

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 1649 [NW1799E]  
DATE OF PUBLICATION: 25 MAY 2018**

**1649. Mr P van Dalen (DA) to ask the Minister of Finance:**

(a) What number of cases relating to the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004, as amended, have been referred to the (i) SA Police Service (SAPS) and (ii) Directorate for Priority Crime Investigation (DPCI) by (aa) The National Treasury and (bb) each entity reporting to him for further investigation since the Act was assented to and (b) what number of the specified cases have (i) been investigated by SAPS and DPCI, (ii) been followed up by the respective accounting officers and (iii) resulted in a conviction in each specified financial year since 2004?

NW1799E

**REPLY:**

**NATIONAL TREASURY**

(a) (i) (ii) (aa) Nil  
(b) (i) (ii) (iii) Nil

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**ASB**

The Accounting Standards Board has had no cases relating to the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004, as amended, since date of establishment in October 2002, and as a result have had no need to report any cases to the (i) SA Police Service (SAPS) and (ii) Directorate for Priority Crime Investigation (DPCI).

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**CBDA**

The Co-operative Banks Development Agency has not had any cases relating to the Prevention of Combating of Corrupt Activities Act, Act 12 of 2004.

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## DBSA

**(a)(i)** Two (2) Cases reported to SAPS for further investigation. One (1) case in FY13/14 and one (1) case in FY 17/18. **(a)(ii)** No reports referred directly to DPCI.

**(b)(i)** Two (2) cases under investigation by SAPS. **(ii)** Two (2) cases followed up with SAPS and still under investigation. **(iii)** No convictions to date.

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## FIC

(a) The Financial Intelligence Centre (FIC) refers information (financial intelligence) for investigation to law enforcement authorities (such as the SAPS), the South African Revenue Service, security services and supervisors on an ongoing basis as part of the its regular function as envisaged in section 40 of the Financial Intelligence Centre Act, 2001 (Act No38 of 2001, the FIC Act).

The FIC provides statistical information about its referrals in each of its Annual Reports.

The following number of matters have been identified as having possible links with criminal activity relating to the Prevention and Combating of Corrupt Activities Act, 2004 (Act No12 of 2004, the PRECC Act) and were referred to the respective agencies indicated below:

	<b>(i) SAPS</b>	<b>(ii) DPCI</b>
<b>2012/13</b>	2	11
<b>2013/14</b>	3	13
<b>2014/15</b>	0	71
<b>2015/16</b>	1	9
<b>2016/17</b>	3	18
<b>2017/18</b>	6	7

Notes: i) The information referred to the SAPS and the DPCI in the matters referred to above relate to the FIC's analysis of reports that financial and other institutions had made to the FIC on the transaction activities of their customers under the various reporting obligations contained in the FIC Act. None of these matters relate to suspected contraventions of the PRECC Act by staff members of the FIC.

ii) Prior to the financial year 2012-2013, the FIC did not keep detailed statistics of the possible underlying crime types relating to matters referred to law enforcement authorities.

(b) (i) and (ii) This information is not available to the FIC as the records of investigations relating to the PRECC Act are kept by the agencies conducting the relevant investigations, i.e. the SAPS and the DPCI respectively.

(iii) This information is not available to the FIC as the records of prosecutions and convictions relating to the PRECC Act are kept by the National Prosecuting Authority.

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## **FSB**

The Financial Services Board (the predecessor of the Financial Sector Conduct Authority) referred 86 cases to the Directorate for Priority Crime Investigation since 2012. We are aware of 8 convictions of these cases. 73 of the cases have been investigated or are currently part of an ongoing investigation. It should be noted that these 86 cases do not necessarily relate to corrupt activities. They were cases that the FSB investigated as part of their ongoing supervision of the entities that it regulates. It also often included investigations into unregistered business.

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## **GEPF**

There has been no cases relating to the Prevention and Combating of Corrupt Activities Act that were referred to the SAPS or the DPCI.

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## **GPAA**

“The Government Pensions Administration Agency (GPAA) was established with effect from 1 April 2010 as promulgated by the President, as a government component in terms of Schedule 3 of the Public Service Act. Since the formation of the GPAA, the following cases were reported

- (a) 193 cases reported to SA Policy service/DPCI
  - (b)
    - (i) 140 cases investigated by SA Policy service/DPCI
    - (ii) All cases have been followed up by the GPAA with regular engagement with the SA Police Services/DPCI.
    - (iii) 8 cases resulted in convictions.
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## **IRBA**

The IRBA hold a position of authority over staff members that are employed by the IRBA as well as over Registered Auditors who are duly registered with the IRBA on its Register.

The IRBA has, from 2004 to date, not referred any cases or reported any of its employees or any Registered Auditors to a police official in accordance with the requirements of Section 34 of the Prevention and Combating of Corrupt Activities Act 12 of 2004.

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## LAND BANK

- (a) (i) 11 cases have been referred to date. (ii) As below (b) (i) As below (ii) The follow-up on cases by Land Bank accounting officers is continuous until cases are resolved (iii) The case (Brooklyn CAS 544/09/2012) of 2012 have been resolved, with the Accused found guilty.

