

SARS spy unit 'was a waste of money'

The South African Revenue Service (SARS) advisory board, formed in February to look into governance issues at the tax agency, confirmed on Wednesday, 28 April, that its establishment of a "secret unit" in 2007 was unlawful and all monies spent on it was "wasteful and fruitless expenditure".



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The confirmation vindicates SARS' new commissioner Tom Moyane and the controversial findings of a panel headed by Advocate Muzi Sikhakhane.

Moyane is said by his detractors to be using the report to clear out his rivals at SARS.

They said the findings were skewed in favour of Moyane as many of the board members were current and former SARS staffers with axes to grind.

However, the advisory board's findings are not binding on upcoming disciplinary processes against senior staffers Ivan Pillay and Peter Richer to be chaired by former chief justice Sandile Ngcobo.

Questions still remain about the covert unit relating to whether it spied on President Jacob Zuma.

Judge Frank Kroon's advisory board could not shed light on these matters as they were "sub judice" and formed part of the

continuing disciplinary process against the two.

The disciplinary process also prevented the advisory board from contacting the pair, Judge Kroon confirmed last night.

The board relied almost entirely on the findings of Sikhakhane. The SARS advisory board recommended that the disciplinary hearings be finalised "as a matter of urgency" and that SARS report the matter to the police for criminal investigation. It also recommended that "individual members of management" who erred in the unlawful establishment of the unit be held to account.

Judge Kroon declined to comment on whether this extended to the then SARS commissioner under whose watch the unit was set up, Pravin Gordhan, and his successor Oupa Magashule.

"I think we don't want to go further than what we said earlier, that those who were wrong should be held to account. I don't want to deal with individuals," the judge said. It was also not placed before the board that the matter had been referred to the SAPS in 2010, he said.

SARS acting spokesman Luther Lebelo said the revenue service would work with the advisory board to review its investigation capacity and had not ruled out working with the National Intelligence Agency.

Judge Kroon on Wednesday said that the board was "comfortable" with its decision - based on the evidence it received via the Sikhakhane report and representations from other SARS staffers - that the unit's establishment was unlawful.

Lebelo yesterday said the tax agency was pleased that the issues around the unit were "now becoming clearer".

SARS is expecting the outcome of another investigation into the unit by KPMG in the next two months.

Source: Business Day

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