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

**SIU IS AUTHORISED TO INVESTIGATE ALLEGATIONS OF SERIOUS MALADMINISTRATION AT
THE O.R. TAMBO DISTRICT MUNICIPALITY FOR THE PROCUREMENT OF FIVE CONTRACTS
RELATED TO THE CONSTRUCTION OF WATER SUPPLY STRUCTURES**

President Cyril Ramaphosa has signed Proclamation 172 of 2024, authorising the Special Investigating Unit (SIU) to investigate allegations of serious maladministration in the O.R Tambo District Municipality in the Eastern Cape province and to recover any financial losses suffered by the State or the Municipality.

Proclamation 172 of 2024 authorises the SIU to probe the procurement of five water supply structures. The SIU will investigate allegations of serious maladministration for the following contracts:

- the construction of the Signal Hill Reservoir and the appointment of Amatola Water Board in 2019 and an alleged irregular payment made to Amatola in 2020.
- the construction of the Manduli Bulk Water Scheme and the appointment of Ginasonke Engineers and an alleged irregular payment made to Ginasonke in 2019.
- the construction of the Mganduli Bulk Water Scheme and the appointment of Khwalo's Construction and an alleged irregular payment made to Khwalo in 2019.
- the supply and installation of a pump at Mhlontlo Cluster 1 and the appointment of Valotone 94 CC and Phoenix Tanks (Pty) Ltd in 2019 and an alleged irregular payment made to the service providers in 2019.
- the electrification of the Mthatha Dam and Highbury, and the construction of the Thornbill Clear Water Pump Station, and the alleged irregularities regarding payment of Amatola for these projects in 2018 and 2019.

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The SIU will also investigate any unauthorised, irregular, fruitless, or wasteful expenditure incurred by the department or the State. The scope of the investigation also covers any unlawful or improper conduct by department officials or employees, the applicable suppliers or service providers, or any other person or entity which has caused or may cause serious harm to the interests of the public. Furthermore, the investigation will also establish whether there was any unlawful appropriation or expenditure of public money.

The Proclamation covers allegations of unlawful and improper conduct that took place between 1 January 2018 and 16 August 2024, the date of the publication of the Proclamation or before 1 January 2018 and after the date of the Proclamation that are relevant to, connected with, and incidental to the matters or involve the same persons, entities or contracts investigated. In addition to investigating maladministration, malpractice, corruption and fraud, the SIU will identify system failures and make systematic recommendations to improve measures to prevent future losses.

In line with the Special Investigating Units and Special Tribunals Act 74 of 1996 (SIU Act), the SIU will refer any evidence pointing to criminal conduct it uncovers during its investigations to the National Prosecuting Authority (NPA) for further action.

The SIU is empowered by the SIU Act to institute civil action in the High Court or a Special Tribunal in its name to correct any wrongdoing uncovered during its investigation caused by acts of corruption, fraud, or maladministration.

ENDS.

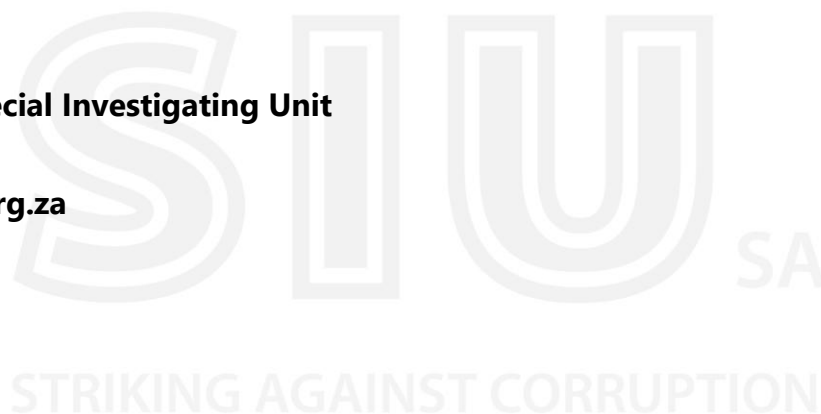
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