

'Tourist' jailed over graft and false GST refund claims

Kok Yufeng

He was linked to a group of Indian nationals who defrauded the taxman out of \$570,000 by making false Goods and Services Tax (GST) refund claims and bribing a Customs officer who approved them.

But Muthuvel Sankar, 41, avoided arrest when the authorities busted the syndicate in 2014 as he was not in Singapore at the time.

In October last year, he tried to re-enter Singapore as a tourist but was nabbed and charged in court.

Pleading guilty to two counts of corruption, three counts of GST fraud and one amalgamated charge of money laundering, Sankar was yesterday jailed for 18 months and slapped with a \$66,891 tax penalty. Six other charges were taken into consideration.

For the Corrupt Practices Investigation Bureau's (CPIB) director of operations Chin Wee Liam, Sankar's prosecution has put to bed a case of some significance.

"Singapore is a tourist hub so if we don't put a stop to these kinds of practices, you can imagine the financial damage caused to public funds," he told The Straits Times.

It was the Inland Revenue Authority of Singapore (IrAS) that discovered the fraud in 2013 after its data analytics tool flagged several suspicious GST refund claims made through the electronic tourist refund scheme (eTRS). Singapore Customs and the CPIB were then alerted.

It emerged that a group of four Indian nationals had made false GST tourist refund claims of about \$570,000 between September 2012 and January 2014.



Muthuvel Sankar, identified as a person of interest by the CPIB in 2014, was nabbed on his return to Singapore.

They gave bribes to Mohamed Yusof Abdul Rahman, then a Customs officer at Changi Airport's GST Refund Inspection Counter, as reward for approving the claims.

The Indian nationals bought jewellery receipts from bona fide shoppers, obtained eTRS tickets from the retailers, and presented the tickets to Yusof, who endorsed them without verifying the goods.

Collecting the refunds in cash, the Indian nationals would spend some of the money on duty-free items before leaving for India.

The court yesterday heard that Sankar was introduced to this fraud scheme in 2013 by a friend.

Using a similar modus operandi, Sankar made at least six false claims between June and November 2013, fraudulently obtaining \$29,800.

He took some of the money out of Singapore on at least five occasions.

No restitution has been made.

Sankar also gave, or conspired with his friend to give, \$2,800 in bribes to Yusof on five occasions between 2013 and 2014.

Mr Chin said Sankar had already been identified as a person of interest when they arrested his four accomplices in January 2014.

"Unfortunately Sankar was not around when we moved in," he said.

After finally nabbing him last

year, CPIB worked with IrAS and the police's Commercial Affairs Department to investigate his offences.

In court, Deputy Public Prosecutor Eric Hu said that Sankar did not return after leaving Singapore on Nov 24, 2013, as he had heard many Indian nationals were arrested for defrauding IrAS.

But he took a risk and returned because five years had passed and was immediately arrested.

While Mr Chin did not rule out other accomplices who might still be at large, he said the key men have now been taken to task.

"We are glad that (Sankar) came back and we managed to wrap up the case," said Mr Chin.

"Hopefully this will deter like-minded people."

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