



PRESENTATION TO SCOPA

PROCLAMATION R23 OF 2020

STATE INSTITUTION INVESTIGATIONS

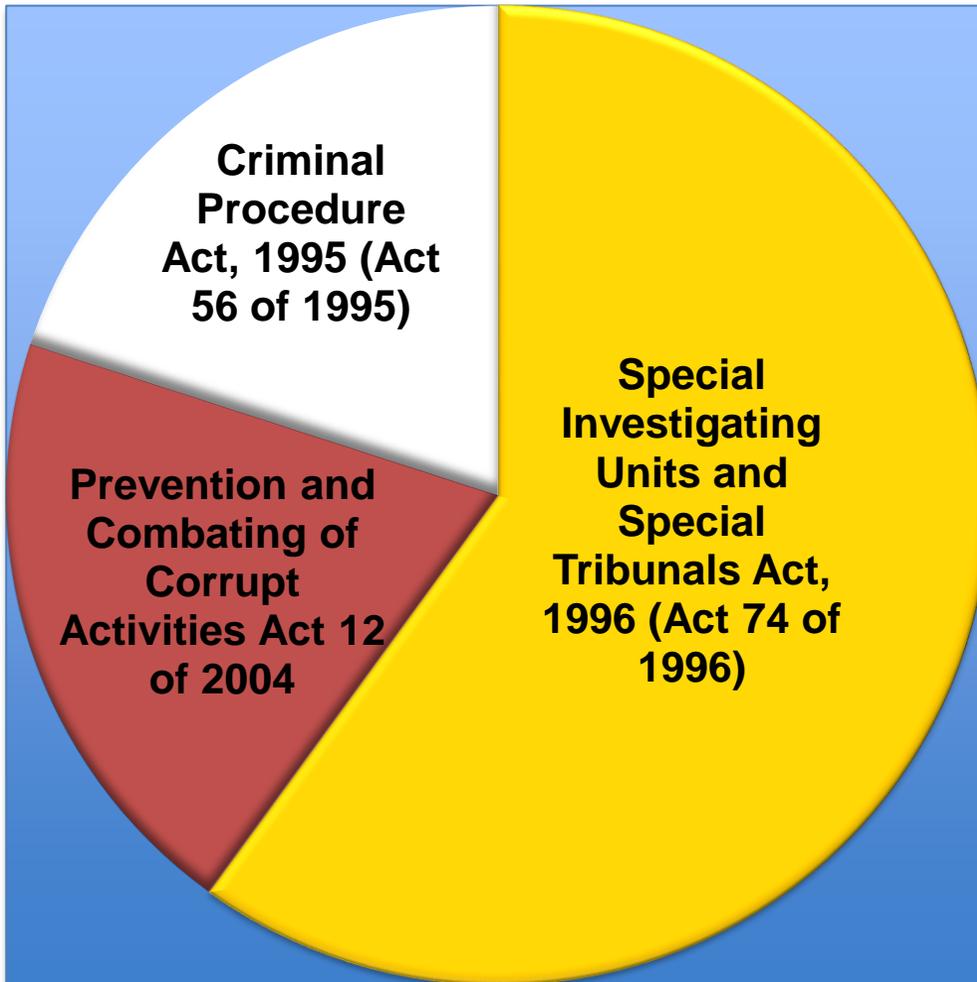
PRESENTED BY ADVOCATE ANDY MOTHIBI



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

SIU MANDATE

SIU LEGISLATIVE MANDATE



- To provide for the establishment of special investigating units for the purpose of investigating serious malpractices or maladministration in connection with the administration of state institutions, state assets and public money as well as any conduct which may seriously harm the interests of the public and of instituting and conducting civil proceedings in any court of law or a Special Tribunal in its own name or on behalf of state institutions;
- to provide for the revenue and expenditure of special investigating units; to provide for the establishment of special Tribunals so as to adjudicate upon civil matters emanating from investigations by special investigating units; and to provide for matters incidental thereto.

SIU OUTCOMES CONSEQUENCE MANAGEMENT



CIVIL LITIGATION

- Institute civil proceedings where there are potential recoveries of assets.
- Apply for preservation orders at an early stage of investigation where there is prima facie evidence.



DISCIPLINARY ACTION REFERRALS TO STATE INSTITUTIONS



PROSECUTION REFERRALS TO THE NPA



REFERRAL TO OTHER REGULATORY AUTHORITIES SUCH AS: SARS FIC

SYSTEMIC RECOMMENDATIONS

SIU STRATEGIC FOCUS

STRATEGIC OVERVIEW



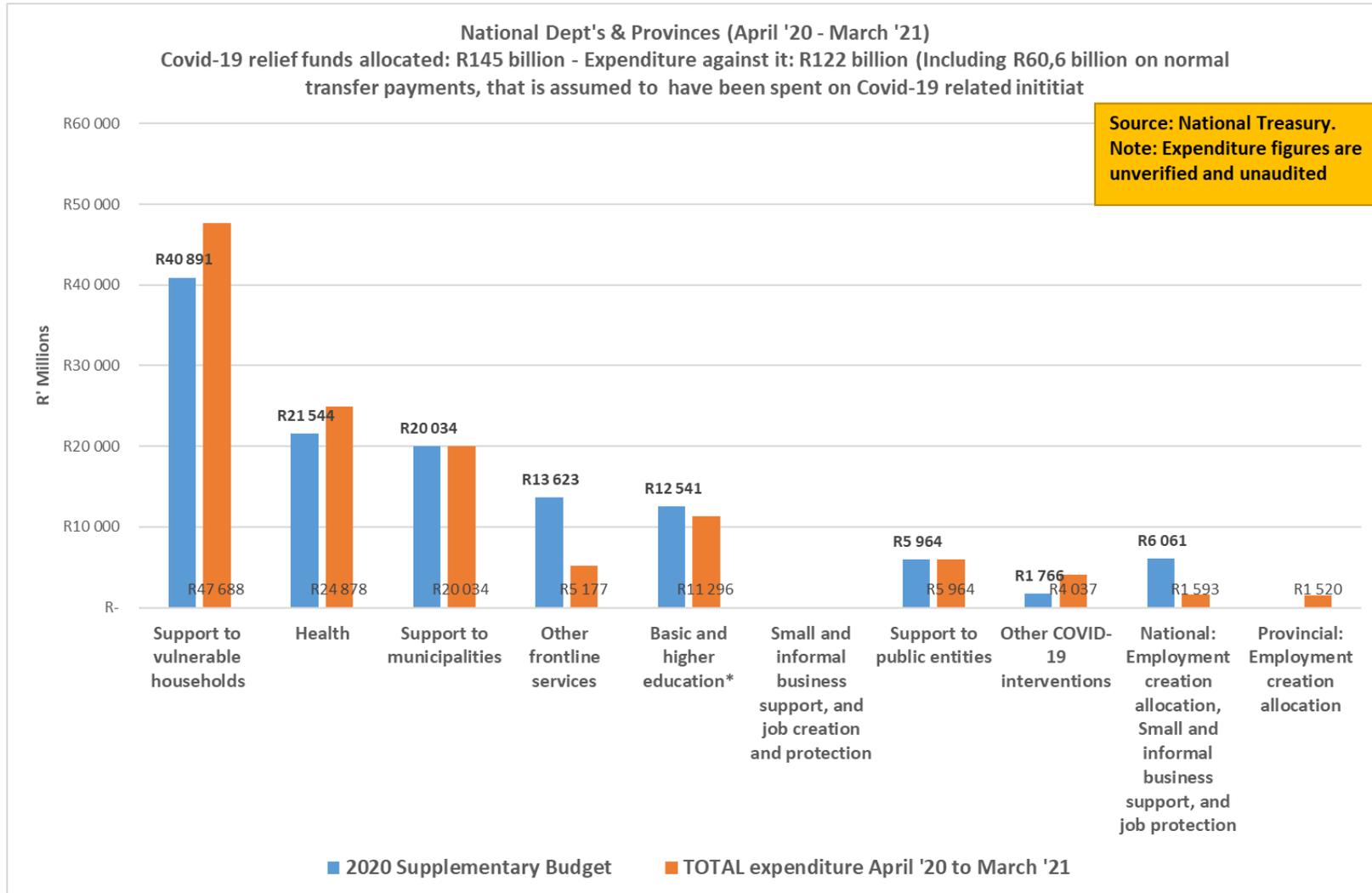
The SIU as a leader and stakeholder in the fight against corruption has the following four outcomes to articulate its efforts in the fight against corruption:

1. A compliant, high-performance SIU that is well capacitated to rid society of corruption, maladministration and fraud in State Institutions.
2. State assets and cash resources are protected from maladministration, fraud and corruption for the realization of full value-for-money for State programmes.
3. Confidence in the governance systems, structures and policies of the State is restored and maintained with greater focus on consequence management, recovery of stolen money and assets, and following up on referred criminal cases.
4. Corruption, maladministration and fraud are deterred through proactive preventative mechanisms and effective enforcement of consequence-management measures.

The focus on these outcomes also serves to respond to, and address, some of the key issues raised by our key stakeholders as far as the role and impact of the SIU are concerned. To achieve these outcomes, the SIU undertakes to also address the key challenges in the operating environment, by ensuring that sufficient financial resources are available by motivating for an improved funding model.

COVID-19 EXPENDITURE STATISTICS

COVID-19 RELATED SPENDING ACTUAL VS BUDGET: NATIONAL DEPARTMENTS AND PROVINCES APRIL 2020 – MARCH 2021



COVID-19 RELATED SPENDING PER PROVINCE BY HEALTH DEPARTMENTS; AS WELL AS DEPT OF BASIC EDUCATION, AND OTHER COVID RELATED SPENDING

APRIL 2020 – MARCH 2021

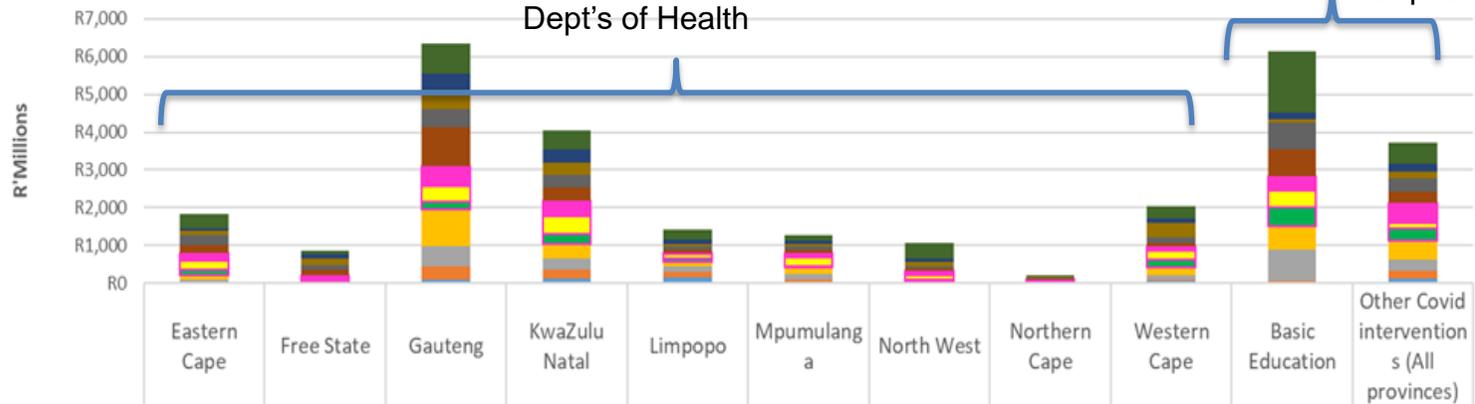
Source: National Treasury.
Note: Expenditure figures are unverified and unaudited

