



July 18, 2022

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

**SIU WELCOMES THE ARREST OF FORMER MUNICIPAL MANAGER IN NORTH WEST
FOR AWARDING R215 MILLION IT TENDER**

The Special Investigating Unit (SIU) welcomes the arrest of former municipal manager of Moretele Municipality in the North West province for allegedly contravening the Municipal Finance Management Act and the irregular awarding of a multimillion-rand IT tender.

Theletsi Roger Nkhumise was arrested on Friday and immediately appeared at the Moretele Regional Court. Nkhumise is accused of unlawfully appointing Flame IT Strategy to render ICT services to the Moretele Municipality, which is largely rural, to the tune of approximately R215 million. The municipality inherited the contract for ICT services from Madibeng Local Municipality.

The arrest of Nkhumise follows an investigation conducted by the SIU, which revealed that the municipality increased the scope of work with two addendums to the original contract without following processes governing municipal procurement of goods and services.

Furthermore, the SIU investigation revealed that the price from that of the original contract between Madibeng Municipality and Flame IT are definitely not in sync with the pricing between Moretele Municipality and Flame IT. Madibeng paid Flame IT approximately R64 million for a similar service.

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 probe revealed that Moretele is paying way more than what Madibeng Municipality paid Flame IT for a similar service.

The SIU was authorised to investigate the tender following the signing of Proclamation of R. 7 of 2019 by President Cyril Ramaphosa. In line with the Special Investigating Units and Special Tribunals Act 74 of 1996, the SIU referred evidence pointing to a criminal action to the National Prosecuting Authority for further action.

The SIU has instituted a civil action in the Special Tribunal to review and set aside the contract. This will pave way for the State's only anti-corruption, forensic investigation and civil litigation agency to recover financial losses suffered by the municipality due to negligence and corruption.

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)