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## PRESS RELEASE

**Press release 14 of 2008**

**Friday, 24 October 2008**

### **R47 million in assets seized from former trustees of Gen-Health**

The Asset Forfeiture Unit, a division of the National Prosecuting Authority, today seized the assets of three former trustees of Gen-Health Medical Scheme (Gen-Health) to the value of approximately R47 million. This comes as a result of a criminal case that ensued after the medical scheme was placed under curatorship in November 2005.

In June 2005, the Registrar of Medical Schemes became aware of irregularities at Gen-Health and ordered an inspection in terms of Section 44 of the Medical Schemes Act 131 of 1998 (Act). The Registrar then appointed PricewaterhouseCoopers Forensic Services (Pty) Ltd to investigate whether any irregularities had indeed occurred at the scheme between 2002 and 2005.

PricewaterhouseCoopers Forensic Services (Pty) Ltd furnished the Registrar with a report on their findings in September 2005. The report identified a number of material irregularities, including alleged contraventions of the Act. The Registrar approached the High Court to appoint a curator to take over the affairs of Gen-Health and all its administrative functions. Cyprian Mondli Phehlukwayo CA (SA) was appointed as curator of Gen-Health in November 2005. He remains in this position till this day.

During 2002-05, Gen-Health was administered by Hall Administrators CC. The principal officer of the scheme was Jonathan Jason Hall. It turned out that he was also a former member of Hall Administrators CC. The sole member of Hall Administrators CC at the time of the inspection was Shane Jason Hall, his son. His stepdaughter, Belinda Maria Neimann, was the chairperson of the Board of Trustees. Jonathan Jason Hall was the sole member of FMB Hall Agencies, a closed corporation into which a large portion of members' contributions was evidently paid.

It therefore came to light that Gen-Health, Hall Administrators CC and FMB Hall Agencies were all run by this small group of people under the auspices of Jonathan Jason Hall. This allegedly allowed them to utilise members' monies to fund their



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lucrative lifestyles which included the purchase of various upmarket properties and luxury cars.

The seizure of these assets is the first step in the prosecution of these individuals by the National Prosecuting Authority and the Council for Medical Schemes, as an interested party, will keep abreast of the developments. Members should note that this in no way affects them or the scheme as it pertains to events prior to November 2005 which were rectified by the appointment of the curator. None of the individuals concerned have been involved in the running of the scheme since the curator was appointed.

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