

**THE SOLICITORS (SCOTLAND) ACT 1980  
THE SCOTTISH SOLICITORS' DISCIPLINE TRIBUNAL  
(PROCEDURE RULES 2008)**

**FINDINGS**

**in Complaint**

**by**

**THE COUNCIL OF THE LAW  
SOCIETY of SCOTLAND, 26  
Drumsheugh Gardens, Edinburgh**

**against**

**RICHARD SUTTON HOUSLEY,  
Solicitor, formerly of HMP Castle  
Huntly, Longforgan, Dundee and  
now at 13 Winton Loan,  
Edinburgh**

1. A Complaint dated 24 April 2015 was lodged with the Scottish Solicitors' Discipline Tribunal by the Council of the Law Society (hereinafter referred to as "the Complainers") averring that, Richard Sutton Housley, formerly of HMP Castle Huntly, Longforgan, Dundee and now at 13 Winton Loan, Edinburgh (hereinafter referred to as "the Respondent") be required to answer the allegations contained in the statement of facts which accompanied the Complaint and that the Tribunal should issue such order in the matter as it thinks right.
2. The Tribunal caused a copy of the Complaint as lodged to be served upon the Respondent. No Answers were lodged for the Respondent.
3. In terms of its Rules the Tribunal appointed the Complaint to be heard on 26 June 2015 and notice thereof was duly served on the Respondent.
4. A letter dated 15 June 2015 was lodged by the Respondent intimating that he did not intend to defend the Complaint or appear before the

Tribunal. A Joint Minute was lodged admitting everything in the Complaint.

5. The hearing took place on 26 June 2015. The Complainers were represented by their Fiscal, Jim Reid, Solicitor, Glasgow. The Respondent was not present or represented.
6. The Fiscal moved the Tribunal to amend the Complaint slightly in terms of the Joint Minute and confirmed that the Respondent did not intend to appear.
7. The Tribunal found the following facts established:

7.1 On 29 January 2013 at the High Court of Justiciary at Glasgow, the Respondent was found guilty as libelled on Indictment to the following three charges:

“(001) on various occasions between 1 July 1993 and 29 January 2007, both dates inclusive, at HM Inland Revenue Scotland South, Elgin House, 20 Haymarket Yards, Edinburgh, HM Inland Revenue, Falkirk 1, Grahame House, 45-47 Vicar Street, Falkirk, HM Inland Revenue Centre 1 Tax Office, East Kilbride, Gebal Solicitors, formerly known as Paul Gebal and Company, 48 North Bridge Street, Bathgate, West Lothian, and 46 Frogston Road West, Edinburgh and elsewhere, you RICHARD SUTTON HOUSLEY did form a fraudulent scheme to avoid the payment of income tax on a proportion of your salary at the higher rate, and in pursuance of said scheme, you did pretend to various officers of HM Inland Revenue, Scotland South, Elgin House, 20 Haymarket Yards, Edinburgh that Mrs A, your wife, Property 1, was an employee of Gebals Solicitors, formerly known as Paul Gebal and Company Solicitors, 48 North Bridge Street, Bathgate, West Lothian and was in receipt of an annual salary and redundancy payment in terms of a

contract of employment, the truth being as you well knew that the said Mrs A was not and never had been an employee of said Gebals Solicitors, formerly known as Paul Gebal and Company Solicitors, 48 North Bridge Street, Bathgate, West Lothian and had never been subject to a contract of employment between said Mrs A and Gebals Solicitors, formerly known as Paul Gebal and Company Solicitors and all payments made to said Mrs A by way of an annual salary and redundancy payment, were payments made for the benefit of you RICHARD SUTTON HOUSLEY which, if paid to you as part of your salary would have been subject to payment of income tax at the higher rate, and did thus receive money from said Gebal Solicitors, formerly known as Paul Gebal and Company Solicitors on which income tax was paid at the standard rate and did thus induce said HM Inland Revenue to accept payment of income tax on said purported salary and redundancy payment at the standard rate and did thus obtain the sum of £39,154.33 by fraud;

(003) between 24 February 2003 and 23 December 2004, both dates inclusive, at Property 2, Property 3, Property 4, Property 5, Property 6, Property 7, Property 8, Property 9, Property 10, HM Prison Glenochil, King O'Muir Road, Tullibody, Company 1, Company 2 and elsewhere in Scotland and abroad, you RICHARD SUTTON HOUSLEY, and Ms B, did whilst acting along with others, enter into or become concerned in an arrangement which you knew or suspected facilitated the acquisition, retention, use or control of criminal property within the meaning of the aftermentioned Act, namely sums of money amounting in cumulo to £1,836,375.00 or thereby, by or on behalf of another in that