Provincial expenditure on Covid-19 - R28,9 billion: April '20- March '21

Health & Other Covid Interventions: All Provinces

Basic Education Departments: Total Provincial spend

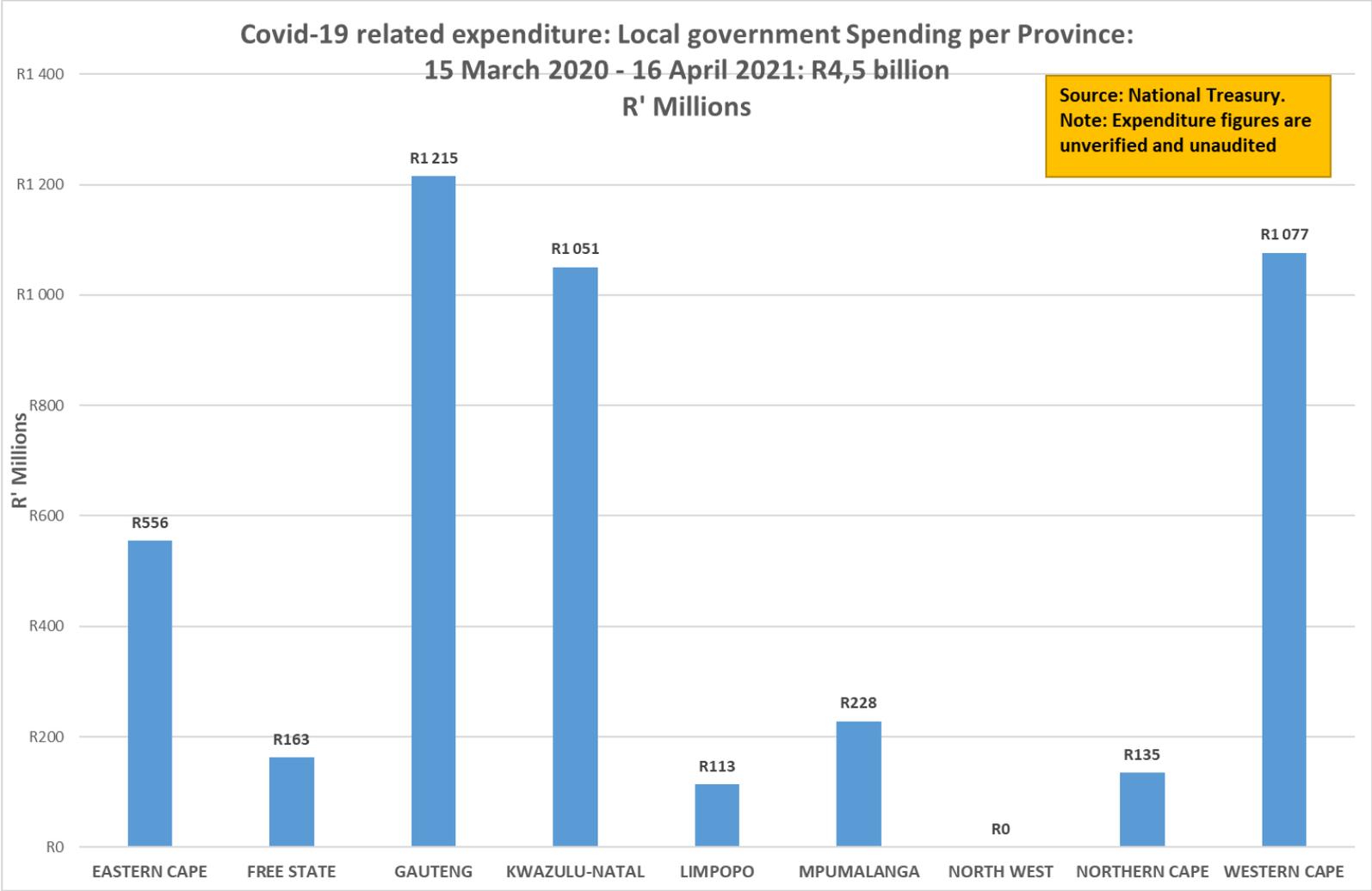
R'Millions



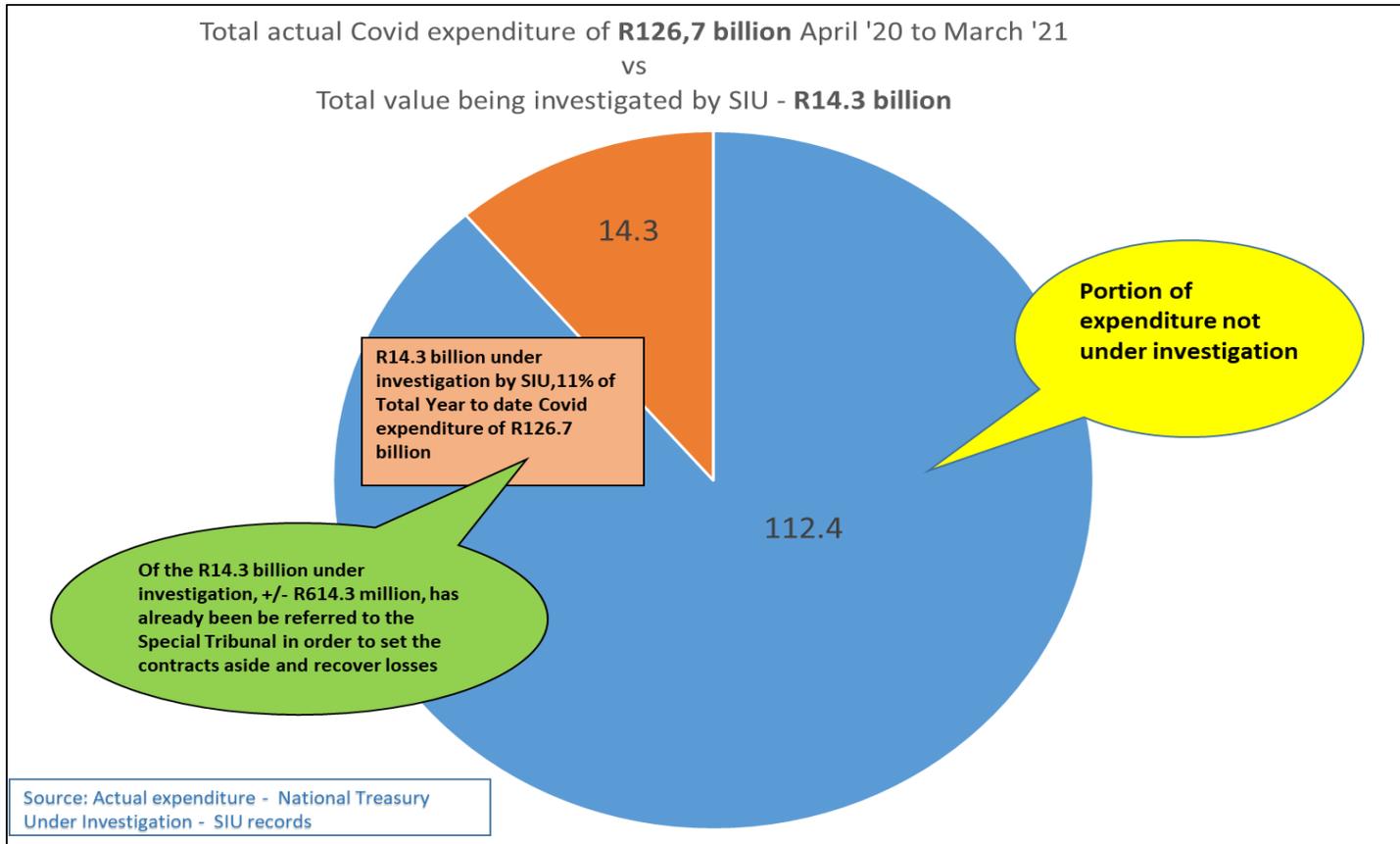
	Eastern Cape	Free State	Gauteng	KwaZulu Natal	Limpopo	Mpumalanga	North West	Northern Cape	Western Cape	Basic Education	Other Covid interventions (All provinces)
March	391	99	809	510	254	155	414	4	319	1,627	536
February	67	105	454	349	103	78	92	6	128	184	232
January	102	172	486	319	84	43	94	26	372	81	166
December	277	123	478	337	76	102	62	35	152	712	361
November	215	151	1,032	349	91	97	79	6	94	719	274
October	190	116	522	410	25	116	105	8	119	379	551
September	252	37	410	480	131	225	106	19	227	432	129
August	136	48	223	270	77	42	62	67	192	501	328
July	114	1	970	370	125	169	24	3	211	633	514
June	79	1	526	290	150	143	13	3	122	808	278
May	15	2	356	243	129	80	4	0	30	71	209
April	5	4	92	121	159	16	0	1	63	3	129

■ April
 ■ May
 ■ June
 ■ July
 ■ August
 ■ September
 ■ October
 ■ November
 ■ December
 ■ January
 ■ February
 ■ March

Covid-19 related spending: Local Government per Province April 2020 - 16 April 2021



VALUE OF ALLEGED IRREGULAR CONTRACTS UNDER SIU INVESTIGATION AND VALUE OF MATTERS REFERRED TO THE SPECIAL TRIBUNAL AS AT 30 APRIL 2021 VS COVID-19 SPENDING



LIMITATIONS

LIMITATIONS	STEPS TAKEN
<p>Very limited original documentation was created (e.g. a number of aspects were done telephonically) or kept by the State institutions relating to the appointment of service providers for the procurement of PPE. In many instances the SIU received only partial records and had to go back for more comprehensive records. Physical searches for documents were conducted to try and find the documents. The SIU managed to obtain some electronic documents and also obtain some documents from the service providers in order to re-create paper trails.</p>	<p>5(2)(b) and (c) hearings were conducted. Conducted search seizures in terms of section 6 of the SIU Act. Physical visits to the State institutions and/ or service providers were conducted to obtain documentation. Requested electronic documentation. Extensive interviews were conducted to understand the processes followed and recreate the scenario leading to the acquisitions. Requested documents from suppliers. Imaging of computers/laptops.</p>
<p>Destruction of evidence (documentation, hardware devices such as computers and mobile phones were either lost or deleted).</p>	<p>Computers were seized and imaged. Conducted search seizures in terms of section 6 of the SIU Act.</p>
<p>Some of the officials at the State institutions worked on a rotational basis so there were delays in collecting the required documents. Some State institutions also had to close their offices because of Covid-19 infections.</p>	<p>Telephonic consultations with witnesses. Through the interventions of the Administrators in the Provinces, most of the documents were obtained from the state institution. Conducted section 5(2)(c), hearings in terms of the SIU Act to obtain evidence. Appointments with affected officials were re-scheduled according to their availability. Arrange interviews and meetings through MS Teams, use of other electronic means like emails. Where possible members visited employees at home.</p>
<p>Unavailability of officials who had to sign off affidavits that had been provided. After the commencement of remedial action by the SIU and as a result of negative media reports, a number of witnesses, who were interviewed, are now refusing to sign their witness statements.</p>	<p>We continued making referrals based on the IO statements and supporting evidence. The concerns were resolved through meetings with the affected employees and senior officials of the Department.</p>

LIMITATIONS	STEPS TAKEN
<p>Unavailability of officials who had to quarantine or were working from home and did not want to have face-to-face interviews. ICT problems made virtual interviews very difficult and in certain instances, such interviews had to be rescheduled.</p>	<p>Interviews were conducted at neutral venues and most of the witnesses came to the SIU offices for interviews.</p> <p>Telephonic interviews and virtual meetings were conducted to overcome this challenge</p> <p>Reschedule meetings with officials at their preference and provide alternate dates.</p>
<p>Unavailability of witnesses because of Covid-19, specifically staff that had to be interviewed at hospitals. Witnesses and SIU staff also had to quarantine.</p>	<p>Interviews were conducted at neutral venues and most of the witnesses came to the SIU offices for interviews.</p> <p>Telephonic interviews and virtual meetings were conducted to overcome this challenge</p> <p>Reschedule meetings with officials at their preference and provide alternate dates.</p> <p>Some urgent meetings and interviews were held over Ms Teams to avoid delays.</p> <p>Where possible members visited witnesses at home.</p>
<p>Witnesses fear victimisation and/or feel unsafe and are hesitant to be interviewed, provide statements and/or evidence.</p>	<p>Witnesses were allowed to bring their legal representatives and some were sent interview questions which they had to respond to and send it back to the investigating team.</p> <p>Protected their identity and requested them to report matter to SAPS if they feel unsafe.</p> <p>Engagements held with the affected witnesses and were advised on their protection in terms of the Protected Disclosure Act.</p>

LIMITATIONS	STEPS TAKEN
<p>Unavailability of staff in the banking industry. Most banks operated with skeleton staff because of Covid-19 which delayed the release of bank records that had been requested.</p>	<p>Constant follow up were done with bank manager and/or delegated officials. Some bank statements were received and some are still outstanding</p> <p>Appointments with affected bank officials were re-scheduled according to their availability.</p> <p>Regularly communicate with banks/senior management to prioritise requests.</p> <p>The SIU is part of the fusion centre and FIC has been instrumental with financial profiling of all relevant service providers.</p>
<p>Non-availability of officials to receive and acknowledge receipt of our disciplinary referrals because no face-to-face meetings were allowed at some of the State institutions. Slow action by State Institutions due to Covid-19 on the referrals made.</p>	<p>Referrals were sent to the Administrators in the Provinces and/or delegated officials.</p> <p>Accounting officers were contacted to make available alternate officials to receive the hand overs.</p> <p>Arrange with Head of Department's for delivery and receipt.</p> <p>Arrangements were made for delivery of these at alternative locations to avoid delays.</p>
<p>The geographical location of many of the State institutions concerned (e.g. local municipalities etc.) and having to travel extensive distances.</p>	<p>Planning and coordinating trips to collect documents and interview witnesses so that all work in a specific direction is covered in one trip.</p> <p>Delivery was made to those institution irrespective of the distance that had to be travelled.</p> <p>Projects were pre-planned and travel was grouped into clusters to ensure that one trip achieved several outcomes thus limiting travel.</p> <p>Virtual meetings were also conducted to minimise travel.</p> <p>Request assistance from other regions.</p>

**OBSERVATIONS AS AT PREVIOUS
REQUEST TO BRIEF SCOPA ON COVID-19
REPORTS DATED 10/02/2021**

These observations remain the same as per the previous briefing to SCOPA dated 10/02/2021:

- It appears that persons in positions of authority within Provincial Government believed that the declaration of a 'national state of disaster' meant that all procurement is automatically now conducted on an 'emergency' basis, and without compliance with any of the normal prescripts regulating public sector procurement, but without realising that even 'emergency' procurement must still be conducted in accordance with certain minimum prescripts to ensure (in as far as possible) that such processes remain fair, equitable, transparent, competitive and cost-effective as prescribed by section 217(1) of the Constitution (e.g. to motivate to the Accounting Officer/Authority of the State institution concerned why it is wholly or partially impractical to invite competitive bids, and have that Accounting Officer/Authority record the reason for such impracticality and approve a SCM Deviation in terms of Regulation 16A6.4 of the Treasury Regulations, which must be reported to the relevant Treasury and the AGSA, etc.
- Various officials of Provincial Government:
 - merely rubber-stamped decision taken by; and/or
 - accepted and gave effect to 'unlawful' instructions from, officials more senior than them, which resulted in a complete break-down of the checks and balances protection normally afforded by the principle of 'segregation of duties' (e.g. the first capture the transaction, the second approves the transaction and the third authorises the transaction etc.). Consequently, officials working within support services processed Commitment Letters, Purchase Orders, Invoices and payments without ensuring compliance with normal SCM prescripts and other control measures.

- Furthermore, it appears that certain influential people within Provincial Government do not trust procurement processes undertaken by the National Government (e.g. the procurement processes undertaken by National Treasury to secure Transversal contracts), and hold, in the SIU's respectful considered view, the false, incorrect or unwarranted view that such procurement processes and resulting contracts create monopolies in public sector procurement, which excludes fair opportunity for local, provincial, black empowerment and/or SMMEs (i.e. Small, Medium and Micro Enterprises) suppliers or service providers to compete fairly for such contracts. This perception seemingly resulted in the Provincial Government intentionally:
 - a) avoiding the use of Transversal contracts, as inter alia prescribed by Practice Note 8 of 2019/2020; and
 - b) ignoring the prescripts of Practice Note 3 of 2020/2021, which required from all State institutions to centralize all their procurement within the National Treasury Procurement Team (which comprised of the National Department of Health and the Chief Procurement Officer in National Treasury), as assisted by Business South Africa on a non-profit basis, which resulted in procurement irregularities and grave loss and prejudice to the Provincial Government and the *fiscus*.
- Bearing in mind that the national state of disaster was declared on 15 March 2020, where after PPE procurement commenced in earnest certain service providers were found to have only been registered on the CIPC during February and March 2020 (and thus would and could not have had demonstrable track records).
- Companies awarded contracts were not registered on the CSD.

- Certain service providers were already in the de-registration process when they quoted and were awarded contracts (their tax status is being verified as this would have impacted on their registration on the CSD).
- The type of goods supplied were not consistent with the nature of the business registered on the CIPC and CSD, i.e. they should not have been requested to quote for the supply of goods or the rendering of services not related to their core business, as set out in their CIPC and CSD records.
- Product specifications were ignored and products that were not suitable for its intended purposes were purchased and in several instances against the advice of experts who expressed opinions on the usefulness of the products.
- Certain companies were awarded BBBEE points as level 1 contributors when they in fact did not qualify.
- Many companies were awarded contracts for the supply of PPE, which included certain items that qualified as 'medical devices', in circumstances where such companies did not have the necessary licenses from SAHPRA to import, sell or distribute such medical devices. Furthermore, the prescripts relating to the packaging, transportation and storage of such medical devices were not complied with in many instances.
- Political pressure played a role in the procurement of PPE.
- It appears that the names of the service providers were determined before any SCM process commenced.
- The delivery of substandard and/or PPE that does not comply with the technical specifications contained in the invitation to submit quotations. Furthermore certain PPE were not packed according to predetermined standards.

- There was no attempt to negotiate with suppliers in bringing prices within the thresholds suggested by Treasury. This resulted in overpayment for goods.
- Certain State institutions lacked basic control measures that will establish correct product delivery. In several instances we found under delivery of items or the receipt of incorrect items.
- There appears to be no verification protocols on supplier registration details. This has resulted in several suppliers claiming VAT when they were not registered with SARS as VAT vendors.
- Suppliers using front companies to obtain multiple contracts from a department.
- Cover quoting by officials and suppliers.
- Splitting of bids to meet the quotation and/or delegation threshold.
- Misrepresentation from suppliers by not disclosing their close friendships with officials who were involved in awarding PPE contracts.
- PPE was packaged under a false/forged, cloned label.
- Witnesses provided false information to the SIU.
- Some staff in the State institutions appear to have taken responsibility for the irregularities relating to the PPE procurement instead of Senior Management or Executive Authorities.

