

Media Statement



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TO: ALL MEDIA

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RE: NPA OTAINS A PRESERVATION ORDER FOR R30 598 948.42

The Asset Forfeiture Unit (**AFU**) of the National Prosecuting Authority (**NPA**), in collaboration with the South African Revenue Service (**SARS**) and the Directorate of Priority Crime Investigations (**Hawks**), has secured a preservation order on 9 February 2018 for an amount of R30 598 948.42 against 13 accused, some of which are companies.

It is alleged that the accused defrauded the SARS by claiming fraudulent Value Added Tax (**VAT**) refunds to a potential loss of R99 190 298.97 and an actual loss of R30 598 948.42.

After a successful search and seizure operations, by the Police's specialist unit, the Hawks on 31 January 2018, on several properties in Pretoria and Durban, 9 accused were arrested and appeared before court on charges of racketeering, fraud, forgery and uttering, money laundering, contravention of the Tax Administration Act 28 of 2011 and contravention of the Value Added Tax Act 89 of 1991.

The NPA, SARS and the HAWKS are committed to take drastic action to eradicate the unlawful submission of fraudulent VAT claims which deplete State funds. Likewise, law enforcement is determined to recover any losses suffered, as a result of VAT fraud.

The details of the case

- 1.1. The 1st Defendant (Ridwaan Mohammed Joosab) instructed bookkeepers to register 15 false Value Added Tax vendors with SARS. He then provided the bookkeeper and/or accountant with the necessary fraudulent documentation

required to register those 15 VAT Vendors at SARS. One such bookkeeper is the 3rd Defendant;

- 1.2. The 1st Defendant and his associates then communicated and transacted electronically with SARS, purporting to be the registered vendors. They electronically submitted fraudulent VAT refund claims to the value of R99 190 298.97, using the above-mentioned 15 fraudulently registered VAT vendors and they were refunded R30 598 948.42;
- 1.3. The 1st Defendant orchestrated the opening of 15 fraudulent bank accounts in the name of the fraudulently registered VAT vendors and used the bank accounts to distribute the monies paid by SARS, to disguise the origin of the funds. The addresses of the companies used to register the bank accounts were false;
- 1.4. The 2nd Defendant (Shazia Joosab) is married to the 1st Defendant. During the period January 2011 to December 2013, she was the registered account holder of the ADSL Telkom line with number 012- 6880618 installed at her residential address;
- 1.5. This Telkom line was used to access both the SARS E-filing profiles of the false VAT vendors and the fraudulent bank accounts of those false VAT vendors. The 2nd Defendant also electronically submitted fraudulent VAT refund claims from the United Arab Emirates when she was overseas;
- 1.6. The 2nd Defendant, together with the 5th Defendant accessed the fraudulent bank accounts into which the refunds were paid by SARS and distributed the proceeds to disguise their origin;
- 1.7. The 3rd Defendant (Ahmed Amla) is an accountant with two registered accounting firms, namely Amla Consulting CC and AE Consulting CC (the 11th Defendant). During January 2011 to December 2013 the 3rd Defendant received fraudulent documentation from the 1st Defendant to register twelve of the false

VAT vendors at SARS' Durban office and arranged their registration. He received R106 000 as payment;

- 1.8. The 4th Defendant (Saleem Mohamed Hoosen) is the owner of FRX Investment CC, previously situated at 12 Hope Street, Overport, Durban. He is also the owner of Donsantel 151 CC also previously situated at the same address. During October 2011 to June 2012 the 2 entities received R3 959 000 from the 1st Defendant and/or the false VAT vendors;
- 1.9. During September 2011 to December 2013 the 5th Defendant (Ahmed Mulla) received the amount of R9 820 000 from the 1st Defendant and/or the relevant false VAT vendors. He is the main facilitator of money laundering of the organised group and he is the common denominator behind 7 of the front businesses;
- 1.10. The fraudulent VAT vendors handed all bank account cards and cheque books to the 5th Defendant, who not only kept the items, but managed the bank accounts of the 7 entities, together with the 2nd Defendant;
- 1.11. The 6th Defendant (Mahomed Igabal Joosab) is the father of the 1st Defendant and on 18 April 2013 he was registered as the sole- member of Shaz Trading CC (the 10th Defendant). After SARS has paid the VAT refunds into the bank accounts of fraudulent VAT vendors the 1st Defendant and/or his associates, used some of these monies to trade in expensive motor vehicles to the value of R8 086 053. These vehicles were bought on behalf of the 10th Defendant;
- 1.12. The 7th Defendant (Adnan Archad Ravat) through Ebasho Jewellers CC (the 12th Defendant), facilitated a transaction for the sale of gold coins to the value of R2 653 000 between one Zunaid Dockrat and the 1st Defendant between May 2012 to July 2012. The monies that was used to pay for the transaction emanating from the false VAT vendors, which was the money that was fraudulently claimed

from SARS. The purchase of the gold coins were made in order to hide the origin of the monies;

- 1.13. The 8th Defendant (Shoayb Joosab) is the brother of the 1st Defendant and owner of Anglo Wealth Shariah. During August 2013 and June 2014 he received R1 522 400 through Anglo Wealth Shariah from the 1st Defendant through the false VAT vendors, who fraudulently received refunds from SARS;
- 1.14. The 9th Defendant (Zuber Patel) is the owner of M Bala Trading CC (the 13th Defendant), which operates a Sasol Garage in Pretoria, from a premises co-owned by the 1st Defendant. During October 2011 to June 2014 he received an amount of R107 300, through the 13th Defendant from the 1st Defendant through the false VAT vendors that received fraudulent refunds from SARS;
- 1.15. The 10th, 12th and 13th Defendants were used as instruments to facilitate money laundering as was described above;
- 1.16. The 11th Defendant was used as an instrument to commit fraud against SARS;
- 1.17. It has also been established, that the Defendants have hidden their assets in family trusts. The 2 trusts involved have also been cited in the restraint order as respondents and their property have been restrained;
- 1.18. SARS has established that the 1st, 2nd and 6th Defendants has not paid personal income tax since 2007. The 2 trusts have never paid income tax to SARS. The 10th Defendant, Shaz Trading is not declaring the income the 1st and 6th Defendant is earning from the company to SARS.

The AFU orders

On 9 February 2018 the AFU obtained a restraint order in terms of the Prevention of Organised Crime Act (**POCA**) in the Pretoria High Court, ordering that the property belonging to the 13 Defendants and a further 7 Respondents, be restrained pending the

outcome of the criminal case against them. KPMG was appointed as curators in the matter.

The goods listed in the order are amongst others 17 immovable properties, a Bentley, a Ferrari, 3 Lamborghini's, 2 Porsche's and a Rolls Royce. Gold coins, gold bars, jewellery and watches are also listed on the restraint order.

On 15 February 2018 the AFU, together with the SAPS, SARS and KPMG held an operation to secure the luxury vehicles and other movable goods restrained by the order, until finalisation of the criminal case.

Kind Regards,

Luvuyo Mfaku
NPA Spokesperson
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