



Singapore Customs Media Release

79,000 “DEFECTIVE” MOBILE PHONES LAND DIRECTOR AND TWO ACCOMPLICES IN HOT SOUP

Fines exceed \$200,000 or jail term over 2 years

A Singaporean man, Yeo Hock Leong, 30, was sentenced in court today to fines totalling \$212,000 or in default, 106 weeks’ imprisonment, for a series of Customs offences. Earlier in June 2010, Yeo had pleaded guilty to 20 charges of incorrect declaration of values of mobile phones imported into Singapore, with the remaining 78 charges taken into consideration. The charges involved 79,262 mobile phones and the total Goods & Services Tax (GST) evaded exceeded \$182,000.

2 In addition, the director of Vision Your Gadgets Station Pte Ltd (‘Vision’), was also convicted for one count of abetting in the offence of obstructing Customs officers in the seizure of goods, and one count of failure to retain trade documents.

3 Yeo’s two employees - Ong Soon Leng, 30 and Cheng Zhiyi, 26 - were convicted for the offence of obstructing Customs officers in the seizure of goods, and each fined \$6,000 or in default, 3 weeks’ imprisonment.

Mobile Phone Importer Faced Serious Consequences of GST Evasions

4 Earlier investigations by SC established that Yeo had provided invoices bearing incorrect values for the declaration of 98 Customs permits to import 79,262 mobile phones for eight months since March 2008. In his submissions to SC, Yeo had declared the functioning mobile phones of various brands as defective. The GST short-paid was \$182,093.15. In July 2009, Yeo was charged with incorrect declaration of values related to the import of goods into Singapore as well as failure to retain trade documents.

Last Ditch Effort To Remove Traces of Trade Offence

4 On 28 October 2008, based on intelligence gathered, Singapore Customs (SC) officers were keeping a close watch in the vicinity of Vision in a building when they saw Ong and Cheng removing some goods and two plastic bags from the office. Suspecting that something was amiss, the officers moved in immediately upon Cheng's return, declared office and conducted a search of their office.

5 During questioning by SC officers, Cheng spilled the beans of the unlawful act committed together with Ong and Yeo. Yeo had alerted Ong earlier over the telephone about the possibility of a raid by SC. Yeo instructed Ong to remove certain trade documents and some stocks of mobile phones from the office to prevent seizure of the items by SC.

6 Ong roped in Cheng to help carry out their boss' instructions. While Cheng was transferring the mobile phones to another unit within the building, Ong packed the documents into two bags and left the office in a taxi to meet up with Yeo. Ong then handed the documents to Yeo who subsequently disposed of them.

Level Playing Field for Traders

8 As the lead agency on trade facilitation and revenue enforcement matters, Singapore Customs (SC) regulates the trading system to create a level playing field for all traders. It will take to task any trader who flouts customs regulations to defraud the State or to gain an unfair advantage over others.

Advisory from Singapore Customs

9 Under the Customs Act, it is the responsibility of the importers to ensure the accuracy and completeness of the values and other related costs declared to SC. Under-declaration of the value is a serious offence as it will result in the short payment of duty and import GST payable. Any person who is found guilty of incorrect declaration will face a jail term of up to one year and/or a maximum fine of either \$10,000 or the amount

of duty and GST involved, whichever is greater. In addition to the penalties meted out by the Court, the offenders are also required to make good the duty and GST short-paid to SC.

10 All trade documents should be kept for a minimum period of five years. Any person who is found guilty of obstructing any Customs officer in the seizure of any items for the purpose of investigation can be fined up to \$10,000 or to imprisonment for a term not exceeding 18 months or to both. Any person who abets the commission of such offence will be similarly punished.

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