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Tel: +27 (0) 12 843 0001
SIU Hotline: 0800 037 774
Email: info@siu.org.za
www.siu.org.za



**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
10 April 2024**

BORDER FENCE CONTRACTORS LOSSES APPEAL TO KEEP PROFITS EARNED FROM R40 MILLION COVID-19 CONTRACTS AT THE SUPREME COURT OF APPEAL

The Special Investigating Unit (SIU) welcomes the judgment of the Supreme Court of Appeal, which dismissed a special leave to appeal application brought by Caledon River Properties Pty Ltd and Profteam CC to appeal a decision of the High Court and Special Tribunal to strip them of profits earned from the construction of a border mesh fence between South Africa and Zimbabwe during Covid-19 pandemic.

The Supreme Court of Appeal dismissed the application with costs because the requirements for special leave to appeal were not satisfied.

Soon after the fence was erected in March 2020, it started to fall apart. In July 2020, President Cyril Ramaphosa authorised SIU through Proclamation R. 23 of 2020, to investigate the affairs of all state institutions in respect of the procurement or contracting for goods, works and services during or in respect of the National State of Disaster, by or on behalf of State institutions. The Proclamation prompted the SIU to investigate the awarding of contracts to Caledon River Properties Pty Ltd and Profteam CC.

In March 2022, the Special Tribunal reviewed and set aside two contracts awarded to service providers by the National Department of Public Works and Infrastructure to the value of R40.4 million for constructing the razor mesh fence between South Africa and Zimbabwe. The Tribunal also ordered the service providers to be divested of the profits earned from the multimillion-rand contracts.

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The service providers agreed to the declaration of invalidity of the contracts due to procurement irregularities. However, they appealed to the full bench of the High Court to challenge the Special Tribunal's order, depriving them of the profits made from the impugned contracts.

Supreme Court of Appeal upheld the High Court's order and conditions, which are:

1. The application is dismissed with costs.
2. The service providers must, within 30 days, file audited statements and debatement of accounts reflecting their respective income and expenditure in the contracts.
3. The SIU and public works department are ordered to appoint, within 30 days thereafter, qualified expert(s) to compile a report as to the reasonableness of the service providers' expenses and file papers.
4. The service providers are ordered to pay the public works department, within 30 days, profit earned from the contracts as agreed by the experts and made the order of the Tribunal.

The SIU welcomes the Supreme Court of Appeal's order, which enforces the implementation of the SIU's investigation outcomes and consequence management to recover financial losses suffered by the State due to negligence or corruption.

END.

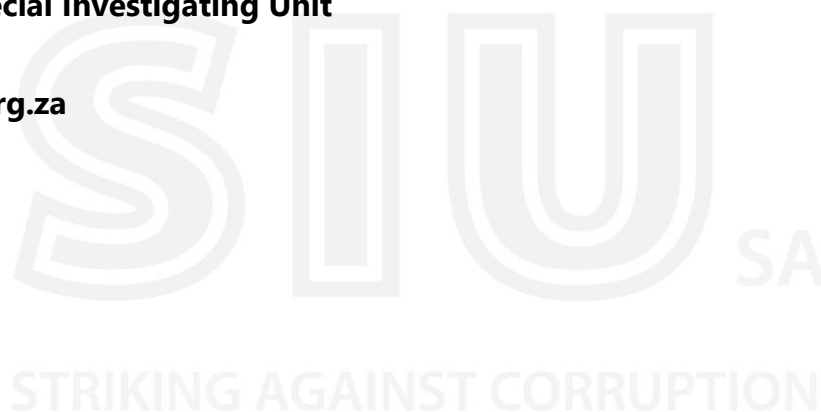
Enquiries:

Kaizer Kganyago

Spokesperson: Special Investigating Unit

082 306 8888

KKganyago@siu.org.za



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