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NEWS

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SARS Media Release - SARS Enforcement and Customs Operations for April 2014

Pretoria, 9 May 2014 – The South African Revenue Service (SARS) is providing an update to the media and the public on its operations to combat crimes such as smuggling, fraud and abuse of the tax system for the month of April 2014.

The aim is to inform the public about the work SARS' Customs and Enforcement teams do on a daily basis, to provide an indication of the prevalence of tax and customs-related offences in South Africa, and to illustrate the support SARS provides to other law enforcement agencies.

Interventions to combat Fraud and Corruption

SARS will combat any form of corruption, fraud and abuse of the tax system. The following cases can be reported for April 2014:

1. On 10 April 2014 Mr Harry Tremorio Chakala was arrested at the Johannesburg Regional Court on charges related to an allegedly fraudulent tax clearance certificate. It is alleged that he submitted a fraudulent tax clearance certificate to a state agency during a tender application. At the time of the arrest, Mr Chakala was on trial for earlier charges related to alleged tax clearance certificate fraud, theft charges related to the submission of returns to SARS without payment, and VAT fraud charges related to the alleged use of a VAT number belonging to another entity. Mr Chakala was released on R20 000 bail and the matter was postponed to 5 May. The trial of the previous case has been postponed to 19 June.
2. On 15 April 2014 SARS was granted a final sequestration order against Mr Faizel Smith, having been granted a provisional order on 11 December 2013. SARS had registered Mr Smith for income tax during 2011, having established he should have been paying tax since 2005. Mr Smith has never disputed his indebtedness to SARS, but has not paid his outstanding debt. SARS therefore embarked on sequestration procedures. Mr Smith owes SARS R647 574.85 in income tax debt for the tax period 2005 to 2009 – this includes the initial debt, additional tax, and interest. SARS is in the process of appointing a liquidator.

3. On 23 April 2014, the Germiston Regional Court brought into effect an 8-year suspended sentence which had been handed down against Mrs Malthi Sooknunan on 9 April 2008. Mrs Sooknunan was the sole director of a company which had been trading, issuing tax invoices, and charging VAT – but had not been paying it over to SARS. She was found guilty on 18 counts of contravening various aspects of the VAT Act, and was sentenced to 8 years imprisonment wholly suspended for 5 years, on condition that she repaid SARS the amount of R926,579.32 with effect from 1 June 2008. She failed to comply with the court order and was arrested on 23 September 2013. She appeared in court and the case was postponed to 23 April 2014 to allow her to arrange funds to pay SARS – but the court order was still not complied with. As a result, she was sentenced to 8 years direct imprisonment.

Customs Interventions

In the period from 1 to 30 April 2014, SARS Customs and Enforcement teams have:

1. Prevented almost 10.5kg kilos of cocaine (valued at over R3 million) and almost 18kg ephedrine / crystal methamphetamine (valued at almost R5.3 million) from entering the country. In all cases, the drugs seized and the individuals involved were handed over to the SAPS for further action. The drugs were seized in a number of different interventions, and included:
 - a. 15kg crystal methamphetamine, valued at R4.5 million, carried in the luggage of a female passenger arriving in Johannesburg from Delhi. The drugs were concealed in wrapped t-shirts in her luggage.
 - b. 6.4kg cocaine, valued at over R1.8 million, in the luggage of a female passenger travelling from Sao Paulo to Maputo via Johannesburg. The drugs were hidden in the lining of a backpack.
 - c. 3.6kg cocaine, valued at just over R1 million, found in a bag abandoned on a flight which had arrived in Johannesburg from Sao Paulo.
 - d. 1kg methamphetamine, valued at R300 000, found in a parcel of clutch bags sent from India to Johannesburg.
2. Seized a number of other items coming into the country, including
 - a. 2 561 cartons and 150 Master Cases of illicit cigarettes (over 2 million individual cigarettes), valued at over R2 million, with the brands seized including Pacific Blue, Seville and GT.
 - b. 45kg steroid tablets, worth over R5.6 million, in a courier parcel from India to South Africa. They were detained for investigations by the Medicines Control Council.
 - c. 77kg dagga, worth over R105 000, crossing the border from Lesotho
 - d. 925kg copper wire, valued at over R41 000, concealed in a truck entering South Africa at the Beit Bridge border post with Zimbabwe.
3. Prevented over 80kg dagga, worth over R116 000, leaving South Africa, mainly in parcels destined for the United Kingdom

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