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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 2500**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 15 JUNE 2023**

**INTERNAL QUESTION PAPER NUMBER: 24 - 2023**

**2500. Ms L H Arries (EFF) to ask the Minister of Social Development:**

Whether her department, in collaboration with any other relevant law enforcement agencies, engaged in any operation to curb the confiscation of the cards of SA Social Security Agency (SASSA) beneficiaries by loan sharks, shop owners, drug dealers and/or any other unscrupulous businesses over the past five years; if not, what is the position in this regard; if so, what (a) total number of cards were recovered in each province, (b) measures have been put in place to ensure that the practice is eliminated and (c) programmes has she put in place to educate SASSA beneficiaries about such unlawful arrangements?NW2844E

**REPLY:**

1. The illegal money-lending business is prevalent and has been detected across the provinces. The following are some of the instances of arrests of people who were found in possession of several SASSA cards. The table below shows a breakdown of the successes achieved to date:

**TABLE 1: BREAKDOWN OF CASESREGARDING POSSESSION OF SASSA CARD(S)**

|  |  |  |  |
| --- | --- | --- | --- |
| **NO** | **DESCRIPTION OF ACTIVITIES** | **NUMBER OF SASSA/****POSTBANK CARDS** | **DATE OF ARREST/****SENTENCING** |
| 1. | **KwaZulu Natal:** On 11 October 2020, SAPS arrested two suspects in a Pietermaritzburg operation and seized 495 SAPO/SASSA cards. | 495 | 11th October 2020 |
| 2. | **KwaZulu-Natal:** Three (3) suspected moneylenders were arrested in KwaZulu-Natal with 50 SAPO/SASSA cards, 20 SAPO EasyPay cards and R34,000 cash in Umkomaas. | 50 | 03rd June 2022 |
| 3. | **Western Cape:** On 09t February 2021, the Cape ‘fraud syndicate’ was busted after 49 SAPO/SASSA cards were found hidden in a chocolate box. The suspects were arrested in Mitchells Plain and Bo-Kaap by members of the Special Operations Team.Further investigation of the suspects led the Special Operations team members to an address in Albow Gardens in Rugby where a further 191 SAPO/SASSA cards were seized. | 240 | 09th February 2021 |
| 4. | **Western Cape:** One (1) suspected moneylender was arrested in Malmesbury, for possession of SAPO/SASSA cards. | 40 | 27th June 2022 |
| 5. | **Gauteng:** On 01 May 2020 police arrested seven suspects in Tshwane with 91 SAPO/SASSA cards and nearly R191 671 in cash. | 91 | 1st May 2020 |
| 6. | **Gauteng:** 31 suspected moneylenders were arrested in Springs, Gauteng with 256 SAPO/SASSA cards and 151 various bank cards.The suspects were found in possession of R100, 000 in cash. | 256 and 151 various bank cards. | 04th August 2022 |
| 7. | **Gauteng:** Five (5) suspected moneylenders were arrested in Bronkhorstspruit, Gauteng with 1 X SAPO/SASSA card and 6 various bank cards. The suspects were found in possession of R36,270.00 in cash. | One (1) and 6 various bank cards. | 02nd November 2022 |
| 8. | **Gauteng:** Five suspects were arrested in Brixton, Gauteng for being in possession of 250 SAPO/SASSA cards.  | 250 | 21st June 2023 |
| 9. | **Eastern Cape:** During May 2023, a multi-disciplinary team comprising of stakeholders focusing on loan sharks, led by the National Credit Regulator, involving SASSA, Department of Home Affairs (DHA) and South African Police Services (SAPS) conducted an operation targeting loan sharks, with the sole aim of preventing illegal withholding of banking cards and identity documents. The operation led to the arrest of 17 suspects and the seizing of 106 SAPO/SASSA cards with cash of R401 800.00. Similar operations will be conducted nationally. | 106 | 1st to 5th May 2023 |

b) As on record, the SASSA/SAPO card is owned and managed by the South African Postbank according to the South African Reserve Bank designation.

SASSA has no control over beneficiaries who encumber their grants nor does SASSA condone this act.

The practice of beneficiaries giving loan sharks and or loan sharks taking beneficiary cards is a contravention of Section 20 of the Social Assistance Act 13 of 2004 which states *“a grant may not be transferred, ceded, pledged or in any other way encumbered or disposed of unless the Minister on good grounds in writing consents thereto”,* and also read in conjunction with Section 133, Section 90(2) (l) and Section 91(b) of the National Credit Act 34 of 2005.

This matter is regulated by section 35 of the Act, which prohibits credit providers and other persons conducting and marketing credit provider services within areas of Agency Offices and pay points. Section 35 of the Act (1) subject to the provisions of section 10(1) and (2) of the Act states;

*a) a person must not market or offer any form of credit , whether or not that person is registered as a credit provider, within any Agency offices or pay-point for the purpose of soliciting or enticing a beneficiary to engage in any form of credit granting, funeral scheme or life insurance scheme; b) the card must not be ceded, pledged or retained to secure a loan, repayment of loan debt or payment of a funeral or insurance premium.*

Specifically in response to the question, an ongoing collaborative effort led by the National Credit Regulator in the main, involving the SAPS, Postbank and SASSA has culminated in several arrests of suspected loan sharks who were found in possession of SASSA cards (as detailed under paragraph number (a)/ or above). Additional measures, in the form of programmes, are detailed herein under.

1. Besides efforts of participating in a multidisciplinary enforcement mechanism as indicated above **(paragraph b),** SASSA continuously communicates with social grants beneficiaries through various channels to discourage them from dealing with loan sharks. There are ongoing media awareness campaigns directed at all social grant beneficiaries not to hand over their SAPO/SASSA cards to anyone.

SASSA also conducts awareness sessions among its employees so that they can share the information with grant beneficiaries and the broader public.

In tandem with the above, measures to combat the phenomenon of loan sharks preying on social grant beneficiaries and to prevent this type of fraud, corruption and contravention of the Social Assistance Act, SASSA takes concerted steps to coordinate and approach this task under the leadership of the National Credit Regulator, with the involvement of stakeholders, such as, Postbank and SAPS, among others, to appraise them of the gravity of the money lending activities and request that stiff sentences, within the ambit of the law, are meted out by the courts.