



Fiji Islands Revenue and Customs Authority

## PRESS RELEASE

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### **FIJI TIMES ALLEGATIONS AGAINST THE MINISTER OF FINANCE: FIRCA REPLIES**

The Fiji Islands Revenue & Customs Authority (FIRCA) replies to the editorial of Saturday's Fiji Times regarding the above matter.

The editorial refers to certain documents delivered to the Fiji Times containing, in its view, "credible allegations" regarding a Minister's tax affairs. It insists upon his not having "cleared the air" with regard to the allegations.

FIRCA points out that the right to privacy over tax affairs which the Minister enjoys is not merely an "apparent" right but a real one, enjoyed in common with all Fiji taxpayers. This right to privacy is vested in all taxpayers in the public interest. Secrecy of individual tax affairs is in all civilised countries the cornerstone of the tax system without which the Tax Authorities cannot carry out their duties in the public interest.

Simply for the Fiji Times to be in possession of documents referred to, delivered to it by those violating the secrecy laws under which FIRCA functions, is itself a serious criminal offence. The publication by the Fiji Times of such documents compounds this criminal offence.

Secondly, FIRCA directs its attention to what the documents are in any event capable of establishing. No “credible allegations” appear or can appear from the documents viewed in isolation. Documentation alone may raise questions which FIRCA may examine. What the Fiji Times is lacking, and what it must continue to lack, are the details of the examination of the documents, the clarifications and explanations put forward in regard to them, and full details of FIRCA’s analysis of such clarifications and explanations.

It is FIRCA, and not the Fiji Times or for that matter any other media organisation, which is responsible for and deals with such matters. This will continue to be the case as long as Fiji does not accept trial by newspaper and continues to vest in FIRCA the same responsibilities as are vested in other Tax Authorities worldwide.

Having regard to the above and having regard to FIRCA’s complete examination of the case, “credible allegations” of the tax evasion are not established against the Minister.

**Mr. Lepani Rabo**

FIRCA notes that the source of the various Fiji Times articles that appeared on the 23<sup>rd</sup> of February 2008 was a Mr. Lepani Rabo who was a Chief Auditor at FIRCA.

On the 21<sup>st</sup> of August 2007, Mr. Lepani Rabo was alleged to have used inappropriate language against a fellow employee of FIRCA. He also on that same day, in the presence of other FIRCA employees used foul language in an offensive manner. FIRCA considered such behaviour to be disrespectful and discourteous to other employees and accordingly he was charged internally on

two counts of disciplinary offences pursuant to our Code of Conduct. Mr. Lepani Rabo admitted the offences.

The CEO having taken all factors into consideration terminated the employment of Mr. Lepani Rabo.

**Mr. Joseva Leano**

FIRCA notes from page 3 of the Fiji Times issue of 23<sup>rd</sup> February 2008 that Mr. Joseva Leano and Mr. Lepani Rabo met with the Interim Prime Minister and discussed with him the Minister's tax matters. Furthermore, the article reveals that both Mr. Lepani Rabo and Mr. Joseva Leano wrote and signed a letter addressed to the Police Commissioner highlighting the Minister's tax matters. Such conduct by the two former employees is in breach of the Oath of Secrecy. The Oath of Secrecy is understandably extremely rigid and guards the privacy of every taxpayer's tax affairs in this country. This requires FIRCA employees to not reveal any taxpayers details unless it falls within the limited exceptions provided in Section 4 of the Income Tax Act.

Mr. Leano's contract with FIRCA was terminated on the 11<sup>th</sup> of September 2007 after a number of serious allegations of misconduct and abuse of office were leveled against him.

Mr. Leano amongst other things was alleged to have accepted Directorship of two companies without obtaining the approval and consent of the Authority. He was also alleged to have failed to disclose various conflicts of interest situations involving taxpayers.

Due to the Secrecy provisions of the Income Tax Act, the Authority is unable to divulge the facts of the various allegations made against Mr. Leano

because they involve other taxpayers affairs. However, the public can be assured that the allegations were extremely serious and warranted investigations.

Mr. Leano replied to all the allegations and the Authority having considered all the issues decided to terminate his employment.

### **Next Line of Action**

In view of the current development, Mr. Lepani Rabo and Mr. Joseva Leano are now being investigated for possible breaches of the secrecy provision under Section 4 of the Income Tax Act. FIRCA will not at any time tolerate employees, whether current or former, breaching their oath of secrecy.

FIRCA categorically states that none of these two former employees' termination had any connection whatsoever with the Minister's tax affairs.

FIRCA firmly believes that all this media hype is being pushed by certain political agendas, to create political animosity and discredit FIRCA and the interim administration. As stated earlier FIRCA will not be involved in any political debate but will always uphold the integrity of the Income Tax Act, and will not publicly discuss taxpayers' tax affairs.

**JITOKO TIKOLEVU**  
**CHIEF EXECUTIVE OFFICER**

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