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SPECIAL TRIBUNAL DISMISSES MTN'S APPLICATION WITH COSTS IN COVID-19 RELATED CONTRACT MATTER

The Special Tribunal has dismissed Mobile Telephone Networking's (MTN) exception application in connection with supplying the Limpopo Department of Health with mobile devices for COVID-19 screening.

The decision of the Special Tribunal, which was handed down on 24 July 2024, dismissed MTN's exception to the Special Investigating Unit (SIU) claim with costs, including the costs of two counsels. This ruling affirms the SIU's position regarding the irregular procurement of 10,000 cell phone devices by the Limpopo Department of Health during the COVID-19 pandemic.

The order follows an investigation by the Special Investigating Unit (SIU) into the affairs of the Limpopo Department of Health.

The SIU's investigation revealed that MTN made an unsolicited proposal to supply the department with 10,000 cell phone devices intended for COVID-19 mass screenings in Limpopo Province. This proposal costs the department R10 million. This falls outside the prescripts Public Finance Management Act (PFMA). The Department of Health accepted the proposal and subsequent delivery of the devices, 9,588 cell phones were not distributed to the intended users.

The SIU's investigation also found that the former Head of the Department, Dr Thokozani Florence Mhlongo, as the accounting officer, allegedly exposed the Department to a wasteful expenditure when she authorised the procurement and payment of 10 000 cell phones to the value of R10 million for Covid-19 household screening. The Department could only manage to distribute 388 of the 10,000 cell phones between September 2020 and March 2021, and the cell phones were distributed without the required screening application.

The SIU has instituted a civil action in the Special Tribunal to review and set aside the contract and recover financial losses suffered by the Limpopo Department of Health. So far, the SIU has successfully interdicted the pension payout of Dr Mhlongo after she resigned from her position as head of the department in the face of disciplinary action.

President Cyril Ramaphosa directed the SIU, in terms of Proclamation R23 of 2020, to investigate allegations of corruption, maladministration, malpractice, and payments made by State institutions relating to 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 in its name to address any wrongdoing uncovered during investigations related to 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 of criminal conduct it uncovers to the National Prosecuting Authority for further action.

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