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MEDIA STATEMENT

SOCIAL DEVELOPMENT WARNS THE NPO SECTOR OF COVID-19 SCAM AND FRAUD

Pretoria, 1 April 2020: As South Africa enters the 6th day of the lockdown to contain the further spread of COVID-19 pandemic, the Department of Social Development is warning members of the public, and the Non-Profit Organisations (NPO) sector in particular to remain vigilant of a scam that purports to “accredit and convert NPO certificate to NGO certificate to qualify for an international funding worth millions of rands”.

To date, a number of NPOs registered in terms of the NPO Act (Act No. 71 of 1997) have fallen prey to this elaborate scam which seeks to fraudulently gain access to organisations’ finances.

The scammers prey on the NPOs desperate for funding and charges them R 1 999 for conversion of their certificates to NGO certificates. They have re-created a fake NGO certificate in which they ask registered NPOs to submit ID copies of members, their proof of residence, tax exemption letter, bank account, bank confirmation letter and a photo of the NPO Director.

The scammers claim this information is required to convert the NPO certificate to NGO certificate in order to be eligible for international funding worth millions.

“We wish to caution the NPO sector to be wary of fraudsters who are taking advantage of the current situation in our country and want to profit through sophisticated scams. The scammers masquerade as members of an agency that convert NPO certificates to NGO certificates and facilitates access to international funding for registered organisations’, said Deputy Minister Bogopane-Zulu.

“The Department of Social Development has not contracted any person or agency to convert NPO certificates for international funding and does not intend to do so now or in the future. In fact, there is no such thing as “NGO certificate” as all organisations are registered as NPO in terms of the NPO Act. The Department provides information and registers NPOs free of charge”, added Deputy Minister Bogopane-Zulu.

Deputy Minister Bogopane-Zulu reminds the NPO sector that the Department does not make any unsolicited calls, emails, social media posts or texts asking for them to submit information for funding purposes.

NPOs that have fallen prey to the scam are advised to contact their banks immediately to freeze their accounts before the scammers can access their funds and to report such cases at the South African Police Service.

The Department is warning the NPO sector in particular to exercise due diligence and appropriate caution when dealing with any person or institution with whom they have never worked and/or they have never heard of to avoid falling prey to scams and fraudsters.

In light of the state of the national disaster and the lockdown regulations proclaimed by President Ramaphosa, the Department has extended the deadline for the submission of NPO annual reports from 31 March- 30 June 2020.

The extension applies to all organisations registered in terms of the NPO Act.

To comply with the lockdown regulations, the Department has suspended all person-person NPO services, including the NPO Help Desk. NPOs that wish to submit their reports or enquire about NPO-related matters can use the online platforms at npoinquiry@dsd.gov.za online www.npo.gov.za or WhatsApp: 066 480 6830/ 0730991383 (for WhatsApp messages only)

ISSUED BY THE NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT

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