



August 11, 2022

**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
11 AUGUST 2022**

**SIU RAIDS COMPANY LINKED TO THE VALUATION, MARKETING AND SALE OF
STATE DIAMONDS - ALEXANDER BAY DIAMONDS COMPANY**

The Johannesburg Magistrate Court on Wednesday, 10 August 2022, has granted the Special Investigating Unit (SIU) a warrant to conduct a search and seizure at the premises of the Alexander Bay Diamonds Company PTY LTD (Alexander Bay), previously known as Scarlet Sky Investments 60 PTY LTD, and related companies.

SIU investigators with the assistance of the Hawks are currently raiding the offices of Alexander Bay in Johannesburg for information and piece of evidence that will assist with an ongoing investigation relating to the affairs of Alexkor, the State's diamond mining company.

The SIU was authorised by President Cyril Ramaphosa, under Proclamation No. R 45 of 2021, to investigate allegations of corruption and maladministration in respect of marketing, valuation, sale and beneficiation of diamonds, pursuant to agreements concluded between Alexkor and service providers.

Alexander Bay was appointed by Alexkor in 2015, as an external service provider, to perform Marketing, Valuation, Sale and Beneficiation in respect of Alexkor Diamonds. The company was allegedly appointed to improve the sales of diamonds, as Alexkor believed that the diamonds were sold below the market value by approximately 30 percent. The circumstances and procurement process followed that led to the appointment of Alexander Bay are subject to SIU investigation.

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

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Alexander Bay has refused to disclose the identity and details around the sale of diamonds to Alexkor and its Chief Executive Officer, citing none disclosure agreement signed with buyers of State diamonds. The company also failed to disclose the details around the sale of diamonds to the State Capture Commission.

The SIU deemed it necessary to approach the Johannesburg Magistrate Court for a search warrant to seize documents and computers in order to assist with an ongoing investigation, as normal processes to request information was likely to be met with the same attitude.

The SIU received a tip off from a whistleblower that there is alleged serious maladministration in the affairs of Alexkor, in respect of the marketing, valuation, sale and beneficiation of diamonds. The raid of Alexander Bay offices is crucial for the SIU to complete its investigation in the affairs of Alexkor.

The SIU is empowered by the Special Investigating Units and Special Tribunals Act 74 of 1996 (SIU Act) to subpoena bank statements and cellphone records, search and seize evidence, and interrogate witnesses under oath in order to fully investigate allegations brought before the Unit.

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

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)