WHEN CRIME DOESN’T PAY: VAT FRAUDSTERS BEHIND BARS FOR 25 YEARS

“The difference between tax avoidance and tax evasion is the thickness of a prison wall” (Denis Healey)

In a strong warning to would-be tax fraudsters, the High Court has sentenced three company directors to effective sentences of 25 years’ imprisonment each.

The three were convicted of fraud, forgery, uttering and money laundering involving R216m in VAT refunds paid out by SARS as a result of 198 fraudulent VAT returns submitted over a 3 year period.

Honest taxpayers, particularly those struggling to get legitimate refunds out of SARS whilst its fraud prevention systems grind along slowly, will hope that other potential tax cheats take fright at the very real prospect of a decade or two behind bars.