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MEDIA STATEMENT

FOR IMMEDIATE RELEASE

7 FEBRUARY 2023

THE SIU WELCOMES SPECIAL TRIBUNAL ORDER CONFIRMING THAT ASSETS OF HAMILTON NDLOVU AND OTHERS REMAIN PRESERVED

The Special Tribunal has found that it would not be in the interest of justice to allow the Johannesburg businessman, Hamilton Ndlovu and others to retain possession of preserved assets pending an outcome of an appeal to the High Court to overturn the final forfeiture order of preserved assets.

In June 2022, the Tribunal ordered that 19 personal protective equipment (PPE) tenders amounting to R172 million awarded by the National Health Laboratory Service (NHLS) to Ndlovu and associated companies are declared invalid and unlawful. The Tribunal set aside the contracts and ordered that Mr. Ndlovu and associated companies to pay back R158 millions with interest.

The Tribunal further ordered that the preserved properties and funds held by Ndlovu, Zaisan Kaihatsu and Bugatti Security Services and Projects to the value of R42 million be forfeited to the state.

The SIU and NHLS applied to the Special Tribunal to confirm that the preservation order remains operative despite an appeal by Ndlovu and others to the High Court to overturn the forfeiture order.

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On 31 January 2023, the Special Tribunal ordered that 7 June 2022 order still stands and the assets remained preserved.

President of the Special Tribunal, Judge Modiba ruled that Ndlovu, and others did not dispute the serious allegations of procurement fraud, and therefore had no legal basis for resisting the preservation order.

“The purpose of the preservation order was to preserve specific assets and protect them against damage or loss of value pending their final forfeiture. The Special Tribunal found that it was not in the interest of justice to allow the Ndlovu and others to retain possession of the preserved assets,” Judge Modiba ruled.

The order comes after the SIU was, in terms of Proclamation R.23 of 2020, authorised by President Cyril Ramaphosa to investigate allegations of corruption, malpractice, maladministration and irregularities in the procurement of goods and services during the Covid-19 state of disaster.

The SIU investigated corruption allegations and the circumstances in which eight companies directly and indirectly linked to Ndlovu had obtained contracts worth a total of R172 742 275 for PPE from the NHLS. The SIU investigation established that the contracts were obtained by abusing the emergency procurement procedures that were adopted by the NHLS to respond to the Covid-19 disaster during the first half of 2020.

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The SIU obtained and analysed the bank statements of the front companies and of Ndlovu and of other companies and individuals linked to him. The analysis showed that, apart from an amount of about R15million that appears to have been used for the purchase of PPE, the funds received from the NHLS were not used to obtain supplies of PPE to deliver upon the contracts to the NHLS. Instead, almost 90% of the funds flowed to Ndlovu for his own use.

The SIU welcomes the Special Tribunal order as it demonstrate the 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.

Fraud and corruption allegations may be reported via the following platforms:
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