



MEDIA STATEMENT

TO: MEDIA

RE: INTERNATIONAL TRADERS CONNED, SCORPOINS SECURE CONVICTION

DATE: 21 MAY 2007

The National Prosecuting Authority's (NPA) Directorate of Special operations (DSO) or the Scorpions received information involving two international traders (a Dutch and a Russian company) regarding theft of money by one of the trade partners (Francois Malcolm Heyns) in South Africa. The Dutch legal representative approached our office for assistance, while the Russian complaint was channelled *via* the Economic Section of The South African Embassy in Moscow.

In June 2004 a team was constituted and the investigation was authorised in terms of section 28(1) of the NPA Act, 32 of 1998. A search and seizure operation was carried out on the premises of the suspect (later accused) on 17 November 2004. A number of items were seized during the raid. Following analysis of the items seized, it emerged that some items included documents that provided significant leads that identified persons who were to become important witnesses for the state. In addition, other items were in the form of documentary evidence.

Hereunder follows salient features of this investigation:

1. The accused conducted business as a procurement agent for overseas buyers of South African fruit produce. He used certain companies to conduct various transactions in South Africa. These include Rothchilds Edward Morgan "REM" (Pty) Ltd of which he was a Director and Freshrite (Pty) Ltd.
2. In August 2003 the accused made a representation of a proposal to a representative of Greenbox (a company registered

in the Netherlands and trading in fresh produce) to supply Greenbox with 50 000 cartons of Thompson seedless grapes on consignment to be sourced from Upington District. Greenbox through its representative accepted the proposal and made an advance payment to the accused/REM/Freshrite of over R1,1 million. The advance was never used to purchase fruit as per agreement but was expended on other unrelated items. This was done without the consent of Greenbox. The company suffered a loss of about R1, 1million.

3. In May 2004 the accused entered into an agreement with a representative of Sunway, a Russian company trading in fresh produce. In this instance the accused undertook to procure 6 400 boxes (80 000 kg net weight) of pears from South Africa to export them for the benefit of Sunway. REM required Sunway to pay 70% of the purchase price in advance to secure the consignment. The advance was duly made. As with Greenbox, the money was never used for the intended purpose. At the end, Sunway suffered monetary loss of R235 000.
4. Following the investigations carried out, the accused was subsequently arrested and appeared at the Bellville Regional court in November 2006. A plea and sentence agreement was entered into following consultation with all parties concerned where the accused pleaded guilty to two counts of theft. In terms of the agreement the accused was sentenced to R50 000 fine or 3 years imprisonment where the fine is payable before or on 30 September 2007; monetary compensation by the accused to the complainants; 3 years of correctional supervision and 7 years imprisonment suspended for five years with conditions. This case was finalised on 14 May 2007 at the Bellville Regional Court.
5. Despite its no-custodial nature, the sentence is very stringent as the accused faces a possibility of a cumulative term of 13 years imprisonment, should he fail to comply with the prescribed conditions.

As the NPA we hold that this case will send an unequivocal message that the State institutions, especially law-enforcement agencies, will not play a spectator role to criminals who want to ruin South African image and reputation by stealing and/or defrauding from unsuspecting international traders. We will work towards ensuring that a suitable climate exists for the people of this country and investors to trade.

For enquiries, please contact Tlali Tlali (NPA Deputy Spokesperson) at 082 3333 880 or at ttlali@npa.gov.za