



## water & sanitation

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

### Internet Article

#### Multi-million rand scam continues

20 August 2014

*Daring crooked syndicates continued this week with their scam to pose as the Department of Water and Sanitation and invited small businesses to tender for the supply of material to the department by 31<sup>st</sup> August 2015*

*In the latest scam, the syndicate placed a newspaper advert to supply the department with orange **SC-90 Covers** that are 300 mm long and 300 mm wide. Although the advert carries the department's letterhead, the telephone and fax numbers do not belong to the department and the person named for enquiries, NP Mthethwa, does not work for the department.*

*On closer scrutiny some of the telephone and cellphone numbers in the advert were found to belong to cars that have been installed with mobile phones. Physical addresses are normally fake or the culprits moved as soon as they have received full payment for the goods.*

*The department has advised small businesses not to respond to the advert as this is part of a scam that has fleeced unsuspecting suppliers of millions of rands in the past year through false adverts. The scam is affecting departments across government and the police are investigating various complaints by victims who have been duped into parting with huge amounts of money.*

*It is suspected that more than one syndicate is involved in the scam. The modus operandi involves false adverts of a department asking for tenders for the supply of goods worth thousands of rands. Prospective suppliers are subsequently required to deposit money into fake accounts to the "manufacturers" of the advertised goods. The suppliers are later asked to deliver the goods outside the targeted department and pay the pseudo manufacturers on delivery.*

*The victims only become aware of the scam once they ask for payment from the departments. The syndicates open bank accounts with fake identity documents and close them immediately after withdrawing the money that was deposited by the victims. Since the beginning of the year the Department of Water and Sanitation alone has received no fewer than 15 complaints by victims of the scam who have lost several millions of rands to syndicates.*

*According to Supply Chain officials, the department receives complaints almost weekly by victim business people who have fallen prey to the scam. In some cases the victims go to an extent of borrowing money from financial institutions to buy the advertised goods in order to delivery within the specified dates that were stated in the adverts.*

**By Themba Khumalo**