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**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
04 NOVEMBER 2024**

**SIU IS AUTHORISED TO INVESTIGATE SIX TENDERS AT A STATE MINING COMPANY AND
STREET LIGHTS-RELATED CONTRACT AT DIHLABENG LOCAL MUNICIPALITY**

President Cyril Ramaphosa has signed Proclamations 208 and 209 of 2024, authorising the Special Investigating Unit (SIU) to investigate allegations of maladministration in the affairs of the African Exploration Mining and Finance Corporation (AEMFC) and Dihlabeng Local Municipality, Free State.

Proclamation 208

Proclamation 208 authorises the SIU to investigate serious maladministration in connection with the affairs of the AEMFC regarding six tenders. The SIU will investigate the procurement processes of the following contracts:

- Coal insourcing in 2017 in terms of bid number AE/VLAK/022/2017
- Coal insourcing in 2018
- Asset-based financier services in terms of bid number AE/001/2018
- The construction of a clean water diversion and a stream/wetland crossing at Vlakfontein Mine in terms of bid number AE/VLAK030/2018
- Diesel supply in terms of bid number AE/VLAK003/2017
- The review of mining contractor tenders in 2016

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 department or the state. Furthermore, the SIU will seek to establish if there is unlawful or improper conduct of the AEMFC employees, officials or agents and any other person or entity to corruptly or unduly benefit themselves or others.

The investigation will probe whether fraudulent conduct occurred, including the causes of such maladministration, any losses, damages, or prejudice actually or potentially suffered by AEMFC or the State, and any irregular, improper, or unlawful conduct by employees or officials of the AEMFC or any other person or entity.

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The Proclamation covers allegations of unlawful and improper conduct that occurred between 1 January 2016 and 01 November 2024, as well as any related activities before 1 January 2016 after the date of the Proclamation that is pertinent to the matters under investigation or involve the same persons, entities, or contracts.

Proclamation 209

Proclamation 209 directs the SIU to investigate allegations of serious maladministration in connection with the affairs of the Dihlabeng Local Municipality regarding the tender for the Supply, delivery and installation of 2 x 40m high-mast lights.

The SIU probe will examine whether the procurement and contracting were 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 Proclamation covers allegations of unlawful and improper conduct that occurred between 1 January 2016 and 1 November 2024, as well as any related activities before 1 January 2016 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 is committed to identifying systemic failures and recommending 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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