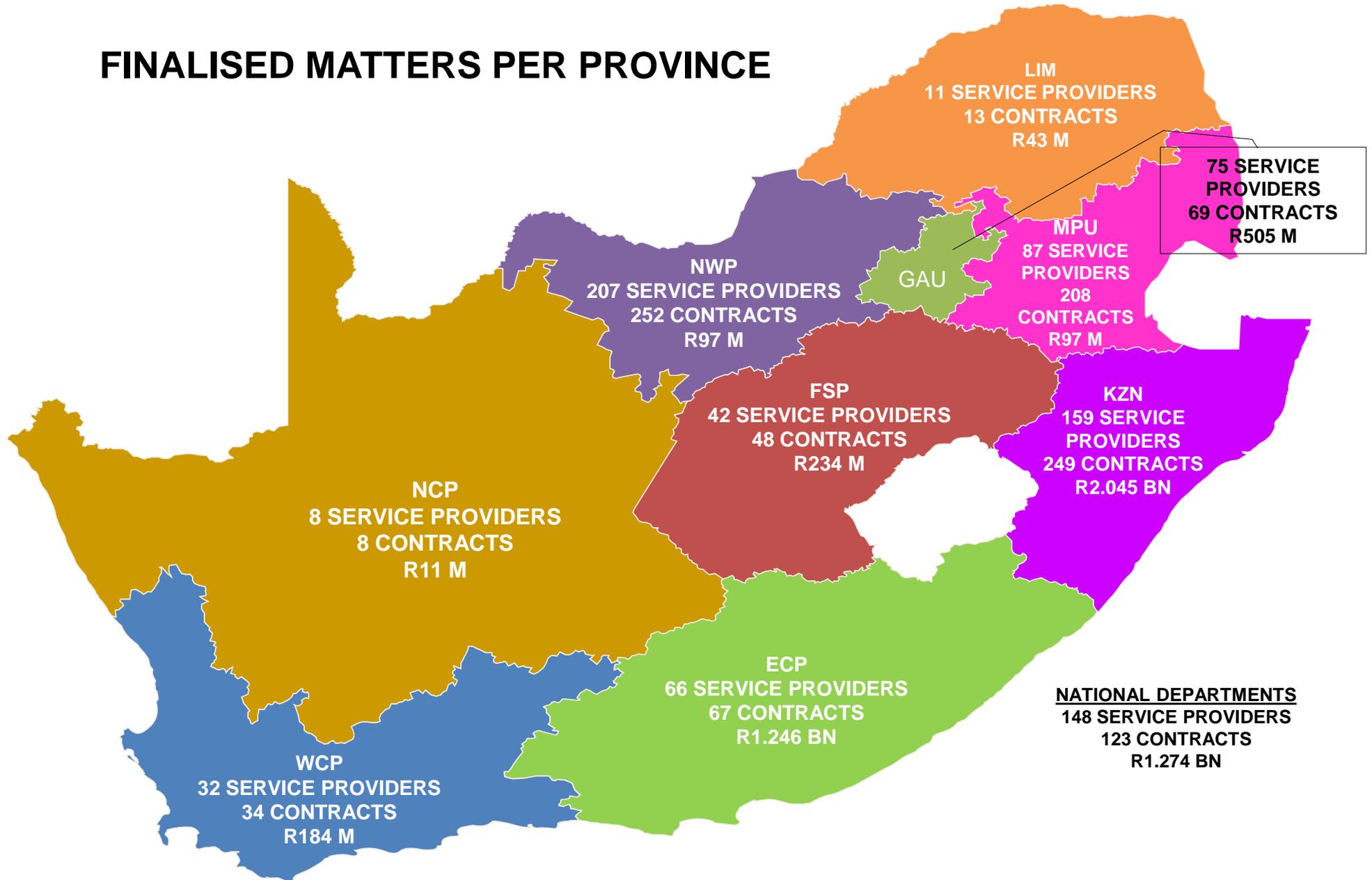
CONTRACTS UNDER INVESTIGATION

SUMMARY OF PROGRESS AT 30/04/2021

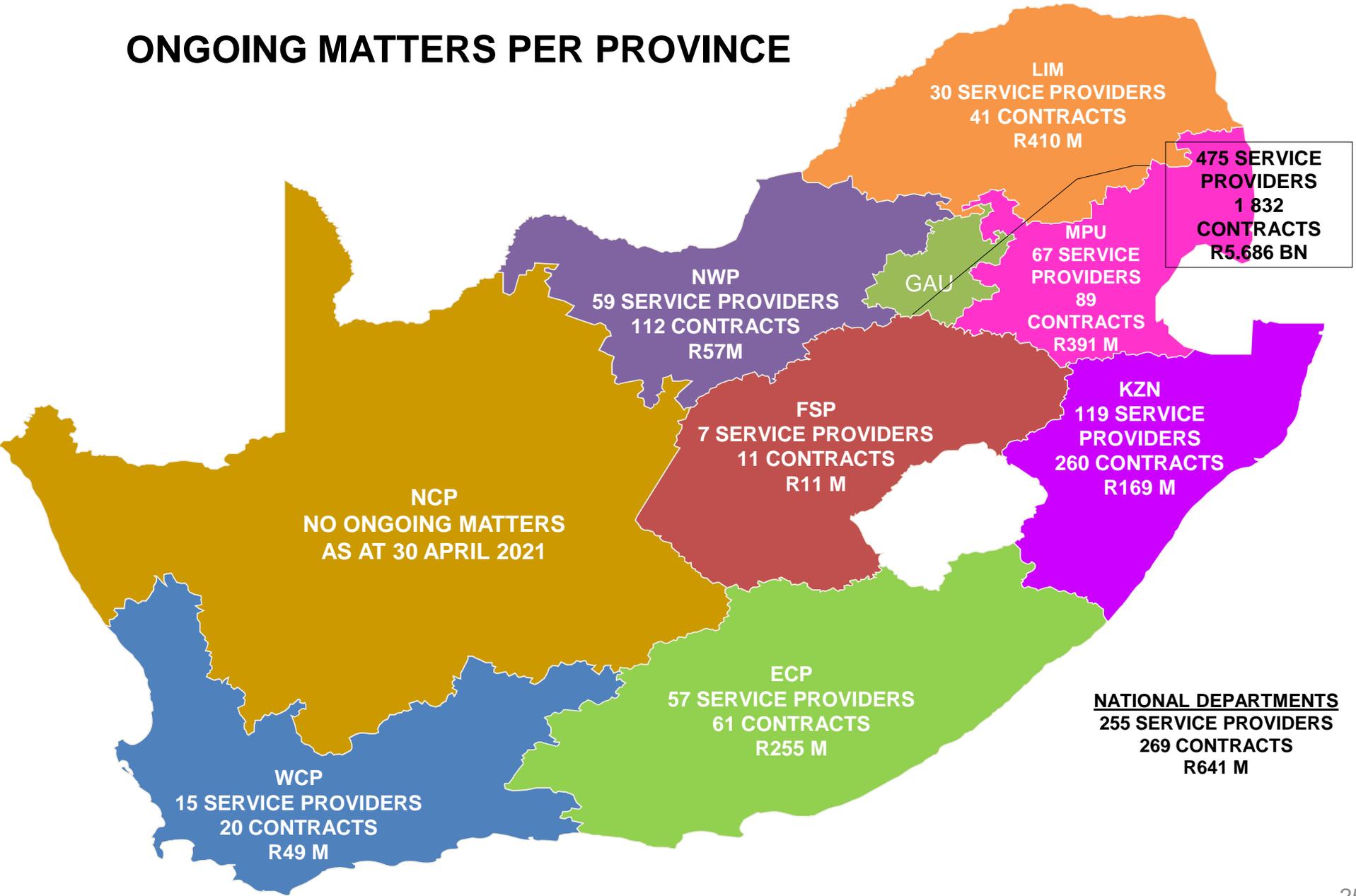
The number of PPE contracts awarded for Covid-19 related services under investigation by the SIU is currently 4 117. These contracts were awarded to 2 251 service providers. By value, 40% of these contracts have been finalised, 54% are currently being assessed and 6% have yet to commence.

Summary of progress as at 30 April 2021				
Contracts' investigation status	No of service providers	No of contracts awarded to service providers	Value of contracts awarded to service providers	Percentage of matters under investigation by value
Finalised	835	1,071	R5,736,906,649	40%
Ongoing	1,084	2,695	R7,670,305,352	54%
Yet to commence	332	351	R878,888,474	6%
Total	2,251	4,117	14,286,100,475	100%

FINALISED MATTERS PER PROVINCE



ONGOING MATTERS PER PROVINCE



CIVIL LITIGATION
NEW MATTERS SINCE PREVIOUS REQUEST
TO BRIEF SCOPA ON COVID-19 REPORTS
DATED 10/02/2021

Civil litigation cases instituted in the High Court				
Province	Description	Value of outcome	Date instituted	Progress to date
Gauteng (GAU)	Dr BEW Masuku, the former MEC of Gauteng Provincial Department of Health ("Gauteng DoH") ("MEC") filed an urgent application in the High Court of South Africa (Gauteng Division, Pretoria) under Case No. 555372/2020 to review and set aside the SIU referrals as being unlawful, unconstitutional and therefore invalid.	n/a	23/10/2020	The SIU opposed the application. The matter was set down for hearing on 21/01/2021 before the full bench of the High Court. On 21/01/2021, Sutherland ADJP, Raulinga J and Siwendu J presided over the hearing of the application that was brought by the former MEC, and judgment was reserved. On 12/04/2021 the court handed down judgment and dismissed Dr Masuku's application to review and set aside the SIU referrals with costs. Impact: The court confirmed that SIU reports and or recommendations are subject to legality review. Executive Authority can be held accountable for dereliction of duties.
Western Cape (WCP)	On 27 November 2020 the SIU instituted proceedings against the Matzikama Municipality in the Western Cape High Court under Case no WC 17797/20.	R650 378	27/11/2020	The matter involves bid manipulation and leaked bid information, resulting in an unlawful procurement process. The Municipality irregularly concluded a contract with Rural Impact Training Centre to the value of R650 378 and the matter also involves the Municipal Manager. The SIU applied to court to have the contract set aside and recover losses suffered. The parties are exchanging pleadings and the matter will be enrolled for hearing after 31/05/2021.
Eastern Cape (ECP)	Proceedings were instituted in the Port Elizabeth High Court under case number ECP 2807/2020 by HT Paletona Projects against the Nelson Mandela Bay Metropolitan Municipality.)	R24 000 000	30/10/2020	The Municipality irregularly and unlawfully contracted with Pelatona to construct toilets to the value of R24 million. It is alleged that the service provider was appointed on the basis of a sole provider under circumstances where this was not justified. Pelatona issued summons against the Municipality for payment in the amount of R4.3 million. The SIU investigation revealed that the amount is not due and owing. The SIU is seeking to join the legal proceedings instituted in the High Court against the Municipality by Pelatona. The parties are exchanging pleadings and an application will be made for a hearing date by 31/05/2021.

Rand value and number of new matters instituted in the Special Tribunal					
No	Province	Description	Value of outcome	Date instituted	Progress to date
1	Free State Province (FSP)	SIU v MEC for Treasury in the Free State Province and 31 others (FS/01/2020)	R39 000 000	27/11/2020	This matter relates to the irregular procurement of PPE for the Department of Health in the Free State Province. It is alleged that the SCM process was flawed and that non-sterile isolation gowns were supplied, instead of sterile isolation gowns. An Application to recover losses was launched in the ST on 27/11/2020. The Case Management hearing is scheduled for 3/05/2021.
2	GAU	SIU v Beadica 423 CC (GP08/2021)	R168 597 000	23/04/2021	The former CFO of Gauteng DoH, whose pension has been frozen, is also involved in this matter. The Gauteng DoH irregularly concluded a contract with Beadica for the procurement of PPE in the amount of R168 597 000. The SIU will apply for case management on 03/06/2021.
3	GAU	SIU v Zakheni Strategic Supplies CC (GP09/2021)	R103 770 000	23/04/2021	The matter relates to the procurement of PPE for the Gauteng DoH. It is alleged that there were irregularities in the procurement process. Papers are being served on the Respondents. The SIU will apply for case management on 10/06/2021.
4	GAU	SIU v Mlangeni Brothers Events CC (GP07/2021)	R24 000 000	15/03/2021	The Department irregularly procured PPE from the service provider without following proper procurement procedures. The service provider for gloves is registered for "heavy construction machinery and equipment", the process was started with one quote, the BEE certificate had expired, the company number is false and there are issues with payments made. The application was issued and served on Respondents and the SIU has applied for a date. The Registrar will advise date by 15/06/2021.
5	GAU	SIU v Fikile and 16 Others GP13/202	R 431 000 000	14/05/2021	The SIU applied to freeze proceeds in bank accounts as well as assets of the respondents. Preservation order was granted and the SIU forwarded documents to the Sheriff of the High court to serve documents. Documents must be served by 15/06/2021. The team will consult on Monday 24/05/2021 with counsel to draft summons which must be issued by 20/06/2021.

Rand value and number of new matters instituted in the Special Tribunal					
No	Province	Description	Value of outcome	Date instituted	Progress to date
6	GAU	SIU v Lukhele GP11/2021	R17 000 000	19/05/2021	The SIU issued papers to freeze the pension of the Accounting Officer of the GDoH who has since resigned. The papers are being served and the SIU will place matter on the roll if it remains unopposed by 10/06/2021.
7	KZN	SIU v Ngome Steam Pot + 2 Others (KN 02/2021)	R1 740 200	07/04/2021	The KZN Department of Social Development irregularly and unlawfully procured PPE from Ngome Steam Pot. The SIU applied to the Tribunal to have the contract set aside and claim damages / losses that the Department suffered. The Sheriff of the Court is presently serving the papers on the Respondents. This matter was withdrawn and a fresh application will be reissued on 26/06/2021.
8	National	SIU v Hlatshwayo (Black Dot) (GP 20/2020)	R12 000 000	14/12/2020	This is a matter from the Department of Land Reform and Rural Development. A PPE-contract was awarded to an entity called Black Dot. It is alleged that bid rigging took place and there appears to be no evidence of service delivery. The SIU brought an Application to freeze the pension of an official, Mr Hlatshwayo, who was involved in the SCM process. The Application was granted as an interim order and civil proceedings must be instituted before 01/03/2021. The matter is set down for 24/05/2021.
9	North West Province (NWP)	SIU v Modiko Thabang Selemale and another (GP19/2020)	R100 000	04/12/2020	The SIU brought an Application to freeze the pension of Mr Selemale, the SCM manager at JB Marks Municipality. The order was granted. Impact: The pension benefits of the SCM manager was frozen in lieu of an action proceedings to claim losses of R2.8m.
10	NWP	SIU v Selemale (GP20/2020)	R2 796 537	01/02/2021	The SIU instituted civil proceedings against Mr. Selemale, the SCM Manager at JB Marks Municipality, with the aim of recovering losses suffered as a result of irregular PPE procurement on behalf of the Municipality. The SIU will apply for case management on 30/04/2021. The SIU is awaiting a date for case management and will reapply on 31/05/2021.

CIVIL LITIGATION
MATTERS AS PER PREVIOUS REQUEST TO
BRIEF SCOPA ON COVID-19 REPORTS
DATED 10/02/2021

Rand value and number of matters instituted in the Special Tribunal					
No	Province	Description	Value of outcome	Date instituted	Progress to date
1	ECP	Department of Health: SIU v Fabkomp (Pty) (Ltd) and Others: (EC04/2020)	R10 148 750	18/09/2020	The cause of action is based on the irregular procurement by the Eastern Cape Department of Health of motorcycles with a "sidecar" to transport patients, which resulted in a process that was not fair, competitive or cost-effective. The matter was heard in the ST and the Eastern Cape DoH was interdicted from making any payments to the supplier and from accepting delivery of any goods from the supplier, pending the finalisation of Review proceedings to challenge the validity of the award and resulting contract. The Review proceedings have been instituted in the ST and the matter will be heard on 22/04/2021. On 22/04/2021 the ST set aside the contract and interdicted the Department from making any payments in respect of the contract.
2	ECP	The OR Tambo Municipality "Door-to-door" case: (EC06/2020)	R4 899 000	26/10/2020	This matter relates to an investigation into the irregular procurement of an awareness campaign that was conducted in the ECP. Civil proceedings have been instituted against an entity called Phathilizwi Training in the ST to review and set aside the award and the resulting contract. The matter was not opposed and was set down on the unopposed roll in the ST. The matter was heard in the ST on 2/03/2021. On 20/04/2021 the ST set aside the contract and interdicted the Municipality from making any payments in respect of the contract. Impact: Contract set aside and Department need not pay the amount of R4.8m.
3	ECP	The Alinani Trading-matter (EC05/2020)	R2 785 276	30/10/2020	This matter relates to the procurement of PPE for the Department of Education in the ECP. The SIU successfully applied to the ST to have the bank accounts of the first four Respondents frozen and to interdict the Department from making any further payments to them. The SIU is seeking to recover losses suffered by the Department. Summons was issued and the matter will be enrolled in the ST for case management on 26/03/2021

Rand value and number of matters instituted in the Special Tribunal					
No	Province	Description	Value of outcome	Date instituted	Progress to date
4	Gauteng (GAU)	The SIU v Ledla Structural Development (Pty) Ltd and 43 Others: (GP07/2020)	R139 000 000	06/08/2020	<p>In this matter a contract to deliver PPE was irregularly awarded by the Gauteng Department of Health (Gauteng DoH), while unit prices were also artificially inflated by between 211% and 542%. Notwithstanding the fact that the Gauteng DoH was aware that the SIU was investigating the contract and the Gauteng DoH had stopped almost all payments in respect of suppliers under investigation by the SIU, on 3/08/2020, the Gauteng DoH made payment of R38 758 155 to the suppliers. This had immediate clearance and substantial amounts were moved from the bank account of the supplier to the bank accounts of two other entities, who in turn transferred/paid the funds to at least 36 other entities. On or about 06/08/2020, at the request of the SIU, the FIC implemented a directive to freeze a total of R26 449 526 in the bank accounts of 39 entities. This attachment was only valid for 10 working days.</p> <p>Civil proceedings were instituted in the ST under Case No. GP 07/2020 and it was enrolled for 20/08/2020. On 20/08/2020, the ST granted, inter alia, the following interim orders:</p> <ul style="list-style-type: none"> ▪ The 1st to 39th Respondents were prohibited from dealing with the funds to the value of R26 449 526 that were frozen in their bank accounts; ▪ The implementation of the contract between the Gauteng DoH and the 1st Respondent was suspended and the 1st to 42nd Respondents were interdicted from giving effect thereto; ▪ The 43rd and 44th Respondents (i.e. the GEPF and GPAA) were interdicted from releasing the pension benefits due to the 42nd Respondent (a former Chief Financial Officer ("CFO") of the Gauteng DoH), pending the outcome of a damages claim to be instituted against the 42nd Respondent;

Rand value and number of matters instituted in the Special Tribunal					
No	Province	Description	Value of outcome	Date instituted	Progress to date
		The SIU v Ledla Structural Development (Pty) Ltd and 43 Others: (GP07/2020) (continued)			<ul style="list-style-type: none"> ▪ The Gauteng DoH was interdicted from making any further payments to the 1st Respondent. <p>The return date for the interim order was 06/10/2020. A case management meeting was held by the ST on 09/09/2020. The case was opposed by almost all the Respondents. On 06/10/2020, the ST postponed the matter to 20 and 21/11/2020, and the interim order was extended to 20/11/2020. Prior to the hearing, the SIU withdrew the Application against:</p> <ul style="list-style-type: none"> ▪ the 26th Respondent, after it agreed to refund the R2 000 000 that it received from the 3rd Respondent to the 3rd Respondent and for that amount to also be attached as part of the funds frozen in the account of the 3rd Respondent (i.e. the amount frozen in the account of the 3rd Respondent increased from R9 670.37 to R2 009 670.37); and ▪ the 35th Respondent, because it had never received any payments from Ledla, and the relevant bank had erroneously provided the FIC and the SIU with incorrect information. <p>The matter was heard on 20/11/2020 wherein judgement was reserved. Judgement was then handed down on 10/12/2020.</p> <p>On 10 December 2020 the matter was heard and the ST:</p> <ol style="list-style-type: none"> a) Reviewed and set aside the R139 million contract that was concluded between the Gauteng DoH and Ledla;

Rand value and number of matters instituted in the Special Tribunal					
No	Province	Description	Value of outcome	Date instituted	Progress to date
		The SIU v Ledla Structural Development (Pty) Ltd and 43 Others: (GP07/2020) (continued)			<p>b) Extended its interim order made on 20 August 2020 to interdict the GEPF from paying out the pension benefits due to a former CFO until the finalisation of the action proceedings that the SIU instituted against that former CFO in which the SIU seeks to hold the former CFO and one other liable for losses and damages allegedly suffered by the Gauteng DoH;</p> <p>c) Confirmed the interim orders that were granted against the 1st Respondent, the 2nd Respondent, the 13th Respondent and the 14th Respondent, and the ST declared the funds held in their bank accounts (i.e. a total amount of approximately R16 661 065) forfeit to the State;</p> <p>d) Discharged the interim orders that were granted against the 5th Respondent, the 12th Respondent, the 22nd Respondent, the 28th Respondent, the 31st Respondent and the 37th Respondent, and the funds held in their bank accounts (i.e. a total amount of approximately R173 945) were released; and</p> <p>e) Ordered the SIU to obtain an independent audit report in respect of the remaining Respondents who may have sold PPE directly or indirectly to Ledla to quantify the loss suffered by the Gauteng DoH in having paid more for PPE than the maximum prices prescribed by NT and to submit that report to the ST no later than 22/01/2021, where after the ST will consider making supplementary orders, and the interim order of 20/08/2020 was extended to 26/01/2021, and later again extended to 02/02/2021 and again to 04/02/2021.</p> <p>On 04/02/2021, the ST discharged its interim order, in terms of which certain funds were frozen in respect of 6 respondents. The total value involved is R2 257 475. The ST, however confirmed its interim order in respect of 20 other respondents. The total value involved is R7 401 705. This brings the total amount forfeited to R24 062 770. Leave to appeal was heard on 30/03/2021 and judgment was reserved.</p> <p>The applications for leave of appeal by the Respondents were dismissed with costs in favour of the SIU.</p> <p>Impact: Contracts set aside and R26m forfeited.</p>

