

Media Statement



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TO: ALL MEDIA

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RE: AFU seizes hidden funds of Ronald and Darren Bobroff

On 28 July 2017, the Asset Forfeiture Unit (**AFU**) of the NPA obtained an order in the North Gauteng High Court freezing a cash amount of about R101 million which is held in two bank accounts in Israel.

The bank accounts are held in the names of Ronald and Darren Bobroff (**the Bobroffs**). The Bobroffs fled South Africa in March 2016 for Australia after irregularities were uncovered at Ronald Bobroff & Partners Inc (**RBP**), an attorneys firm specialising in personal injury claims. The Bobroffs were directors at RBP.

The huge freezing order was the result of excellent cooperation between the South African and Israeli authorities.

The case relates to multiple fee agreements entered into by the Bobroff's with their clients. In some instances, up to three agreements were signed with each client. The Bobroff's *modus operandi* was to convince clients to enter into these agreements. The clients were unaware that these agreements were in actual fact null and void and that it was used as a tool by the Bobroffs to commit alleged fraud, theft and tax evasion.

In addition, the Bobroffs invested a substantial amount of RBP's monies in an investment account. The account was, however, not reflected as a trust creditor account in RBP's trust accounting records. The money in the investment account provided the Bobroffs with an opportunity to avoid taxation of the interest earned on the monies invested as well as opportunity to launder funds without being detected.

The order was granted in terms of the Prevention of Organised Crime Act, which provides that property that is used to commit a crime can be frozen while the NPA applies for a final order to forfeit the money to the state.

The money in the bank accounts was initially frozen by the Israeli authorities after they became suspicious about transactions being conducted on the accounts by the Bobroffs.

In court papers, the AFU also submitted evidence that the funds in the bank accounts are, in all probability, the proceeds of unlawful activities, namely, fraud and/or theft and/or money laundering and that the Bobroffs laundered funds of their clients into the accounts in Israel.

The money is currently kept safe in Israel until the finalisation of forfeiture proceedings.

Kind Regards,

Luvuyo Mfaku

NPA Spokesperson

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