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MEDIA STATEMENT

FOR IMMEDIATE RELEASE

13 SEPTEMBER 2024

SIU AUTHORISED TO INVESTIGATE SERIOUS MALADMINISTRATION, INCLUDING THE REINSTATEMENT OF THE FORMER TRANSNET CEO AND CONTRACTS IN THE UMZUMBE LOCAL MUNICIPALITY, MASILONYANA LOCAL MUNICIPALITY AND GAUTENG DEPARTMENT OF HUMAN SETTLEMENT

President Cyril Ramaphosa has signed Proclamations 181, 182, 183 and 184 of 2024, authorising the Special Investigating Unit (SIU) to investigate allegations of serious maladministration within Transnet, Gauteng Provincial Department of Human Settlement, Umzumbe Local Municipality, and Masilonyana Local Municipality and to recover any financial losses suffered by the State.

Proclamation 184 of 2024

Proclamation 184 of 2024 authorises the SIU to investigate allegations of serious maladministration related to Mr Siyabonga Gama's reinstatement as Chief Executive Officer of Transnet Freight Rail in February 2011 and the payment of Mr Gama's legal costs following his reinstatement. This includes any unauthorised, irregular, or wasteful expenditure incurred by Transnet concerning these matters.

The SIU is also authorised to probe allegations of serious maladministration in the procurement of or contracting for goods, works, or services of leased accommodation by Transnet and payments made about it in a manner that examines explicitly whether Transnet officials or agents acted corruptly or unduly to benefit themselves or others, leading to unauthorised, irregular, fruitless, and wasteful expenditures or financial losses for Transnet.

The SIU will also investigate any unauthorised, irregular, or fruitless and wasteful expenditures incurred by or losses suffered by Transnet or the state about the contract for security services related to cable theft and preventing criminal activities against Transnet Freight Rail. This contract was awarded to Abalozi Security Risk Advisory Services (Pty) Limited (formerly known as General Nyanda Security Advisory Services (Pty) Limited).

The Proclamation covers allegations of unlawful and improper conduct that occurred between 1 January 2007 and 13 September 2024, as well as any related activities before 1 January 2007 and after the date of the Proclamation that are pertinent to the matters under investigation or involve the same persons, entities, or contracts.

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Proclamation 183 of 2024

Proclamation 183 of 2024 authorises the SIU to investigate allegations of maladministration in procuring seven contracts at Umzumbe Local Municipality in the KwaZulu-Natal province. The tenders under scrutiny include:

- the construction of the Umzumbe Municipal Offices.
- the rehabilitation of the Qwabe, Cabhane, Mabheleni, Magabha, Sgananda and Ndletshe Roads.
- the construction of the Isipofu Access Road.
- construction work at the Ntelezi Msani Heritage Centre.
- the construction of Nkanini Indoor Sports Centre.
- the construction of the Ntatshana Access Road and Bridge
- the Three-Year Electrification Turnkey Project (2015 to 2018), by or on behalf of the Municipality.

The SIU will investigate any unauthorised, irregular, fruitless, or wasteful expenditure incurred by the Municipality or the State. The investigation will also cover any unlawful or improper conduct by Municipality officials, employees, suppliers, service providers, or any other involved parties. Additionally, the probe will examine the performance, poor performance, defective performance, or late performance by the service providers appointed by the Municipality regarding the services delivered, performed, or rendered as part of the projects.

The Proclamation covers allegations of unlawful and improper conduct that occurred between 1 January 2013 and 13 September 2024, as well as any related activities before 1 January 2013 and after the date of the Proclamation that are pertinent to the matters under investigation or involve the same persons, entities, or contracts.

Proclamation 182 of 2024

Proclamation 182 of 2024 directs the SIU to investigate allegations of maladministration of two tenders in the Masilonyana Local Municipality. The investigation will examine whether municipal officials, service providers, or any other involved parties unduly benefit themselves or others, leading to unauthorised, irregular, or fruitless and wasteful expenditure or financial losses for the municipality. The contracts under scrutiny include:

- The Refurbishment of Brandfort Water Treatment Works and Raw Water Pump Stations.
- Upgrading of Brandfort Sport Centre Phase II.

The Proclamation covers allegations of unlawful and improper conduct that occurred between 1 May 2020 and 13 September 2024, as well as any related activities before 1 May 2020 and after the date of the Proclamation that are pertinent to the matters under investigation or involve the same persons, entities, or contracts.

Proclamation 181 of 2024

Proclamation 181 of 2024 mandates the SIU to investigate allegations of maladministration of two tenders in the Gauteng Provincial Department of Human Settlement. The SIU will investigate the following contracts:

- The procurement of, or contracting for goods, works and services about the construction of 150 ablution and sanitation infrastructure and facilities at Sicelo Shiceka informal settlement: Phase 1 and Evaton.

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- The procurement of, or contracting for goods, works and services about the construction of 180 walk units at Sicelo Shiceka extension five.

The probe will also examine whether the payments for these contracts adhered to national treasury guidelines and ascertain whether the payments were irregular, fruitless, and wasteful expenditures or financial losses for the Municipality or the state.

The Proclamation covers allegations of unlawful and improper conduct that occurred between 1 April 2017 and 13 September 2024, as well as any related activities before 1 April 2017 and after the date of the Proclamation that is pertinent to the matters under investigation or involves 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.

END

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