Rand value and number of matters instituted in the Special Tribunal					
No	Province	Description	Value of outcome	Date instituted	Progress to date
5	GAU	SIU v Kabelo Mantsu Lehloenyha, Professor Mkhululi Lukhele and MEC for Gauteng Health (GP11/2020)	R43 532 709	11/09/2020	In the Ledla matter, the ST interdicted the 43 rd and 44 th Respondents (i.e. the GEPF and GPAA) from releasing the pension benefits due to Ms Lehloenyha (i.e. the 42 nd Respondent, who is a former CFO of the Gauteng DoH), pending the outcome of a damages claim to be instituted against her. On 11/09/2020, the SIU issued Summons in the ST under Case No. GP11/2020 against Ms Lehloenyha (1 st Defendant), Professor Lukhele (a former Head of Department for the Gauteng DoH) (Second Defendant) and the MEC for Gauteng DoH (3 rd Defendant – who represents the Gauteng DoH as an interested party and against whom no relief is sought) in which the SIU seeks to recover losses suffered by the Gauteng DoH in the total amount of R43 532 709. Both Defendants are defending the civil case. The matter has been set down for hearing from 01/06/2021 to 18/06/2021.
6	National	National Department of Public Works and Infrastructure: The SIU v Caledon River Properties (Pty) (Ltd) and Others Beitbridge Border matter: (GP12/20 and LP01/2020)	R40 800 000	18/11/2020	This matter relates to the procurement process of a service provider/contractor for the erection of a fence along the SA border with Zimbabwe, near Beitbridge. The SIU investigation found evidence that the procurement process was irregular. The contract has a value of R40 million. The SIU instituted civil proceedings in the ST for an order to “freeze” the bank account of the First and Second Respondents, alternatively for the Respondents to provide bank guarantees of R21 819 878 (Magwa Construction) and R1 843 004 (Profteam CC). The initial application was withdrawn by agreement between the parties. The Respondents gave an undertaking not to claim from the Department any payments and the Departments undertook not to make any further payments under the contract. A new application was launched in the ST on 18/11/2020. In the application the SIU seeks to set aside the contract. The respondents raised points in law, challenging the jurisdiction of the ST to grant the relief sought by the SIU. The hearing was held on 26/01/2021 and the judgement was reserved. Judgment will be delivered on 26/02/2021. The matter is scheduled for case management and the parties will meet on 03/05/2021. The parties have applied for a hearing date. Impact: The ST ruled that it has the same competency as a court and has the jurisdiction to hear and make orders in terms of s217 of the Constitution.

Rand value and number of matters instituted in the Special Tribunal					
No	Province	Description	Value of outcome	Date instituted	Progress to date
7	KwaZulu-Natal (KZN)	<p>Department of Social Development:</p> <p>Rosette Investments (KN01/2020);</p> <p>Gibela (KN02/2020);</p> <p>LNA Communications (KN03/2020);</p> <p>Zain Brothers (KN04/2020)</p>	<p>R4 899 000</p> <p>R4 899 000</p> <p>R3 960 000</p> <p>R4 800 000</p>	25/10/2020	<p>This matter relates to the irregular procurement of blankets for the Department of Social Development in KZN (KZN DSD). The investigation revealed that in fact less blankets were distributed than the KZN DSD had in its stores prior to embarking on the procurement process.</p> <p>Civil proceedings have been instituted against the suppliers in the ST to review and set aside the award and the resulting contracts to the value of R18.5 million, and to recover losses suffered by the KZN DSD.</p> <p>Rosette Investment (KN01/2020) agreed to refund the Department the profits in the amount of R864 000. On 09/04/2021 the ST set aside the contract in KN01/2020 and ordered the service provider to pay the KZN DSD R864 000.</p> <p>Zain Brothers (KN04/2020) agreed to refund the KZN DSD the amount R718 000. On 29/01/2021 the ST set aside the contract in KN04/2020 and ordered the service provider to pay the KZN DSD R718 550.</p> <p>LNA – the court ordered that papers be reserved.</p> <p>Gibela- order granted and parties to submit statement of account.</p> <p>The agreement is subject to the ST making the settlement agreements an order of the ST. The aforesaid parties further agreed that the contract be set aside.</p> <p>KN02/2020 and KN03/2020 has been set down on the unopposed role for Default Judgment. The judge will allocate dates.</p> <p>The ST heard the matters on 26/04/2021. It was ordered that LNA papers must be reserved and set down. In Gibela the parties must file a statement of account. Both matters to be re-rolled on 17/06/2021.</p>

ORDERS GRANTED IN THE SPECIAL TRIBUNAL

Rand value and number of matters instituted in the Special Tribunal					
No	Province	Description	Value of outcome	Date instituted	Next Steps
1	ECP	Department of Health: SIU v Fabkomp (Pty) (Ltd) and Others: (EC04/2020)	R10 148 750	18/09/2020	The Department was interdicted from making payment against the contract and the Special Tribunal set the contract aside. The Special Tribunal is considering the aspect of costs.
2	ECP	The OR Tambo Municipality "Door-to-door" case: (EC06/2020)	R4 899 000	26/10/2020	The Department was interdicted from making payment against the contract and the Special Tribunal set aside the contract..
3	GAU	The SIU v Ledla Structural Development (Pty) Ltd and 43 Others: (GP07/2020)	R139 000 000	06/08/2020	The Special Tribunal reserved judgement and the SIU await same.
4	KZN	Department of Social Development: Rosette Investments (KN01/2020); Gibela (KN02/2020); LNA Communications (KN03/2020); Zain Brothers (KN04/2020)	R4 899 000 R4 899 000 R3 960 000 R4 800 000	25/10/2020 25/10/2020 25/10/2020 25/10/2020	<p>Zain Brothers: The ST set aside the contract and ordered that the respondent pay the profit of R718 550. Payment has been received</p> <p>Rosette Investments: The ST set aside the contract and ordered that the respondent pay the profit of R864 000. Payment has been received</p> <p>LNA Communications: the ST ordered that SIU must ensure personal service by 31 May 2021.</p> <p>Gibela The ST set the contract aside and ordered that the respondent file a statement of account. The matter will be re-enrolled for determination of quantum on 15 June 2021.</p>
5	NWP	SIU v Modiko Thabang Selemale and another (GP19/2020)	R100 000	04/12/2020	Final order granted to freeze pension. The SIU issued summons to recover damages/ losses under new case number.
		TOTAL	R172 705 750		

STEPS TAKEN / ACTUAL OUTCOMES

NUMBER OF NEW REFERRALS FOR DISCIPLINARY ACTION AGAINST OFFICIALS

Number of new referrals made for Disciplinary Action against officials since last report at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official	Charges	Progress to date
Amatola Water Board	2	03/03/2021	Junior Official Intern	<p>Contravention of: Section 217(1) of the Constitution; Section 195(1) of the Constitution; Section 45 of the PFMA relating to responsibilities of other officials in a department, trading entity or constitutional institution; SCM Policy for Goods and Services dated 29/11/2019 and Declaration of Interest in respect of the SCM procurement system. Various offences of corruption.</p>	Evidence was presented to the Chairperson and the CEO of Amatola Water Board on 09/03/2021. No disciplinary action has yet been instituted against the officials.
ECP Department of Education (ECP DoE)	1	12/04/2021	Middle Management	<p>Contravention of: Section 195(1)(a) of the Constitution; Section 217(1) of the Constitution; the provisions of Section 4 of the PRECCA; the Public Service Code of Conduct.</p>	No disciplinary action has yet been instituted against the official.
ECP DoE	1	16/04/2021	Middle Management	<p>Contravention of: The Public Service Code of Conduct, read with paragraph 13; 14 of the Eastern Cape Provincial Policy, signed on 28/08/2018; Regulation 19 which deals with details of interests to be disclosed; Regulation 13 of the Public Service Regulations, 2016 which relates to the Ethical Conduct; Section 195(1)(a) of the Constitution.</p>	No disciplinary action has yet been instituted against the official.
ECP Department of Health (ECP DoH)	1	01/02/2021	Senior Management	<p>Contravention of: Section 217(1) of the Constitution; Section 195(1) of the Constitution relating to the "Basic values and principles governing public administration; Section 38(1) of the PFMA; the 2017 ECP DoH SCM Delegation; paragraph 13 of the Public Service Regulations, 2016, which relates to Ethical Conduct.</p>	The referral was made to the office of the Premier and he has considered the SIU recommendations. He has requested that the official submit a representation to the SIU in response to the SIU findings. The SIU is waiting for a report about the employment relationship between the Office of the Premier and the official because he is no longer employed at the Department. No disciplinary action has yet been instituted
Nelson Mandela Bay Metropolitan Municipality (NMBMM)	1	31/03/2021	Senior Management	<p>Contravention of: Section 217(1) of the Constitution; Paragraph 46(1)(a)(b) and (2)(a) of the Municipality's SCM Policy, version 5 of 2018; Schedule 2 of the Local Government: MSA relating to the Code of conduct for Municipal staff members; Section 78(1)(a)(b)&(c) of the MFMA; Section 172 (2)(c) and (d) of the MFMA.</p>	A disciplinary board has been established to process the referral.
OR Tambo District Municipality	3	25/11/2020 20/11/2020	Senior Management	<p>Contravention of: Section 78(1) of the MPFA, read with section 105(1), Clause 2 of Schedule 2: Code of Conduct for Municipal Staff Members of the Local Government: MSA; the Municipality's SCM Policy; Section 217(1) of the Constitution; Section 195(1) of the Constitution; Section 61(1) of the MFMA read with section 61(2). Committed an offence of fraud.</p>	The SIU evidence was presented at two Municipal Council meetings on 26/01/2021 and 19/03/2021 respectively. This SIU report was accepted by the Council through a Council resolution taken in these meetings. No disciplinary action has yet been instituted against the officials.

NUMBER OF NEW REFERRALS FOR DISCIPLINARY ACTION AGAINST OFFICIALS

Number of new referrals made for Disciplinary Action against officials since last report at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official	Charges	Progress to date
FSP Department of Human Settlements (FSP DHS)	1	02/02/2021	Senior Management	Failure to comply with: Section 38(1) of the PFMA and therefore the official is guilty of financial misconduct in terms of Section 81 of the PFMA; Regulation 11 and 14 of Chapter 2 of the Public Service Regulations.	The SIU was informed by Deputy Director-General from the Office of the Premier that they are in the process of appointing a presiding officer.
GAU Department of Health (GAU DoH)	1	30/03/2021	Middle Management	Committed 'financial misconduct', as envisaged in section(s) 81(1)(a) and/or 81(1)(b) of the PFMA	The Department has confirmed receipt of the referral and the matter is under consideration
GAU DoH	1	03/12/2020	Middle Management	Failure to declare her financial interest.	According to SA Express who employs the Manager, by law all contracts of employment between the company and its employees have been suspended and no disciplinary process or actions are currently being undertaken against any employee
GAU DoH	3	05/01/2021	Senior Management	Committed 'financial misconduct', as envisaged in section(s) 81(2) of the PFMA.	Members of the SIU appeared at the disciplinary hearing and gave evidence in February 2021. The official's evidence is currently being led and the last date for this was 30 March 2021. The disciplinary proceedings have been finalised and the SIU and the Department are waiting for the final decision of the Chairperson.
City of Tshwane Metropolitan Municipality (CoTMM)	2	03/12/2020	Middle Management	Committed 'financial misconduct', as envisaged in section(s) 172(2) of the MFMA.	The CoTMM has confirmed that it has not yet instituted any disciplinary proceedings in this regard. The Head of Labour Relations indicated that they are currently drafting charge sheets which are due to be served on the two officials. The disciplinary hearings have not yet commenced and not date has been set down.
City of Johannesburg (CoJ)	5	30/03/2021	Senior Management	Committed 'financial misconduct', as envisaged in section(s) 172(2) of the MFMA.	The City Manager has referred the matters to the Employee Relations department for consideration. No decision has been taken.
National Department of Correctional Services (National DCS)	4	18/02/2021	Senior Management Middle Management	Contravention of Section 45(a),(b),(c) of the PFMA.	No charge sheets have been drafted yet. The SIU is following up on the progress of these proceedings.
National Department of Employment and Labour (National DEL)	7	11/12/2020	Senior Management Middle Management	Contravention of: Section 217(1) of the Constitution; Section 51(1)(a)(iii), 56, 57(a), (c) and (d) and 83 of the PFMA.	The SIU attended and testified at the hearings of four officials. All 4 officials pleaded guilty to the charges. The disciplinary hearings of the other 3 officials will commence on 20 and 21 May 2021 and the SIU will receive feedback once these commence.
National Health Laboratory Services (NHLS)	8	10/02/2021	Senior Management Middle Management	Contravention of: Section 217(1) of the Constitution; Section 51(1)(a)(iii), 51(1)(e)(i),(ii) and (iii) and 57(a), (c) and (d) of the PFMA; National Treasury Practice Note 4 of 2008/2009.	All charge sheets have been issued. Disciplinary proceedings have begun against 3 officials. NHLS have confirmed that 3 of the officials have resigned. 1 official has been placed on suspension and is challenging the suspension at the CCMA. 1 official was dismissed and is also challenging this dismissal.

NUMBER OF NEW REFERRALS FOR DISCIPLINARY ACTION AGAINST OFFICIALS

Number of new referrals made for Disciplinary Action against officials since last report at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official	Charges	Progress to date
KZN Department of Education (KZN DoE)	7	11/02/2021	Senior Management Middle Management	<p>Contravened section 45(a) of the PFMA by failing to ensure that the system of financial management and internal control established for KZN DoE was carried out within their area of responsibility.</p> <p>Contravened section 45(c) of the PFMA by failing to take appropriate steps to prevent, within their area of responsibility, any unauthorised, irregular or fruitless and wasteful expenditure.</p> <p>Contravened the Code of Conduct for the Public Service in terms of clause C.1.4 failed to familiarize themselves with and abide by all statutory and other instructions applicable to their conduct and duties; clause C.1.3 failed to loyally execute the policies of the Government in the performance of their official duties as contained in all statutory and other prescripts; clause C.4.4 failed to execute their duties in a professional and competent manner.</p>	The KZN DoE is at various stages of actioning the recommendations but none of the matters have been finalised to date. The SIU will follow up on the outcome of the hearings.
Mpumalanga Economic Growth Agency (MEGA)	2	09/03/2021	Senior Management	<p>Misconduct in that the procurement failed to comply with the constitution prescript (section 217)</p> <p>Contravention of Section 45(b), (c) and (d) of the PFMA in that the official failed to take effective and appropriate steps to prevent any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure as required by the PFMA.</p>	MEGA has not yet commenced with disciplinary proceedings.
MEGA	1	21/01/2021	Middle Management	<p>Misconduct in that the procurement failed to comply with the constitution prescript (section 217)</p> <p>Contravention of Section 45(b), (c) and (d) of the PFMA in that the official failed to take effective and appropriate steps to prevent any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure as required by the PFMA.</p>	MEGA has not yet commenced with disciplinary proceedings.
Mpumalanga (MPU) DoH	4	11/03/2021	Senior Management Middle Management	Irregular initiation of the procurement process; Contravention of the SLA entered into by the MPU DoH. Contravention of C 4.1, C 4.4 and C.4.8 of the Public Service Regulation 2016.	The HoD has informed the SIU that the referrals have been sent to their lawyers for review. The MPU DoH met with the SIU for clarity on the referrals so that the charge sheets can be drafted. The officials will be charged before 19/06/2021.
MPU Department of Culture, Sports and Recreation	4	09/03/2021 22/02/2021	Senior Management	Irregular procurement of PPE. Contravention of Section 45(b) and (c) of the PFMA and C.4.4 and C 4.8 Public Service Regulation.	Verbal warnings were issued to both officials by the HoD on 21/04/2021.

