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**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
18 JUNE 2024**

**HIGH COURT DISMISSES TWO APPEALS WITH COSTS IN MATTER RELATED TO R113.2
MILLION PPE CONTRACT**

The Special Investigating Unit (SIU) welcomes a judgment from the High Court of South Africa, Gauteng Division, Pretoria, to dismiss with costs two applications brought by LNG Scientific. This company was awarded an R113,250,000.00 personal protective equipment (PPE) contract by the Gauteng Department of Health, which was set aside by the Special Tribunal.

On June 10, 2024, the High Court issued a judgment dismissing two applications from LNG Scientific. The first appeal questioned whether the appellant had the right to access the record of the review proceedings before the Special Tribunal according to the Uniform Rules of Court. The second appeal focused on the lawfulness and validity of the Special Tribunal's ruling on the PPE contract, and whether the order had an immediate effect or was suspended. The court found that the order had a final and conclusive impact but was not suspended. Since the notice of appeal was not filed on time, the High Court dismissed it.

On 7 February 2024, the Special Tribunal declared that the PPE contract that was awarded to LNG was invalid and irregular and ruled that LNG be divested of all profits enjoyed under the invalid contract.

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An SIU investigation revealed that on 4 April 2020, the then Chief Financial Officer of Gauteng Health Department decided to procure 500,000 N95 masks at R55,50 each, 1,000,000 three-ply surgical masks at R18.00 each and 250,000 boxes of 100 sterile, powder-free surgical gloves at R270 per box.

The SIU investigation into the affairs of the Gauteng Health Department has found that a competitive bidding process was not followed. Deviation from this process was not duly approved, and the contracted prices were high. Furthermore, the SIU found that LNG was not registered on the government's Central Supplier Database for the supply of PPE when it was awarded the multimillion-dollar contract.

The SIU was, in terms of Proclamation R23 of 2020, directed by President Cyril Ramaphosa to investigate allegations of corruption, maladministration, malpractice and payments made by State institutions relating to PPE procurement together with the conduct of State employees.

The SIU is empowered to institute a civil action in the High Court or a Special Tribunal in its name to correct any wrongdoing uncovered during both 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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