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SUPREME COURT OF APPEAL DISMISSES SECOND ATTEMPT TO REVIEW AND SET ASIDE SIU REPORT ON ELECTRIFICATION OF LIMPOPO VILLAGES

The Supreme Court of Appeal has dismissed with costs an application brought by Mphaphuli Consulting (PTY) LTD, an engineering company owned by Lufuno Mphaphuli, to appeal the High Court of South Africa: Limpopo Division, Polokwane, judgment on investigation report by the Special Investigating Unit (SIU) relating to electrification of villages in Limpopo Province.

The SIU welcomes the decision of the Supreme Court of Appeal, as it now settles the question of whether the SIU was empowered to investigate the electrification of villages under Greater Tubatse Municipality and also paves way for civil claim against the engineering company to recover approximately R76 million to commence in the Limpopo High Court.

An investigation by the SIU in the affairs of Greater Tubatse Municipality revealed that the municipality piggybacked on an existing contract between Mphaphuli Consulting and Vhembe District Municipality to electrify villages. However, the terms of the contract were changed to increase pricing of the services by more than R5 000 than what was charged in Vhembe resulting in overpayment of approximately R76 million. The SIU instituted a civil claim in 2017 in the Limpopo High Court to recover financial losses suffered by the Municipality following the conclusion of its investigation.

In response, Mphaphuli Consulting brought an application to review and set aside the SIU report and to seek an order compelling the SIU to stop all steps taken against the engineering company, which emanated from the SIU investigation. In March 2022, the Limpopo High Court dismissed the application with costs.

The SIU was authorised under Proclamation R52 of 2014 to investigate allegations of corruption and maladministration in the affairs of Greater Tubatse Local Municipality (now Fetakgomo Tubatse).

The SIU is empowered to institute civil action in the High Court or a Special Tribunal in its name, to correct any wrongdoing uncovered during its investigations caused by acts of corruption, fraud, or maladministration. In line with the Special Investigating Units and Special Tribunals Act 74 of 1996, the SIU refers any evidence pointing to criminal conduct it uncovers to the National Prosecuting Authority (NPA) for further action.

END.

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