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SIU GRANTED ORDER TO FREEZE PENSION BENEFITS OF FORMER LIMPOPO HEALTH HOD

The Special Investigating Unit (SIU) has obtained a preservation order from the Special Tribunal to freeze pension benefits of former Limpopo Department of Health's Head of Department, Dr Thokozani Florence Mhlongo.

The Special Tribunal order interdicts and restrain the Government Employees Pension Fund from paying out or transferring any benefits due to Dr Mhlongo, pending the final determination of civil proceedings, for recovery of damages or losses suffered by the Department and disgorgement of profit derived from unlawful contracts and secret profits, if any, to be instituted within 60 days.

The SIU approached the Special Tribunal to freeze pension benefits of Dr Mhlongo after she resigned with immediate effect in June 2022, in the face of a disciplinary hearing, which emanated from SIU investigations in the affairs of the Department relating to the procurement of personal protective equipment (PPE) in response to Covid-19 pandemic.

The SIU investigations have uncovered irregularities in the appointment of service providers Clinipro Pty Ltd, Pro Secure Pty Ltd, and Ndia Business Trading (Pty) Ltd for the supply and delivery of PPE items, which resulted in the Department incurring irregular expenditure and/or a fruitless and wasteful expenditure of approximately R182 million.

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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Furthermore, the SIU investigation revealed that Dr Mhlongo, as the accounting officer, allegedly exposed the Department to a wasteful expenditure when she authorised the procurement and payment of 10 000 cellphones to the value of R10 million for Covid-19 household screening. The Department could only manage to distribute 388 of the 10 000 cellphones between September 2020 and March 2021, and the cellphones were distributed without the required screening application, SIU investigation revealed. After the physical counting of cellphones in storage by SIU investigators in March 2021, the Department distributed 9588 cellphones to community health workers for Covid-19 vaccination without the required application installed.

The SIU welcomes the preservation order granted by the Special Tribunal. This is a continuation of the implementation of the SIU investigation outcomes and consequence management to recover assets and financial losses suffered by State institutions and/or to prevent further losses. The SIU will continue to pursue officials who resign in the face of an investigation or in the face of a disciplinary action by freezing their pension benefits and institute civil litigation to recover financial losses suffered by state institutions.

Fraud and corruption allegations may be reported via the following platforms: <u>siu@hotline.co.za</u> / 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)

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