

Media Statement



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TO: ALL MEDIA

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RE: NDPP AUTHORISES PROSECUTION IN RACKETEERING CASE

The National Director of Public Prosecutions (NDPP), Adv Menzi Simelane has authorised prosecution in a case of racketeering involving six accused. Cases of racketeering are the only ones that require authorisation by the NDPP, as stipulated in the Prevention of Organised Crime Act 121 of 1998. The NDPP requested a briefing from DPPs of all outstanding matters related to complex and organised crime, and this case is one among a few others that are high profile on which he has authorised action.

The six accused are, Johannes Van Staden 46 years, Marc Schoeman 44 years, Gerhard Botha 41 years, Jan du Preez 33 years, Gary Newmark 39 years and Carel Braam de Vries 48 years residing the Western Cape.

The six accused who were involved in the fishing industry, accountancy and attorneys are facing a total of 192 counts ranging from racketeering, fraud, forgery and reckless trading committed during the period of September 2005 to October 2008

Racketeering as an offence was formulated to assist law enforcement agencies in the fight against organised crime. For it to be committed, there has to be a structure in place (referred to as the enterprise), whether formal or informal, for which a group of persons (a syndicate) is committing offences. There has to be an ongoing commission of these offences and this will be referred to as pattern of racketeering activity. Anyone involved with the enterprise, be it its manager, employee, associate or anyone who attempts or conspires with its members to commit offences to its benefit, can be charged with racketeering. Anyone found guilty of the offence of racketeering can be sentenced to a maximum fine R1000 million or life imprisonment.

The accused are alleged to have conducted a fishing business that caught, processed and exported fish in the Western Cape. They allegedly operated this enterprise through the Indo-Atlantic Group of Companies. The enterprise is alleged to have conducted this business as a front for submitting false VAT returns in order to benefit the members of the enterprise.

Indo-Atlantic Shipping (Pty) Ltd, Southern Ocean Fishing (Pty) Ltd (Indo-Atlantic Seafoods (Pty) Ltd and Southern Ocean Marine Corporation (Pty) Ltd were registered as VAT vendors with one of the accused as the representative vendor.

The accused allegedly committed fraud through these entities by submitting false 201 VAT returns. This was done in the following manner:

The method was that some of the accused approached certain service providers that included Mercedes Benz, V&A Waterfront, PSI and others. They allegedly requested quotations for work to be done and upon receipt thereof, they would request tax invoices to obtain financing. Upon receipt of the invoices, they would use them to substantiate VAT input claims. In all the above instances the work was never done or they never paid the service providers for the work done.

The actual loss suffered by South African Revenue Service as a result of this scheme is estimated to be over R250 million. The six accused appeared today in Cape Town Magistrate Court and the matter has been transferred to the High Court and trial set down from 02 August 2010 to 9 December 2010 because of the seriousness of the case.

Issued by:

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