



**The State's preferred and trusted
anti-corruption, forensic investigation,
and litigation agency.**

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
17 OCTOBER 2024**

**SIU WELCOMES ARRESTS AND PROSECUTION OF SERVICE PROVIDERS AND GOVERNMENT OFFICIALS
IN R27 MILLION CONTRACT**

The Special Investigating Unit (SIU) welcomes the arrests of key individuals implicated in unlawful procurement and financial mismanagement related to the R33 million contracts awarded to Enviro Mobi by the Gauteng Department of Agriculture and Rural Development (GDARD) and Ekurhuleni Metropolitan Municipality (EMM). On Wednesday, the accused appeared before the Palmridge Specialised Commercial Crimes Court, Johannesburg.

The accused individuals and entities are:

1. **Loyiso Mkwana**, Chief Director: Sustainable Use of Environment at GDARD, also served as the Bid Evaluation Committee (BEC) Chairperson.
2. **Thandeka Mbassa**- former Head of the Department at GDARD – left GDARD in August 2018.
3. **Matilda Gasela**- former Head of Department at GDARD on 1 December 2018.
4. **Abdullah Mohamed Ismail**- former Chief Financial Officer at GDARD and Chairperson of the Bid Adjudication Committee (BAC).
5. **MMatlhekelo Elsie Mabe**- Director of Mvest trading (Pty) Ltd and also wife of Puleng Mabe.
6. **Tinyiko Mahuntsi**- Director of Enviro Mobi.
7. **Puleng Peter Mabe**- former Director of Enviro Mobi and a former member of Parliament.
8. **Enviro Mobi (Pty) Ltd**- formerly Vegabex Investments, named changed to KGP Media Holding and thereafter changed to Enviro Mobi, a company involved in the tender process.
9. **Star Mass Direct (Pty) Ltd, trading as Kariki Media Holdings**, of which Mr Mabe was the founder and former Director, received R6.8 million linked to the fraudulent transactions.

The arrests and court appearance come after the SIU's investigation found fraudulent activities stemming from a contract awarded to Enviro Mobi by GDARD for the procurement of 200 three-wheeler motorised waste collection vehicles under tender number GT/GDARD/030/2017. This

The State's preferred and trusted anti-corruption, forensic investigation and litigation agency

www.siu.org.za | Email: info@siu.org.za | SIU Hotline: 0800 037 774 | @RSASIU

contract, valued at R27,599,250, resulted in payments of R27 231,750 to Enviro Mobi without any vehicles being delivered to any beneficiary and/or delivery of substandard vehicles. A further payment of R9,036,125 was made by the Ekurhuleni Metropolitan Municipality (EMM) to Enviro Mobi for 70 additional vehicles, which were also allegedly substandard vehicles.

Role of each accused:

1. **Thandeka Mbassa** allegedly played a critical role in awarding the fraudulent contract to Enviro Mobi. As the Head of the Department (HOD) at GDARD, Mbassa approved the appointment of Enviro Mobi on 9 March 2017. Despite multiple red flags and the company's lack of experience and necessary compliance, Mbassa authorised the R27.6 million contract, ensuring the swift flow of funds to the accused parties. Despite lacking proper vetting processes, her authorisation allowed the fraudulent activities to commence without appropriate oversight. This is a contravention of the Public Finance Management Act.

2. **Matilda Gasela**, who took over as the HOD at GDARD on 01 December 2018, allegedly played a role in continuing the mismanagement of the contract. Gasela signed off on further payment to Enviro Mobi despite the company's failure to deliver the required vehicles. Furthermore, she authorised a settlement of R6,499,712.64 for storage costs, which was not part of the contract agreement and was later classified as a fruitless and wasteful expenditure. Senior counsel advised her not to pay this storage cost. She ignored this advice, and her actions contributed to the continued depletion of public funds concerning this fraudulent scheme— this is a contravention of the Public Finance Management Act.

3. **Abdullah Mohamed Ismail**, as the Chief Financial Officer and Chairperson of the Bid Adjudication Committee (BAC), was allegedly instrumental in ensuring the fraudulent contract was awarded. He approached the head of the department at GDARD at the time, Ms Mbassa, with a draft letter addressed to the Head of the Department of Cooperative and Governance Traditional Affairs in the Free State seeking authorisation for GDARD to participate in an existing contract with COGTA Free State in which Enviro Mobi was appointed to provide similar services. This indicates that Enviro Mobi was already decided upon for an appointment. Ismail authorised the purchase request forms and was responsible for overseeing the financial aspects of the contract. He has signed the contract between the department and Enviro Mobi. Despite knowing that the services were not rendered as per the contract, he further recommended that the storage cost be paid, knowing that this was not part of the contract. Therefore, his direct involvement in allowing payments to be made facilitates the misappropriation of millions of rands. Ismail's financial oversight enabled the fraudulent payments to be made to Enviro Mobi— This is a contravention of the Public Finance Management Act.

