

Media Statement



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TO: ALL MEDIA

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RE: SEVEN (7) ACCUSED SENTENCED TO 83 YEARS FOR RACKETEERING CASE IN PRETORIA

On Thursday, 14 October 2010, seven (7) accused were sentenced to a total of 83 years imprisonment by the North Gauteng High Court after being convicted of 394, 155 counts ranging from racketeering, money laundering, fraud, theft and tax evasion. They are: Maria Prinsloo, Herbert Prinsloo, Maria Lemstra, Gerrit Lemstra, Willem Pelsler, Izabel Engelbrecht, Hendrik Engelbrecht.

During trial it was revealed that the accused were involved in an operation of a money multiplication scheme in contravention of Harmful Business Practice regulations. Various methods were used by the accused to evade detection by the authorities, which included numerous misrepresentations and the creation of various entities, incorporated or unincorporated. These entities were essentially the vehicles used by the accused firstly, to escape the provisions of the law and secondly, to drive the money multiplication scheme until it collapsed leaving thousands of investors out of pocket.

A multiplication scheme (otherwise known as a money multiplication scheme) involves that investors or participants in the scheme invest a capital amount with the promise of earning unrealistically high interest on their investments. Investors are promised that they will make a lot of money or receive a very high return on their investment - the kind of return

that could not be achieved through lawful and more conventional investment opportunities. In other words their initial investment will simply be multiplied. Hence, it is commonly known as a get-rich-quick scheme. What in reality occurs is that the interest accruing to investors or participants in the scheme, has to be paid out of their own or that of other investors' investment capital. This scheme should be distinguished from a pyramid scheme in that in a multiplication scheme the interest on deposits, is not dependent on any further action on the part of the investor or participant, such as them having to procure or canvass further investors.

The arrest, conviction and sentencing of the accused was a result of diligent work and co-operation between the SAPS and the NPA in particular Adv Arno Rossouw, Adv Louise Friester and Adv David Broughton who presented a formidable case. It should be noted that this is the biggest Racketeering case to be prosecuted by the NPA

Issued by:

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