

Govt Employees Cheat Housing Dept Of R26m

Written by Rudi Prinsloo
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The national housing department had been cheated out of at least R26 million by state employees who obtained housing subsidies fraudulently, the Special Investigating Unit (SIU) said on Wednesday.

Another 2150 government employees were still under investigation for possible fraud, said SIU deputy head Faiek Davids.

He was briefing the media on a broad forensic probe into housing corruption, which he said would run into 2012 and also look at nepotism, fraud and corruption in tender processes.

SIU investigations over the past two years had exposed 1962 government employees who received subsidies they were not entitled to, said Davids.

"The fraudulent ones are valued at approximately R26 million," he told reporters in Johannesburg.

Housing director general Itumeleng Kotsoane said the department was considering seizing the properties bought with the subsidies.

"It depends whether it is legally feasible or practical to do that. We will look at it in a case-by-case situation. It is the intent of government to get those houses back," he said.

Davids said SIU investigations showed that another 223 subsidy beneficiaries received "over-payments" valued at R2.4 million.

The investigations started after a 2006 report by the Auditor General which "red-flagged" 53,426 potentially irregular housing subsidy cases between 1994 and 2004.

A total of 1.4 million subsidies were handed out over that period.

The 53,426 cases included duplicate subsidies on properties, duplicate subsidies for individuals, applications approved after death (of which there were 5335) and applications approved with invalid identity documents.

But, said Davids, the SIU had decided to focus on 7353 government employees identified by the Auditor General as possibly having obtained housing subsidies fraudulently.

To date, the SIU had investigated 3954 of them, and irregularities were spotted in just over half of the cases.

Most of these employees had secured subsidies fraudulently by under-declaring their household income.

Only households earning around R40,000 a year qualified for subsidies, he said.

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Another 2150 of the 7353 "focus" beneficiaries were still under investigation.

"We still need to work through a bit more than 2000 files," said Davids, adding that those investigations should be finalised "within the next few months".

The SIU investigations had so far resulted in 724 prosecutions -- with an 80 percent conviction rate -- and 634 disciplinary cases.

They had also resulted in 1330 employees signing pay-back agreements which would ultimately help the department recover about R18 million.

"Twenty-five percent of that [R18 million] has been recovered," said Davids.

Once the probe into fraudulent subsidies was complete, the SIU would start investigating housing contract irregularities.

This would include non-performance in terms of contractual obligations, over-payments and irregular tender and procurement processes.

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