

Media Statement



Tel: +27 12 845 6000

Email:
media@npa.gov.za

Victoria & Griffiths
Mxenge Building
123 Westlake Avenue
Weavind Park
Silverton
Pretoria

www.npa.gov.za

TO: ALL MEDIA

DATE: 06 NOVEMBER 2019

RE: HERMANUS MAN SENTENCED TO DIRECT IMPRISONMENT FOR VAT FRAUD

A Hermanus man who defrauded the South African Revenue Service (SARS) over a three - year period and even duped his aged mother to register as a VAT vendor in order to maintain his ill – gotten gains, has been sentenced to five years direct imprisonment.

The Bellville Regional Court convicted John Robert Brice on 708 counts of VAT fraud that were committed over a period between October 2012 and April 2015. He was sentenced to eight years direct imprisonment but the court ordered that three years be suspended for a period of five years, on condition that he is not convicted of an offence of fraud, forgery or uttering committed during the period of suspension.

Brice registered as a VAT vendor between September 2012 to March 2015 (seventeen tax periods) and committed fraud, forgery and uttering. He claimed VAT from SARS and misrepresented certain transactions that took place between him and certain suppliers, which entitled him to claim VAT refunds from SARS.

Forged invoices were used to justify the claims and SARS deposited money into his bank accounts. He quickly withdrew the funds and used them for his personal gain. He also registered his mother as a VAT vendor and fraudulently claimed VAT on her behalf during the August 2013 to February 2015 tax periods. The deposited refunds into her bank account were also withdrawn quickly and used for his personal gain.

He misled her to believe that he established a new business and that by using her name and VAT profile, he would be more efficient in his business operation. She was not party to his scheme.

SARS audited the VAT returns and requested him to provide documentary proof of the input tax claimed and the output tax declared. He submitted false tax invoices and sales

invoices in order to mislead SARS auditors to believe that the initially claimed refunds were legitimate and that he was entitled to them. SARS auditors were not fooled and he was charged with committing fraud and other charges.

He confessed that the entire VAT fraud scheme was planned and executed by himself and that he was the sole beneficiary of the fraudulent vat amounts. In view of his admissions, the state withdrew the matter against his mother. He squandered all the fraudulently obtained money and he is unable to repay SARS.

Advocate Wimpie of the NPA Tax Unit told the court that crimes against the fiscus were prevalent and on the increase not only in the Western Cape but also in the whole of South Africa. "These offences were not committed on the spur of the moment but were premeditated and executed over an extended period of time. Even after being caught out by SARS auditors, he chose to continue perpetrating fraud in order to retain his ill-gotten gains rather than showing remorse, come clean and admit his fraudulent actions. The offences were committed out of greed and not need. By registering his mother as a vat vendor, the accused exposed her to criminal prosecution. He abused her trust."

With this sentence, the NPA would like to make it very clear that anyone who enriches himself by defrauding the SARS, will be caught and will be sentenced to direct imprisonment. Where individuals choose to engage in criminal conduct and defraud and undermine SARS /the fiscus with the purpose of enriching themselves at the cost of SARS and ultimately all other South African citizens, they should have no doubt as to what will follow.

Eric Ntabazalila

Regional Communications Manager: Western Cape

021 487 7308

073 062 1222

entabazalila@npa.gov.za