

## SIU investigation

### Meds regulator joins long list of health groups being probed for fraud – Jasson Urbach Freemarket Foundation

<https://select.timeslive.co.za/news/2019-10-22-meds-regulator-joins-long-list-of-health-groups-being-probed-for-fraud/>

With health sector graft costing us R39bn annually, the latest case involves importing new medicines to SA

The Special Investigating Unit (SIU) has added the medicines regulator to its long list of the health entities it is investigating.

On Friday, President Cyril Ramaphosa signed a proclamation giving the SIU power to investigate the SA Health Products Regulatory Authority (SAHPRA).

The authority decides if new medicines are safe and effective enough to be sold in the country, and gives the go-ahead to clinical trials of new drugs.

The SIU investigation is narrow in scope, and focuses on staff who issued section 21 licences to import rare or new medicines not available in SA.

SAHPRA has welcomed the investigation. Its spokesperson, Yuvarasen Gounden, said: "In February, SAHPRA received reports suggesting fraudulent activity implicating a small sector of the authority and an external stakeholder.

SAHPRA's acting CEO, the board and the health minister reported the allegations to the SIU."

Gounden confirmed to Times Select that "two individuals from SAHPRA have been placed on precautionary suspension," but would not give further details.

Many government health bodies are under investigation:

- \* In February, the SIU announced it was investigating the Council for Medical Schemes (CMS), which is the medical aid regulator. Head of legal compliance and the investigations unit at CMS Stephen Mmatli was also suspended after allegations that he was "involved in corrupt relationships" with medical aids and had "deliberately misled the council to take decisions in favour of those organisations and benefited financially in return".

- \* In March, the SIU was tasked by Ramaphosa with investigating tenders issued by centralised National Health Laboratory Service from July 2015 to earlier this year. Tenders included those for leasing vehicles, purchasing computers and installing toilets. The NHLS is a state-run lab service that tests patient samples. The SIU said it was investigating "multiple allegations of maladministration, improper or unlawful conduct and intentional or negligent loss of public money".

- \* In May, suspended NHLS CEO Joyce Mogale and CFO Sikhumbuzo Zulu were fired for involvement in "procurement irregularities" worth R200m. They had been suspended on full pay for two years.

- \* The Health Professions Council that regulates doctors, paramedics, physiotherapists and other health professions and investigates complaints into their conduct is also under investigation. Ramaphosa signed a proclamation in May this year mandating the SIU to investigate "alleged unlawful or improper conduct by employees".

\* In October, SIU head advocate Andy Mothibi announced it had arrested a lawyer who had claimed more than R100m in fraudulent legal claims in the Eastern Cape, and they were investigating a suspected R53m in fraudulent claims in Gauteng linked to him.

\* Also under investigation by the SIU is private paramedic company Buthelezi Emergency Management Services, which had contracts with the Free State government and North West provincial health departments. It is believed to have been paid excessive amounts for contracts to work for the state.

\* The SIU is also trying to claim back money from NGOs that were paid to look after mentally and intellectually disabled people who had been in the Life Esidimeni homes. They have already received an order from the high court allowing them to recover The Anchor Centre for the Intellectually Disabled and Dorothy Franks, and they were ordered to pay R663,275.03. Franks admitted under oath at the hearings that she withdrew Sassa grants from five patients' Sassa accounts, for months after they had died.

\* The SIU is in the process of instituting civil action against the owners of nine more NGOs and "intends to complete this investigation by November 2019 and submit a final report to the president".

In 2017, then president Jacob Zuma issued a proclamation asking the SIU to investigate the Life Esidimeni tragedy and to investigate whether NGOs were paid "in a manner that was not fair, transparent, equitable and contrary to applicable legislation".

Last year, the SIU released a report detailing more than R1.2bn on corruption in the Gauteng department of health. It detailed unauthorised, irregular expenditure, and wasteful expenditure with respect to services in the 2007/08 financial year.

The report further implicated former Gauteng health MEC Brian Hlongwa in the costly corruption. At the beginning of the month, Ramaphosa told the new Health Sector Anti-Corruption Forum that fraud in the health sector reached R39bn annually.