



March 8, 2022

**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
8 MARCH 2022**

**CONTRACTORS STRIPPED OF PROFITS EARNED FROM THE R40.4 MILLION BEIT
BRIDGE BORDER FENCE TENDER**

The Special Investigating Unit (SIU) welcomes the Special Tribunal order stripping Caledon River Properties (Pty) Ltd and Profteam CC of profits earned from the R40.4 million contracts awarded by the Department of Public Works and Infrastructure (DPWI) to erect the Beit Bridge border fence, as part of the COVID-19 emergency procurement in 2020. Soon after the fence was erected, it started to fall apart, prompting the SIU to investigate the awarding of the contracts.

The two contractors were jointly paid R21.8 million of the R40.4 million in advance by DPWI for the construction of the razor mesh fence. Following an intensive investigation by the SIU, which uncovered a number of irregularities including the pre-payment, the DPWI was interdicted, prohibited and restrained by the Special Tribunal from making further payment pending the conclusion of civil claim instituted by the SIU. The R40.4 million contracts were reviewed and set aside by agreement between the parties.

On Tuesday, 8 March 2022, the Special Tribunal ordered that, within 30 days, Caledon River Properties and Profteam CC furnish it with audited financial statements and debatement of account reflecting their respective income and expenditure in the contracts, supported by expert report.

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The SIU and DPWI were ordered to appoint duly qualified expert(s) to compile a report as to the reasonableness of Caledon River Properties and Profteam CC expenses and file it with the Special Tribunal.

Furthermore, the Special Tribunal ordered that Caledon River Properties and Profteam CC payback profits earned within 30 days of submitting the income and expenditure report. In the event of dispute in profits, the parties have been ordered to approach the Special Tribunal for an appropriate order on supplemented papers as necessitated by the circumstances.


Judge Lebogang Modiba, ruled that it is just and equitable to apply the no profit and no loss principle in the matter. Regrettably, the biggest loser is the State and the public, she said.

“They have been deprived of the variety of public, social and economic benefits that flow from a solid border track at the Beit Bridge border and are saddled with a deficient border fence. Further corrective measures lie in holding the officials who designed, approved and implemented the Beit Bridge Border Fence Project and its related procurement process and those who failed to take the appropriate steps to enhance the integrity of the fence,” said Judge Modiba in her judgment.

In accordance with SIU Act 74 of 1996, the SIU made disciplinary referrals to the DPWI against officials who designed, approved and implemented the Beit Bridge border fence project.

The outcome of the Special Tribunal order is a continuation of implementation of the SIU investigation outcomes and consequence management to recover financial losses suffered by State institutions. There are 45 matters enrolled in the Special Tribunal which are still awaiting adjudication to the combined value of R2.1 billion and will result in further recoveries for the State.

Fraud and corruption allegations may be reported via the following platforms:
siu@hotline.co.za / Hotline: 0800 037 774



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ABOUT THE SIU:

The SIU is an independent statutory body with a primary mandate to investigate allegations of corruption, malpractice and maladministration in the affairs of government departments, municipalities and State Owned Entities, and to recover financial losses suffered by State institutions. The SIU was established in terms of the Special Investigating Units and Special Tribunal Act, Act No 74 of 1996 (SIU Act).

The SIU has powers to subpoena witnesses, bank statements and cellphone records, search, seize evidence and interrogate witnesses under oath. The SIU can take civil action to correct any wrongdoing it uncovers in its investigations.

Where criminal conduct is uncovered during investigations, the SIU will bring the matter to the attention of its partners Hawks in the South African Police Service (SAPS), as well as the National Prosecuting Authority (NPA) for further action.



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