4. **Tinyiko Mahuntsi** succeeded Puleng Mabe as the director of Enviro Mobi and allegedly played a significant role in the fraudulent scheme. Under his directorship, the company continued to receive payments for undelivered or incomplete services. Mahuntsi's actions allegedly ensured the mismanagement of funds and the continued siphoning of public money for personal and private gain. His direct involvement in the company's operations after Mabe stepped down kept the fraudulent scheme operational.

5. **MMatlhekelo Elsie Mabe**- wife of Puleng Mabe, served as a director of Mvest Trading. This company received payments of R4.5 million from Enviro Mobi. Her involvement was alleged to conceal the flow of illicit funds. She legitimised the fraudulent activities and furthered the scheme's objectives.

6. **Puleng Peter Mabe**, the former director of Enviro Mobi, allegedly benefited from the company's finances after resigning by authorising substantial payments to himself and his affiliates. The SIU analysed Enviro Mobi's bank account, revealing that approximately R33.7 million was received from GDARD, of which around R15 million (45%) was transferred to Mr Mabe, his family and entities under his control. Enviro Mobi profited an estimated R18 million from the GDARD contract, most of which was directed to Mr. Mabe for personal use. Similarly, Enviro Mobi earned about R3.5 million from the EMM contract, with R3 million (34%) paid to Mr. Mabe and his associated entities. These payments occurred while Mr Mabe was a Member of Parliament, allegedly violating the Code of Ethical Conduct and Disclosure of Members' Interests.

7. **Loyiso Mkwana**- Firstly – As the BEC chairperson, is implicated in the irregular contract award to Enviro Mobi, knowing that Enviro Mobi did not submit a three-year costing as required by the terms of reference. Secondly – As the project manager for this GDARD project, he is also implicated in the unlawful Enviro Mobi contract due to his alleged involvement in recommending payments for services that were either not rendered or inadequately delivered. Mkwana signed several Goods Received Notes (RLS02), falsely confirming that goods were received or services rendered despite the absence of proper documentation or deliverables, such as the three-wheeled vehicles stipulated in the contract. His actions, alongside other officials, facilitated a total payment of 33.7 million to Enviro Mobi, even though the required goods and services were not delivered and also knowing that Enviro Mobi was not entitled to any storage cost, making his role critical in enabling the fraudulent procurement scheme— this is a contravention of the Public Finance Management Act.

The SIU was mandated under Presidential Proclamation No. R.15 of 2021 to investigate instances of alleged maladministration in GDARD and EMM regarding the procurement or contracting for the supply of 200 portable three-wheel motorised waste collection vehicles.

The SIU's investigation uncovered a deliberate scheme to exploit the public procurement process for personal gain, leading to significant financial losses for GDARD and the South African public. The SIU has completed its investigation into this matter and submitted the report to the President during the 2023-2024 financial year. The SIU is in the process of approaching the Special Tribunal to review and set aside the contract. To ensure these funds are returned to the state, the SIU will take the matter to the Special Tribunal to pursue the civil recovery of R33,731,463.64.

Furthermore, as part of consequence management, the SIU has made disciplinary referrals to the department against implicated officials. An administrative referral was made against Enviro Mobi on 27 June 2023 for blacklisting.

In line with the Special Investigating Units and Special Tribunals Act 74 of 1996 (SIU Act), the SIU referred this matter to the National Prosecuting Authority (NPA) after finding evidence of criminal conduct in the form of gross violations of the Public Finance Management Act. The NPA was furnished with this evidence to consider pursuing criminal charges, including fraud, corruption, and maladministration, against the accused.

The SIU will continue to support the prosecutorial process and ensure that all individuals implicated in corruption are brought to justice in accordance with the law.

This prosecution is part of implementing the National Anti-Corruption Strategy, which sees law enforcement agencies coming together to eradicate corruption in South Africa and ensure the continued cleaning up of government departments from corruption.

In line with the SIU Act, the SIU will refer any evidence of criminal conduct uncovered during its investigation to 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.

Enquiries:

Kaizer Kganyago

Spokesperson: Special Investigating Unit

082 306 8888

KKganyago@siu.org.za

The State's preferred and trusted anti-corruption, forensic investigation and litigation agency

www.siu.org.za | Email: info@siu.org.za | SIU Hotline: 0800 037 774 | @RSASIU