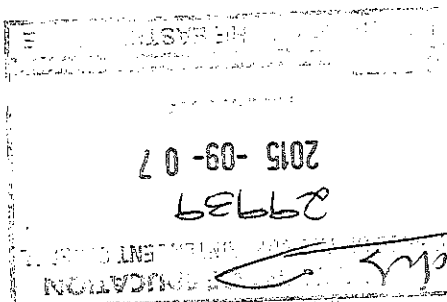


ANNEXURE A

SUGGESTED EDUCATION CIRCULAR



basic education
Department
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REPUBLIC OF SOUTH AFRICA



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TO: HEADS OF EDUCATION DEPARTMENT

CIRCULAR NO. 12 /2015

SERIOUS SCAM TARGETING THE DEPARTMENT OF BASIC EDUCATION AND THE PUBLIC SCHOOLS OF SOUTH AFRICA

1. INTRODUCTION

The Department of Basic Education (DBE) has become aware of a scam that is being run by persons pretending to be employees of the DBE. These criminals are impersonating, specifically, Mr William Magopa, a deputy director in the DBE's Supply Chain Management unit. This is a very alarming situation and all persons involved in South African schools are cautioned to be extremely vigilant to avoid becoming the victims of these fraudulent activities.

2. MODUS OPERANDI

- 2.1 A member of the syndicate, pretending to represent the DBE, calls a supplier to place an order for goods and arranges for the goods to be delivered to a specific school.
- 2.2 Following the phone call, the syndicate sends the supplier false paperwork that looks as if it comes from the DBE.
- 2.3 The supplier, happy to receive an order, accepts the order and delivers the goods to the school without first checking with the DBE that the transaction is legitimate.
- 2.4 The school accepts the delivery, thinking that the DBE has sent them an unexpected gift of equipment.
- 2.5 A few hours after the delivery, syndicate members arrive at the school, again with false papers, and inform the school that they are there to collect the delivered goods.
- 2.6 Sometimes, they pretend to represent the supplier, while, at other times, they pretend to represent the DBE.
- 2.7 They tell schools a variety of lies to explain why they are taking the goods away:
 - 2.7.1 Sometimes, they say that the goods were delivered there only temporarily until they could be distributed to various other schools.
 - 2.7.2 Sometimes, they say that the goods were delivered in error and that they are taking the goods to the school to which they should have been delivered.

- 2.7.3 If the goods are computers, they tell the school that they are taking the computers away temporarily to install software or to carry out some other configuration work to prepare the computers for the school's use.
- 2.8 The school never sees the goods again.

3. COMPLAINTS RECEIVED FROM SUPPLIERS, AND THE RESULTANT CIVIL ACTIONS AGAINST THE DBE

In recent months, numerous suppliers who have been defrauded by this syndicate have contacted Mr Magopa, because it is his name that appears on the fake orders that the syndicate presents to suppliers. The result is that Mr Magopa's reputation has been damaged and, even worse, his life may be in danger because angry suppliers think that he is part of the scam that has cost them a lot of money. The reputation of the DBE is also at stake.

The suppliers who have been defrauded are severely affected by the activities of this syndicate, with small businesses suffering particularly badly. In some instances, businesses have gone under as a result of the scam.

Several of the suppliers who have been the victims of this scam have instituted legal action against the DBE, the provincial education departments and certain schools. For instance, at present, there are two pending cases against the DBE – one, in the amount of R189 550,00 and the other one, in the amount of R725 719,10. In the latter case, the claimant even went so far as to cite Mr Magopa as one of the defendants.

4. CONCLUSION

The public needs to be informed of this scam, which targets mainly public schools in rural areas and townships.

The Heads of Department are requested to inform all district offices of this situation as a matter of urgency. District offices should be requested to warn all schools of the scam. Schools should be informed that, should they ever receive a delivery that appears to have been arranged by the DBE, they should not accept such delivery without first verifying it with the DBE's Supply Chain Management unit. All suppliers should also be warned that, before releasing any goods or services that have been ordered by persons claiming to represent the DBE, they should first contact the DBE to confirm the legitimacy of the order.

If the goods are delivered by a courier, the school must keep the items and should not allow anyone to remove them until the school has verified the delivery with the DBE's Supply Chain Management unit.

MR HM MWELI
DIRECTOR-GENERAL
DATE: 31/05/2015