NUMBER OF NEW REFERRALS FOR DISCIPLINARY ACTION AGAINST OFFICIALS

Number of new referrals made for Disciplinary Action against officials since last report at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official	Charges	Progress to date
City of Matlosana Local Municipality	1	09/03/2021	Middle Management	Failed to follow SCM processes and prescripts when appointing service providers for PPE; procured PPE without the requisite authority; approved quotations that were above the threshold set by Treasury and failed to ensure that the appointed service providers are tax compliant and registered on CSD.	The manager is currently on precautionary suspension. The disciplinary hearing is scheduled for 24/05/2021.
NWP DoH	1	15/12/2020	Middle Management	They failed to ensure that the Department contracts for the supply of facial masks in according with requirements of S217, SCM Policy, National Treasury Note 5 and other procurement prescripts and resulting in the Department incurring irregular expenditure.	Proceedings in respect of the referral have not yet started and the SIU is awaiting a response from the NWP DoH.
JB Marks Local Municipality	1	26/11/2020	Middle Management	He failed to ensure that the municipality contracts for the supply of facial masks in according with requirements of S217, Treasury Regulation Circular 100 and other procurement prescripts and resulting in the municipality incurring irregular expenditure.	A new law firm has been appointed to deal with one of the disciplinary referrals. The SIU was requested to resubmit the evidence file and did so on 13/05/2021. The law firm has informed the SIU that the matter will be set down after the evidence packs have been reviewed and further consultations have been held with the SIU.
Department of Environment, Forestry and Fisheries (DEFF)	1	25/02/2021	Senior Management	The offences are failure to comply with the provisions of sections 45 (a), (b) and (c) of the Public Finance Management Act and negligence in the performance of her duties, amongst others.	The SIU has been informed that the Labour section of the Department has issued a notice of intent to institute disciplinary proceedings against the official.
Total	63				

NUMBER OF REFERRALS FOR DISCIPLINARY ACTION AGAINST OFFICIALS AS AT PREVIOUS BRIEFING DATED 10/02/2021

Number of referrals made for Disciplinary Action against officials reported at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official	Charges	Progress to date
FSP Provincial Treasury	1	09/11/2020	Senior Management	Failure to comply with: Section 45(a), (b), (c), (d) and (e) of the PFMA; Regulation 11 and 14 of Chapter 2 of the Public Service Regulations.	The official has been transferred to another Department and disciplinary action has not yet been instituted.
Gauteng DoH (GAU DoH)	1	10/11/2020	Spokesperson of the President	Failure to declare her financial interest.	The SIU has been informed that the disciplinary proceedings against Ms Diko will start soon, and that Ms Diko was given a further opportunity to seek clarity concerning the allegations made against her.
GAU DoH	2	23/09/2020 25/09/2020	Senior Management	Committed 'financial misconduct', as envisaged in section(s) 81(1)(a) and/or 81(1)(b) of the PFMA.	The official resigned from the Department on or about 03/10/2020.
GAU DoH	1	18/09/2020	Senior Management	Committed 'financial misconduct', as envisaged in section(s) 81(2) of the PFMA.	Members of the SIU appeared at the disciplinary hearing and gave evidence in February 2021. The official's evidence is currently being led and the last date for this was 30 March 2021. The disciplinary proceedings have been finalised and the SIU and the Department are waiting for the final decision of the Chairperson.
GAU DoH	1	18/09/2020	Middle Management	Committed 'financial misconduct', as envisaged in section(s) 81(2) of the PFMA.	The SIU met with the evidence leaders appointed in the matter. The hearing was heard in March and April 2021. The disciplinary proceedings have been finalised and the SIU and the Department are waiting for the final decision of the Chairperson.
KZN DoE	6	05/11/2020	Senior Management Middle Management	Contravened section 45(a) of the PFMA by failing to ensure that the system of financial management and internal control established for KZN DoE was carried out within their area of responsibility. Contravened section 45(c) of the PFMA by failing to take appropriate steps to prevent, within their area of responsibility, any unauthorised, irregular or fruitless and wasteful expenditure Contravened the Code of Conduct for the Public Service in terms of clause C.1.4 failed to familiarize themselves with and abide by all statutory and other instructions applicable to their conduct and duties; clause C.1.3 failed to loyally execute the policies of the Government in the performance of their official duties as contained in all statutory and other prescripts; clause C.4.4 failed to execute their duties in a professional and competent manner.	The KZN DoE is at various stages of actioning the recommendations but none of the matters have been finalised to date. The SIU will follow up on the outcome of the hearings.
Sekhukhune District Municipality	5	30/09/2020	Senior Management Middle Management	Contravention of: Section 171(1)(c) of the MFMA; Schedule 2 of the MSA and the Municipality's SCM Policy 2019-2020.	4 of the officials are on suspension pending finalisation of the disciplinary process. 1 official resigned before being served with a letter of suspension. The disciplinary process is delayed due to Covid-19 infections within the Municipality. The SIU will follow up on the outcome of the hearings.

NUMBER OF REFERRALS FOR DISCIPLINARY ACTION AGAINST OFFICIALS AT PREVIOUS BRIEFING DATED 10/02/2021

Number of referrals made for Disciplinary Action against officials reported at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official	Charges	Progress to date
Mpumalanga (MPU) DoH	2	29/10/2020	Senior Management Middle Management	Irregular initiation of the procurement process; Contravention of the SLA entered into by the MPU DoH. Contravention of C 4.1, C 4.4 and C.4.8 of the Public Service Regulation 2016.	The HoD has informed the SIU that the referrals have been sent to their lawyers for review. The MPU DoH met with the SIU for clarity on the referrals so that the charge sheets can be drafted. The officials will be charged before 19/06/2021.
North West (NWP) DoE	2	13/11/2020 30/09/2020	Middle Management Administrative Clerk	They failed to ensure that the Department contracts for the supply of facial masks in according with requirements of S217, SCM Policy, National Treasury Note 5 and other procurement prescripts and resulting in the Department incurring irregular expenditure.	Proceedings in respect of 1 referral were scheduled to begin on 18/12/2020 but have been postponed to 10 and 11/06/2021. Proceedings in respect of the other referral have not yet started and the SIU is awaiting a response from the NWP DoE.
Ratlou Local Municipality	2	06/10/2020	Senior Management Middle Management	He failed to ensure that the municipality contracts for the supply of facial masks in according with requirements of S217, Treasury Regulation Circular 100 and other procurement prescripts and resulting in the municipality incurring irregular expenditure.	The disciplinary hearings have not yet commenced because of court challenges between the Municipality and the newly appointed Administrators.
JB Marks Local Municipality	2	08/10/2020	Senior Management	He failed to ensure that the municipality contracts for the supply of facial masks in according with requirements of S217, Treasury Regulation Circular 100 and other procurement prescripts and resulting in the municipality incurring irregular expenditure.	The two officials were suspended. They have challenged their suspension under urgent court application at North West Division of the High Court under case no: UM27/2021 and UM30/2021, seeking an order from the court to declare their respective suspensions unlawful. The court dismissed their applications with costs. The disciplinary hearings are scheduled for 17/05/2021.
Total	25				

NUMBER OF NEW REFERRALS TO THE RELEVANT PROSECUTING AUTHORITY (NPA)

Number of new referrals made to the National Prosecuting Authority since last report at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official		Progress to date
ECP DoH	1	01/03/2021	Junior Official	Fraud, alternatively forgery and uttering.	The NPA has received the referral and the SIU is waiting for further feedback in respect of the referral.
FSP DHS	1	11/12/2020	Senior Management	Failure to comply with Section 38(1) of the PFMA and is therefore guilty of an offence in terms of Section 86 of the PFMA.	The offence is financial misconduct. The NPA has acknowledged receipt of the referral and a copy was also handed over to the Hawks. Park Road CAS 572/03/2021 has been registered and the investigating officer from the DPCI has been assigned. The NPA have also assigned a prosecutor.
GAU DoH	3	29/03/2021 14/01/2021	Senior Management	Committed 'financial misconduct', as envisaged in section(s) 81(1)(a) and/or 81(1)(b) of the Public Financial Management Act 1 of 1999.	The offence is financial misconduct in terms of Section 86(1) of the PFMA. A criminal Case was opened with reference Johannesburg CAS 484/12/2020. The matters are being dealt with further by the SAPS.
GAU DoH	2	17/03/2021	1 Entity and the Director	Fraud.	The offence is fraud, alternatively forgery and uttering. The SIU has been informed that the NPA has referred the matter to the DPCI for case registration. The SIU is waiting for the case registration number.
GAU DoH	4	17/03/2021	1 Entity and 3 Directors	Fraud.	The offence is money laundering, fraud, alternatively forgery and uttering. The SIU has been informed that the NPA has referred the matter to the DPCI for case registration. The SIU is waiting for the case registration number.
GAU DoH	4	17/12/2020	2 Entities and 2 Directors	Fraud.	The offence is fraud. The SIU has been informed that the NPA has referred the matter to the DPCI for case registration. The SIU is waiting for the case registration number.
GAU DoH	2	09/12/2020	1 Entity and the Director	Fraud.	The offence is fraud. The SIU has been informed that the NPA has referred the matter to the DPCI for case registration. The SIU is waiting for the case registration number.
CoJ	5	30/03/2021	Senior Management Middle Management	Committed 'financial misconduct', as envisaged in section(s) 172(1) of the MFMA.	The offence is financial misconduct. The NPA has acknowledged receipt of the referral and the matters are still under consideration.
NHLS	11	11/12/2020	Senior Management	The offence is fraud, corruption and money laundering.	The SIU is monitoring the criminal case and are providing full support to the SAPS.
South African National Defence Force (SANDF)	1	04/03/2021	Possible Syndicate	A false order was used to solicit payment from the SANDF relating to two entities.	The NPA has acknowledged receipt of the referral.

NUMBER OF NEW REFERRALS TO THE RELEVANT PROSECUTING AUTHORITY (NPA)

Number of new referrals made to the National Prosecuting Authority since last report at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official		Progress to date
KZN DSD	1	07/12/2020	Senior Management	<p>Contravention of: Section 38(1) read with Section 86(1) of the PFMA. Willfully and/or in a grossly negligent manner failed to maintain appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective; take effective and appropriate steps to prevent within his area of responsibility irregular and/or fruitless and wasteful expenditure.</p> <p>Contravention of Section 86(1) of the PFMA for a breach of general responsibilities as prescribed in section 38 as follows - subsection (1)(a)(iii) prescribes that the accounting officer must ensure that the Department has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. In approving the awards before the submission, the official compromised the principles of section 217 of the Constitution in so far as it relates to the department maintaining an appropriate procurement and provisioning system which is fair and equitable. subsection (1) (c) (ii) prescribes that the accounting officer for a department must take effective and appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct. The officials approval of the award to the service providers on four occasions before having approved the submission for procurement; constitutes an irregularity with the resultant irregular expenditure and hence, he failed to take effective and appropriate steps to prevent irregular expenditure.</p>	The offence is financial misconduct. The SIU is in discussions with the NPA to decide on the way forward with regards to the prosecution of the entities involved.
KZN DoE	6	31/03/2021	3 Entities and their Directors	<p>Committed acts of fraud by misrepresentation in the bid documents. Forgery of signatory on bid documents. Misrepresented that they had relationship links or material and/or familial interests amongst the three companies which bid for the same contract.</p>	The offence is fraud, alternatively forgery and uttering.
Limpopo Department of Co-operative Governance, Human Settlements and Traditional Affairs (LIM CoGHSTA)	2	02/12/2020	1 Entity and the Director	Fraud.	The Director was arrested by the Hawks on 17/12/2020. The SIU is still trying to obtain a copy of the SAPS docket (CAS 384/12/2020) to confirm if the arrest is related to this referral as it appears the Hawks were doing a parallel investigation.
NWP DoH	1	04/02/2021	Middle Management	He failed to ensure that the Department contracts for the supply of PPEs in according with requirements of S217, SCM Policy, National Treasury Note 5 and other procurement prescripts and resulting in the Department incurring irregular expenditure.	The offence is financial misconduct. The matter is still under review by the NPA.
Total	44				

NUMBER OF REFERRALS TO THE RELEVANT PROSECUTING AUTHORITY (NPA) AT PREVIOUS BRIEFING DATED 10/02/2021

Number of referrals made to the National Prosecuting Authority reported at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official		Progress to date
ECP DoH	2	12/11/2020	Senior Management	Fraud and/or conspiracy to commit fraud.	A criminal case (CAS 08/09/2020) is under investigation by the Hawks and the SIU is collaborating with the NPA and the DPCI (Hawks). An NPA Prosecutor was assigned to this matter
OR Tambo District Municipality	3	13/11/2020	Senior Management 1 Entity and the Director	Fraud & Contravention of Section 173 of the MFMA.	A criminal case is already under investigation by the Hawks (CAS 64/07/2020). The Hawks arrested the Director of the service provider and 1 of the Senior Managers. The criminal case was remanded until 25/03/2021. An NPA Prosecutor was assigned to this matter. A trial date has been set down for 8/06/2021.
FSP Provincial Treasury	6	30/09/2020 12/11/2020	Senior Management 1 Entity and the CEO	Fraud.	Criminal cases were registered at Parkroad Police Station and are currently being investigated by the DPCI under CAS 933/11/2020 (SCMQ608 & 609/20/21) and CAS 665/10/2020 (SCMQ3/2020). The DPCI have assigned an investigating officer. An NPA prosecutor has been assigned to the matters and are currently consulting the SIU investigator.
GAU DoH	2	25/09/2020 22/09/2020	Senior Management	Committed 'financial misconduct', as envisaged in section(s) 81(1)(a) and/or 81(1)(b) of the Public Financial Management Act 1 of 1999.	A criminal Case was opened with reference Johannesburg CAS 484/12/2020. The matters are being dealt with further by the SAPS.
GAU DoH	2	23/10/2020	1 Entity and the Director	Fraud.	A criminal case was opened with reference Johannesburg CAS 360/12/2020. The matters are under investigation by the SAPS.
National DPWI	7	28/09/2020	2 Entities, their Directors and Project Managers	Fraud.	The NPA has appointed a prosecutor
KZN DSD	1	08/10/2020	Senior Management	<p>Contravention of: Section 38(1) read with Section 86(1) of the PFMA. Willfully and/or in a grossly negligent manner failed to maintain appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective; take effective and appropriate steps to prevent within his area of responsibility irregular and/or fruitless and wasteful expenditure.</p> <p>Contravention of Section 86(1) of the PFMA for a breach of general responsibilities as prescribed in section 38 as follows - subsection (1)(a)(iii) prescribes that the accounting officer must ensure that the Department has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. In approving the awards before the submission, the official compromised the principles of section 217 of the Constitution in so far as it relates to the department maintaining an appropriate procurement and provisioning system which is fair and equitable. subsection (1) (c) (ii) prescribes that the accounting officer for a department must take effective and appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct. The officials approval of the award to the service providers on four occasions before having approved the submission for procurement; constitutes an irregularity with the resultant irregular expenditure and hence, he failed to take effective and appropriate steps to prevent irregular expenditure.</p>	The SIU is in discussions with the NPA to decide on the way forward with regards to the prosecution of the entities involved.

NUMBER OF REFERRALS TO THE RELEVANT PROSECUTING AUTHORITY (NPA) AT PREVIOUS BRIEFING DATED 10/02/2021

Number of referrals made to the National Prosecuting Authority reported at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official		Progress to date
KZN DoE	9	15/10/2020 20/10/2020 27/10/2020	3 Entities, their Directors and Managers	Comitted acts of fraud, in that they misrepresented the signatory of the Director on bid documents. Forgery of Directors signatory on bid documents. Misrepresented the Directorship in order to benefit from the B-BBEE procurement recognition in terms of the Preferential Procurement scorecard.	An enquiry has been opened by the prosecutor. SCCU serial no 10/3/5-438/20 and 10/3/5-402/20. The NPA has decided not to prosecute one entity (nolle prosequi) - SCCU serial no 10/3/5-424/20.
Sekhukhune District Municipality	2	30/09/2020	Middle Management	The offence is fraud and financial misconduct.	The NPA has assigned a prosecutor and a criminal case was opened with CAS 33/07/2020.
Ratlou Local Municipality	1	08/10/2020	Senior Management	He failed to ensure that the municipality contracts for the supply of PPEs in according with requirements of S217, Treasury Regulation Circular 100 and other procurement prescripts and resulting in the municipality incurring irregular expenditure.	The SIU had a meeting with the DPCI and the NPA. Further information is required and this will be submitted by 21 May 2021. The matter will then be handed to the DPCI for further investigation.
JB Marks Local Municipality	1	14/10/2020	Senior Management	He failed to ensure that the municipality contracts for the supply of PPEs in according with requirements of S217, Treasury Regulation Circular 100 and other procurement prescripts and resulting in the municipality incurring irregular expenditure.	The matter was handed to the DPCI under NPA reference number 7/1/6/2 for further instructions.
DEFF	2	08/10/2020	1 Entity and the Director	The offence is fraud, alternatively forgery and uttering.	A criminal case was opened at Pretoria Central under CAS 26/11/2020.
Total	38				

NUMBER OF NEW REFERRALS MADE FOR EXECUTIVE ACTION

Number of new referrals made for Executive and/or Administrative Action since last report at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official		Progress to date
ECP DoH	1	01/02/2021	Former MEC	Contravention of: Section 136(1) and 217(1) of the Constitution; Section 63(1)(b) and section 64(1)(2)(3) of the PFMA and section 2(2)(a)(i) (b)(iv)(v) of the Executive Members Ethics Act.	The MEC was discharged from office by the Premier on 18/02/2021.
Total	1				

