



## PRESS RELEASE

Reference: CMS transparent regulator  
Contact: Customer Care Centre  
Tel: 0861 123 267  
E-mail: [information@medicalschemes.com](mailto:information@medicalschemes.com)  
Date: 2 July 2015

### Press release 7 of 2015: CMS and Registrar part ways

The Council for Medical Schemes (CMS) today released a statement after completion of the extensive first phase of the investigation into its former Chief Executive and Registrar, Dr Monwabisi Gantsho, whose contract expired on 30 June 2015.

The CMS commissioned a forensic investigation in 2014 into Dr Gantsho pursuant to allegations made by Mr Themba Langa, former curator of Medshield Medical Scheme regarding a bribe of R3 million allegedly solicited by Gantsho.

A task team consisting of Council members followed due process in appointing credible and reputable forensic investigators, Edward Nathan Sonnenbergs Incorporated (ENS) in March 2014. They commenced the investigation on 15 April 2014.

“The Council recommended the suspension of Dr Gantsho to the Minister of Health, Dr Aaron Motsoaledi, who suspended Dr Gantsho from 14 April 2014. As a statutory body responsible for a critically important industry the CMS has a vital role to play in the lives of South African healthcare consumers. Being the medical schemes industry leader, the Council must at all times be above reproach, particularly in so far as issues of governance are concerned. Sufficient time was given to the investigators, while details of the investigation were understandably not leaked to ensure the fairness of the process to all parties involved”, commented Prof Veriava, Chairperson of Council.

In March 2015 the final report from ENS was received, which recommended that Dr Gantsho should face a disciplinary hearing based on the findings.

Due to the sensitive nature of the matter, the Council appointed an independent and well renowned lawyer group, Norton Rose Fulbright South Africa Inc, which was not involved in the investigation, to take charge of the disciplinary hearing. A senior counsel, Adv. Nazeer Cassim SC was appointed independently to chair the hearing and to make recommendations, having regard to the charges, on Dr Gantsho’s fitness to carry on in his role as executive officer of the CMS and as Registrar of Medical Schemes.

The disciplinary hearing took place on 9 and 10 April 2015 and Adv. Cassim SC made certain recommendations directed at achieving resolution of this matter outside of the formal disciplinary process, which would obviate the need for a full blown formal disciplinary hearing and whereby further costs would not have to be incurred by the CMS. This would however require both parties to agree to the recommendations made by Adv. Cassim SC and in the absence thereof the hearing scheduled for 9 May 2015 would proceed.

The CMS was informed of Dr Gantsho being ill in the week before the hearing, which could therefore not continue. Separate from the disciplinary process, the Minister of Health earlier advised that the employment contract of Dr Gantsho, who was still on suspension, would not be renewed. The contract expired at the end of June and a mutual separation agreement between the CMS, the Minister of Health and Dr Gantsho was signed. No monetary pay out amounting to a so called "golden handshake" was made and Dr Gantsho received what was due and owing to him in terms of his contract of employment.

In the letter accompanying the report issued by ENS, it was recommended that a further financial investigation into Dr Gantsho was required. The view of ENS was that the allegations of corruption against Dr Gantsho are sufficient to give rise to suspicion and as stated in section 34 of the Prevention and Combating of Corrupt Activities Act No 12 of 2004, places a duty on the CMS to report such suspicion of corruption.

The CMS confirms that it has duly complied with its duty and relevant documentation was handed to the Hawks to continue further investigation.

In addition to the CMS intervention, Medshield Medical Scheme also took action and launched an application in the North Gauteng High Court, case number 86425/2014, against Dr Gantsho, Mr Themba Langa and Alumni Trading 264 (Pty) Ltd for the repayment of R10 million. This amount was paid by Mr Langa for a sale agreement in terms of which Medshield purportedly acquired the "Medshield" trademark from Alumni for the sum of R10 million. The scheme has alleged in its court papers that the sale agreement was irregular and invalid as *inter alia*, the curator acted beyond his powers; was in breach of the Medical Schemes Act and the Financial Institutions (Protection of Funds) Act 28 of 2001; and the contract was tainted by illegality and corruption, and in breach of Section 2 of the Protection of Funds Act, in that the agreement was, according to Langa, calculated directly or indirectly to gain improper advantage for Dr Gantsho.

The CMS was advised by the scheme that while Langa is opposing the matter, Gantsho has indicated that he will abide the decision.

The CMS acknowledges that due to the extensive investigation by ENS and following a completely independent process with no influence from the CMS and Council at all, it was an expensive exercise. "However, given the sensitive and very complex nature of the matter involving the most senior official at the CMS, the Council was adamant to appoint entities of the highest repute to ensure an unhindered investigation and disciplinary process," said Acting Chief Executive and Registrar, Mr Daniel Lehutjo.

The CMS is a transparent regulator of the private medical schemes industry with a proud track record of serving the 8,7 million beneficiaries of the R129 billion private medical schemes industry. "We at CMS are committed to ensuring a healthy medical scheme industry where medical schemes and other regulated entities are properly governed, are responsive to the environment, and beneficiaries are informed and protected," concluded Dr Elsabé Conradie, spokesperson of CMS.

- End

**Prepared by:**

Dr Elsabé Conradie  
General Manager: Stakeholder Relations  
Council for Medical Schemes  
012 431 0430  
[e.conradie@medicalschemes.com](mailto:e.conradie@medicalschemes.com)

**For more information**

Customer Care Centre

Council for Medical Schemes

0861 123 267

[information@medicalschemes.com](mailto:information@medicalschemes.com)

**Media enquiries**

Dr Elsabé Conradie

GM: Stakeholder Relations

Council for Medical Schemes

012 431 0430

[e.conradie@medicalschemes.com](mailto:e.conradie@medicalschemes.com)