

Office of the National Director of Public Prosecutions



The National Prosecuting Authority of South Africa
Igunya Jikelele Labetshutshisi boMzantsi Afrika
Die Nasionale Vervolgingsgesag van Suid-Afrika

TO: ALL MEDIA

DATE: 26 JUNE 2008

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The Bloemfontein office of the Directorate of Special Operations (DSO/Scorpions) arrested seven people (5 males & 2 females) today in Bloemfontein, Durban and Johannesburg. A key suspect is an employee of the Department of Health in the Free State Province who was employed as a manager at the medical depot. The said suspect, together with another employee colluded to award contracts exclusively to companies owned by her husband and four other suspects.

Their modus operandi involved using fraudulent information on their quotations to obtain contracts and the key suspects would fail to verify the correctness of the information supplied by the other suspects. The companies were responsible for selling medical supplies to the Department would provide exorbitantly inflated quotations for the transactions that would be processed without difficulty.

The syndicate operated the scam in a much organised way from 2002 until 2007 when the Scorpions initiated the investigation.

Suspects will face charges that include fraud, corruption and racketeering involving **R12 million**. They will appear before the Bloemfontein Magistrate's Court on Friday, 27 June 2008 where it is expected they will apply for bail.

Enquires:

Tlali Tlali

NPA Spokesperson

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Justice in our society, so that people can live in freedom and security