

SARS boss suspended again after court relief

By Natasha Marrian

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The South African Revenue Service (SARS) has upped the ante in its bid to discipline its staffers, suspending senior executive Peter Richer for the second time. It has accused him of lying and of tampering with evidence.



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It has appointed KPMG to investigate Richer, SARS head of strategic planning and risk, whose initial suspension was withdrawn by the Labour Court last month and reinstated by SARS on Wednesday, 7 January.

Deputy commissioner Ivan Pillay also had his suspension lifted by the court and five other officials were suspended or resigned in the wake of an investigation by an advocate, Muzi Sikhakhane, into an alleged covert unit that had reportedly spied on President Jacob Zuma and run a brothel.

Sikhakhane's report will be tabled in Parliament next month. SARS said yesterday that it would only be made public after all "internal and external" processes had been concluded. The tax agency hinted that it expected the report to face a legal challenge.

Pillay has been given until Monday to provide reasons why he should not be suspended.

According to his suspension letter, signed by SARS executive for employment relations Luther Lebelo, Richer's explanation for his involvement in the covert unit was "deceptive" and "void of any truth".

"Your submission is littered with half-truths and illustrates an unquenched intention to mislead and further hide the truth," Lebelo wrote. He accused Richer of being involved in procuring equipment used recently by the unit, tampering with evidence and misleading SARS about the nature of the equipment.

SARS spokeswoman Marika Muller yesterday declined to say whether there would be further suspensions or disciplinary steps.

There are fears that the disciplinary action - initiated by SARS Commissioner Tom Moyane after his appointment in September - is rooted in rivalry between state institutions, particularly in the security cluster; and serves as a cover for political and factional interests and corrupt politicians and civil servants.

Moyane said he was acting on the Sikhakhane report. In court papers challenging the suspensions and in submissions on the report, Pillay labelled its findings as "flawed in fact and law".

The report found "*prima facie* evidence" for the existence of the covert unit. But Pillay said this finding was made without "critically evaluating all the available evidence and assessing the weight and veracity which should be attached to the evidence".

The panel led by Sikhakhane had "failed to make findings of fact, failed to fulfil its mandate and no reliance could or should be placed upon its report", he said.

The Sikhakhane panel had been established by Pillay himself when he was SARS acting commissioner to investigate allegations that its enforcement head Johann van Loggerenberg had revealed confidential taxpayer information to Belinda Walters, an attorney acting for the tobacco industry. Van Loggerenberg has also been suspended.

Pillay argued that the panel had irregularly expanded its terms of reference to include the alleged covert unit. He said the panel had not interviewed key witnesses - including former SARS commissioner Pravin Gordhan and former finance minister Trevor Manuel - who he claimed had given the go-ahead for the establishment of the unit.

It had "ignored, overlooked or did not consider significant amounts of evidence presented to it," Pillay said.

The panel had erroneously relied on untested allegations from "certain quarters including the media" to conclude that a covert unit existed, he said.

Moyane said in court papers defending Pillay's suspension that the covert unit did exist; that Pillay had failed to take the commissioner into his confidence about its existence; that it may have abused its powers; had been involved in rogue behaviour and that it remained a threat to the stability of SARS.

Source: Business Day