



May 18, 2022

**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
18 MAY 2022**

TWO FORMER EKURHULENI OFFICIALS, BUSINESSMAN JAILED FOR TENDER FRAUD, MONEY LAUNDERING AND CORRUPTION

The Special Investigating Unit (SIU) welcomes the imprisonment of two former City of Ekurhuleni officials and businessman for tender fraud, corruption and money laundering in connection with R21.8 million.

Today, the Pretoria Commercial Crimes Court sentenced Businessman Velero David to 10 years for fraud amounting to R21 806 331 and 15 years for corruption to the sum of R12 678 602. Former Ekurhuleni IT executive, Nilesh Singh, was also sentenced to 10 years for fraud amounting to R21 806 331 and 15 years for corruption to the sum of R12 678 602.

Andrew Mphushomadi, former IT senior manager at Ekurhuleni, was given a 10-year prison sentence, of which four was suspended, for money laundering. Mphushomadi received the proceeds of crime to the value of R3 365 574,02. Two entities that were used to commission the crime, Meropa Sechabeng Technology CC, represented by David and Nanga Transport CC represented by Princes Dlongolo, the wife of Mphushomadi, were each given a fine of R600 000 wholly suspended for five years.

David and Singh were found guilty on fraud and corruption charges. Mphushomadi was found guilty on money laundering charges for receiving benefits of unlawful activity.

SIU probe in Ekurhuleni revealed that Meropa was fraudulently awarded a tender for the supply and maintenance of computer components. Meropa, together with bid adjudicators

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failed to disclose a conflict of interest contrary to Ekurhuleni's bid policies, which provided a strict list of measurements to combat abuse like fraud, corruption and favouritism.

David, sole director of Meropa, declared during the bidding process that he had no relationship with persons in the service of the State or who may be involved in the evaluation and adjudication of the bid. Unbeknown to Ekurhuleni at the time, David was related through marriage to Singh, the executive director of the Information Technology (IT) department and influential person in the awarding of the tender. Singh resigned and joined Meropa shortly after the bid was awarded.

Mphushomadi, a senior manager within the IT department at the time and member of Nanga, was also involved in the allocation of the tender. It emerged during the investigation that, shortly after the tender was awarded, Nanga purchased a number of Mercedes Benz trucks close to R4 million, paid for by Meropa from the money received from the City. Meropa also splashed out around R8 million cash from the City tender on 16 luxury vehicles.


In February, the commercial crimes court ordered that assets seized by the Asset Forfeiture Unit in April 2012 be forfeited to the State.

The outcome of the Specialised Commercial Crime Court is a continuation of implementation of the SIU investigation outcomes and consequence management to recover financial losses suffered by State institutions and hold those responsible to account for the actions through a justice process in accordance with the SIU Act 74 of 1996.

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

Enquiries: Mr Kaizer Kganyago
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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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