#	Case Number	Year Reported	Result	Brief description of matter
1	Piet Plessis CAS 04/09/2004	2004	To follow up with SAPS and NPA	The client created and submitted fictitious invoices to Land Bank for a production loan to the value of R100,000
2	Brooklyn Cas 451/10/2007	2007	To follow up with SAPS and NPA	Theft of Land Bank company assets by an employee. Value of assets unknown.
3	Brooklyn CAS 300/11/2008 (AgriBEE Fund)	2008	Currently in Court	Various grants were approved without following the correct procedures and on verbal instruction from the CEO of the Land Bank. Total value approximately R26.5 million.
4	Brooklyn CAS 84/06/2009	2009	To follow up with SAPS and NPA	Bills and Promissory notes were stolen from the Land Bank Head Officer and presented for payment at FNB Standerton to the amount of R1 million.
5	Brooklyn CAS 985/08/2009	2009	To follow up with SAPS and NPA	A Land Bank client failed to disclose in a loan application that he had been previously sequestered. The same client submitted fictitious invoices to Land Bank to facilitate disbursement of the loan. A loan to the value of R450,000 was granted to the client.
6	Brooklyn CAS 986/08/2009	2009	To follow up with SAPS and NPA	Client provided false information and documentation in support of a loan application. Client utilised the loan to pay off existing debt and not purchase livestock as stated in the loan application. Client further submitted fictitious invoices in order to facilitate payment of the loan. Value of the loan R500,000
7	Brooklyn CAS 987/08/2009	2009	To follow up with SAPS and NPA	Client disposed of assets which Land Bank held as security in the form of notarial bonds over. Furthermore, the client represented to Land Bank that he owned certain property, which resulted in a notarial bond registered over said property, whilst this was not the case.
8	Brooklyn CAS 431/08/2011 (AgriBEE Fund)	2011	Currently in Court	An employee of the National Department of Agriculture and the fund manager of the AgriBEE fund approached a recipient of an AgriBEE grant and convinced him to deposit R2 million into a trust account of an attorney in Witbank, stating that the funds was for another AgriBEE project. The attorneys received R100,000 as fees and the remainder was split between

				the employee of the National Department of Agriculture and the AgriBEE fund manager.
9	Brooklyn CAS 544/09/2012 (AgriBEE Fund)	2012	Accused found guilty	A grant of R6 million was paid to an entity on the verbal instruction of the CEO of the Landbank, and the correct procedures was not followed in approving this grant. The previous Chairperson of the Portfolio Committee of Agriculture in Parliament was one of the individuals that personally benefitted from this grant.
10	Brooklyn CAS 884/07/2013 (AgriBEE Fund)	2013	Docket with prosecutor for decision to prosecute	Two entities received a total of R10,8 million as grants from the AgriBEE on verbal instruction from the CEO of the Landbank and the special advisor to the Minister of Agriculture. The correct procedures were not followed in approving these grants.
11	Durbanville Case 420/09/2017	2017	Still under investigation by SAPS	Client submitted fraudulent documentation in support of a loan application. Value of the loan was R1.1 million.

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## FAIS OMBUD

There have been breaches of policy, including breach of the Supply Chain Management Policy on one isolated incident, but in neither of the instances where there were such policy breaches, these were found to fall within the parameters of the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004. In this regard, there were no cases reported nor pending before any of the mentioned law enforcement institutions.

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## PFA

The Office of the Pension Funds Adjudicator has not referred any cases relation to the Prevention and Combatting of Corrupt Activities Act, 12 of 2004 to the South African Police Service and / or the Directorate for Priority Crime Investigation.

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## PIC

- (a) No cases relating to the PIC have been referred to the South African Police Service (SAPS) or the Directorate for Priority Crime Investigation (DPCI), in terms of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No 12 of 2004).

It should, however, be pointed out that a disgruntled employee laid charges of corruption against the Chief Executive Officer of the PIC, albeit that these charges were not specifically laid under the legislation referred to above. These charges pertain to a matter that was investigated thoroughly by the Board of the PIC. The

Board of the PIC found these charges to be baseless and expressed its full confidence in the CEO.

- (b) The rest of the question falls away.

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## SAA

<b>Cases relating to the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004</b>		
	SA Police Service	Directorate for Priority Crime Investigation
(a) (i) Number of cases referred to	89 (13 referred by SAA and 76 referred by Forensic Investigations)	1
(b) (i) Number of cases investigated by	13	1
(ii) Being followed up by the respective accounting officers	14	
(iii) Resulted in a conviction in each specified financial year since 2004?	Pending SAP Investigation	Pending DPCI investigation

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## SARS

### SARS Fraud Investigations reply:

- Fraud Investigations record-keeping does not distinguish between SAPS and DPCI – both are recorded as referred to “SAPS”.
- Investigators of SARS Fraud Investigations constantly monitor the progress of all criminal cases referred by the unit to the SAPS.
- Cases in the below table do not necessarily exceed the R100 000 provision. Corruption-related cases are referred to the SAPS based on merit - even if it doesn't exceed R100 000.
- Data for corruption-related cases referred by SARS Fraud Investigations and convictions are only available from the 2012/13 Financial Year (FY):

<b>FY</b>	<b>Corruption-related cases referred to the SAPS</b>	<b>Corruption-related cases with convictions obtained in each FY</b>
<b>2012/13</b>	24	5
<b>2013/14</b>	61	2
<b>2014/15</b>	9	1
<b>2015/16</b>	7	1
<b>2016/17</b>	5	1
<b>2017/18</b>	5	3
<b>Total cases</b>	<b>111</b>	<b>13</b>

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## **SASRIA**

Sasria SOC Ltd has for the 2004 to 2018 financial years not referred any cases relating to the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004 (as amended), to the (i) SA Police Service (SAPS) and (ii) Directorate for Priority Crime Investigation (DPCI).

It therefore follows, that no cases have been investigated, neither by the SAPS nor the DPCI.

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## **TAX OMBUD**

The Office of the Tax Ombud has never referred cases relating to the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004, as amended, to SA Police Service (SAPS) or Director for Priority Crime Investigation (DPCI).

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