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**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
28 MAY 2025**

**THE SPECIAL TRIBUNAL SETS ASIDE R257 MILLION DEPARTMENT OF DEFENCE CONTRACT
FOLLOWING SIU INVESTIGATION**

The Special Investigating Unit (SIU) obtained an order from the Special Tribunal setting aside a contract awarded by the Department of Defence to SoftwareOne Experts South Africa (Pty) Ltd (SoftwareOne), valued at R257,536,303.41, due to procurement irregularities.

The Tribunal's order, dated 30 April 2025, declared that the awarding of the contract and all subsequent agreements between the Department and SoftwareOne were unconstitutional, unlawful, invalid, and without any legal force or effect. Furthermore, the Tribunal issued an order stating that, by mutual agreement between the parties, the Department's 2018 award of a Microsoft licensing contract to SoftwareOne should be reviewed and annulled.

The SIU's investigation found that in 2018, the Department procured Microsoft licences from SoftwareOne valued at over R257 million without following a competitive bidding process. The procurement was conducted in violation of applicable laws, no budgetary provision had been made for the purchase, and the licences were ultimately not utilised by the Department.

As a result of these findings, the SIU has recommended that the Department take disciplinary action against officials responsible for the irregular expenditure. The investigation also uncovered suspicious payments to third parties. Evidence pointing to criminal contact as well as potential fraud and/or corruption has been referred to the relevant prosecuting authority.

As part of the order, SoftwareOne has been directed to repay all profits it derived from the contract to the SIU. An independent expert will be appointed by SoftwareOne to determine the amount of these profits. The SIU will review the findings, and if there is a dispute, the matter will be referred

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back to the Tribunal for determination. The issue of legal costs will be decided once this process is complete.

The SIU was authorised, under Proclamation R41 of 2019, to investigate the procurement of Microsoft software licences by the Department of Defence and Military Veterans between 1 February 2016 and 12 July 2019. The SIU was also required to investigate any possible unlawful or improper conduct by the employees or officials of the Department or applicable service providers or any other person or entity. The investigation covered software licence acquisitions made by the Department in 2016, 2017, and 2018.

The SIU is empowered by the Special Investigating Units and Special Tribunals Act 74 of 1996 to institute civil action in the Special Tribunal or the High Court to correct any wrongdoing it uncovers in its investigation. The SIU refers the evidence pointing to other misconduct to the relevant authorities, such as criminal conduct, to the National Prosecuting Authority.

END.

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