

SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 11119-2013

BETWEEN:

SOLICITORS REGULATION AUTHORITY

Applicant

and

SRINATH REDDY (a.k.a. SRINATH AREDLA)

Respondent

Before:

Mrs K. Thompson (in the chair)

Mr L. N. Gilford

Mr S. Marquez

Date of Hearing: 23rd May 2013

Appearances

Myra Humphreys, Solicitor employed by the Solicitors Regulation Authority of The Cube, 199 Wharfside Street, Birmingham, B1 1RN, for the Applicant.

The Respondent did not appear and was not represented

JUDGMENT

Allegation

1. The allegation against the Respondent Srinath Reddy (a.k.a. Srinath Aredla) was that contrary to all, alternatively any of Principles 1, 2 and/or 6 of the SRA Principles 2011 he was, on 18 May 2012, convicted upon his own admission after the jury had been sworn of conspiracy to defraud, contrary to common law and was sentenced to 78 months of imprisonment.

Documents

2. The Tribunal reviewed all the documents including:

Applicant:

- Rule 5 Statement dated 11 January 2013 with exhibit
- Letter from Ms Humphreys to the Respondent dated 20 May 2013 within enclosed:
- Statement of costs dated 20 May 2013

Respondent:

- None

Preliminary matter

3. The Respondent was in custody and not present at the hearing. Ms Humphreys informed the Tribunal that the Applicant had been in correspondence with the Respondent and referred to a letter that he had sent to Ms Ackers of the Applicant dated 20 December 2012 from HMP Huntercombe which was the address used by the Applicant for the Rule 5 Statement and other documentation. The Tribunal was satisfied that although the Respondent had not engaged with the proceedings he had been properly served in accordance with The Solicitors (Disciplinary Proceedings) Rules 2007 and under Rule 16(2) the Tribunal determined that it would exercise its power to hear and determine the application notwithstanding that the Respondent was not present and not represented at the hearing.

Factual Background

4. The Respondent was born in 1972 and admitted as a solicitor in 2004. His name remained on the Roll of Solicitors.
5. At the relevant time the Respondent was a sole practitioner at Rishi & Co (“the firm”) of Hounslow. The firm closed on 30 April 2010.
6. On 18 May 2012, at Isleworth Crown Court, the Respondent was convicted upon indictment and after the jury being sworn, upon his own admission of one count of conspiracy to defraud.

7. On 21 May 2012, the Respondent was sentenced to 78 months imprisonment (271 days spent on remand to count towards the sentence). Certified records sheets obtained by the Applicant from the Crown Court indicated that the offence date started on 1 June 2009 and ended on 24 August 2011.
8. It came to the attention of the Applicant that in 2011 the Respondent was arrested by the Metropolitan Police and charged with an offence of conspiracy to defraud the Home Office. At that time the Respondent was no longer practising and was remanded into custody, pending his trial. Matters were allowed to lie on file until the outcome of the criminal proceedings was known. The Applicant was subsequently informed that the Respondent had pleaded guilty after the trial had commenced and accordingly the Applicant obtained a copy of the Certificate of Conviction which was before the Tribunal.
9. On 11 October 2012, an Authorised Officer resolved to refer the conduct of the Respondent to the Tribunal.
10. On 5 November 2012, the Respondent wrote to the Applicant and requested a stay in the Applicant's prosecution. On 19 November 2012, the Respondent wrote to the Applicant and stated inter-alia that he had lodged an appeal against conviction and that he was known by the names Srinath Reddy and Srinath Aredla, his full name being Srinath Reddy Aredla.
11. On 20 December 2012, the Respondent wrote to Applicant and confirmed that leave to appeal had been refused by a single Judge but that he was renewing his application. It was not known at the date of the Rule 5 Statement when the appeal hearing was expected to take place.
12. Her Honour Judge Dean's remarks when passing sentence included the following:

“You Mr Aredla have practised in this country as a solicitor and your firm was Rishi & Co. It is of note that Detective Constable Cornwell when he gave evidence was unable to identify any meaningful accounts for this firm. The reason is perhaps simple. The firm's purpose was to put a vital layer of credibility to numerous fraudulent applications for leave to remain which were made to the Home Office under the tier one system.”

