's property, beneficiaries or work; decide what action needs to be taken to resolve the serious concerns, if necessary using its protective and remedial powers to do so.

It is the Commission's policy, after it has concluded an inquiry, to publish a report detailing what issues the inquiry looked at, what actions were undertaken as part of the inquiry and what the outcomes were. Reports of previous inquiries by the Commission are available on its website.

The charity's registered number is 1153116. Its details can be viewed on the Commission's [check charity tool](#).

## **Ends**

PR 70/17

## **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 our [annual report](#).
2. Search for charities on our [check charity tool](#).
3. Section 46 of the Charities Act 2011 gives the commission the power to

institute inquiries. The opening of an inquiry gives the commission access to a range of investigative, protective and remedial legal powers.

4. The Commission's [decision to announce the opening of a statutory inquiry](#) is based on whether it is in the public interest to do so and with consideration of our objective to increase public trust and confidence in charities.