



**Pink**  
magazine  
free with  
this issue



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spending on  
bread, meat,  
fish and cereal**

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even as  
Cilia pegs  
back City**

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## VAT official acquitted in bribery scandal

Waylon Johnston

One of the VAT Department officials implicated in the corruption scandal that rocked the institution last year was acquitted of his involvement yesterday.

Carmelo Caruana, 60, of Birkirkara who headed the department's collection section, allegedly accepted €500 in return for removing a seizure warrant on a company that owed money to the department.

The collection section is effectively the enforcement arm of the department and is responsible for chasing overdue tax and instigating proceedings against defaulters.

He had been implicated in the case by another employee, Nigel Abela, who is the alleged mastermind behind the whole scam, according to evidence given by Police Inspector Ivan Cilia, prosecuting.

There were six VAT Department employees, five go-betweens and 20 businessmen implicated in the scam, which ran into millions of euros.

In her judgment, Magistrate Doreen Clarke pointed out that the

police had built their case solely on what Mr Abela said about Mr Caruana in a police statement. She dismissed this evidence as hearsay because Mr Abela did not confirm the information under oath when called to testify, invoking his right not to incriminate himself.

She also highlighted the fact that Mr Caruana had consistently denied his involvement and had given the police all the information they wanted about his role as a department employee in the cases investigated. Nothing illegal ever emerged.

Moreover, none of the businessmen who were supposed to have had the warrant of seizure lifted through Mr Caruana's involvement were brought by the police to testify and neither did the Attorney General demand they be summoned as witnesses, the magistrate said.

Even an analysis of Mr Caruana's assets failed to show anything untoward, the magistrate said, pointing out that there was no evidence to implicate the accused in the allegations against him. She therefore acquitted him.

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## Underground success



Miners waving as they celebrated after a giant drilling machine completed the world's longest tunnel beneath the Swiss Alps, yesterday, 30 kilometres from one end and 2,000 metres below the mountains near Sedrun. Photo: Fabrice Coffrini/AFP » Story on page 15

## Budget for October 25

The Budget for 2011 will be presented on October 25, Finance Minister Tonio Fenech confirmed yesterday.

That the Budget would be presented in the last week of October has been known for some time but the final date was only announced yesterday.

Mr Fenech said he had concluded meetings with other ministers but still had another two meetings with the Malta Council for Economic and Social Development scheduled, one of them today.

Mr Fenech has set the government's priority for next year as fiscal

consolidation, avoiding overzealous spending cuts that might damage the economic recovery.

The aim is to trim about €50 million in expenditure to target a deficit below three per cent of GDP.

The Budget 2010 was presented last November 9.



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