Sixty such applications have been identified. The majority were made with Rishi & Co as the named representative and indeed where applications were refused where the paperwork was not in order Rishi & Co made the appeal and all those applications and appeals were signed by you, Mr Aredla in your capacity as a solicitor. This was, it should be noted, a conspiracy which lasted over two years.”

All 60 applications were made with inflated points for previous earnings. You had set up three sham companies. The applicants either received false payslips or issued false invoices to evidence these earnings. They were backed up with bank statements as you had made transfers into their accounts. Careful investigation showed the payments were made into your accounts only for

mirror deductions into the applicants. This was, in my view, fraud on a substantial scale.

You were running a criminal business and you Mr Aredla used your considerable knowledge demonstrated to me throughout this case of the immigration system to exploit any weaknesses and I also make it plain that I sentence you on the basis that the motivation was profit and profit alone.

It is clear from the turnovers in these three bogus companies, in excess of four million pounds during the relevant periods that the profits were substantial. The evidence suggests that each applicant paid a fee in the region of £3,000.

I make it plain and I stress that I sentence you for conspiracy to defraud in respect of only sixty proven fraudulent applications. I refer to the four million figure to demonstrate that your business was plainly a profitable one.

In terms of roles, where Mr Aredla I make it plain that I consider that you were a solicitor, a substantially aggravating feature of this case. You abused that role as a solicitor and as an officer of the court. I am also of the view that you were the driving force behind this criminal enterprise and without you there would have been no such conspiracy. As I have already said it was you who spotted weaknesses and it was your law firm and your signature on the applications.”

and

“... This conspiracy involved the manipulation and abuse of The Home Office system for immigration control. These types of offences can lead to erosion and (sic) the public's confidence in the immigration system....

Mr Aredla I can give you no credit for your plea of guilty and I am of the clear view that you have done all in your power to delay and obstruct this prosecution. I make it plain I sentence you for the offence itself, your plea midway through the trial and in my view your plain lack of remorse simply means that there is very little mitigation in this case. Indeed you have expressly stated that you put forward no mitigation, as in your words, a human being. You said that you were motivated by concern for the applicants and you do not accept that you have tarnished the reputation of the legal profession, but as you know I do not accept that.

I take into account that you are a man of good character. I take into account that you are a married man in your late thirties with children. I accept that you have been unable to see your family since your time in custody...”

Findings of Fact and Law

13. The Applicant was required to prove the allegations beyond reasonable doubt. The Tribunal had due regard to the Respondent's rights to a fair trial and to respect for his private and family life under Articles 6 and 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

(The submissions recorded below include those made orally at the hearing and those in the documents.)

14. **Allegation 1. The allegation against the Respondent Srinath Reddy (a.k.a. Srinath Aredla) was that contrary to all, alternatively any of Principles 1, 2 and/or 6 of the SRA Principles 2011 he was, on 18 May 2012 convicted upon his own admission after the jury had been sworn of conspiracy to defraud, contrary to common law and was sentenced to 78 months of imprisonment.**

14.1 For the Applicant, it was submitted that the SRA Principles 2011 were mandatory principles which applied to all. Principles 1, 2 and 6 stated as follows:

“You must:

1. Uphold the rule of law and the proper administration of justice;
2. Act with integrity;
6. Behave in a way that maintains the trust the public places in you and the provision of legal services.”

