

Media Releases 2007

Largest seizure of assets by the AFU

Pretoria, 28 February 2007 - In one of the biggest asset forfeiture orders ever obtained in South Africa, the Asset Forfeiture Unit (AFU) of the National Prosecuting Authority (NPA) has obtained a High Court order to seize assets worth R370m from Mr. Hendrik Delport and 12 other co-accused.

The order is being executed today and the AFU estimates that assets worth R100 million or more will be found.

The massive seizure of assets is the result of a huge investigation by the South African Revenue Service (SARS) and protracted criminal battle in which SARS is the complainant. Therein, Mr. Delport and 12 other individuals and associated business entities face more than 7 000 charges relating to cigarette smuggling, fraud and racketeering.

Mr. Delport is the owner of an aviation company, Phoebus Apollo Aviation, which undertakes cargo flights to neighbouring states from South Africa and also owns, among other business interests, a flight school and cigarettfactory, Exclusive Tobacco products.

During 2000 SARS conducted an audit on the various business entities associated with Mr. Delport and his co-accused to verify the exportation documents for cigarettes to various countries. The investigation also required co-operation from law enforcement agencies from Angola, Zimbabwe and Malawi.

SARS' contention in the subsequent criminal trial against Mr. Delport and his co-accused is that documents submitted by the entities were false in order to claim VAT and excise duties from SARS. SARS further contends that fraudulent claims for VAT and excise duties amounts to a potential loss to the fiscus of approximately R264 million.

The criminal trial against Mr. Delport and others has already entered its second year in which 26 witnesses have testified to date in the Pretoria regional court. Among the accused is Mr. Hendrik Gerhardus van der Merwe, a former SARS employee.

The High Court order was obtained by the AFU in terms of the Prevention of Organised Crime Act and seeks to preserve property belonging to persons who have allegedly benefited from crime.

An independent curator has been appointed and will be responsible for controlling the financial aspects of the seized assets. The list of assets include 10 light aircraft that were stationed at Rand Airport, a large number of vehicles and a number of properties registered in the name of Mr. Delport, his co-accused and associated entities.

ENDS.

Publication date: 28 February 2007