

HIGH ALERT: SCAMMING OF SUPPLIERS AND SERVICE PROVIDERS

It has come to the attention of Drakenstein Municipality that there are certain unscrupulous companies and individuals who are defrauding unsuspecting businesses disguised as representatives of the Municipality.

The scam involves the fraudsters using the letterhead of Municipality to send out fake tender bids to companies and requests to supply equipment and goods.

Although the contact person's name on the letter may be of an existing official, the contact details on the letter are not the same as the Municipality's. When searching on the Internet for the address of the company that has sent the fake tender document, the address does not exist.

The Municipality has alerted the relevant law enforcement authorities to investigate this scam to protect legitimate businesses as well as the name of the Municipality.

Example of e-mails these fraudsters are using with the emphasis on the domain name that is not that of the Municipality: SCM@drakensteingov.co.za

The Municipality has an official email with the domain name as @drakenstein.gov.za

Should you suspect that you are a victim of such a scam, you must urgently contact the police and inform the Municipality.

All of these fraudsters also use the same or very similar telephone numbers. Although such number with an area code 021 looks like a landline, it is not fixed to any property.

The Municipality will never send you an e-mail asking you to supply equipment and goods without a purchase/order number. The Municipality furthermore does not procure goods for another level of Government. The Municipality will not be liable for actions that result in companies or individuals being resultant victims of such a scam.

The Municipality gives businesses the opportunity to supply goods and services through an RFQ process. In order to be eligible to bid to provide goods and services, suppliers must be registered on the Municipality's supplier database.

The tender process is managed by the Supply Chain Management (SCM) Division. SCM is highly regulated to minimise the risk of fraud, and to meet objectives which include value for money, open and effective competition, equitability, accountability, fair dealing, transparency and an ethical approach.

How tender scams work

There are many types of tender scams. Here are some of the more frequent scenarios:

Fraudsters use what appears to be the Municipality's branding with fictitious logos and contact details to send a fake RFQ to a company to invite it to urgently supply goods. Shortly after the company has submitted its quote, it receives notification that it has won the RFQ/tender. The company delivers the goods to someone who poses as an official or at a fake site. The Municipality has no idea of this transaction made in its name. The company is then never paid and suffers a loss.
OR

Fraudsters use what appears to be Municipality's branding with fictitious logos and contact details to send a fake RFQ to Company A to invite it to urgently supply goods. Typically, the tender specification is so unique that only Company B (a fictitious company created by the fraudster) can supply the goods in question.

Shortly after Company A has submitted its quote it receives notification that it has won the tender. Company A orders the goods and pays a deposit to the fictitious Company B. Once Company B receives the money, it disappears. Company A's money is stolen in the process.

Protect yourself from being scammed

- If you are registered on the supplier database and you receive a request to tender or quote that seems to be from the Municipality, contact the Municipality to confirm that the request is legitimate. Do not use the contact details on the tender document as these might be fraudulent.
- Compare RFQ/tender details with those that appear on the Municipality's website, available online at www.drakenstein.gov.za
- Make sure you familiarise yourself with how the Municipality procures goods and services.

Any incidents of procurement scams relating to Drakenstein Municipality must be reported as follows:

1. Drakenstein Municipality's Fraud Hotline

- a. Telephone number: 0800 555 337
- b. Email address: drakenstein@whistleblowing.co.za

2. Drakenstein Municipality's Supply Chain Management Division

- a. Contract person: Mr HG Vergotine (Manager: Supply Chain Management)
- b. Telephone number: (021) 807-6201
- c. Email address: heinrich.vergotine@drakenstein.gov.za

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