Ms Humphreys submitted that at the time of the offences the Respondent had been qualified for five years. The maximum sentence which he could have received for the offence of which he was convicted was 10 years and she submitted that the sentence of six and a half years showed that the offence was at the serious end of the scale. The Respondent pleaded guilty after the jury had been sworn. He was convicted in respect of 60 incidents and had been held to be the driving force in the fraud. His firm had represented all the applicants and the Respondent signed all the applications for leave to remain and any appeals. He set up three false companies with a turnover of £4 million. The Judge had held his practice to be a sham; it did no meaningful work and this was a fraud on a major scale. Ms Humphreys also emphasised that the Judge had indicated that there were no mitigating factors. The Respondent’s view was that he had not tarnished the reputation of the legal profession. Ms Humphreys submitted that the offence of which the Respondent had been convicted was one of dishonesty and that conviction was sufficient to establish dishonesty for the purposes of the Tribunal. Humphreys referred the Tribunal to the case of Bolton v The Law Society [1994] 1 WLR 512 which stated that in cases of proven dishonesty the Tribunal had almost invariably, no matter how strong the mitigation advanced for the solicitor, ordered that he be struck off the Roll of Solicitors. Ms Humphreys also submitted that it was established in the case of Solicitors Regulation Authority v Sharma [2010] EWHC 2022 (Admin) that save in truly exceptional circumstances a solicitor who had been found dishonest could expect to be struck off Roll and the Applicant asked for that sanction to be imposed. If the Respondent’s conviction was subsequently to be overturned on appeal then Rule 21(5) provided for the Tribunal to revoke its finding.

14.2 The Respondent had not engaged in the Tribunal proceedings but he had written to the Applicant and his letters of 5 and 19 November 2012 and 20 December 2012 were before the Tribunal. In the first of these letters, the Respondent stated inter-alia:

“I wrote to inform you that I had appealed against my conviction on the grounds that my conviction was not only unsafe but also a malicious prosecution. It is true that the case against me is a baseless and fictitious one, fabricated by the police...”

In his letter of 19 November 2012, the Respondent said inter-alia:

“I write to inform you that if I cannot overturn my conviction I would automatically disqualify to enter into the profession again, in such a case your enquiry would show less or no impact on my life. If I win my case, I believe you might not need to proceed against me, even if enquiry is required at that time I will get a fair trial as I will be outside and can defend the proceedings effectively...”

In his letter of 20 December 2012, following the refusal by a single judge to granting permission to appeal his conviction, the Respondent wrote inter alia:

“I spoke to my counsel and he disagrees with the decision of Single Judge and we are going before a full bench by way of “renew application”...”

- 14.3 The Tribunal considered the evidence, the submissions for the Applicant and the letters which the Respondent had sent to the Applicant. By virtue of Rule 15(2) a conviction for a criminal offence may be proved by the production of a certified copy of the certificate of conviction relating to the offence and proof of a conviction shall constitute evidence that the person in question was guilty of the offence. The findings of fact upon which that conviction was based shall be admissible as conclusive proof of those facts save in exceptional circumstances. The Tribunal was satisfied that it could rely upon the conviction. The Tribunal was also satisfied that the conviction involving as it did, dishonesty by conspiracy to defraud, constituted a breach of Principle 1 relating to a solicitor’s duty to uphold the rule of law and the proper administration of justice; Principle 2 the duty to act with integrity and Principle 6 the duty to behave in a way that maintains the trust the public places in him or her and the provision of legal services. The Tribunal therefore found allegation 1 proved.

Previous Disciplinary Matters

15. None

Mitigation

16. The Respondent had not submitted any mitigation.

Sanction

17. The Tribunal had regard to its own Guidance Note of Sanctions, the submissions for the Applicant and the contents of the Respondent’s letters which were before the Tribunal. The Respondent had been found guilty of an offence of dishonesty for which he was personally culpable. His misconduct arose from actions which were planned and he had been qualified for some years when it occurred. His misconduct was aggravated by the finding against him of dishonesty involving the commission of

a criminal offence. His misconduct was deliberate, calculated and repeated. It continued over a period of time and had been concealed. The only possible mitigating factor was that he had pleaded guilty but this was only after the trial had started. The Tribunal could ascertain no exceptional circumstances and the appropriate sanction was that the Respondent should be struck off.

Costs

18. For the Applicant, Ms Humphreys applied for costs in the sum of £636.80. The Respondent had not engaged with the proceedings but it was apparent to the Tribunal that prior to his arrest the turnover from his activities was substantial. The Tribunal summarily assessed the amount of costs in the sum sought and awarded that amount to the Applicant.

Statement of Full Order

19. The Tribunal Ordered that the Respondent Srinath Reddy, also known as Srinath Aredla, solicitor, be Struck Off the Roll of Solicitors and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £636.80.

Dated this 5th day of June 2013
on behalf of the Tribunal

K. Thompson
In the Chair