



July 25, 2022

**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
25 JULY 2022**

SIU AUTHORISED TO INVESTIGATE ALLEGATIONS OF CORRUPTION AND MALADMINISTRATION IN 11 GOVERNMENT DEPARTMENTS, KZN MUNICIPALITY, AND TWO STATE AGENCIES

President Cyril Ramaphosa has signed five new proclamations authorising the Special Investigating Unit (SIU) to investigate allegations of corruption and maladministration in the affairs of 11 government departments, Newcastle Municipality in KwaZulu Natal, South African Social Security Agency (SASSA) and South African Council of Educators (SACE), and to recover any financial losses suffered by the State as a result of negligence or corruption.

Eleven government departments covered under the new proclamations include the National Department of Health, all provincial departments of health and the KwaZulu Natal Department of Transport.

National and Provincial Departments of Health

President Ramaphosa has signed Proclamation R.74 of 2022 authorising the SIU to investigate allegations of corruption and maladministration in the affairs of the National and all Provincial Health Departments and to recover any financial losses suffered by the State or the departments through civil litigation.

Pretoria: 74 Watermeyer Street, Rentmeester Building, Meyers Park, 0183 | Eastern Cape: Sanlam Park, 59 Western Avenue, Vincent
KwaZulu-Natal: 214 Dr Pixley Kaseme Street, Durban Central, Durban, 4001 10th Floor Liberty Towers | Free State: 195 Nelson Mandela Drive, Telkom House
(College Square), Bloemfontein | Mpumalanga: 25 Samora Machel Drive, Mbombela Centre, 4th floor, Mbombela, 1200 | Limpopo: Ground Floor,
Moolman 500 Building, 31 Mark Street, Polokwane, 0070 | Western Cape: 1st Floor, Bytes Technology Building Raapenberg Road Golf Park, Pinelands, 7405
North West: 1st Floor, Protea Office Park, Sekame Road, Mahikeng | Mthatha: 13th Floor, PRD Building, Sutherland Street, Mthata, 5100
Hotline: 0800 037 774 | www.siu.org.za | info@siu.org.za

The State's preferred and trusted anti-corruption forensic investigation and litigation agency

The SIU investigation will focus on unlawful or improper conduct by claimants or applicants in respect to medical negligence claims that were fraudulent, improper or unlawful by any person or entity that unduly benefited themselves or any other person. The SIU will also investigate any irregular, fruitless and wasteful expenditure incurred by institutions or the State.

The probe will cover claims that took place between 01 January 2013 and 22 July 2022, the date of the proclamation or which took place prior to 1 January 2013 or after the date of publication of this Proclamation, but is relevant to, connected with, incidental or ancillary to the matters investigated or involve the same persons, entities or contracts investigated.

KwaZulu Natal Department of Transport

Proclamation R.76 of 2022 authorises the SIU to investigate serious maladministration in connection with the affairs of the KwaZulu Natal Department of Transport, including the causes of such maladministration, which has led to the Department incurring irregular expenditure and fruitless and wasteful expenditure, as identified by the Auditor-General of South Africa (“AGSA”) in the AGSA Final Management Report dated 31 March 2019; and the AGSA Final Management Report dated 31 March 2021.

The SIU will also investigate any alleged serious, improper or unlawful conduct by employees of the Department, unlawful appropriation or expenditure of public money, unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon State property, intentional or negligent loss of public money or damage to public property, offence referred to in parts or sections of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).

The probe will focus on offences which took place between 3 March 2006 and the date of publication of this Proclamation or which took place prior to 3 March 2006 or after the date of publication of this Proclamation.

SASSA

Proclamation R. 78 of 2022 was signed by President Ramaphosa authorising the SIU to launch an investigation into five SASSA service provider contracts. This is an amendment to Proclamation R.37 of 2019. The SIU will seek to establish whether there was any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the SASSA or the State or any resulting loss or damages suffered by the SASSA in the following contracts:

- The refurbishment of offices of the SASSA within the Eastern Cape Region in terms of the Local Office Improvement Project.
- Medical goods or services procured within the Gauteng Region during the period 1 April 2016 to 30 September 2016.
- Services procured from Keyser Cleaning Services within the Eastern Cape Region.
- The procurement of blankets by the KwaZulu-Natal Regional Office during the period 1 April 2016 to 30 September 2016.
- Cleaning Tender. Bid SASSA41-20-CS-EC.

Newcastle Municipality

Proclamation R.75 of 2022 authorises the SIU to investigate the procurement of, or contracting for goods, works or services by or on behalf of the Newcastle Municipality and payments made in respect thereof in a manner that was not fair, competitive, transparent, equitable or cost-effective. The SIU will also look into any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in relation to:

- The refurbishment of DN 700 PC Pipeline and 4No Cross Connections to Parallel DN 600 Steel Pipeline;
- A Professional service provider for assistance with Revenue Management and Supply Chain Management Solutions (System) for the period of three financial years on or about 26 April 2019;
- Supply and delivery of batteries and battery chargers on or about 31 August 2018; and

- The construction of a 2km, 160mm diameter UPVC pipeline connection to Soul City.

Furthermore, the SIU will investigate maladministration in the affairs of the Municipality in relation to Contracts awarded to persons in the Service of the State, contrary to the provisions of Regulation 44 of the Municipal Supply Chain Management Regulations dated 30 May 2005; Payments made to fictitious employees; Fruitless and wasteful expenditure incurred as a result of late payments made to Eskom; Fruitless and wasteful expenditure incurred as a result of late Value Added Tax and Pay As You Earn payments to the South African Revenue Service; Salary payments made to former employees after they had left the employ of the Municipality; including the causes of such maladministration.

The SIU will also look into alleged serious, improper or unlawful conduct by officials or employees of the Newcastle Municipality, unlawful appropriation or expenditure of public money or property, unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon State property, intentional or negligent loss of public money or damage to public property, offence referred to in Parts or sections of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).

The Proclamation covers offences which took place between 1 January 2018 and the date of publication of this Proclamation or which took place prior to 1 January 2018 or after the date of publication of this Proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated.

SACE

The SIU has been authorised to probe the South African Council of Educators (SACE) by President Ramaphosa signing Proclamation R.77 of 2022. The SIU investigation will focus on the procurement for and acquisition of the commercial property described as Erf 638, situated at 33 Beacon Bay Drive, East London, by the SACE and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the SACE or the State.

The SIU probe will also focus on any alleged serious maladministration in connection with the affairs of the SACE, improper or unlawful conduct by the employees or officials of the SACE, unlawful appropriation or expenditure of public money or property, unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon State property, intentional or negligent loss of public money or damage to public property, offence referred to in Parts or sections of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004). took place between 1 January 2019 and the date of publication of this Proclamation or which took place prior to 1 January 2019 or after the date of publication of this Proclamation.

In all proclamations, the SIU will refer evidence pointing to criminal conduct it uncovers during its investigations to the National Prosecuting Authority for further action. The SIU is empowered to institute civil action in the High Court or a Special Tribunal in its name, to correct any wrongdoing uncovered during its investigation caused by acts of corruption, fraud or maladministration.

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

Enquiries: Mr Kaizer Kganyago
Head of Stakeholder Relations and Communications (SIU)
012 843 0048
082 306 8888
kkganyago@siu.org.za

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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)