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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 1017**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 29/05/2020**

**INTERNAL QUESTION PAPER NO 18 OF 2020**

**Prof B Bozzoli (DA) to ask the Minister of Higher Education, Science and Technology:**

(a) What number of cases of (i) employees and (ii) syndicates of the National Student Financial Aid Scheme (NSFAS) suspected of fraud in each case have been handed to the Commercial Crime Unit of the SA Police Service, (b) on what dates were they handed to the unit, (c) what progress has the unit made in pursuing each case, (d) what was the total value of the suspected fraud in each case, (e) are there any outstanding cases which will still be handed over and (f) have all persons suspected of fraud been removed from the staff of NSFAS?

**NW1306E**

**REPLY:**

1. (i) Five cases of fraud involving NSFAS employees were registered with the Wynberg South African Police Services.

(ii) Following the arrest of three NSFAS employees on or about 9 October 2019, the NSFAS Chief Governance, Risk and Compliance Executive initiated a reconciliation project, which entailed extracting a history of all SBux purchases and withdrawal transactions concluded with merchants in the Western Cape specifically. The rationale being that there were no institutions on SBux in the Western Cape, yet transactions were being concluded daily, which pointed to the operation of a syndicate.

(b) The five cases registered with the Wynberg SAPS office between 2017 and 2019, were handed over to the Commercial Crimes Unit on or about 10 November 2019. A criminal inquiry under Case No: 200/08/2019 was also handed over at the same time.

(c) In the five cases of fraud involving NSFAS employees, the following progress has been made:

* Case No: 323/05/2017 – Warrant of arrest has been issued as the accused fled the province and his whereabouts are unknown.
* Case No: 80/11/2018 - Warrant of arrest has been issued as the accused fled the province and his whereabouts are unknown.
* Case No: 14/10/2019 – Allegations are being investigated.
* Case No: 200/08/2019 – The National Prosecuting Authority is negotiating a plea bargain.
* Case No: 82/10/2019 – The matter has been placed on the court roll for 7 July 2020 to view video footage obtained of the alleged fraudulent transaction.

 The criminal inquiry registered under Case No: 200/08/2019 is being investigated. Given that the transactions at the Western Cape merchant stores were concluded during September 2019, and the criminal inquiry was officially opened in November 2019, the video footage at the specific merchant stores were only retained for a maximum of 14 days from the date of the incident, where after the video footage is deleted by the merchant store.

(d) In the five cases of fraud involving NSFAS employees, the total value of the suspected fraud is as follows:

* Case No: 323/05/2017 – R15 503.76
* Case No: 80/11/2018 - R86 135.41
* -Case No: 14/10/2019 – Contravening the provisions of the National Qualifications Framework Amendment Act, No. 12 of 2019
* Case No: 200/08/2019 – R3 500.00
* Case No: 82/10/2019 – R8 000.00

 The reconciliation project and subsequent criminal inquiry under Case No: 200/08/2019 revealed 508 individual transactions/fraudulent transactions were concluded, amounting to R354 595.65.

(e) & (f) There are currently internal disciplinary hearings underway and subject to the dismissal of the relevant employee(s), the NSFAS management team will consider pursuing criminal charges against the employee(s).