

## Media Release

To: All Media  
Date: 24 November 2023  
Embargo: None

### PRASA Reports Dismissal of Staff Member After Uncovering Internal Fraud

PRASA addresses internal fraud and steps towards resolution and strengthened controls

During routine financial review processes, irregular payments were detected, prompting escalation to senior leadership. With the assistance of PRASA Internal Audit department, management engaged an existing independent supplier, to conduct a forensic investigation.

The investigation revealed three fraudulent transactions executed by a PRASA employee totalling R9,547,000. On being interrogated by the investigators, the employee admitted to committing the fraud and subsequently returned the stolen funds.

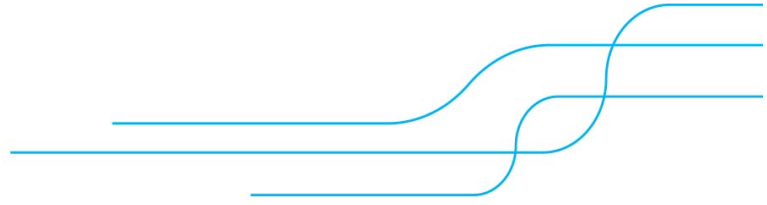
PRASA immediately suspended the employee and reported the matter to the South African Police Services. PRASA continued the internal investigation and unearthed additional fraudulent transactions by the same individual amounting to R24,976,747.30. Upon interrogation, he also confessed to these additional unauthorized transactions.

As an outcome of the process, the employee was dismissed, and a fraud case against him is pending. The investigation helped pinpoint internal control deficiencies that enabled the fraud.

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PRASA has introduced enhanced measures to bolster internal controls and prevent future fraud.

PRASA's management remains committed to upholding integrity, transparency, and accountability. Going forward, the organization will remain vigilant against potential financial irregularities.

[ENDS]

Issued by PRASA (The Passenger Rail Agency of South Africa)

