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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
23 AUGUST 2024**

SIU AUTHORISED TO INVESTIGATE ALLEGATIONS OF SERIOUS MALADMINISTRATION IN FIVE TRANSNET LEASE AGREEMENTS

President Cyril Ramaphosa has signed Proclamation 174 of 2024, authorising the Special Investigating Unit (SIU) to investigate allegations of serious maladministration within Transnet and to recover any financial losses suffered by the State or Transnet.

The proclamation empowers the SIU to probe the procurement processes and contractual agreements related to the leasing of properties belonging to or controlled by Transnet or the State. This investigation will focus on leases that were potentially facilitated through unlawful or improper conduct by Transnet employees, officials, agents, or any other involved parties.

The investigation will specifically examine whether Transnet officials or agents acted corruptly or unduly to benefit themselves or others, leading to unauthorised, irregular, or fruitless and wasteful expenditure, or financial losses for Transnet. The leases under scrutiny include:

- Long-term lease agreements with entities for the construction and operation of bulk fuel storage facilities at Transnet's Ambrose Park Precinct in Bayhead, Durban, KwaZulu-Natal.
- Lease agreement for the property known as Ptn of Erf 140 Rossburgh.
- Lease agreement concerning the premises of the old Durban International Airport, including the runway, tarmac, apron, taxiways, old terminal building, ATNS building, security building, Maritime School, and SAA Site.
- Lease agreement for the property described as Film Production Studios, located on the 7th floor of the Carlton Skyrink Building, part of the Carlton Centre Precinct in Marshalltown.
- Lease agreement involving the properties at Erf 1763 and Erf 1764, Jukskei View, Extension 47, Midrand, leased by Transnet for its use, linked to Request for Proposals Number TPCP/JHB/760(T).

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The SIU's mandate also includes investigating the procurement of goods, works, or services, including leased accommodation, tenant installations, and fit-out allowances or payments made by Transnet related to the aforementioned contracts.

Additionally, the SIU will investigate any unauthorised, irregular, or fruitless and wasteful expenditure incurred by Transnet or the State. The investigation will encompass any unlawful or improper conduct by Transnet officials, employees, suppliers, service providers, or any other involved parties.

The Proclamation covers allegations of unlawful and improper conduct that occurred between 1 January 2014 and 23 August 2024, as well as any related activities before 1 January 2014 and after the date of the Proclamation that are pertinent to the matters under investigation or involve the same persons, entities, or contracts. Beyond investigating maladministration, corruption, and fraud, the SIU will identify systemic failures and recommend 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 of criminal conduct uncovered during its investigation to the National Prosecuting Authority (NPA) for further action.

The SIU is also authorised under the SIU Act to initiate a civil action in the High Court or a Special Tribunal in its name to address any wrongdoing identified during its investigation resulting from acts of corruption, fraud, or maladministration.

ENDS.

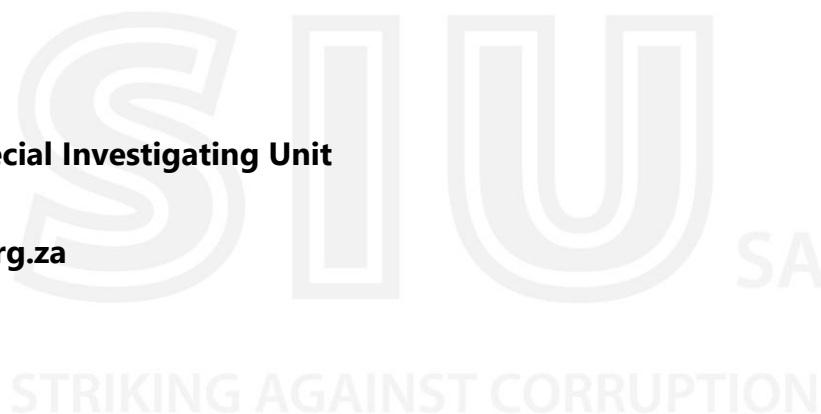
Enquiries:

Kaizer Kganyago

Spokesperson: Special Investigating Unit

082 306 8888

KKganyago@siu.org.za



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