

Sunday Times 23-07-2006.

# State seizes R6.6m from fugitive's Swiss account

**HENRIËTTE GELDENHUYS**

THE state has recovered R6.6-million from the Swiss bank account of Nicholas Michaelides, a fugitive member of a South African gold-smuggling syndicate — making it the first successful repatriation of proceeds of crime from abroad.

The head of the National Prosecuting Authority's Asset Forfeiture Unit, Willie Hofmeyr, said: "It's a lot more complicated than doing cases domestically. In that sense, it's a really big breakthrough for us."

The syndicate made millions from smuggling gold, disguised as silver, out of the country.

The group used a metal refinery in Wynberg, Joburg, to illegally export gold, and defrauded SA Customs Authorities of an estimated \$15-million.

The refinery coated the gold with silver and exported the gold as silver, but got paid for gold.

Instead of the amount it received for the gold, the syndicate repatriated the lesser amount for the silver.

The difference between the gold sales and the silver sales was deposited into bank accounts abroad.

Although five of the syndicate's members were arrested in 1994 and, following

their 1998 trial in the Johannesburg High Court, sentenced to lengthy prison terms, some fled the country.

● Norman Durrant was sentenced to an effective 3½ years in jail after being convicted of fraud involving R15-million.

● Kireet Soni was sentenced to six years' jail or a R350 000 fine after being convicted of fraud involving R53-million.

● Paul Miller was sentenced to 10 years' jail after being convicted of fraud involving R26.8-million.

● Dave Friedman was sentenced to four years' jail or a R1 500 000 fine after being convicted of fraud involving R6.15-million.

● Keith Edwin Stephen was sentenced to two years' jail or a fine of R140 000 after being convicted of fraud involving R15-million.

Suspect Michaelides fled the country, said NPA spokesman Lucinda Moonieya.

Hofmeyr said Michaelides was "somewhere between Cypress and Greece in some unextraditable place and we haven't managed to track him down".

Of the unit's success, Hofmeyr said, "It took a long time for our work to bear fruit. It's very satisfying to finally achieve success. In the past, the money might have just disappeared. But now we have a mechanism to get it back."