

**BEFORE
THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 2601/SUK/IT/2021

Dated 08.12.2021 * R.O. Sukkur

Mr. Ghulam Rabbani,
Village Khamiso Khan Kalhoro,
P/O Kamal Dero, Taluka Kandiaro,
District Naushahro Feroze.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad

....Respondent

Dealing Officer	: Mr. Badruddin Ahmad Quraishi, Advisor
Appraisal Officer	: Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	: Complainant in person,
Departmental Representative(s)	: Mr. Farhan Badar Solangi, ADC (Hq)
	Mr. Abdul Majeed, IRO, RTO Sukkur
	Mr. Irshad Ali, UDC, Complainee

FINDINGS/RECOMMENDATIONS

The above mentioned complaint was filed in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) alleging corruption against Mr. Irshad Ali, UDC Inland Revenue Office Naushahro Feroze, RTO Sukkur.

2. As per complaint, Mr. Irshad Ali, UDC Naushahro Feroze, RTO Sukkur was involved in mega corruption. According to the Complainant, for quite some time, the Complainee was involved in issuing bogus notices, penalty notices, no dues certificates, show cause notices, no demand certificates, fake treasury tax sheets, using users ID, IRIS Password, Pin code, email address, email password of various taxpayers, otherwise most sensitive information restricted to only with Department and the respective persons. In support of his claim the Complainant submitted following evidence in soft form:

- a) List of 3400 taxpayers containing, CNIC, password (IRIS), pin code(IRIS), mobile no, email address, password of email address and in few case SRB passwords.
- b) 6 Notices for audit proceedings under Section 177 of Income Tax Ordinance for Tax Year 2013 & its self-generated reply without signature.
- c) 15 late filing notices, show cause notices, penalty notices issued by OIR, BTB unit, Naushero Feroze for Tax Year 2013 & 2014.
- d) 100 notices under Section 114(4) of Income Tax Ordinance & Show cause notices for imposing penalty issued by OIR, BTB unit, Naushero Feroze for Tax Years 2012, 2013 & 2014.

3. The complaint was referred to the Secretary, Revenue Division for comments, in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, the Chief Commissioner-IR RTO Sukkur submitted vide letter dated 20.12.2021 that in view of the allegations of various serious nature the complaint was forwarded to Regional Integrity Committee (RIC) constituted by the FBR vide letter dated 20.08.2020 to probe the matter. The RIC comprised of the following:

- i) Mr. Aamir Ali Khan Ghouri President Sukkur Chamber of Commerce & Industry / Vice Chairperson;
- ii) Mr. Asif Iqbal Shaikhani, President Sukkur Tax Bar / Member;
- iii) Mr. Farhan Badar Solangi, Additional Commissioner (HQs) Sukkur/ Member; and
- iv) Mr. Ghulam Shabir, IRO, Sukkur/ Member

4. It was contended that after completing the investigation the RIC would submitted its findings in due course of time.

5. During hearing, the Complainee appeared and denied allegations leveled against him. He contended that he never met the Complainant except once in a family gathering that too after filing of the complaint. There he asked the Complainant regarding purpose of the filing instant complaint but failed to get any meaningful response. His apprehension was that the instant complaint was lodged by the Complainant on behalf of Mr. Nazar Muhammad Mangrio, a junior clerk of Education department who is posted at Higher Secondary School, Saidpur, Taluka Mehrabpur, Distt Naushero Feroze due to some private dispute. He submitted a copy of the decision of Additional Session Judge / Justice of Peace, Kandiaro dated 30.10.2021 wherein an application filed by Mr. Nazar Muhammad Mangrio alleging 'KARAP' & 'SANG CHATTI' ((karokari) against the Complainee was dismissed being without any merit.

6. The Complainant was asked about the source of acquiring the most sensitive & secret data of 3400 taxpayers comprising of CNIC, password (IRIS), pin code (IRIS), mobile no, email address, password of email address and SRB passwords. He contended that it was Mr. Nazar Muhammad Mangrio, the Junior Clerk of Education department, who provided the sensitive data to implicate Mr. Irshad Ali, UDC the Complainee.

7. Arguments of parties heard and record perused.

8. It is observed that there are two aspects of this complaint. One, the allegations regarding issuance of bogus notices & certificates against Mr. Irshad Ali, UDC Naushahro Feroze, RTO Sukkur by using unauthorized sensitive data of various of taxpayers' passwords, CNIC, pin codes etc. This aspect of this complaint is being dealt by the RIC constituted vide FBR's letter

dated 20.08.2020. It is however noted that no time limit has been given to the RIC for completing and submitting its findings.

9. Notwithstanding above, the most insidious aspect of this complaint is the possession of highly sensitive data of about 3400 taxpayers, comprising of their CNICs, passwords (IRIS), pin codes (IRIS), mobile numbers, email addresses and in some case even password of email address and SRB with an unauthorized person. The motive of having possession of such private information is obvious i.e. misuse for ulterior motive. One can easily access the data of assets & income of these taxpayers through passwords which can be used in kidnapping for ransom purpose. Thus the security of life of these taxpayers remains at stake as long as these are available to unauthorized persons. The leakage of such sensitive data throws a question mark on the very security of FBR database. It is also very strange that the Deptt after getting copy of the complaint exposing massive scam neither forewarned the hapless 3400 taxpayers/victims nor taken any action to stop forthwith further misuse of the sensitive data/information. Finally, the most important part which requires thorough investigation is the leakage of such sensitive data to unauthorized persons.

Findings

10. Thus serious negligence, inefficiency and ineptitude in the discharge of duties and responsibilities specially of possessing such secret data by an unauthorized person is evident which is tantamount to maladministration in terms of Section 2(3)(ii) of the FTO Ordinance.

RECOMMENDATIONS:**11. FBR to direct-**

- i) the Regional Integrity Committee Sukkur to complete the enquiry and submit report within 30 days;
- ii) the Member IT to probe into leakage of highly sensitive data to an unauthorized person in the light of discussions held at para 9 of this recommendation & take necessary corrective measures to stall such happening in future;
- iii) the Chief Commissioner-IR, RTO Sukkur to:-
 - (a) alert the taxpayers concerned so that they can change their passwords/IDs;
 - (b) initiate disciplinary proceedings against the official(s) if found guilty on the basis of findings of RIC; and
- iv) report compliance within 90 days.

(Dr. Asif Mahmood Jah)
(Hilal-i-Imtiaz) (Sitara-i-Imtiaz)
Federal Tax Ombudsman

Dated: 04/03/2022
U.f

Certified to be True Copy

Registrar
FTO Secretariat
Islamabad

