

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.7312/ISB/IT/2023

Dated: 17.12.2023*HQ Islamabad

Ms. Saira Fazal,

...Complainant

(CNIC: 6110176975284),

House No. 10, Street No. 85, G-6/4,
Islamabad.

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Muhammad Naseer Butt, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Complainant in Person
Departmental Representatives	:	(i) Mr. Ehsan Ullah Khan, Secretary (BDT-IT), FBR
		(ii) Mr. Tariq Iqbal, ADCIR, RTO, Islamabad
		(iii) Mr. M. Usman, USO (PRAL)
		(iv) Mr. M. Tariq, USO (PRAL)

FINDINGS/RECOMMENDATIONS

P The above-mentioned complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance). The complaint was referred for comments to the Secretary, Revenue Division, Member (Information & Technology) and Regional Tax Office, Lahore in terms of Section 10(4) of the FTO Ordinance, read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013 (FOIR Act). Comments were received from RTO, Lahore vide letters dated 02.01.2024, 18.01.2024 and 25.01.2024. Member (Information & Technology) also filed parawise comments vide letter dated 04.01.2024, which were examined and placed on file.

2. Hearing notice u/s 9(2) of the FOIR Act, was issued to the parties for compliance on 03.01.2024. In response to hearing call,

Mr. Ehsan Ullah Khan, Secretary (BDT-IT) from FBR and Mr. Tariq Iqbal, ADCIR from RTO Islamabad on behalf of RTO Lahore and Mr. M Usman, USO and Mr. M. Tariq, USO from PRAL appeared as Departmental Representatives (DRs) and presented department's stance on the issue. Arguments were heard, record perused and complaint is disposed of as under.

3. The complainant is an Overseas Pakistani and has been living in the United States of America since 2001. The complainant stated that on July, 5th 2023, she emailed the Chief Commissioner, RTO, Lahore office regarding the illegal registration of an FBR tax filer's account in her name. However, she did not get a response from the RTO's office. The complainant further stated that she neither applied for an NTN in Pakistan, nor does she have any income from Pakistan. The complainant further stated that under Income Tax Ordinance 2001 (the Ordinance) she was not liable to be registered for an NTN number.

4. The complainant further stated that she came to know on July 4th, 2023 that someone had applied for an NTN in her name and obtained the same as 298630-1. The complainant further stated that she immediately emailed FBR informing them that she has not applied for this NTN. The NTN was obtained using a mobile number and email that did not belong to her. The complainant further stated that on July, 11th, 2023 with the help of an LRO, she was able to gain access to the FBR account in Pakistan and got both the mobile number and email changed.

5. The complainant further stated that at the time of access, the system showed no assets declared, and no taxes filed. However, on October, 12th 2023, a second attempt was made to hack this account and create a fake income tax return whereby a fake wealth

statement has been uploaded. Assets that do not belong to her have been reported in her name. The profile has again been manipulated and the mobile number and email address has again been changed and she is unable to access this account.

6. The complainant further stated that this Iris/NTN and return has been filed with support of FBR officials. The complainant prayed that a thorough inquiry be conducted through the IT Wing to find out as to who (unauthorized entity) created his NTN, accessed Iris account, filed returns of income tax and then printed those returns which are otherwise protected under the Ordinance. The complainant further prayed that inquiry should be conducted to find out the Users IP, login addresses along with source port numbers used for illegally accessing my IRIS account. Furthermore, disciplinary proceedings should be initiated against the culprits who accessed her account unauthorizedly. An affidavit that the document/ her return submitted in the US court has actually not been filed by her is required for her defense in the US Court.

7. The RTO Lahore filed written comments wherein, they stated that the case has been forwarded to PRAL, Islamabad via email dated 15.12.2023 for provision of change in particulars log. Login history and workflow transaction to sort out the grievance of the complainant. The department further stated that the PRAL has provided the history/logs dated 19.12.2023, further proceedings are underway. The RTO stated the matter relates to PRAL and the IT Wing may be approached to provide input on the quires.

8. The Member (Information & Technology) also filed written comments which are as under;

- (i) On 06.11.2021 the taxpayer (complainant) was registered voluntarily with Cell No.'923238978000'and email address shoukat.workshops@gmail.com.

- (ii) On 05.07.2023 the cell number and email address were replaced at the request of the complainant (mentioned in the complaint) with Cell No. '923113667744' and email address sairafazal001@gmail.com by an official of the FBR Mr. Ali Shahid Akbar bearing CNIC number: 3540417115351.
- (iii) On 26.09.2023, the current cell number and email address were updated and replaced with email address sairajaved61101@gmail.com, and Cell No. '00923144547810' by an officer of the FBR namely Mr. Ikram Ullah CNIC: 3540303688098 of Regional Tax Office Lahore through 181 modification application.
- (iv) On 26.09.2023, after above-mentioned modification, the password was changed by the registered person using the online forgot password utility; and
- (v) On 12.10.2023, the income tax return for the tax year 2019 was filed in respect of the complainant.

9. Discussion held with the IT Wing team of FBR and the complainant showed that complainant was got registered for income tax on 11.06.2021 showing Cell No: '923238978000' and with email address 'shoukat.workshops@gmail.com'. When she came to know about his tax profile, she got it replaced through LRO RTO Lahore with her Cell No: '9231113667744' and email address as 'sairafazal001@gmail.com'. As per report of the IT Wing the said updation was made by Mr. Ali Shahid Akbar bearing CNIC '3540417115351' on the request of the complainant. The complainant stated that it was done to have access to her tax profile so that it could not be misused.

