

FIC HELPS UNCOVER ILLEGAL STOKVEL



Alerted by 13 000 cash deposits into one account in one day, the FIC worked with the Asset Forfeiture Unit and the South African Police Service's Commercial Crimes Unit to identify an illegal stokvel.

The stokvel promised unrealistically high, quick returns and a lavish lifestyle of international travel in return for an investment of just R295. Prospective members were required to deposit money and attend a seminar on travel arrangements and investing. Little training was actually given at these seminars. Instead, participants were encouraged to recruit as many new members as possible into the stokvel. Like all pyramid schemes, the stokvel was heavily dependent on continuous membership growth.

The investigating team froze five bank accounts containing R26 million and obtained preservation orders against the main accounts. According to the Asset Forfeiture Unit, this is the fastest it has ever identified and acted on a pyramid scheme.