(b) you RICHARD SUTTON HOUSLEY and Ms B did direct, operate and facilitate the financial transactions of limited

companies, namely said Company 3 by means of Powers of Attorney granted in favour of you Ms B and Ms C, c/o HM Revenue and Customs, Edinburgh in an attempt to conceal the true owners of said company and did transfer sums of money into and out of the bank accounts of said Company 3, said money being criminal property within the meaning of the aftermentioned Act;

(c) you RICHARD SUTTON HOUSLEY and Ms B did direct, operate and facilitate the financial transactions of the limited company, namely Company 4 and did transfer sums of money into and out of the bank accounts of said Company 4, having its registered office at Property 7, said money being criminal property within the meaning of the aftermentioned Act;

(d) you Ms B did receive into bank accounts held in your own name and in the names of Ms B, TRADING AS Company 3, and Company 4 and others said sums of money amounting to in cumulo to £800,000.00 or thereby;

(e) you RICHARD SUTTON HOUSLEY and Ms B did transfer or cause to be transferred the proceeds of sale of Company 2, said property being criminal property within the meaning of the aftermentioned Act, to said Company 3;

(f) you RICHARD SUTTON HOUSLEY, and Ms B did whilst acting on behalf of said Company 3, obtain a loan of £500,000 from Company 5, and grant a standard security to said Company 5, over the properties at Property 12, Property 13 and Property 14, said properties being criminal property within the meaning of the aftermentioned Act and previously acquired by said Company 3; and

(g) you RICHARD SUTTON HOUSLEY being a partner in the firm of Gebals Solicitors, formerly known as Paul Gebal & Company at 48 North Bridge Street, Bathgate, West Lothian, did receive into said firm's accounts sums of money amounting to in cumulo to £1,336,375.00 or thereby, and did transfer said sums to said Company 3, Company 4 and other companies;

CONTRARY to the Proceeds of Crime Act 2002, Section 328(1);

(004) between 24 February 2003 and 18 February 2005, both dates inclusive, at the premises occupied by Gebals, Solicitors, formerly known as Paul Gebal & Co, at 48 North Bridge Street, Bathgate, West Lothian and 22 Coates Crescent, Edinburgh, you RICHARD SUTTON HOUSLEY did whilst in the course of business in the regulated sector, namely accepting deposits, and as a result of information or other matter which came to you in the course of said business, namely instructions received from said Mr D, and Ms B for the receipt and transfer of money, for the sale of heritable property and transfer of proceeds of sale to third parties and for the obtaining of securities on heritable property, and knowing, suspecting or having reasonable grounds for suspecting that said Mr D, and Ms B were engaged in money laundering activities, did fail to make disclosure required by Section 330(5) of the aftermentioned Act as soon as was practicable after the information or other matter came to you;

CONTRARY to the Proceeds of Crime Act 2002 Section 330(1).

7.2 The Respondent was unanimously found guilty on charges three and four, and was found guilty by majority on charge one.

7.3 On 4<sup>th</sup> March 2013 at the High Court of Justiciary at Edinburgh, the Respondent was sentenced to a period of four years imprisonment from 4<sup>th</sup> March 2013 on charge three, and 6 months imprisonment on each of the charges one and four, both to run concurrently to his sentence on charge three.

7.4 By letter dated 10 February 2014, the Complainers wrote to the Respondent enclosing a Summary of Complaint and confirming a Report would be required to be prepared in respect of the complaint. The Summary of Complaint states:

“The Council of the Law Society of Scotland complains that Richard Housley may be guilty of professional misconduct or unsatisfactory professional conduct in respect of his conviction for:

1. Involvement in a fraudulent scheme to avoid payment of Income Tax.
2. Being involved in an arrangement which he knew or suspected facilitated the acquisition, retention, use or control of criminal property.
3. Knowing, suspecting or having reasonable grounds for suspecting Mr D and Ms B were engaged in money laundering activities and failing to make disclosure.

All as more particularly described in charges 1, 3 & 4 of the Indictment attached.”

7.5 The Complainers carried out the appropriate investigation and the matter was ultimately referred to the Complainers’ Professional Conduct Sub-Committee.

