

## MEDIA RELEASE

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### **Premier Mathabatha Pleased with Update on SIU Investigations**

The Premier of Limpopo Province, Mr Chupu Stanley Mathabatha, has expressed satisfaction at the reports from the Special Investigation Unit (SIU) that were presented to him by its head Advocate Andy Mothibi.

“We had a wonderful meeting with the SIU where they presented reports on cases we had earlier asked them to investigate. Based on the proclamations that were issued by the President of South Africa, the investigations were undertaken. Those include reports for Road Agency Limpopo (RAL), Mopani District Municipality, Elias Motsoaledi Local Municipality, Mogalakwena Local Municipality, Unemployment Insurance Fund – TERS, National State of Disaster (COVID-19 Investigations) as well as the temporary housing project at Talana. The progress made so far is pleasing and works very well in making our endeavours of bringing accountable public service to reality,” said Premier Mathabatha.

Advocate Mothibi said that it was important for the SIU to brief the Premier on the outcomes of the investigation process. This is done before the formal report is submitted to the President of the Republic of South Africa. In terms of law once the SIU has concluded its work, the formal report gets submitted to the President of South Africa. However, it is very critical that the province, or the state institution that referred the matters, is informed and appraised of progress of the investigations.

Said Adv Mothibi: “It is important to note that the driving focus of these reports is where the mandate of SIU comes from, to investigate serious maladministration, malpractice and corruption. We send matters to the special tribunal, to the court to cancel the contracts and recover monies. Where there is criminal evidence, by law, we refer it to the National Prosecuting Authority (NPA) so that they can take the decision to prosecute. Where there are officials who are guilty of misconduct in the process of these irregularities we then send those to the accounting officers - it would be the head of the departments or CEOs or Boards in case of state-owned entities (SOEs).”

“Another important interest we have is to see the improvement of the administration and that we do by pointing out some of the inefficiencies that we would have observed during the investigation, and then we will then make recommendations to the state institutions to improve on the system as a whole and to improve on their administration. I'm really pleased that the state institutions that we have investigated in the province have cooperated in the investigation, and we've reached quite a number of outcomes which we will summarize as follows:”

### **Road Agency Limpopo**

The Road Agency Limpopo investigations were carried out in terms of proclamation of 2018, we have concluded this investigation. SIU will institute civil litigation process to recover an amount of R2.3 million, there are thirty-one (31) disciplinary referrals for officials found guilty of misconduct, for action be taken to prevent future maladministration and production. There are 18(eighteen) referrals to the NPA, twelve (12) referral to Asset Forfeiture Unit to the value of R84 million, and blacklisting of thirteen (13) companies involved in the irregularities.

### **Mopani District Municipality**

This investigation was done in terms of proclamation, 8 of 2017. The investigation has been finalized. In this case there are about eleven (11) referrals for disciplinary action to be taken, twenty-two (22) referrals to the NPA, two (2) companies referred for blacklisting and there is a recovery process that is underway to the amount of R1.3 million. There is R70 million that is still under consideration by the SIU legal team for further recovery.

### **Sekhukhune District Municipality**

The outcomes of SIU investigations conducted in Sekhukhune District Municipality in terms of proclamation R23 of 2020 are that there are two (2) NPA referrals and five(5) disciplinary referrals for officials.

### **Elias Motsoaledi Local Municipality**

The investigation was under proclamation R7 of 2018. The investigation has been completed. Here, SIU referred twenty-nine (29) disciplinary actions to be taken. We have also referred ten (10) cases to the NPA matters to be to be decided upon, and there are about eight (8) companies that have been referred for blacklisting.

### **Mogalakwena Local Municipality**

Investigation is still ongoing under proclamation R18 of 2021. It is because the proclamation was issued only in 2021. Whenever the investigation is concluded and there are outcomes. We will brief the Premier accordingly”, said Advocate Mothibi.

### **Unemployment Insurance Fund – TERS**

The investigation is ongoing. This is under proclamation R8 of 2021 relating to the Unemployment Insurance Fund (UIF). This is a national entity, which falls under the Department of Employment and Labour. This was included so that the Premier is aware that there are matters in the province that are being investigated under this proclamation. The investigation is ongoing.

“We will brief the National Department of Health and possibly the National Minister of Employment and Labour, similar to how we have briefed the Premier of Limpopo Province. There are various findings that we have made against companies that claimed for unemployment insurance fund during the COVID-19 lockdown. This is related to the Temporary Employer/Employee Relief Scheme (TERS) that government

has approved for payment. We have found up to now, that there is about R6.8 million that should be recovered. The TERS was paid out unlawfully,” said Adv Mothibi.

### **National Sate of Disaster PPEs procurement**

The SIU also investigated the COVID-19 Personal Protective Equipment (PPE) procurement irregularities. This proclamation is a national proclamation, however, there are matters that are investigated in the Limpopo Province. We briefed the Premier around matters that have been investigated under this proclamation. For purposes of this briefing we investigated about 60 contracts related to 42 service providers. The quantification of all those contracts value is about R486 million. These investigations are now in the support phase. What it means is essentially the investigation has been concluded, the support phase means that now we are busy, either with the civil litigation process or referral to authorities. The investigators are supporting that process to ensure that there are recoveries. If we have made referrals for disciplinary action, those matters are receiving attention. And if we have made referrals to the NPA those matters are also receiving attention.”

“There are also outcomes in the Department of Health. These are mainly around PPE investigations. We have NPA referrals, ten (10) disciplinary referrals, thirty-three (33) administrative referrals, one (1) company blacklisting. The value of the contracts to be set aside is about R193 million. We have made about six (6) Competition Commission referrals. We have also made thirty-one (31) referrals to the South African Health Product Regulatory Authority and about eight (8) referrals to the South African Revenue Services. This is because we found that there are companies that do business with the department and they don't comply with the laws that regulate either income tax or Pay AS You Earn (PAYE) and all of those other matters that are administered by the SARS.

### **CoGHSTA**

“As we conclude this, we also had investigations that we did in the Department of Cooperative Governance Human Settlements and Traditional Affairs (CoGHSTA). We have made about two (2) NPA referrals for decision to prosecute. We have made one referral against the company to be blacklisted and the value of the contract, that would be set aside, is about R15. 3 million. And we have made one referral to the Competition Commission.

“I also hope the NPA receives the information positively and charge those who are supposed to be charged. We request you to make a follow-up from your side with NPA where they supposed to take action”, concluded Premier Mathabatha.

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