



PRESS RELEASE BY CORRUPT PRACTICES INVESTIGATION BUREAU, INLAND REVENUE AUTHORITY OF SINGAPORE, SINGAPORE CUSTOMS AND SINGAPORE POLICE FORCE

Six Charged for Corrupt and Fraudulent GST Tourist Refund Claims

Six men have been charged in Court in a corrupt and fraudulent Goods and Services Tax (GST) tourist refund claims case. They include a former Singapore Customs officer, a Singaporean sales executive employed with a goldsmith shop and four Indian nationals.

2 Using a data analytics model that identifies abnormal GST refund claims via the electronic tourist refund system (eTRS)¹, Inland Revenue Authority of Singapore (IRAS) had detected several suspicious GST refund claims. IRAS and Singapore Customs then worked together to investigate the suspicious GST refund claims processed by the Customs officer involved. The case was subsequently referred to the Corrupt Practices Investigation Bureau (CPIB) for further investigations. Singapore Customs and IRAS then worked closely with CPIB to support the investigations into the case.

3 On 27 January 2014, CPIB, Singapore Customs and IRAS conducted a joint operation to arrest the Customs officer and four Indian nationals. The sales executive was arrested by CPIB later the same day. The Commercial Affairs Department (CAD) of the Singapore Police Force (SPF) was subsequently alerted due to suspected money laundering offences. The Customs officer involved is no longer employed by Singapore Customs. His employment contract was not renewed when it expired earlier this month.

4 On 25 September 2014 at Court 26, the six men involved in the case were charged with the following offences:

- a. **Former Singapore Customs Officer, Mohamed Yusof Bin Abdul Rahman**

- i. 29 counts of corruptly accepting gratification amounting to S\$11,400.00, an offence under Section 6(a) of the *Prevention of Corruption Act*, Chapter 241; and
- ii. 103 counts for an offence under Section 62(1)(b) of the *Goods and Services Tax Act* for intentionally assisting Sundar Panneer Selvam, Baskaran Uthirapathy, Pounraj Natarajan and Gobi Raman to fraudulently claim a total of \$493,858.67 in GST refunds.

b. Sales executive employed with Soon Huat Goldsmith Pte Ltd, Lim Pheck Aun

- i. Two counts of corruptly accepting gratification amounting to \$400.00, and seven counts of corruptly accepting gratification in the form of DOM Liquors, an offence under Section 6(a) of the *Prevention of Corruption Act*, Chapter 241; and
- ii. 23 counts under Section 62(1)(b) of the *Goods and Services Tax Act* for assisting Sundar Panneer Selvam and Baskaran Uthirapathy to fraudulently claim \$23,116.50 in GST refunds by making false entries in the eTRS system.

c. Indian National, Sundar Panneer Selvam

- i. 29 counts of corruptly giving gratification amounting to \$10,800.00 and seven counts of corruptly giving gratification in the form of DOM Liquors, an offence under Section 6(b) of the *Prevention of Corruption Act*, Chapter 241;
- ii. 30 counts for an offence under Section 62(1)(b) of the *Goods and Services Tax Act* for wilful intent to fraudulently claim GST refunds amounting to \$213,007.34; and
- iii. Nine counts of removing cash arising from fraudulent GST refund claims out of Singapore under Section 47(1)(b) of the *Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act*, Chapter 65A.

d. Indian National, Baskaran Uthirapathy

- i. 11 counts of abetting Sundar Panneer Selvam and Pounraj Natarajan to corruptly give gratification to Mohamed Yusof Bin Abdul Rahman amounting to \$3,550.00, and one DOM Liquor and \$400.00 to Lim Pheck Aun, an offence under Section 6(b) read with Section 29(a) of the *Prevention of Corruption Act*, Chapter 224;

- ii. 33 counts for an offence under Section 62(1)(b) of the *Goods and Services Tax Act* for wilful intent to fraudulently claim GST refunds amounting to \$98,273.64; and
- iii. 11 counts of removing cash arising from fraudulent GST refund claims out of Singapore under Section 47(1)(b) of the *Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act*, Chapter 65A.

e. Indian National, Pounraj Natarajan

- i. Five counts of corruptly giving gratification amounting to \$1,300.00 to Mohamed Yusof Bin Abdul Rahman through Sundar Panneer Selvam and Baskaran Uthirapathy, and one count of corruptly giving gratification amounting to \$250.00 to Mohamed Yusof Bin Abdul Rahman, an offence under Section 6(b) of the *Prevention of Corruption Act*, Chapter 241;
- ii. 30 counts for an offence under Section 62(1)(b) of the *Goods and Services Tax Act* for wilful intent to fraudulently claim GST refunds amounting to \$114,990.51; and
- iii. 11 counts of removing cash arising from fraudulent GST refund claims out of Singapore under Section 47(1)(b) of the *Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act*, Chapter 65A.

f. Indian National, Gobi Raman

- i. 26 counts for an offence under Section 62(1)(b) of the *Goods and Services Tax Act* for wilful intent to fraudulently claim GST refunds amounting to \$143,359.63; and
- ii. Nine counts of removing cash arising from fraudulent GST refund claims out of Singapore under Section 47(1)(b) of the *Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act*, Chapter 65A.

5 Singapore has always adopted a zero tolerance approach towards corruption and other criminal activities. The authorities take a serious view of any corrupt and criminal practices, and will not hesitate to take swift action against any individuals and parties involved.

About the Electronic Tourist Refund Scheme (eTRS)

Tourists can claim GST refund on goods they have purchased and brought out of Singapore. A person who did not purchase the goods and yet sought or obtained a GST refund under the tourist refund scheme would have committed an offence under the GST Act.

Under eTRS, a tourist receives a receipt of goods purchased and an eTRS ticket when he buys goods from a GST-registered retailer participating in eTRS. The tourist then uses the eTRS ticket or the credit card with which he purchased the goods to make a GST refund claim via the eTRS self-help kiosk at the Changi airport.

As a control measure, physical inspection of the goods may be carried out at the GST refund counter by Singapore Customs officers before a GST refund claim is approved.