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MEDIA STATEMENT FOR IMMEDIATE RELEASE 21 OCTOBER 2024

SIU WAS AUTHORISED TO INVESTIGATE THE NEW AGE BREAKFAST BRIEFINGS HOSTED BY THE SABC INVOLVING FOUR OTHER STATE-OWNED ENTITIES, A NATIONAL DEPARTMENT, AND SEVEN CONTRACTS IN MAKANA LOCAL MUNICIPALITY

President Cyril Ramaphosa has signed Proclamations 206 and 207 of 2024, authorising the Special Investigating Unit (SIU) to investigate allegations of corruption and maladministration in the affairs of the South African Broadcasting Corporation's (SABC) conclusion of an agreement with TNA Media (Pty) Ltd styled as "The New Age Breakfast Briefings" and to seven contracts in the Makana Local Municipality in the Eastern Cape and to recover any loss the State has suffered.

Proclamation 206

Proclamation 206 authorises the SIU to investigate serious maladministration in connection with the affairs of the SABC in respect of the TNA briefings hosted and broadcasted by the SABC as well as serious maladministration in connection with affairs of Eskom, Transnet, PetroSA, South African Airways and the National Department of Human Settlements (formerly known as the National Department of Human Settlements, Water and Sanitation). The State institutions and the department allegedly funded some of the TNA breakfast shows.

The investigation will focus on whether the agreement between SABC and TNA Media (Pty) Ltd was concluded in a manner that was not fair, competitive, transparent, equitable, or cost-effective or in violation of applicable legislation, guidelines, or instructions from the National Treasury and related unauthorised, irregular, fruitless and wasteful expenditures incurred by the State Institutions or losses suffered by the State Institutions or the State.

The SIU probe will also examine any irregular, unlawful, or improper conduct by State officials or employees of TNA Media, its suppliers or service providers, or any other person or entity implicated.

The Proclamation covers allegations of unlawful and improper conduct that occurred between 1 January 2011 and 18 October 2024, as well as any related activities before 1 January 2011 and after the date of the Proclamation that is pertinent to the matters under investigation or involves the same persons, entities, or contracts.

Proclamation 207

Proclamation 207 authorised the SIU to investigate allegations of serious maladministration in the affairs of the Makana Local Municipality involving seven tenders. The SIU's investigation will look into:

• Makana Bulk Sewer Upgrade Phase 1

The Office of the Auditor General of South Africa (AGSA) flagged the following contracts and goods and/or services procured by the Municipality with a transaction value above R200 000, without the Municipality inviting competitive bids in a report dated 30 June 2019:

- Professional Engineering services for groundwater development projects.
- Implementing Agents for water conservation and demand management.
- Re-appointment of MBB Consulting for water conservation and demand management.
- Electrification of the greater Makana and surrounding areas 11KV Line Project.
- Host municipal emails and provide internet services; and
- Operate and manage the Makana burning landfill site for six months.

The SIU will look at payments made in a manner that was not fair, competitive, transparent, equitable, or cost-effective or in violation of applicable legislation, guidelines, or instructions from the National or Provincial Treasury. This includes the Municipality or the State's unauthorised, irregular, or wasteful expenditure. The probe will also look at any irregular, unlawful, or improper conduct by officials or employees of the Municipality, its suppliers or service providers, or any other person or entity implicated.

The probe will include establishing any undisclosed or unauthorised interests that the municipality's officials or employees may have had in suppliers or service providers bidding for work or doing business with the Municipality or to whom contracts were awarded by the Municipality, as identified by the AGSA.

Furthermore, the SIU will investigate whether there is any undisclosed or unauthorised interest that employees in the service of the State may have had in suppliers or service providers bidding for work or doing business with the Municipality or to whom contracts were awarded by the Municipality, as identified by the AGSA Serious maladministration in the affairs of the Municipality in relation to the payment of stand-by allowances and overtime and benefits to employees contrary to applicable manuals, policies, procedures, prescripts, Instructions or practices of, or applicable to the Municipality, as identified by the AGSA in the AGSA Management Report dated 30 June 2020.

The Proclamation covers allegations of unlawful and improper conduct that occurred between 1 January 2019 and 18 October 2024, as well as any related activities before 1 January 2019 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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