

■ FRAUD

# Bogus property developers scam people out of millions

**CHARLENE SOMDUTH**

charlene.somduth@inl.co.za

THE Department of Human Settlements and Public Works in KwaZulu-Natal, together with the SAPS, is investigating bogus property developers involved in the sale of government-owned and municipal land.

Human Settlements spokesperson Kiru Naidoo said syndicates had been selling land for millions of rand and the department was bringing them to book.

Two businessmen have been charged with fraud after allegedly swindling 16 people out of more than R2million. They allegedly pretended they were selling homes and vacant land in Phoenix.

One of the suspects is expected to appear in the Commercial Crimes Court today.

A businessman, who declined to be named, claimed he was duped into parting with R1.5m for 14 vacant plots. He said he met the accused last February and was taken to the sites.

“He had supporting documents from eThekweni Municipality showing the land was for sale. Everything looked legitimate and I began depositing money into his Cedarbiz Investment account.”

Nine months later, after the R1.5m was fully paid, he said he did not hear from the accused. He later found out he had been scammed and opened a case of fraud.

Another victim said he and the accused attended the same church.

He said he was interested in buying a home and was taken to a housing development in Fiddlewood Crescent, Woodview, north of Durban, and was

told a three-bedroom home was priced at R600 000.

“He said they were selling the properties on behalf of six directors from a company called Cedarbiz Investments in uMhlanga.”

The man deposited R50 000 into the account as requested and was told he would have to pay off the rest within seven years. He said everything appeared above board until the accused stopped taking his calls.

In November, he returned to the property and a building contractor said the developer was Madupha Construction and was owned by Beauty Ntoeela.

Ntoeela said she had not heard of the accused or his company and she subsequently opened a case of fraud.

“This is a scam,” said Ntoeela. “They are using my housing development to

swindle people out of money.”

An elderly couple claimed they parted with R30 000 in November 2014.

The accused allegedly told them the government intended building free-standing homes, each valued at around R580 000, in Grove End, near Woodview. But as they were pensioners, they only had to pay R280 000.

The accused took the couple, aged 72 and 69, to view the plot and asked them to pay R30 000 to secure the land. Their children gave them the money and they never heard from the accused again.

A pastor, 42, of Whetstone, said he invested R111 000.

He met the accused and his alleged partner in November 2016 and was shown land in Croftbury, in the same area. “On one site, I intended building a church and on the other two homes.”



RESIDENTS outside the housing development owned by Madupha Construction. | TUMI PAKKIES African News Agency (ANA)

He deposited the funds, but nothing materialised.

Another pastor claimed he purchased land for R470 000 in Grove End and Sun-

ford – and again nothing materialised.

Police spokesperson Colonel Thembe Mbele said a case of fraud was being investigated.