NUMBER OF REFERRALS MADE FOR EXECUTIVE ACTION AT PREVIOUS BRIEFING DATED 10/02/2021

Number of referrals made for Executive and/or Administrative Action reported at 08 February 2021					
Entity	No of referrals	Date referred	Level of Official	Charges	Progress to date
GAU DoH	1	18/09/2020	Former MEC	Failed to fulfil his obligations to comply with the Constitution; with his general oversight responsibilities in respect of the Gauteng DoH which contributed thereto that the Gauteng DoH failed to comply with the prescripts of the Constitution, and his obligations in terms of the PFMA.	The MEC has since been discharged. On 23/10/2020, the former MEC filed an urgent application in the High Court of South Africa (Gauteng Division, Pretoria) under Case No. 555372/2020 to review and set aside the SIU referrals as being unlawful, unconstitutional and therefore invalid. The SIU opposed the application. The matter was set down for hearing on 21/01/2021 before the full bench of the High Court and on the same day judgment was reserved. The court on 12/04/2021 handed down judgment and dismissed his application to review and set aside the SIU referrals with costs.
JB Marks Local Municipality	1	12/11/2020	Office bearer	The Office Bearer caused the awarding of a donation to Potch-Tlokwe Chamber of Commerce and this donation is construed as irregular and invalid in terms of Chapter 2 of the Constitution for lack of full compliance with all the prescripts regulating public sector procurement, as inter alia set out in Section 217(1) of the Constitution, Section 112(1)MFMA, as read with the Treasury Regulations and the relevant Instructions issued by National Treasury. Any payments that the Municipality made to Potch-Tlokwe Chamber without any contracts and SCM processes being followed, is in all likelihood deemed to constitute 'irregular expenditure', as referred to in the MFMA; and Potch-Tlokwe Chamber invoiced the Municipality for catering however, no supporting documents were attached to the invoice which could result in the Municipality incurring 'fruitless and wasteful expenditure'.	A referral was made for disciplinary action to be taken against an office bearer in respect of the awarding of a donation to an entity. The SIU met with the newly appointed MEC of CoGHSTA who confirmed that they were taking the necessary steps. The office bearer has since resigned from the Municipality.
Total	2				

NUMBER OF NEW REFERRALS MADE FOR ADMINISTRATIVE ACTION (WHICH INCLUDES BLACKLISTING)

Number of new referrals made for Administrative Action (which includes Blacklisting) since last report at 08 February 2021				
State Institution	No of referrals	Date referred	Charges	Progress to date
GAU DoH	18	30/03/2021 29/03/2021 12/03/2021 11/03/2021 09/03/2021 19/02/2021 18/02/2021 17/02/2021 11/12/2020 09/11/2020	In terms of section 8(1) of the Competition Act 89 of 1998 ("the Competition Act") a dominant firm may not charge an excessive price to the detriment of consumers or customers.	Evidence was referred to the Competition Commission against 18 service providers who were engaged to provide goods and services but charged excessive, unfair and unreasonable prices. The Commissioner has confirmed receipt of the referrals and they are attending to them.
GAU DoH	2	10/02/2021	Fraud	Evidence pointing to the commission of the criminal offence of fraud was referred to the Gauteng DoH, with a courtesy copy to the NT, in respect of 1 entity and its Director. The referral is a motivation for them to be placed on the NT Central Database/List of Restricted Suppliers/Service providers. In terms of Clauses 23.3 to 23.7 of the General Conditions of Contract as prescribed by the NT, government should not be a party to contracts involving fraud and should not contract with parties involved in alleged fraudulent activity. The NT maintains a database/list of restricted suppliers in terms of Regulation 16A9.1(c) of the Treasury Regulations issued in terms of the PFMA. The SIU has recommended that the Gauteng DoH and/or the NT place(s) the above entity and director on the database/list of restricted suppliers, after having followed the required administrative process.
GAU DoH	2	10/02/2021	In terms of Clauses 23.3 to 23.7 of the General Conditions of Contract as prescribed by the NT, government should not be a party to contracts involving fraud and should not contract with parties involved in alleged fraudulent activity. The NT maintains a database/list of restricted suppliers in terms of Regulation 16A9.1(c) of the Treasury Regulations issued in terms of the PFMA.	Evidence pointing to the commission of the alleged criminal offence of fraud was referred to the Gauteng DoH, with a courtesy copy to the NT, in respect of 1 entity and its Director. The referral is a motivation for them to be placed on the NT Central Database/List of Restricted Suppliers/Service providers. The Gauteng DoH have confirmed receipt of the referrals and the matters are under consideration.
GAU DoH	7	24/02/2021	In terms of Clauses 23.3 to 23.7 of the General Conditions of Contract as prescribed by the NT, government should not be a party to contracts involving fraud and should not contract with parties involved in alleged fraudulent activity. The NT maintains a database/list of restricted suppliers in terms of Regulation 16A9.1(c) of the Treasury Regulations issued in terms of the PFMA.	Evidence was referred to Gauteng DoH for Restriction of Services against 2 entities and their Directors that points towards the commission of a criminal offence of fraud. The SIU has recommended that Gauteng DoH requests NT to place the above entity and director on the database after having followed the required administrative process. The Gauteng DoH have confirmed receipt of the referrals and the matters are under consideration.

NUMBER OF NEW REFERRALS MADE FOR ADMINISTRATIVE ACTION (WHICH INCLUDES BLACKLISTING)

Number of new referrals made for Administrative Action (which includes Blacklisting) since last report at 08 February 2021				
State Institution	No of referrals	Date referred	Charges	Progress to date
GAU DoH	10	30/03/2021 11/03/2021 12/02/2021 24/11/2020	<p>A manufacturer, distributor (including importer and/or exporter) or wholesaler, as referred to in Section 22C(1)(b) of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965) (“the Medicines Act”) must prior to commencing business, apply to SAHPRA for a license to manufacture or distribute medical devices. Medical devices, in terms of the Medicines Act, include any instrument, apparatus, implement, machine, material or other similar or related article intended by the manufacturer to be used, alone or in combination, for humans or animals, for (inter alia) the diagnosis, prevention, monitoring, treatment or alleviation of disease or for disinfection of medical devices.</p> <p>The listed companies were not registered with, and licensed by the SAHPRA to distribute medical devices, in circumstances where one or more of the PPE that was/were distributed by the companies to the Gauteng DoH would qualify as medical device(s).</p>	Evidence was referred to the South African Health Products Regulatory Authority (“SAHPRA”) against 10 service providers. A manufacturer, distributor (including importer and/or exporter) or wholesaler, as referred to in Section 22C(1)(b) of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965) (“the Medicines Act”) must prior to commencing business, apply to SAHPRA for a license to manufacture or distribute medical devices. Medical devices, in terms of the Medicines Act, include any instrument, apparatus, implement, machine, material or other similar or related article intended by the manufacturer to be used, alone or in combination, for humans or animals, for (inter alia) the diagnosis, prevention, monitoring, treatment or alleviation of disease or for disinfection of medical devices. The service providers were not registered with, and licensed by the SAHPRA to distribute medical devices, in circumstances where one or more of the PPE that was/were distributed by the companies to the Gauteng DoH would qualify as medical device(s). The SIU has been informed that the matters are under consideration by SAHPRA.
City of Johannesburg / Johannesburg property Company JPC	4	01/04/2021	In terms of section 8(1) of the Competition Act 89 of 1998 (“the Competition Act”) a dominant firm may not charge an excessive price to the detriment of consumers or customers.	Evidence was referred to the Competition Commission against 4 service providers. The service providers were engaged to provide goods and services but charged excessive, unfair and unreasonable prices. The Commissioner has confirmed receipt of the referrals and they are attending to them.
SANDF	2	25/03/2021		Referrals were made to the Competition Commission against 2 service providers. The service providers were engaged to provide goods and services but charged excessive, unfair and unreasonable prices.
Ethekwini Metropolitan Municipality	7	24/03/2021	Contravention of section 22 (C) (6) of the Medicines and Related Substances Act of 1965 as amended by Amendment Act of 2008 (Act No.72 of 2008) in that entities must be registered with the South African Health Product Regulatory Authority.	Evidence was referred to SAHPRA against 7 service providers who are not registered with SAHPRA to distribute medical devices to a third party. The matters are under review and additional supporting documents are being finalised.
KwaDukuza Local Municipality	2	24/03/2021	Contravention of section 22 (C) (6) of the Medicines and Related Substances Act of 1965 as amended by Amendment Act of 2008 (Act No.72 of 2008) in that entities must be registered with the South African Health Product Regulatory Authority.	Evidence was referred to SAHPRA against 2 service providers who are not registered with SAHPRA to distribute medical devices to a third party. The matters are under review and additional supporting documents are being finalised.
Limpopo CoGHSTA	2	27/01/2021		Evidence was referred against 1 entity and its Director that points towards the commission of a criminal offence of fraud. The SIU has recommended that the Housing Development Agency requests NT to place the above entity and director on the database after having followed the required administrative process.
Limpopo DoH	31	10/03/2021		Evidence was referred to SAHPRA against 31 service providers who are not registered with SAHPRA to distribute medical devices to a third party
Total	87			53

RAND VALUE OF NEW POTENTIAL CASH AND/OR ASSETS TO BE RECOVERED

Rand value of potential cash and/or assets to be recovered since last report at 08 February 2021			
State Institution	Description	Value	Date Achieved
ECP DoH	The matter was heard in the ST and the ECP DoH was interdicted from making any payments to the supplier and from accepting delivery of any goods from the supplier, pending the finalization of the review proceedings to challenge the validity of the award and the resulting contract.	R10,148,750	18/09/2020
ECP DoE	The SIU successfully applied to the ST to have the bank accounts of the first four respondents frozen and to interdict the ECP DoE from making any further payments.	R2,785,276	30/10/2020
FSP Provincial Treasury	A recommendation was made to withhold payment to service providers who had received contracts to provide surgical gowns. The SIU has since instituted proceedings in the ST to interdict and restrain the Provincial Treasury from making any further payments to the service providers, and to review and set aside the contracts that were awarded.	R39,150,739	07/10/2020
GAU DoH	Recommendations were made to withhold payments to 6 service providers. The Department have confirmed that no further payments will be made pending the finalization of the SIU investigations and civil proceedings.	R59,005,815	22/12/2020
CoTMM	A recommendation was made to withhold payments to various service providers pending the institution and finalisation of civil proceedings.	R19,793,897	23/09/2020
CoJ	A recommendation was made to withhold payments to three service providers pending the institution of civil proceedings.	R65,929,505	29/03/2021
KZN DoE	2 AoDs were signed for the under-delivery of goods supplied, for overcharging the Department for VAT and for profits derived as a result of an irregular procurement process.	R1,257,084	18/01/2021 04/12/2020
KZN DoE	2 AoDs were signed for Sebenzani Trading 622 CC for overpricing of PPE items supplied which were above NT regulated prices.	R3,427,240	25/03/2021
KZN DoE	1 AoD was signed for New Track Enterprise (Pty) Ltd as a result of irregularities in the service providers BBEEE certification. The service provider conceded to paying the profits.	R89,900	31/03/2021

RAND VALUE OF NEW POTENTIAL CASH AND/OR ASSETS TO BE RECOVERED

Rand value of potential cash and/or assets to be recovered since last report at 08 February 2021			
State Institution	Description	Value	Date Achieved
LIM CoGHSTA	A recommendation was made to withhold payment to a contractors. The Department have confirmed that no further payments will be made pending the conclusion of the SIU investigation.	R12,814,563	23/11/2020
MPU DoE	A recommendation was made to withhold payment to contractors appointed for maintenance projects for various schools. The Department have confirmed that no further payments will be made pending the conclusion of the SIU investigation.	R14,823,019	29/09/2020
MPU DoH	1 AoDs were signed because the investigation revealed the service provider inflated the price of stationery that was procured with the PPE. The AoD signed was for the difference they were supposed to charge and what they actually charged. The AoD has been repaid in full.	R24,800	13/10/2020
Govan Mbeki Local Municipality	8 AoDs were signed because the investigation revealed that the service providers provided goods and/or services to the Municipality for a price more than what was regulated by NT. To date R700 has been repaid in respect of these AoDs.	R102,120	13/11/2020 12/11/2020 11/11/2020
NW DoH	5 AoDs were signed because the investigation revealed the service providers were paid VAT by the Department but were not registered VAT vendors. 2 AoDs to the value of R19 592 have been repaid in full.	R1,044,848	19/03/2021 04/11/2020 23/10/2020 22/10/2020 21/10/2020 19/10/2020
NWP DoE	One AoD was signed because the investigation revealed the service provider has quoted and charged the Department for face masks at inflated prices. The value of the AOD is the excess portion that the service provider charged in comparison to the guideline pricing included in National Treasury Instruction 05 of 2020/21.	R45,300	09/11/2020
Total		R230,442,856	

RAND VALUE OF POTENTIAL CASH AND/OR ASSETS TO BE RECOVERED AT PREVIOUS BRIEFING DATED 10/02/2021

Rand value of potential cash and/or assets to be recovered reported at 08 February 2021			
State Institution	Description	Value	Date Achieved
GAU DoH	Recommendations were made to withhold payments to 5 service providers. The Department have confirmed that no further payments will be made pending the finalization of the SIU investigations and civil proceedings	R116,622,500	16/11/2020 12/11/2020 23/09/2020 16/09/2020 04/09/2020
GAU DoH	The Special Tribunal granted and order to freeze funds in the bank accounts of 39 service providers	R26,999,390	20/08/2020
GAU DoH	1 AoD was signed. The service provider was contracted to supply surgical masks and the value of the contract is R7 256 606. The AOD was signed because of an overpayment in respect of Vat that was made on one invoice submitted	R247,500	15/10/2020
KZN DoE	3 AoDs were signed for the under-delivery of goods supplied and for overcharging the Department for VAT. 3 service providers were contracted to supply PPE with a cumulative contract value of R15 129 064.40. 1 AoD at a value of R176 191 is being repaid in monthly installments and to date R44 047.80 has been repaid. The other 2 AoDs totaling R1 025 351 have been repaid in full	R1,201,542	16/10/2020 09/10/2020 23/09/2020
KZN DSD	Recommendation was made to withhold payment to 1 service provider. The Department have confirmed that no further payments will be made pending the conclusion of the litigation process that the SIU has instituted	R2,040,000	25/09/2020
KZN DSD	1 AoD was signed for charging the Department VAT while they were not registered as VAT vendors. The service provider was contracted to supply PPE and the value of the two contracts was R2 570 174	R276,450	20/10/2020
MPU DoH	2 AoDs were signed based on the fact that the investigation revealed the service providers inflated the price of stationery that was procured with the PPE. The AoDs signed were for the difference they were supposed to charge and what they actually charged. Both these AoDs have been repaid in full	R150,800	12/10/2020 09/10/2020
MPU DSD	1 AoD was signed because the service providers inflated the price of the PPE that was procured. The AoD signed was based on the fact that the investigation revealed there was a difference between what was supposed to be charged and what they actually charged. The debtor is making monthly repayments and so far R15 000 has been repaid	R76,090	27/10/2020
NW DoH	2 AoDs were signed based on the fact that the investigation revealed the service providers were paid VAT by the Department but were not registered VAT vendors. Both these AoDs have been repaid in full	R19,592	28/09/2020
Matzikama Local Municipality	A recommendation was made to withhold payment to 1 service provider. The Department have confirmed that no further payments will be made pending the finalization of the SIU investigations	R80,000	08/09/2020
Total		R147,713,864	

RAND VALUE OF NEW ACTUAL CASH AND/OR ASSETS RECOVERED

Rand value of actual cash and/or assets recovered since last report at 08 February 2021			
State Institution	Description	Value	Date Achieved
GAU DoH	Repayment made in respect of AoDs signed	R247,500	15/10/2020
KZN DoE	Repayments made in respect of AoDs signed	R1,257,084	22/02/2021
KZN DSD	Repayments made in respect of AoDs signed	R11,020	31/12/2020 30/11/2020
KZN DSD	Applications were lodged in the ST seeking a declaration of invalidity in respect of the award of contracts and a just and equitable remedy in respect of the losses suffered by the Department. Zain Brothers agreed to repay the profit derived from the contract they received and a settlement agreement was signed with the Department.	R718,550	29/01/2021
KZN DSD	Applications were lodged in the ST seeking a declaration of invalidity in respect of the award of contracts and a just and equitable remedy in respect of the losses suffered by the Department. Rosette Investments agreed to repay the profit derived from the contract they received and a settlement agreement was signed with the Department.	R864,000	29/01/2021
MPU DoH	Repayments made in respect of AoDs signed	R24,800	13/10/2020
	Total	R3,122,954	

RAND VALUE OF ACTUAL CASH AND/OR ASSETS RECOVERED AT PREVIOUS BRIEFING DATED 10/02/2021

Rand value of actual cash and/or assets recovered reported at 08 February 2021			
State Institution	Description	Value	Date Achieved
GAU DoH	The ST confirmed the interim order that was granted against 4 respondents and declared that the funds held in their bank accounts be declared forfeit to the State	R16,661,065	10/12/2020
GAU DoH	The ST confirmed the interim order that was granted against 20 respondents and declared that the funds held in their bank accounts be declared forfeit to the State	R7,401,705	04/02/2021
KZN DoE	Repayments made in respect of AoDs signed	R1,069,399	30/09/2020
MPU DSD	Repayment made in respect of AoDs signed	R15,000	31/12/2020
MPU DoH	Repayments made in respect of AoDs signed	R150,800	13/10/2020
NW DoH	Repayments made in respect of AoDs signed	R19,592	28/09/2020
Total		R25,317,561	

RAND VALUE OF NEW POTENTIAL LOSS PREVENTED (ACTUAL SAVINGS)

Rand value of potential loss prevented (actual savings) since last report at 08 February 2021			
State Institution	Description	Value	Date Achieved
GAU DoH	The SIU recommended to the Gauteng DoH that they reduce the value of two outstanding invoices that were due to Botsheloela (Pty) Ltd, because they had overcharged the Gauteng DoH. The Gauteng DoH confirmed that they had implemented our recommendation.	R90,000	18/12/2020
GAU DoH	The SIU recommended to the Gauteng DoH that they make no payments to Prime Reason because the investigation found that their appointment was irregular or invalid in terms of Section 2 of the Constitution; Section 217(1) 45(a) 57(a) of the PFMA; Section 45(b) 57(b) of PFMA; Section 76 of PFMA and paragraphs 14 & 17 of the SCM Policies. The Gauteng DoH has confirmed that they have recalled all payments.	R300,000	15/02/2021
	Total	R390,000	