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10. Investigation made by the IT Wing further revealed that the said profile was again manipulated on 26.09.2023 and the data was updated with email address sairajaved61101@gmail.com. Besides, cell no was also replaced as '00923144547810'. The IT Wing has confirmed that this changed was made by an employee of RTO Lahore Mr. Ikram Ullah bearing CNIC: '3540303688098' through modification application u/s 181. Subsequently on the same date password was also changed using the option of online 'forgot password'. Apparently, this has been done to have access to

the tax profile of the complainant. After having access to registration profile of the complainant through change of email address, cell no and new password, the return for tax year 2019 was filed on 12.10.2023.

11. The Affidavit of Mr. Shoaib Iqbal Income Tax Practitioner (ITP) has been examined. Perusal of the said affidavit of Mr. Shoaib Iqbal, (ITP) provided by the complainant shows that he admitted as follows;

- (i) I am personally familiar with FBR database and its record search capabilities as well as how to enter and review information into the database as part of my daily work.
- (ii) In preparation of this affidavit, I reviewed the FBR's computerized records in my Lahore office on October 12th 2023.
- (iii) These FBR records are on our secured online database and the records are made and kept in the regular course of the FBR and my business.

12. The ITP further states in affidavit that he accessed record of real property currently owned by the complainant through search of her NIC and accordingly he got access to income declaration u/s 114(1) in respect of complainant for tax year 2019. Similarly, he admitted that he also got accessed to tax record of complainant's father.

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13. The IT Wing report further shows that on 26.09.2023 the profile of the complainant was manipulated through connivance of employee of RTO Lahore Mr. Ikram Ullah bearing CNIC No: 3540303688098 through modification application. Even password was also changed using online utility 'forgot password'.

14. The above facts show that the Mr. Shoaib Iqbal (ITP) and Mr. Ikram Ullah from RTO Lahore are the persons who breached the data security and manipulated tax profile for updation and filed tax return on behalf of the complainant. It may be mentioned that the

complainant was got registered on 11.06.2021 with email address and cell number disowned by the complainant.

15. The Chief Commissioner-IR, RTO Lahore was asked to confront the relevant persons, Mr. Ikram Ullah CNIC '3540303688098' of RTO Lahore and Mr. Shoaib Iqbal (ITP), Lahore regarding data manipulation made and seek their explanation and submit the same with comments by 16.01.2024. They could appear in person if they so desired. The RTO submitted copy of reply vide letter dated 18.01.2024 addressed to the Second Secretary (TO-I), wherein the Mr. Ikram Ullah contented that Mr. Asif Ali, Data Processing Officer (PRAL) posted at Taxpayer's Facilitation Center Sheikhpura Lahore operated the said login. The RTO also issued explanation letter to Mr. Asif Ali vide letter No. 7725 dated 17.01.2024 for seeking his reply.

16. The RTO submitted copies of replies of both the officials vide letter dated 25.01.2024 addressed to Member-IR (Legal). Mr. Asif Ali, Data Processing Officer (PRAL) admitted in his reply submitted to the RTO that he updated the email address 'Sairajaved61101@gmail.com' and Cell No. '00923144547810' on the request of Mr. Kashif Zia, Advocate having CNIC No. '34404-5931353-7' License No. 124799. However, the reply of Mr. Asif Ali was found unsatisfactory by the Chief Commissioner. Further explanation letter has been issued by RTO and stated that on reply the matter will be referred to Member (IT) for necessary action.

17. However, no reply has been received from Mr. Shoaib Iqbal (ITP) despite the fact that he was confronted by RTO through a letter No. 7524 dated 12.01.2024 and reminder issued vide letter No. 7726 dated 17.01.2024 for compliance on 19.01.2024. In addition, the Chief Commissioner-IR stated that the concerned commissioner

has been asked to initiate proceedings for deregistration and invalidation of the return without the consent of the complainant.

18. The above facts show that the initial inquiry of IT Wing of FBR and comments filed by the Chief Commissioner-IR, RTO Lahore revealed that Mr. Ikram Ullah, Mr. Shoaib Iqbal (ITP) and Mr. Asif Ali, Data Processing Officer (PRAL) are responsible for data manipulation and illegal updation of tax profile of the complainant.

19. As per standard procedure for registration of tax declaration, the system demands previous year's return along with prior payment of surcharge before accepting the tax return for any years. But in this case, return for the previous year was neither filed nor was prescribed surcharge paid. Despite this lapse, the system accepted the single return for the tax year 2019 after about two years and four months without raising any alert. This also points to integrity and serious breach of online system of registration.

FINDINGS:


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20. In view of above facts, it can safely be presumed that Mr. Shoaib Iqbal (ITP), Mr. Ikram Ullah employee of RTO Lahore and Mr. Asif Ali, Data Processing Officer (PRAL) got unauthorized access to tax data and manipulated the same to create tax profile of the complainant and made changes on account of email address, password and had filed return of income on behalf of the complainant. The said acts are found contrary to law, oppressive and involve exercise of authority for improper motives and administrative excesses in terms of 2(3)(i)(a)(b) and (d) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

21. FBR to:

- (i) to take appropriate disciplinary and corrective action against all the persons involved in unauthorized access and manipulation of data in respect of the complainant including blacklisting/delisting the delinquent ITP;
- (ii) investigate how integrity of tax data was compromised despite an elaborate and dedicated setup of PRAL;
- (iii) Member (IT) to take appropriate step to ensure data security and effective control over IT personnel in all jurisdictions; and
- (iv) report compliance within 45 days


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

Dated: 29.11.2024
Aklf

Approved for reporting