



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

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

JOINT STATEMENT: SPECIAL INVESTIGATING UNIT, DEPARTMENT OF WATER AND SANITATION SIGN SETTLEMENT AGREEMENT WITH EOH WORTH OVER R191 MILLION

The Special Investigating Unit (SIU), and the Department of Water and Sanitation (DWS) have signed a settlement agreement with EOH, a JSE listed IT company, to pay back over R178 million, plus interest, it irregularly received from its dealings with the department between 2012 and 2017.

In terms of the agreement, EOH has agreed to pay back R191 883 000, inclusive of interest, over a period of 36 months. According to the payment schedule, an upfront payment of R65 792 258.85 should be paid by no later than 30 November 2022 by EOH, while the first instalment of R3.4 million is to be paid on 1 January 2023, and thereafter on the first business day of each succeeding calendar month until the debt is fully settled.

The settlement emanates from the SIU being authorised to investigate the procurement of, contracting and implementation of Information Technology in respect of the EOH/DWS contracts under Presidential Proclamation No. R33 of 2021. The SIU's investigations found that EOH unduly benefitted from its contracts with DWS.

The matters came to the attention of SIU during its investigation into the affairs of DWS, which were directed by proclamation R27 of 2018, as amended by Proclamation R44 of 2019. The SIU

was also contacted by EOH with the purpose of informing the Unit of possible fraud and corruption involving employees of its subsidiary, EOH Mthombo, and third parties who allegedly colluded with officials of DWS in relation to contracts that EOH had concluded with DWS.

The SIU has made it clear that the settlement does not exonerate EOH from paying any further amounts due to DWS that may be subsequently uncovered by the ongoing investigation. Neither does the agreement waive the SIU's rights to bring any action or application before the High Court or Special Tribunal to recover any further amounts of money that may be due to it or DWS which may be revealed by the ongoing investigation by the SIU or any other organ of the State.

Furthermore, the agreement is not an exoneration of any person from being held criminally liable for whatever criminal conduct that may be uncovered by the ongoing investigation of the SIU into the conduct of EOH Mthombo and/or DWS and/or any other third party.

This settlement agreement 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 is empowered by the Special Investigating Units and Special Tribunals Act 74 of 1996 to institute civil action in the Special Tribunal or the High Court to correct any wrongdoing it uncovers in its investigation. Where there is evidence pointing to criminal conduct, the SIU refers the evidence to the National Prosecuting Authority for further action.

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Enquiries:

Kaizer Kganyago
SIU Spokesperson
012 843 0048 / 082 306 8888
KKganyago@siu.org.za

Or
Sputnik Ratau
DWS Spokesperson
0123366813/0828742942
RatauS@dws.gov.za