7.6 The complaint was considered by the Complainers’ Professional Conduct Sub Committee on 12<sup>th</sup> March 2015.

The Sub Committee determined that the Respondent's conduct in respect of his conviction on Indictment of three charges involving dishonesty in the High Court of Justiciary and having been sentenced to four years of imprisonment appeared to amount to a serious and reprehensible departure from the standard of conduct to be expected of a competent and reputable solicitor.

The Sub Committee determined that the complaint should be prosecuted in terms of the Solicitors (Scotland) Act 1980 Section 51.

By letter dated 16<sup>th</sup> March 2015 the Complainers sent the Respondent a copy of the Professional Conduct Sub Committee Determination.

8. Having considered the foregoing circumstances, the Tribunal found that Section 53(1)(b) of the Solicitors (Scotland) Act 1980 applied to the circumstances of this case in respect of the Respondent's conviction.
9. The Tribunal pronounced an Interlocutor in the following terms:-

Edinburgh 26 June 2015. The Tribunal having considered the Complaint dated 24 April 2015 at the instance of the Council of the Law Society of Scotland against Richard Sutton Housley, formerly of HMP Castle Huntly, Longforgan, Dundee and now at 13 Winton Loan, Edinburgh; Find that the Respondent has been convicted on three charges and sentenced to a term of imprisonment of four years, six months and six months to run concurrently and that accordingly Section 53(1)(b) of the Solicitors (Scotland) Act 1980 applies to the circumstances of the case; Strike the name of the Respondent, Richard Sutton Housley, from the Roll of Solicitors in Scotland; Find the

Respondent liable in the expenses of the Complainers and of the Tribunal including expenses of the Clerk, chargeable on a time and line basis as the same may be taxed by the Auditor of the Court of Session on an agent and client, client paying basis in terms of Chapter Three of the last published Law Society's Table of Fees for general business with a unit rate of £14.00; and Direct that publicity will be given to this decision and that this publicity should include the name of the Respondent and may but has no need to include the names of anyone other than the Respondent.

**(signed)**

**Alistair Cockburn**

**Chairman**



10. A copy of the foregoing together with a copy of the Findings certified by the Clerk to the Tribunal as correct were duly sent to the Respondent by recorded delivery service on

**IN THE NAME OF THE TRIBUNAL**

**Alistair Cockburn**  
**Chairman**

**NOTE**

This Complaint is a case which was made solely in terms of Section 53(1)(b) of the Solicitors (Scotland) Act 1980 which provides for the Tribunal exercising its powers in terms of Section 53(2) of the said Act *inter alia* where solicitors have been sentenced to imprisonment for a term of 12 months or more.

The Respondent signed a Joint Minute admitting the terms of the Complaint and although he indicated in his letter that he was innocent of the charges, he accepted that he had been found guilty and convicted.

Mr Reid advised that the Respondent did not intend to appear at the Tribunal but had been very cooperative and had agreed the terms of the Joint Minute.

The facts were all as set out in the Complaint. The first charge related to an income tax fraud. The other two charges related to breach of the Proceeds of Crime Act 2002 involving £1.8 million going through the relevant account. This had resulted in a four year period of imprisonment. Mr Reid referred the Tribunal to Production 2 being the sentencing statement of the Judge. The case related to VAT fraud.

**DECISION**

It was clear that the Respondent had been convicted of three charges and sentenced to imprisonment of a period of four years, six months and six months to run concurrent. In these circumstances the Tribunal was satisfied that Section 53(1)(b) of the 1980 Act applied.

This was a very serious conviction. The Tribunal particularly noted the sentencing Judge's remarks – *“The solicitor's role as a gatekeeper in preventing money laundering is not limited to carrying out formal identity checks. It is of much greater importance that members of the legal profession act with honesty and integrity when implementing the statutory obligations imposed upon them by the Proceeds of Crime legislation. They are trusted to do so by the law enforcement agencies and by their fellow lawyers. In relation to the matters before me, you have fallen short of the*

*standard required of a member of legal profession.*” The Tribunal would endorse this statement.

In the circumstances, the Tribunal had no option but to remove the Respondent’s name from the Roll of Solicitors in Scotland. The Respondent is clearly not a fit person to remain on the Roll of Solicitors.

The Fiscal sought an award of expenses. The Tribunal noted the terms of the Respondent’s letter but saw no reason to depart from the usual practice of awarding expenses when such a finding has been made against a solicitor. The Tribunal made the usual order with regard to publicity.

**Alistair Cockburn**  
**Chairman**