



**The State's preferred and trusted  
anti-corruption, forensic investigation,  
and litigation agency.**

Tel: +27 (0) 12 843 0001  
SIU Hotline: 0800 037 774  
Email: [info@siu.org.za](mailto:info@siu.org.za)  
[www.siu.org.za](http://www.siu.org.za)



**MEDIA STATEMENT  
FOR IMMEDIATE RELEASE  
11 OCTOBER 2023**

**HEALTH SECTOR ANTI-CORRUPTION FORUM (HSACF) VOICES CONCERN ON THE INCREASE IN  
FRAUDULENT MEDICO-LEGAL CLAIMS AND ORGANISED CRIME**

The Health Sector Anti-Corruption Forum (HSACF) convened a successful meeting on 29 September 2023 to deliberate on the anti-corruption interventions in the health sector.

The collaborative effort between civil society, the private sector (inter alia medical schemes, medical professionals, and other stakeholders) and the public sector (law enforcement agencies, regulators, and public sector medical schemes) can act as a catalyst to achieve the collaborative "whole-of-society" approach towards achieving the vision of a corruption-free country as envisaged by the National Development Plan. The whole-of-society objective is to galvanize all the stakeholders in various sectors to collaborate in the fight against maladministration, malpractice, fraud, and corruption. In addition, it will aim to enhance prevention, detection, civil litigation and prosecution of fraud and corruption.

The HSACF consists of diverse stakeholders from different sectors, such as business, civil society, law enforcement agencies, regulators, and government departments, who come together to collaborate using their respective mandates to fast-track the investigations of fraud and corruption in the health sector and contribute to the measures to prevent corruption, fraud, waste, and abuse.

The HSACF noted the progress made on the investigations, which has culminated in the recovery of millions of rands, convictions and disciplinary actions. HSACF is also impressed by the reported incidents of fraud in the health sector. However, the HSACF is concerned about the increased prevalence of fraudulent medico-legal claims. The SIU was authorized by President Cyril Ramaphosa to investigate allegations of corruption, fraud, and maladministration in the affairs of the National Department of Health and the provincial Departments relating to medico-legal under Proclamation R74 of 2022.

The SIU briefed HSACF on medico-legal investigations as follows:

**The State's preferred and trusted anti-corruption, forensic investigation and litigation agency**

[www.siu.org.za](http://www.siu.org.za) | Email: [info@siu.org.za](mailto:info@siu.org.za) | SIU Hotline: 0800 037 774 | @RSASIU

## **EASTERN CAPE PROVINCE**

Approximately 158 medico-legal matters to the value of about R2.9 billion for contingent liability have been identified and handled by similar legal firms. **There are no hospital records of all these claimants found at any of the hospitals.** This represents ghost medical billing. Through the SIU's interventions, the matters were removed from the Contingent Liability Register and subsequently reduced the contingent liability of the Department to R132.8 million.

Five medico-legal claims were identified, with judgements handed down in favour of the claimants. The Department paid out approximately R97.3 million into the trust account of the claimant's attorney. The attorney failed to register trusts as instructed in the court orders. The attorney also failed to communicate the outcome of High Court civil proceedings to the affected claimants and withheld payments to the respective claimants. The attorney was suspended by the Legal Practice Council (LPC) on unrelated matters, and the law firm's trust account was placed under curatorship. The SIU is preparing a referral to the relevant prosecuting authority and LPC.

## **GAUTENG PROVINCE**

Approximately 148 medico-legal negligence claims are being investigated by the SIU, amounting to R1 246 991 176. One potential fraudulent claim to the value of R55 million has been identified. The SIU has advised the Office of the State Attorney to defend the matter.

Approximately 43 contingency liability cases to the value of R108 million have been identified as potential savings to the State. The cases are to be removed from the departments' contingency liability register.

## **KWAZULU NATAL PROVINCE**

Four medico-legal claims were struck out following the SIU's investigation, which led to the potential loss prevention of R109 553 250. Two applicants withdrew their claims, while the other two were successfully opposed.

Through the SIU's intervention, a medico-legal claim payment of R1 498 050.06 was blocked. SIU investigation had revealed that the child, whose claim had been instituted had passed away.

The SIU investigation into 11 matters in the contingency liability register revealed that the claimants were found to be deceased. As a result, the matters were removed from the contingency liability register by the health department. This resulted in a potential loss prevented of approximately R124 303 250.

## **NORTHERN CAPE PROVINCE**

Approximately 140 medico-legal cases were identified in the Northern Cape province. A total of 42 cases are being handled by three law firms. In one case, the claimant claimed an amount of R23,504,170.00 from

the health department for medical negligence. The Department reached an out-of-court settlement of R18.7 million with the legal representative of the claimant. The claimant is allegedly receiving a payment of R6 000 a month for medical expenses.

## **NORTH WEST PROVINCE**

The Plaintiff instituted civil action on behalf of her minor son, in her capacity as the biological mother and guardian of the child, for cerebral palsy to the amount of R24 453 940. The court ordered the health department to pay damages in the amount of R14 450,000 in February 2021 and only R370 000 was paid by the attorney to the Plaintiff. The investigation is ongoing to establish what happened to other funds paid into her attorney's Trust Account by the health department.

## **WESTERN CAPE PROVINCE**

During 2018, the SIU was approached by the Western Cape Department of Health regarding alleged fraudulent medical negligence claims submitted by Nonxuba Incorporated Attorneys on behalf of various claimants. About 33 fraudulent birth injury claims were identified in the contingency liability register to the value of approximately R409 million. The Department reported the matter to the Law Society. On 18 April 2022, the Western Cape High Court granted LPC an order interdicting Zuko Nonxuba from continuing to practice as an attorney, pending an application by the LPC and Western Cape health MEC to have the attorney struck from the roll of legal practitioners.

Criminal cases have been registered in the Eastern Cape, Gauteng, and Western Cape against Nonxuba Inc. and Nonxuba. Regarding the criminal case registered in the Western Cape, 33 matters were referred to the South African Police Service and are currently being investigated by the Directorate of Priority Crime Investigations (DPCI). The SIU is collaborating with the DPCI.

The Chairperson of the HSACF, Adv. Andy Mothibi, commended members of the HSACF for their continued effort and commitment to address and stamp out corruption, maladministration, and malpractice in the health sector, including both private and public. He further noted that the corruption and fraud that is besetting the medico-legal claims and therefore called for all stakeholders in the health sector to collaborate in the development of prevention measures. Adv. Mothibi also encouraged law enforcement authorities to move swiftly in investigating corruption and fraudulent medico-legal claims and hold all those involved accountable. The HSACF further supports the LPC in its application to have Nonxuba struck from the roll of attorneys based on the fraudulent claims brought by his firm.

**END**

**Enquiries:**

**Kaizer Kganyago**

**Spokesperson: Special Investigating Unit**

**082 306 8888**

**KKganyago@siu.org.za**

**The State's preferred and trusted anti-corruption, forensic investigation and litigation agency**

**www.siu.org.za | Email: info@siu.org.za | SIU Hotline: 0800 037 774 | @RSASIU**