

# PERSONAL FINANCE

## Alleged election fraud: Discovery investigated

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By Angelique Arde



**Discovery Health Medical Scheme (DHMS) is being investigated by the Council for Medical Schemes following allegations that some of the trustees were elected fraudulently.**

But the scheme's principal officer and its administrator say an initial report on the investigation reveals no evidence of fraud or irregularities.

Stephen Mmatli, the head of compliance and investigation at the council, says the investigation follows a complaint from a group of members who alleged that Discovery Health, the administrator of the scheme, solicited votes from members for certain people to sit on the board during the scheme's trustee elections in June 2013.

He says members also complained that Milton Streak, the principal officer of the scheme, nominated someone to serve on the board without first obtaining the nominee's consent.

But Streak says that, as a member of the scheme, he nominated retiring trustees who had indicated they were available for re-election. "They were all aware that I was going to nominate them and all agreed to be nominated."

Trustees have a fiduciary and legal responsibility for appointing the principal officer and the administrator. Trustees oversee the administration services provided to a scheme and set the administrator's fees.

Dr Jonathan Broomberg, the chief executive of Discovery Health, says the administrator did not solicit votes at the 2013 AGM.

"The only role played by Discovery Health is that some of our employees and other employees of the Discovery Group attend the AGM or give proxies to other colleagues if they are unable to attend in person. Discovery Health's employees are members of DHMS and are entitled to vote at the

scheme's AGM, as are all other members, and the rules of the scheme and the Medical Schemes Act are clear on this point.

"The [council's] inspection report identified no evidence of any irregularities in the voting by Discovery employees," he says.

Mmatli says the investigation is complete but Discovery has been given until September 16 to comment on the report.