RAND VALUE OF POTENTIAL LOSS PREVENTED (ACTUAL SAVINGS) AT PREVIOUS BRIEFING DATED 10/02/2021

Rand value of potential loss prevented (actual savings) reported at 08 February 2021			
State Institution	Description	Value	Date Achieved
GAU DoH	The ST reviewed and set aside the contract that was awarded to Ledla Structural Development (Pty) Ltd. The value of the contract was R139 million. At the time of the award approximately R100 million had not been paid to Ledla. The SIU is waiting to obtain the actual payment information from the Gauteng DoH.	R99 241 842	10/12/2020
	Total	R99 631 842	

RAND VALUE OF CONTRACTS SET ASIDE AT PREVIOUS BRIEFING DATED 10/02/2021

Rand value of contracts set aside			
State Institution	Description	Value	Date Achieved
Gauteng DoH	The ST reviewed and set aside the contract that was awarded to Ledla Structural Development (Pty) Ltd.	R139 000 000	10/12/2020
	Total	R139 000 000	

**NEW MATTERS FINALISED SINCE
PREVIOUS REQUEST TO BRIEF SCOPA ON
COVID-19 REPORTS DATED 10/02/2021**

SUMMARY OF PROGRESS AT 30/04/2021

Summary of progress				
Contracts' investigation status	No of service providers	No of contracts awarded to service providers	Value of contracts awarded to service providers	Percentage of matters under investigation by value
Finalised	835	1,071	R5,736,906,649	40%
Ongoing	1,084	2,695	R7,670,305,352	54%
Yet to commence	332	351	R878,888,474	6%
Total	2,251	4,117	14,286,100,475	100%

Finalised matters				
Irregularity	No of service providers	No of contracts awarded to service providers	Value of contracts awarded to service providers	Percentage of finalised matters under investigation
No irregularity in respect of finalized matters	588	719	R3,955,857,867	69%
Irregularity identified in respect of finalized matters	247	352	R1,781,048,782	31%
Total	835	1,071	5,736,906,649	100%

GAUTENG PROVINCE

- **GAU Department of Health:** The SIU received allegations in respect of the irregular procurement of and contracting for the supply of:
 - 100 000 cloth masks – R2 300 000. No irregularities identified.
 - Thermometers – R16 464. No irregularities identified.
 - Accommodation – 2 contracts – R95 544. No irregularities identified.
 - Radio Advertising – 3 contract – R5 880 600. No irregularities in the SCM process but an overpayment of R90 000 was identified and recovered.
 - Wheelchairs – R6 790 375. No irregularities identified.
 - 500 000 cloth masks – R11 750 000. No irregularities identified.
 - Catering services – R14 720. No irregularities identified.
 - Boot covers – R198 375. No irregularities identified.
 - 500 thermometer freeze tags – R74 980. No irregularities identified.
 - Training services – R9 592 200. No irregularities identified.
 - Sanitizer – contract value unknown. No irregularities identified.

GAUTENG PROVINCE

- Surface disinfectant – R2 256 875. No irregularities identified.
- Cleaning services – R536 314. No irregularities identified.
- Body bags – R476 335. No irregularities identified.
- Empty spray bottles – R37 000. No irregularities identified.
- 3 ply cloth masks – R1 700 000. No irregularities identified.
- Laryngoscopes – R62 842. No irregularities identified.
- Mental health care facilities – R273 857 368. The facilities were contracted before the National State of Disaster was declared and the allegations fall outside of the ambit of the proclamation. The allegations were referred back to the Gauteng DoH for further investigation.
- Legal services – R4 176 837. The procurement process was concluded before the National State of Disaster was declared and the services were rendered between 2018 and 2019. The allegations fall outside of the ambit of the proclamation.

GAUTENG PROVINCE

- Cleaning services – R7 380 152. The procurement process was concluded before the National State of Disaster was declared. The allegations fall outside of the ambit of the proclamation but the SIU found that the services were rendered and payments were made in accordance with the contracts awarded and the Gauteng DoH received value for money.
- **South African Police Services:** The SIU received an allegation from a whistle blower of corruption against officials at the Silverton Police Stations who did not follow any SCM process when awarding contracts to service providers to supply PPE. The value of the contracts were estimated at R36 million. The SIU investigation found that the prices and the total cost for the procurement was in line with NT guidelines and directives and the allegations were unfounded.
- **City of Tshwane Metropolitan Municipality:** The SIU received an allegation that a PPE contract was awarded to an official at the Municipality. The value of the contract was estimated to be R96 million. The SIU investigation found that the “official” was not employed by the Municipality and that no contract had ever been awarded to the “official’s” company.

GAUTENG PROVINCE

- **City of Tshwane Metropolitan Municipality (Homeless shelters):** The SIU received an allegation that the Municipality and the Gauteng Department of Social Development opened 7 homeless shelters at the Caledonian Stadium and were also to provide daily meals to the homeless. The total value of the 37 contracts was estimated at R24 million. The SIU investigation found that no procurement process was followed by the Municipality but no payments have been made to any of the service providers. Disciplinary action was recommended against 2 officials and the State attorney has been briefed to appoint counsel to declare the contracts unlawful and invalid and to set them aside.
- **City of Johannesburg (Johannesburg City Property):** The SIU received an allegation that service providers had been appointed to provide deep cleaning and sanitisation services during lockdown and that the SCM process was not fair, competitive and in line with the applicable legislation or regulatory prescripts. It was also alleged that the prices were inflated. 4 service providers were appointed with contracts to the value of R18.6 million. The SIU investigation found that the appointments were irregular in terms of Chapter 2 and Section 217 of the Constitution, Section 112(1) of the MFMA as read with the NT regulations and instructions. Disciplinary action and criminal action was recommended against 5 officials. A referral was made to the Competition Commission for excessive pricing and the State Attorney has been requested to brief counsel to set aside the contracts.

NATIONAL DEPARTMENTS

- **National Department of Transport:** The SIU received an allegation pertaining to the procurement irregularities for the supply of PPE. 4 service providers were awarded contracts to the value of R343 819. The SIU investigation found that all items procured were in line with NT instructions and were delivered to the Department.
- **National Department of Education:** The SIU received an allegation that the Department had outsourced the SCM process for the provision of water tanks to schools to Rand Water. It was further alleged that Rand Water did not follow a proper procurement process when appointing the contractors and that the price of the water tanks were inflated and cost R170 000 each. Water tanks were procured in KZN, FSP, ECP, MPU, LIM and NWP. Of the 147 contracts awarded, only 120 purchases orders were issued. The investigation into the 27 service providers was finalised because they did not provide any services to Rand Water. The investigation into 94 service providers was finalised because no SCM irregularities were identified. The investigations into the remaining 26 service providers are still ongoing.

NATIONAL DEPARTMENTS

- **National Department of Correctional Services:** The SIU received an allegation that an official had awarded PPE contracts to friends and family. The total value of the alleged contracts awarded to 25 companies was R53.2 million. The investigations into 13 of the companies have been finalised. The SIU investigation found that the procurement process was irregular and disciplinary action was recommended against 4 officials.
- **National Health Laboratory Services:** The SIU received an allegation that a R72 million tender was awarded to entities belonging to a high profile individual. The SIU found that payments were made to 8 companies to the value of R172.7 million. The SIU investigation found the award of the contracts was unlawful and irregular and there are irregularities with the payments that were made. The application for a preservation order is ongoing. Senior counsel was appointed to review the decision to award the contracts and to set these contracts aside.

EASTERN CAPE PROVINCE

- **Department of Public Works and Infrastructure:**
 - The SIU received an allegation in respect of a tender for emergency repairs at the Aberdeen Hospital in the Sarah Baartman District. The SIU investigation found no irregularities because the tender process was cancelled because only one tender document was received and the price of the bid exceeded the budget amount.
 - The SIU received an allegation in respect of a tender for clear view fencing at Amathole Sun in Bhisho. The SIU investigation found no irregularities because tenders were invited, were evaluated and adjudicated and the appointment of the service provider was justified.
 - The SIU received allegations in respect of tenders for the emergency refurbishment of public hospitals, isolation centres and field hospitals because of Covid-19. The SIU investigation found no irregularities in respect of the SCM process and that the appointment of the service providers was justified.

EASTERN CAPE PROVINCE

- **Department of Health:** On 8 May 2020 a tender for the supply and delivery of PPE for a period of 6 months was advertised on the Department's website and notice boards of other State institutions. 603 bids were received and evaluated and 155 service providers were approved to supply PPE.
 - 2 service providers were approved to supply boot covers, 500 ml sanitizer and 1 litre sanitizer. The SIU investigation found that the award was non-compliant because the Tax Clearance Certificate had expired prior to the closing date. The service provider however did not receive an order to supply PPE and the SIU recommended that the Department not award any contracts to the service provider until their tax status was updated. The Department made no payments and therefore suffered no loss.
 - 1 service provider was approved to supply surgical gowns, single use coveralls, reusable coveralls, boot covers, digital thermometers, 500 ml sanitizer and 1 litre sanitizer. The SIU investigation found that the Department did not award any contracts to the service provider and no payments were made.
 - 1 service provider was approved to supply aprons, single use coveralls, thermometers, 500 ml sanitizer and 1 litre sanitizer to the value of R1 266 250. The SIU investigation found no SCM irregularities and the items procured were delivered as per the contract.

EASTERN CAPE PROVINCE

- **Department of Health:**

- 2 service providers were approved to supply 338 852 isolation gowns to the value of R32.2 million. The SIU investigation found no SCM irregularities. There was however an over-delivery of 546 gowns but the Department never paid for the excess gowns.
- 3 service providers were approved to supply single use coveralls, boot covers and sanitizers. The SIU investigation found that bid was non-compliant because there was no valid proof of address and municipal debt clearance certificate. The service providers however did not receive an order to supply PPE and the SIU recommended that the Department not award any contracts to the service providers until they submitted a valid lease agreement and municipal debt clearance certificate. The Department made no payments and therefore suffered no loss.
- 1 service provider was approved to supply aprons, single use coveralls, thermometers, 500 ml sanitizer and 1 litre sanitizer to the value of R1 266 250. The SIU investigation found no SCM irregularities and the items procured were delivered as per the contract.
- 13 service providers were approved to supply PPE however these service providers did not receive any orders and never delivered any PPE to the Department.

EASTERN CAPE PROVINCE

- **Department of Health:** The SIU was informed that an official had unlawfully and falsely drafted a fraudulent commitment letters with the intention of defrauding the Department, well knowing that the letter was forged, passed off and/or communicated and/or tendered the letter to the Department in order for a service provider to be contracted to supply PPE and to be paid a sum of R23 747 500, thereby causing potential prejudice to the Department. The matter was referred to the National Prosecuting Authority for further investigation. The matter is currently being dealt with the Office of the Director of Public Prosecutions in Mthatha.
- **Department of Education:** The SIU received an allegation that an official at the Department used her sister's company to obtain a contract for the supply of PPE to various schools in the ECP to the value of R2 805 292. It was further alleged that the same official used another company to obtain a separate PPE contract to the value of R1 474 268. The SIU investigation found that the official did use both companies to secure PPE contracts and did not declare her relationship with the owners of these two companies. The official also benefitted from the proceeds of both contracts. Disciplinary action and criminal action was recommended against the official. The SIU applied for and obtained an order in the Special Tribunal to freeze all monies in the bank accounts of one of the service providers.

EASTERN CAPE PROVINCE

- **Department of Education:**

- The SIU received an allegation that an official at the Department used his wife's company to obtain a contract for the supply of PPE to the value of R2 415 145. The official declared that he was not directly involved in his wife's business but the SIU investigation found evidence that contradicted this and that the official had solicited bribes and kickbacks from other companies that had been awarded contracts. Disciplinary action and criminal action was recommended against the official.
- The SIU received an allegation that a service provider who received a contract to deliver PPE to 21 schools in the ECP to the value of R1 849 732, in fact did not deliver the PPE. The SIU investigation found that the PPE, as per the delivery notes received was delivered, and this was confirmed by the school principals.
- The SIU received an allegation that a service provider who received a contract to deliver PPE to 29 schools in the ECP to the value of R2 801 100, in fact did not deliver the PPE. The SIU investigation found that the PPE, as per the delivery notes received was delivered, and this was confirmed by the school principals.

EASTERN CAPE PROVINCE

- **Department of Education:**

- The SIU received an allegation that a service provider who received a contract to deliver PPE to 25 schools in the ECP to the value of R2 499 103, in fact did not deliver the PPE. The SIU investigation found that the PPE, as per the delivery notes received was delivered, and this was confirmed by the school principals.
- The SIU received an allegation that the Department had irregularly made use of the Covid-19 emergency procurement and awarded a contract worth R538 million for virtual classrooms and Samsung Galaxy tablets to a service provider. The SIU investigation found that the Department “hijacked” the emergency procurement process. The investigation also found that an official was the sister of the owner of the company that was awarded the contract and that the official did not declare her relationship with the company. It was further found that the signatures on the documents submitted by the company were forged. The SIU successfully applied in the Special Tribunal to have the bank accounts of the four respondents frozen and to interdict the Department from paying out any monies. The SIU is seeking to recover the losses suffered by the Department.

EASTERN CAPE PROVINCE

- **Department of Human Settlements:** The SIU received allegations of procurement irregularities in respect of temporary housing structures that were built in response to the Covid-19 pandemic. The value of the contracts was approximately R300 million. The SIU investigation found that the emergency procurement process was used to motivate for these structures, however only 279 of the 1 800 temporary shelters were eventually built. The contracts of the 4 service providers appointed were also extended by 5 months through an approved deviation, however the deviation was not justified. The SIU will recommend that civil proceedings be instituted to set aside the contracts awarded and to recover all monies charged and paid to the service providers.
- **South African Social Services Agency:** The SIU received an allegation relating to the irregular procurement of food parcels and the distribution thereof. The value of the contracts was approximately R45 million. The SIU investigation found that the applications for food parcels were done contrary to approved guidelines and no verification was done to ensure that the applicants met the requirements to receive the food parcels. The appointment of the 2 service providers was done in contravention of Section 217 of the Constitution and contrary to NT guidelines. The SIU will recommend that civil proceedings be instituted to set aside the contracts and recover any losses suffered.

EASTERN CAPE PROVINCE

- **Nelson Mandela Bay Metropolitan Municipality:** The SIU received an allegation that two service providers were appointed to deliver:
 - 1 000 infrared non-contact thermometers at R1 300 per thermometer;
 - 60 200 N99 Masks at R87.50 per mask;
 - 15 000 3 ply masks at R14 per mask; and
 - 23 000 N95 Masks at R21 per mask.

The price of the above was alleged to be higher than the price recommended by NT. The SIU investigation found no irregularities in respect of the SCM process and the payments that were made to the service providers.

FREE STATE PROVINCE

- **Provincial Treasury:**

- The SIU received an allegation that a company received a contract to supply PPE to the value of R4.9 million. It was alleged that the SCM process was irregular and that the company could not provide quality PPE. The company received 2 contracts to the value of R11 million. The SIU investigation found that the procurement process was in contravention of Section 217 of the Constitution. An official at the Provincial Treasury may also have committed fraud because he misrepresented the price of the PPE which was in excess of the NT guidelines. Disciplinary action and criminal action was recommended against an official. The State Attorney has been briefed to appoint counsel to have the contract reviewed and set aside.
- The SIU received an allegation that service providers who were awarded contracts to supply surgical gowns, had in fact supplied the incorrect gowns to the Department of Health. 30 Service providers were appointed with contracts to the value of R39 million. The SIU investigation found that the service providers had supplied the incorrect gowns and also found evidence pointing to fraud. The SIU instituted civil proceedings in the Special Tribunal to interdict the Provincial Treasury and the Department from making any payments to the service providers pending the application to have the contracts set aside.

FREE STATE PROVINCE

- **Provincial Treasury:**

- The SIU received an allegation that a company received a contract to supply sanitizer and masks to the value of R500 000. It was further alleged that previous owner of the company was the son of a prominent official and that the new owner was only fronting for previous owner. The SIU investigation found no evidence that the contract was awarded because of ties to the prominent official and no irregularities relating to the SCM process were identified.
- The SIU received an allegation that a company received a contract to supply PPE to the value of R4.7 million because one of the directors was the son of a famous radio personality. Another one of the directors was also alleged to be a government employee. The SIU investigation found no evidence that the contract was awarded because of ties to the famous person and no irregularities relating to the SCM process were identified.

FREE STATE PROVINCE

- **Department of Human Settlements:** The SIU received an allegation that a company was appointed irregularly to construct temporary shelters. The value of the contract was R151 million. The SIU investigation found irregularities in respect of the SCM process. No approval was obtained to deviate from the normal SCM process as required by the Provincial Treasury. The State Attorney has been instructed to brief counsel to consider setting aside the contract and recover any losses suffered.
- **Lejweleputswa District Municipality:** The SIU received an allegation that there was corruption and nepotism because contracts were awarded to services providers who were family and friends of a senior official. It was also alleged that the Municipality had paid money for Covid-19 emergencies but the money never reached the intended recipients. The allegations that have been made are vague and attempts to contact the whistle blower have been unsuccessful so the SIU cannot determine if the allegations fall within the ambit of the proclamation. Further attempts to contact the whistle blower are being made and when additional information is obtained the SIU will reconsider the matter and proceed accordingly.

