

(TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN PART-1)

**GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
FEDERAL BOARD OF REVENUE**

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Islamabad, the 5<sup>th</sup> March, 2013

**NOTIFICATION**  
***(Major Penalty)***

**No.0513-IR-IV/2013:-** Whereas disciplinary proceedings were initiated against Mr. Haroon Ahmed, Inland Revenue Officer (BS-16) (Under Suspension), Regional Tax Office, Lahore on acts of omission and commission constituting “*Inefficiency*” “*Misconduct*” & “*Corruption*” under the Government Servants (Efficiency & Discipline) Rules, 1973 on the following grounds/charges:-

- i) While posted in Unit-06, defunct Enforcement & Collection Division-III, RTO, Lahore from 01.08.2010 to 06.01.2011 he signed and issued Income Tax refunds in 289 cases amounting to Rs. 24,397,481/-. Afterwards, despite being transferred to the office of Commissioner (IR), defunct Enforcement & Collection Division-III, RTO, Lahore till 31.01.2011, he unlawfully signed and issued Income Tax refunds pertaining to Unit-06 in 63 cases amounting to Rs. 3,952,987/-. Out of these 352 cases, refunds issued in 305 cases under his signature amounting to Rs. 23,623,187/- are found bogus, dubious and illegal as per the fact finding enquiry.
- ii) He willfully and knowingly committed an organized fraud in connivance with departmental officials, persons from general public and others by:-
  - a) Accepting bogus tax deduction certificates without any verification.
  - b) Issuing refunds to bogus taxpayers who neither existed on ground nor the alleged business premises were ever used by them.
  - c) Issuing of refunds on the basis of forged documents.

This act on his part resulted in causing colossal loss of Rs. 23,623,187/- to the national exchequer by issuing bogus, dubious and illegal refunds in 305 cases.

- iii) He issued in 305 cases in willful defiance of instructions issued by FBR vide letter No. 7(54) S.A.Asst/2007 dated 14.01.2008. Non-compliance of such instructions by him led to the conclusion that his conduct was prejudicial to good order and service discipline.
- iv) He deliberately did not maintain any record of the refund applications received in the Unit to avoid its reporting/inspection by the higher authorities.

- v) He committed gross irregularity by not reporting the number of refund applications received in the Unit and the refunds issued on such applications in the Refund Stock Statement/Monthly Performance Report.
- vi) He also committed gross irregularity by processing/issuing refunds of Rs. 8,892,373/- in 121 cases which fell beyond the legal territorial jurisdiction of his Unit.

2. Whereas the Chief (Management)/Authorized Officer, FBR issued Charge Sheet dated 04.07.2011 and appointed Syed Nadeem Hassan, Commissioner, LTU, Lahore as Inquiry Officer. The Inquiry Officer submitted his Inquiry Report vide letter dated 07.06.2012. The findings of the Inquiry Officer are as under:-

- i) The accused officer during his posting as officer of Inland Revenue, Unit-06 (defunct), Enforcement & Collection Division-III, RTO, Lahore during the period 06.08.2010 to 15.01.2011 processed and issued 352 refunds in a careless, negligent and non-professional manner as detailed below:-
  - a) He failed to verify tax payments claimed by the applicants of refunds in all cases in clear violation of FBR instructions issued vide Circular No. 5 of 2003.
  - b) He failed to verify particulars of taxpayers/applicants from Master Index in violation of FBR Circular letter C. No. 7(54)S.Asstt./2007 dated 14.01.2008.
  - c) He issued illegal refunds in 80 cases which were clearly outside the territorial jurisdiction assigned to him.
  - d) Not a single order for sanctioning of refund was signed by him, making issuing of refund voucher illegal.
  - e) He neither requisitioned record of taxpayers (except in one case) nor were the proceedings of refund recorded on order sheet in any case.
  - f) He deliberately split refund in a case into three vouchers for the same tax year to avoid administrative approval from higher authorities (Watchtower Bible & Tract Society, tax year 2007). In several other cases, refunds for more than one tax year were issued to one taxpayer through separate vouchers amounting to less than Rs. 100,000 within a space of few days, so that administrative approval from higher authorities is avoided. This is in clear violation of FBR Circular letter C.No. 7(54)S.Asstt./2007 dated 14.01.2008.
- ii). The negligence of the accused officer prima facie caused loss of Rs. 16,071,359 to the national exchequer.
- iii). Before FIA and the Departmental Fact Finding Committee, the accused officer has disclosed names of a number of persons both from the Department and

from the general public who were instrumental in getting refunds issued in dubious and illegal manner. This proves that all this activity was an organized fraud. The contention of the accused officer regarding his innocence is not acceptable, since the period of around five months during which this activity continued suggests that it was neither a mistake nor mere negligence in a few cases. It is evident, therefore, that deliberate negligence and inefficiency of the accused officer made him integral part of this organized fraud.

3. Whereas on the basis of facts established during the course of Inquiry Report, the Chief (Management)/Authorized Officer issued a Show Cause Notice on 12.12.2012 to the accused officer. In response to the Show Cause Notice the accused officer submitted reply denying the charges and requested for personal hearing, which was accordingly given to him on 22.02.2013. After considering his defence, reply, the inquiry report and findings of the Inquiry Officer, the Authorized Officer observed/concluded that serious nature of charges leading to “Negligence”, Misconduct” and “Corruption” stood proved against the accused officer. He could not put forward any cogent evidence in his defence to counter these established charges. The Authorized Officer, therefore, referred the case to the Authority/Member (Admn) with the recommendations to impose major penalty upon the accused officer.

4. The Authority/Member (Admn) having gone through the record of the case and Inquiry Report agreed with the recommendations of the Authorized Officer and imposed the major penalty of “Dismissal from Service” upon Mr. Haroon Ahmed, IRO (Under Suspension), RTO, Lahore besides recovery of the embezzled amount of Rs. 16,071,359/- from him. The suspension period shall be treated as leave without pay.

5. Mr. Haroon Ahmed, IRO shall have the right to appeal to the Appellate Authority under Civil Servants (Appeals) Rules, 1977 within a period of 30 days from the date of communication of this notification.

  
(Qasim Khan Khattak)  
Secretary (Mgt-Cus-III/MIR-IV)

**The Manager:**

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Copy to:-

1. SA to the Secretary, Revenue Division/Chairman, FBR, Islamabad.
2. PS to Member (Admn), FBR
3. The Chief Commissioner, RTO, Lahore.
4. Second Secretary (ERM)/ (Automation), FBR.
5. The AGPR, Sub-office, Lahore.
6. Officer concerned/Notification folder/Personal file.



**(Qasim Khan Khattak)**  
**Secretary (Mgt-Cus-III/MIR-IV)**