



May 19, 2022

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

**SIU WELCOMES INVALIDATION OF THE R4.8 MILLION DOOR TO DOOR COVID-19  
AWARENESS TENDER**

The Special Investigating Unit (SIU) welcomes the Special Tribunal order that declared the R4.8 million Covid-19 tender awarded by O.R. Tambo District Municipality IN THE Eastern Cape to Phathilizwi Training Institute, to conduct Covid-19 awareness, invalid and unlawful.

On Wednesday, 18 May 2022, the Special Tribunal set aside the tender and ordered the municipality not to pay two tax invoices in the amount of R3 036 000.00 and R1 821 600.00 for the service allegedly rendered by the training institute as part of the unlawful and invalid contract. The Special Tribunal also ordered Phathilizwi to pay for the SIU's legal costs.

In January 2019, the Municipality awarded Phathilizwi a tender to conduct community education workshops within the Municipality for a period of 12 months. On 24 February 2020, the Municipality extended the tender by a period of six (6) months.

The original tender was in respect of a community outreach program aimed to encourage community members to participate in municipal programmes with full understanding of local government processes. The extended tender was for a completely different activity, namely a Covid-19 door-to-door campaign.

SIU probe revealed that, when extending the tender, the Municipality failed to comply with the emergency procurement process as set out in Treasury Regulations and as required by the National Treasury Practice Note 6 of 2007/2008. The regulations were promulgated to

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give effect to the values of fairness, equity, transparency, competitiveness and cost effectiveness in public procurement as mandated by section 217(1) of the Constitution.

The outcome of the Special Tribunal is a continuation of the implementation of 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.

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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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