KWAZULU-NATAL PROVINCE

- **Department of Health:** The allegation emanated from information contained in the First Special Report of the AGSA on the financial management of Government's Covid-19 initiatives relating to costs incurred in the preparation of quarantine sites as well as the irregular procurement, fruitless and wasteful expenditure in respect of the appointment of service providers. The value was R251 million. The allegation erroneously attributed responsibility to the KZN Department of Public Works, which was found to be incorrect.
- **Office of the Premier:**
 - The SIU received an allegation that senior officials were involved in awarding tenders to their family members. The SIU has not been able to contact the whistle blower and conducted a desk top analysis to try and ascertain if any contracts had been awarded. The SIU was unable to identify any contracts that were linked to the allegation made and if additional information is obtained then the SIU will reconsider the matter and proceed accordingly.
 - The SIU received an allegation relating to 8 contracts to the value of R1.1 million that were awarded to service providers to supply PPE and for infrastructure contracts. The SIU investigation found that an invite was submitted for companies to submit quotations. The prices quoted were as per NT guidelines and the company with the cheapest quotation was awarded the contract. There were no irregularities in respect of the SCM process.

KWAZULU-NATAL PROVINCE

- **Department of Education:** The SIU received an allegation that there were possible SCM irregularities relating to the procurement of PPE. 30 Contracts were awarded to the value of R322 million. The SIU investigation found:
 - Cover quoting between the service providers who were awarded the contracts and the bidders;
 - Service providers did not declare that they had done work for other State institutions in the past 12 months which is a requirement;
 - Non-essential items were procured using the emergency procurement provisions;
 - Fraud (fronting), forgery, alternatively forgery were committed by service providers in the submission of their bid documents;
 - Non-compliance with Section 23 of the VAT Act; and
 - Under-delivery of items by service providers.
- 4 AODs were signed to the value of R3.5 million. Disciplinary action was recommended against 3 officials. Criminal action against 6 companies and their directors was recommended. 22 referrals have been made to SAHPRA and the SIU will also recommend that civil proceedings be instituted to set aside the contracts awarded and to recover monies.

KWAZULU-NATAL PROVINCE

- **Department of Transport:** The SIU received an allegation that the Department had procured PPE at inflated prices. 2 contracts were awarded to the value of R2.4 million. The SIU investigation found no irregularities in respect of the SCM process.
- **KwaDukuza Local Municipality:** The SIU received an allegation relating to the irregular appointment of service providers and inflated costs being incurred by the Municipality in respect of the supply of PPE. 63 contracts were awarded to the value of R3.8 million. The SIU investigation found no irregularities in respect of the SCM process. The SIU investigation however did find that the service providers who provided medical equipment were not registered with SAHPRA. A systemic recommendation was made to the Municipality to ensure SAHPRA compliance for future contracts and referrals were made to SAHPRA in order for them to investigate further and act against the suppliers in accordance with their legislative prescripts.
- **eThekweni Metropolitan Municipality:** The SIU received an allegation that the Municipality had provided catering for the homeless between March 2020 and July 2020. The contracts were awarded without complying with the NT benchmark rates which resulted in the Municipality paying more for the services than they should have. 54 contracts were awarded to the value of R8 million. The SIU investigation found that all 54 contracts had been cancelled or orders had not been issued to the service providers. No payments had been made by the Municipality.

KWAZULU-NATAL PROVINCE

- **uMgeni Local Municipality:** The SIU received an allegation that there were possible irregularities relating to:
 - The use of Municipal Infrastructure Grant funds for Covid-19 expenses;
 - The use of delegations by senior officials;
 - The irregular appointment of service providers;
 - The exorbitant costs of services rendered; and
 - The prices charged for PPE.

15 contracts were awarded to the value of R9.6 million. The SIU investigation found that the MIG funding had been used to pay for the PPE contracts. The Municipality was supposed to motivate for the transfer of the MIG funds which had to be supported by a council resolution and approved by CoGTA. Disciplinary action against an official was recommended.

LIMPOPO PROVINCE

- **Department of Health:** The SIU received an allegation that the Department had procured PPE and had underpaid the service providers for the PPE delivered. 2 service provider were appointed to supply 2 ply cloth masks with a contract value of R326 712. The SIU investigation found that the Department had paid for what was delivered.

MPUMULANGA PROVINCE

- **Department of Co-operative Governance and Traditional Affairs:** the allegations emanate from a media report dated 19 August 2020 in respect of the irregular procurement of and contracting for the supply of PPE related goods and services. 1 service provider received a contract to the value of R5.5 million for the supply of surgical gloves and hand sanitizer. The SIU investigation found that the SCM process was not competitive and cost effective because only 1 quotation was obtained. The contract was also awarded to the brother of an official who was part of the Bid Adjudication Committee. Disciplinary action and criminal action was recommended against an official. The SIU will recommend that civil proceedings be instituted to set aside the contract.
- **Office of the Premier:** The SIU received an allegation that PPE had been procured to the value of R1 667 and that no procurement process had been followed. The SIU investigation found no irregularities in respect of the SCM process.
- **Department of Agriculture, Rural Development, Land and Environment:** The SIU received an allegation relating to the procurement of PPE to the value of R660 101. The SIU investigation found no irregularities in respect of the SCM process.

MPUMULANGA PROVINCE

- **Department of Education:**

- 249 schools were identified for maintenance in respect of water and sanitation in order to comply with Covid-19 regulations. The SIU received an allegation that some of the service providers had either not rendered the services or had only partially rendered the services or that the prices of the equipment supplied had been inflated. 9 contractors were awarded contracts for the maintenance and the value of the contracts was R14.4 million. The SIU investigation found that the approved payment certificates did not reflect the actual work completed on site and that the Project Managers from the Department of Public Works, Roads and Transport were responsible for signing off these certificates after a verification was supposed to be done to confirm that the work had actually been done. No payments had been made by the Department of Education. Disciplinary action has been recommended against the 11 project managers.
- The SIU received an allegation that a service provider had supplied the Department with PPE to the value of R138 000. The SIU investigation was to determine if NT Regulations and Practice Notes had been adhered to. The SIU investigation found that the PPE had been donated to the Department by the service provider and that the Department should not have made payment to them. The service provider has since refunded the Department the full amount that was paid.

MPUMULANGA PROVINCE

- **Mpumalanga Economic Growth Agency:**

- The allegations emanate from a media report dated 19 August 2020 in respect of the irregular procurement of and contracting for the supply of PPE related goods and services. 1 service provider received a contract to the value of R195 580. The SIU investigation found no irregularities in respect of the SCM process and the price paid for the PPE was in line with the NT guidelines.
- The allegations emanate from a media report dated 19 August 2020 in respect of the irregular procurement of and contracting for the supply of PPE related goods and services. 2 service provider received contracts to the value of R403 988. The SIU investigation found that the PPE had been procured at inflated prices and that some of the items purchased were not classified as PPE as per NT instructions. MEGA suffered a loss as and the SIU will recommend that civil proceedings will be instituted to recover the losses. Disciplinary action was recommended against the official who purchased the oil heaters that were not classified as PPE which made the procurement process irregular.

MPUMULANGA PROVINCE

- **Department of Community Safety, Security and Liaison:** The SIU received an allegation that a service provider was requested on 3 separate occasions to provide disaster relief material to the Provincial Disaster Management Centre. The value of the contracts was R1.4 million. The SIU investigation found that no SCM process was followed, fraudulent invoices were submitted and that the prices of the material was inflated. The SIU will recommend that civil proceedings be instituted to set aside the contract and recover any losses suffered. Criminal action will also be recommended against the Director of the service provider who unlawfully and intentionally made a misrepresentation to the Department and submitted fraudulent invoices to the Department.
- **Department of Health:** The SIU conducted a desktop analysis to identify any discrepancies relating to the expenditure of PPE related goods and services. The Mpumalanga Provincial Treasury Covid-19 Procurement Disclosure Report was used as the source document. 5 contracts were awarded to the value of R18.6 million for KN95 masks. The SIU investigation found that the SCM process was irregular in respect of all the contracts awarded because only 1 quotation was obtained. The goods were delivered before the purchase order was issued and documents had to be backdated. The Department did not receive value for money because the items had to be recalled and replaced. The mark-up on some of the items sold was 106%. Disciplinary action against an official was recommended.

MPUMULANGA PROVINCE

- **Department of Social Development:**

- The SIU received an allegation that various service providers had been awarded contracts to provide food parcels to homeless base camps. 17 service providers were awarded contracts to the value of R4 million. The SIU investigation was to determine if NT Regulations and Practice Notes had been adhered to. The SIU investigation found no irregularities in respect of the SCM process and all the beneficiaries confirmed that they had received the food parcels.
- The SIU received an allegation that a service provider who had provided hygiene services in 2019 was irregularly awarded a PPE contract. The SIU investigation found that the SCM process was not fair, equitable, transparent, competitive and cost-effective. The service provider also overcharged the Department for the PPE. The SIU will recommend that civil proceedings be instituted to recover the overpayment of R904 885.

MPUMULANGA PROVINCE

- **Department of Culture, Sports and Recreation:**

- The SIU received an allegation that the Department had procured PPE at inflated prices. A contract was awarded to the value of R298 900. The SIU investigation found that the PPE had been procured at inflated prices and the Department suffered a loss of R109 900. The SIU will recommend that civil proceedings be instituted to recover the losses suffered.
- The allegations came from a media report dated 19 August 2020 which reported on discrepancies relating to expenditure and pricing on Covid-19 PPE in that the pricing of fumigation services conducted at various libraries, were above the prescribed amount as per NT instructions. The value of the contracts awarded was R2.9 million. The SIU investigation found that the libraries were all supposed to measure 840 square metres but some of them were smaller, which meant that the Department suffered losses because they overpaid for the services rendered. The SIU will recommend that civil proceedings be instituted to recover the losses suffered.

NORTHERN CAPE PROVINCE

- **Kareeberg Local Municipality:** The SIU received an allegation that an official from the Department of Health was received PPE tenders from the Municipality. The contract was awarded for the sanitizing of municipal buildings to the value of R14 500. The SIU investigation found that no official had been awarded any contracts by the Municipality.

NORTH WEST PROVINCE

- **Department of Health:**

- The SIU received an allegation that various service providers had been irregularly appointed to provide PPE. 21 service providers were awarded contracts to the value of R30 million. The SIU investigation found no irregularities in respect of the SCM process and all contracts were awarded in line with the Department's SCM policies and the Emergency Procurement Procedures.
- The SIU the SIU conducted a high-level review of the appointment of all service providers contracted by the Department during the period of the Proclamation. Two of the focus areas in this review were the prices charged by service providers in comparison to the guideline pricing as published by NT instructions and the charging of VAT by service providers. The SIU investigation found that service providers had inflated the prices of the PPE and service providers may have also transgressed taxation laws. 8 AODs were signed to the value of R1 million for the inflated portions of the contracts awarded. The State Attorney has been briefed to appoint counsel to recover overpayments that were made to 3 of the service providers. The SIU made referrals to SARS against 7 of the service providers.

NORTH WEST PROVINCE

- **Department of Education:**

- The SIU received an allegation that a service provider was irregularly appointed to supply 50 000 3 layered masks to the Department to the value of R1.2 million. The SIU investigation found irregularities in respect of the SCM process and the service provider had supplied the PPE at inflated prices. It could also not be determined if in fact the service provider had delivered the masks. Disciplinary action against an official was recommended and the State Attorney has been instructed to brief counsel to set aside the contract and recover any losses suffered.
- The SIU received an allegation in respect of the procurement of masks for staff and learners in the Province. The request for quotation stated that 50 000 face masks were required but 50 000 face masks were procured from each of the service providers. The value of the contracts awarded was R9 million. The SIU investigation found that an informal committee was established to manage the procurement of PPE. However the committee may have committed financial misconduct because they failed to ensure that the SCM process was fair, equitable, transparent, competitive and cost-effective. The committee even requested that 1 of the service providers reduce their quotation so that it was below the threshold set by NT. Disciplinary action will be recommended against the members of this informal committee.

NORTH WEST PROVINCE

- **Department of Education:** The SIU received an allegation that various service providers were irregularly appointed to supply PPE to the value of R4.7 million. The SIU investigation found no irregularities in respect of the SCM process and all contracts were awarded in line with the Department's SCM policies and the Emergency Procurement Procedures.
- **Department of Social Development:** The SIU received an allegation that food parcels were not distributed to the intended beneficiaries. It was also alleged that the Department had awarded contracts for the erection and maintenance of quarantine facilities, catering services and the supply of PPE without following a proper procurement process. The value of the contracts for the food parcels was R10.8 million. The value of the contracts awarded for the catering services was R501 222 and the value of the contracts awarded for the supply of PPE was 10.5 million. The SIU investigation found no irregularities in respect of the SCM process and that all the food parcels had been delivered as per the service level agreements signed, catering services were also provided and the PPE that had been procured had been delivered.
- **JB Marks Local Municipality:** The SIU received an allegation that service providers were irregularly appointed to renovate and refurbish quarantine sites. The SIU investigation found irregularities in respect of the SCM process and a disciplinary referral against an official was submitted to the Municipality.

NORTH WEST PROVINCE

- **Moses Kotane Local Municipality:** The SIU received an allegation from 2 political parties that officials were abusing their powers and using resources meant for Covid-19 relief measures to campaign ahead of the 2021 Local Government elections. It was further alleged that 13 services providers who received contracts to the value of R817 748 were irregularly appointed. The SIU investigation found no irregularities in respect of the SCM process and all contracts were awarded in line with the Municipality's SCM policies and the Emergency Procurement Procedures.
- **Ratlou Local Municipality:** The SIU received an allegation that officials were abusing the petrol cards for Covid-19 related travel. It was further alleged that one card would incur up to R5 000 for a local trip that is not even 60km. The investigating team has met with the Hawks regarding this allegation and has reviewed all the documents received. Initially, it was thought that this allegation does not fall within the ambit of the Proclamation. However the Municipality's Administrator has confirmed that the allegation relates to Covid-19 expenditure. The Administrator undertook to provide the SIU with additional documentation in relation to the allegation as soon as possible once ongoing litigation about the legality of administration in terms of section 139(1)(b) of the Constitution had been concluded. As at 31 March 2021 the Administrator has not provided the SIU with the required additional documentation. The matter will be re-opened once the required documents are made available to the SIU.

WESTERN CAPE PROVINCE

- **National Department of Environment, Forestry and Fishery:** The SIU received an allegation that a service provider has supplied sanitizer to the Department that had been bottled under a false and/or forged, cloned label. The value of the contract was R494 500. The SIU investigation found that the allegations were true and that the service provider had misrepresented the Department. Disciplinary action against an official was recommended and the State Attorney was briefed to appoint counsel to consider the appropriate action.
- **Department of Education:** The SIU received an allegation relating to the allocation of tenders awarded to a service provider to the value of R54.5 million. The SIU investigation found that the SCM process did not comply with Section 217 of the Constitution. The State Attorney has been requested to brief counsel to review and set aside the contract.
- **Department of Transport:** The SIU received an allegation relating to irregularities with the procurement of PPE to the value of R40 million. The SIU investigation found no irregularities in respect of the SCM process.

WESTERN CAPE PROVINCE

- **Laingsburg Local Municipality:** The SIU received an allegation that senior officials had appointed close friends to supply food parcels to the community. The value of the contract was R3553 207. The SIU investigation found that no contracts had been awarded for food parcels.
- **Mossel Bay Local Municipality:** The SIU received an allegation relating to irregularities in respect of the distribution of food parcels and the procurement of PPE. The value of the contracts was R1.4 million. The SIU investigation found that no irregularities in respect of the SCM process.
- **Hessequa Local Municipality:** The SIU received an allegation that there were irregularities in respect of the distribution of food parcels. Contracts were awarded to 8 service providers to the value of R1.5 million. The SIU investigation found no irregularities in respect of the SCM process.
- **Saldanha Bay Local Municipality:** The SIU received an allegation relating to irregularities with the distribution of food parcels to the value of R750 000. The SIU investigation found no irregularities in respect of the SCM process.
- **Langeberg Local Municipality:** The SIU received an allegation relating to irregularities with the distribution of food parcels to the value of R700 000. The SIU investigation found no irregularities in respect of the SCM process.

ESTIMATED COSTS

- The high level estimated costs that are projected for additional resources that would be required for this proclamation is set out below:

SIU: Consolidated additional resource requirements, including for the Covid-19 Investigations, Proclamation R23 of 2020			
1	Cost of SIU resources, at the current recovery rates of the SIU	R	160 631 730
2	Cost of +/- 33 additional resources on short term contract	R	84 621 346
3	Cost of additional experts sourced through SCM, on SIU's panel of service providers	R	20 529 640
4	Cost of additional professional services (Counsel and other) costs for Civil Litigation	R	75 000 000
TOTAL ESTIMATED SIU COSTS FOR PROCLAMATION R23 OF 2020		R	340 782 715

- The current estimated costs of the SIU investigation to end August 2021, which includes the current investigations and those yet to commence is estimated at about R182 million. This figure excludes an estimate of about R85 million for additional short term contractors, as well as an estimated figure of R75 million for civil litigation costs. The total estimate therefore is +/- R341 million, which is slightly down from the previous estimate of R386 million. The main reasons for the reduction is as follows:
 - Reduction of SIU estimated cost of internal resources - R12 million
 - Reduction in estimated costs of experts sourced through SIU's SCM processes - R33 million
 - The initial estimates were provided based on projections by the SIU teams and as the investigations progressed, the actual costs have become less than what was projected.



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