

No. R. 38, 2007**SPECIAL INVESTIGATING UNITS AND SPECIAL TRIBUNALS ACT, 1996 (ACT NO. 74 OF 1996): REFERRAL OF MATTERS TO EXISTING SPECIAL INVESTIGATING UNIT AND SPECIAL TRIBUNAL**

WHEREAS allegations as contemplated in section 2(2) of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996) (the "Act"), have been made in respect of the affairs of the Metsimaholo Local Municipality situated in the Free State Province (hereinafter referred to as "the Municipality");

AND WHEREAS the Municipality suffered losses that may be recovered;

AND WHEREAS I deem it necessary that the said allegations should be investigated and justiciable civil disputes emanating from such investigation should be adjudicated upon;

NOW, THEREFORE, I hereby, under section 2(1) of the said Act, and at the request of the Premier of the Free State Province, refer the matters mentioned in the Schedule, for investigation to the Special Investigating Unit established by Proclamation No. R. 118 of 31 July 2001 and determine that, for the purposes of the investigation of the matters, the terms of reference of the Special Investigating Unit are to investigate as contemplated in the said Act, any -

- (a) serious maladministration in connection with the affairs of the Municipality;
- (b) improper or unlawful conduct by officers and/or employees of the

Municipality;

- (c) unlawful appropriation or expenditure of public money or property;
- (d) unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon State property;
- (e) intentional or negligent loss of public money or damage to public property;
- (f) offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, and which offences were committed in connection with the affairs of the Municipality; or
- (g) unlawful or improper conduct by any person, which has caused or may cause serious harm to the interests of the public or any category thereof,

which have taken place between 1 November 2003 and the date of publication of this Proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said Special Investigating Unit by the said Act, in relation to the said matters in the Schedule, for the purpose of the recovery of any losses suffered by the Municipality.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria this Sixteenth day of November Two thousand and seven.

T. M. MBEKI

President

By Order of the President-in-Cabinet:

B. S. MABANDLA

Minister of the Cabinet

SCHEDULE

1. The alienation and background to the alienation of land of the Municipality, namely –
 - (a) the Remainder of the Farm Grootfontein No. 328;
 - (b) Erf 1 Vaal Park, inclusive of the street portion up to Outeniqua Street;
 - (c) Erf 1294 Vaal Park;
 - (d) the Remainder of Erf 1295 Vaal Park and certain land in Vaal Park bounded by Minnaar Street to the south; and
 - (e) the Remainder of Erf 1295 Vaal Park to the west, Lauterwater to the east and Outeniqua Street to the north,to The Heron Banks Development Company (Pty) Ltd in a manner and by a process contrary to the provisions of section 14(2) and (5) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

2. Financial prejudice and losses suffered by the Municipality as a result of the alienation of the land mentioned in paragraph 1.