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**MEDIA STATEMENT  
FOR IMMEDIATE RELEASE  
12 AUGUST 2024**

**TRIBUNAL OVERTURNS GAUTENG HEALTH COVID-19 PPE CONTRACT WORTH OVER R257 MILLION WITH NKHANE AND ORDERS RECOVERY OF PROFITS**

The Special Tribunal has reviewed and declared invalid a Covid-19 Personal Protective Equipment (PPE) contract awarded by the Gauteng Department of Health (GDoH) to Nkhane Projects and Supply (Pty) Ltd. This contract, valued at R257,418,300.00, has been set aside, and Nkhane Projects and Supply has been divested of all profits earned from it.

In the judgment dated 5 August 2024, the Tribunal ordered Nkhane to submit audited statements within 30 days, detailing its income and expenses related to the PPE delivered under the invalidated contracts. These statements must be supported by expert reports. Additionally, Nkhane is required to pay the Special Investigating Unit's (SIU) costs for the application, including the costs for two counsels where applicable.

The SIU's application to the Special Tribunal followed an investigation that found Nkhane had made an unsolicited proposal to the GDoH outside of a competitive bidding process. No request was made for a deviation from normal procurement procedures, and none of the required procurement prescripts were followed.

This judgment is expected to bring to an end to the High Court case where Nkhane demanded payment of R89,350,280.10 from the GDoH. This amount includes R60,863,045.90 for goods already delivered but not yet paid for by the GDoH, and R28,487,234.20 for goods ordered by the GDoH but which the department is refusing to accept delivery of. The High Court case was formally stayed by the SIU pending the finalization of the Tribunal case.

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This judgment signifies a crucial step in addressing corruption and ensuring accountability in PPE procurement during the Covid-19 pandemic.

President Cyril Ramaphosa directed the SIU, under Proclamation R23 of 2020, to investigate allegations of corruption, maladministration, malpractice, and payments made by State institutions concerning PPE procurement and the conduct of State employees.

The SIU is also empowered to institute civil action in the High Court or a Special Tribunal to address any wrongdoing uncovered during investigations related to corruption, fraud, or maladministration. In line with the Special Investigating Units and Special Tribunals Act 74 of 1996, the SIU refers any evidence of criminal conduct it uncovers to the National Prosecuting Authority for further action.

**END.**

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