

## **DPW launches a massive drive to curb fraud and corruption**

**18 August 2015**

Following a spate of scams waged by fraudsters who use fake Department of Public Works' (DPW) documents to order expensive goods from unsuspecting suppliers and thereafter vanish without paying, the Department has launched a public awareness campaign targeted at both the internal and external stakeholders.

To that effect, the Department hosted a press conference at its headquarters in Pretoria, on 18 August 2015 to alert the public about the bogus scams.

To date, more than 20 companies have fallen prey to the scams and lost more than R26-million-worth of goods. These scams are prevalent in all provinces but higher rates have been recorded in North West, Gauteng and Mpumalanga.

The fraudulent orders are supplied by people who are unknown to the DPW, but usually use names of former or current employees in the Department. They also bear DPW letterheads, but have different contact details. They are famous for calling targeted enterprises, claiming that the "Department has awarded them contracts". They then fax the forged DPW Order Forms to the businesses and request them to deliver the goods to certain addresses. Once the goods are delivered to the appointed addresses, the fraudsters disappear without paying.

In other instances, the fraudsters would invite unsuspecting companies to "bid to provide equipment to DPW". They would request the company to provide documents such as the Company Registration Certificates, the Certified Identity Documents of Directors, the Fingerprints of Directors, and the Tax Clearance Certificate. Then the fraudsters would "award the tender to the winning bidding" companies and instruct them to deliver the goods to a specified address. The criminals would vanish without paying for the goods. They target businesses that stock laptop computers, office items such as printers and toner cartridges, television sets and cell-phones. They also focus on businesses that sell building equipment such as disk blades, copper pipes and cutter blades.

Many companies have fallen victims of these scams but not all businesses were affected. More than 40 businesses avoided more than R22-million worth of losses after they approached the DPW offices to verify the authenticity of the orders. This year alone, more than 10 businesses verified with the Department a number of suspicious orders worth more than R3.5-m. The DPW warned the businesses to disregard the orders – and they avoided the heavy financial losses.

At the media briefing in Pretoria, the DPW Director-General Mr Mziwonke Dlabantu vowed that the Department would fight all forms of fraud and corruption both inside and outside the Department. Mr Dlabantu said, "We cannot over-emphasise that suppliers should not deliver their goods on the basis of orders sent by the so-called 'DPW officials'. We have clear procurement processes that are transparent and professional. We deal with suppliers on our database. Unfortunately DPW could not be held liable for any fraudulent transactions between the suppliers and the perpetrators. We therefore urge suppliers to be extremely vigilant. When in any doubt, they should verify all relevant details with the Department on these numbers 0800 782 542 or 0800 701701," the DG emphasised.