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**MEDIA STATEMENT  
FOR IMMEDIATE RELEASE  
29 AUGUST 2023**

**SIU WELCOMES HIGH COURT JUDGMENT SETTING ASIDE THE DECISION OF THE  
DEPARTMENT OF CORRECTIONAL SERVICES TO APPOINT A COMPANY FOR PROJECT  
MANAGEMENT AND ASSESSMENT SERVICES**

On 23 August 2023, the High Court of South Africa, Gauteng Division, Pretoria under Case No. 22307/2018, has declared the decision(s) by the Department of Correctional Services (DCS) to appoint Masetlaoka Scott Wilson (Pty) Ltd (MSW):

- (a) as a project manager for the renovation of three prisons and replacement of other facilities, at a project management fee amounting to approximately R 144 505 417.76; and
- (b) to conduct assessments in terms of the *Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)* in respect of 221 prisons to the value of approximately R 464 100 000.00,

to be inconsistent with the Constitution and unlawful. The High Court made a similar finding in respect of the resulting agreement(s)/contract(s) concluded between DCS and MSW.

In January 2014 and in order to avoid returning unspent money of approximately R 812 million to the National Treasury shortly before the end of the relevant financial year, DCS took a decision to participate in a contract between MSW, a project management consortium, and the Department of Higher Education and Training (DHET).

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The SIU was authorised to investigate allegations of corruption and maladministration in the affairs of DCS under Proclamation No. R. 20 of 2016 and it uncovered irregularities relating to manner in which DCS participated in the DHET agreement.

The SIU and DCS approached the High Court to review and set aside the relevant decision(s) and resulting agreements/contracts.

The High Court found that the relevant decision(s) and resulting agreement(s)/contract(s) was/were inconsistent with the Constitution, as it was not fair, transparent, equitable, competitive, and cost effective, and therefore unlawful. The question of what would constitute just, and equitable relief was referred by the High Court for trial.

The SIU welcomes the order of the High Court as it demonstrates the continued implementation of its investigation outcomes and consequence management, and efforts to recover financial losses suffered by the State due to negligence or corruption.

**END.**

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