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(/)

DM168

SPECIAL INVESTIGATION

Watergate – Whistle-blower lifts lid on ‘probably the most perfect example of ANC State Capture’

From left: Nomvula Mokonyane, Senzo Mchunu and Lindiwe Sisulu. (Photos: Gallo Images, iStock and Unsplash)

By Angus Begg (https://www.dailymaverick.co.za/author/angus-begg/)

09 Apr 2022

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Billions of rands down the drain, 65 senior officials implicated in widespread corruption, and a two-year investigation into the Water and Sanitation Department discarded.

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A whistle-blower frustrated by a lack of action against more than 65 top officials in the Department of Water and Sanitation (DWS) who were implicated in widespread corruption has given *DM168* access to reports that reveal the department to be what the whistle-blower calls “probably the most perfect and comprehensive example of ANC State Capture”.

The documents reveal details of officials’ complicity in corruption and violations in virtually all Water Boards, municipality, water and sanitation projects, and questionable suppliers in every province, running into tens of billions of rands over a decade.

The investigations commissioned by former Human Settlements, Water and Sanitation minister Lindiwe Sisulu when she took over from Nomvula Mokonyane in 2019 comprise more than two million files, 90,000 folders, hundreds of thousands of emails and documents, and more than 2TB of critical DWS data stored on an external secure server.

The investigations into corruption lasted for two years, involving data and every communication within the DWS from 2011 to 2021.

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South Africa has many problems, ranging from a lack of access to water and sanitation to unemployment and health issues. Start-ups may be able to address these in innovative ways while also

The files contain internal email communications at levels of director, chief director, deputy director-general (DDG), director-general (DG) up to and including ministerial level. It includes internal strategic documents relating to all national projects, motivations, budgets, progress reports, statuses, financing, funding, approvals, forensic investigations and even disciplinary actions.

These revelations emerged as disastrous wastewater compliance was revealed by current Water and Sanitation Minister Senzo Mchunu when he released the first Green Drop report since Mokonyane stopped releasing it in 2013.

State hands picking taxpayers’ pockets

The Auditor-General's report for the years 2019-2021 show that, when Sisulu replaced Mokonyane, irregular and wasteful expenditure in the department amounted to R17-billion, with R1.7-billion of that being "fruitless and wasteful".

This amount was revised upwards by the Sisulu-sanctioned investigation within a few months from R17-billion to R31-billion.

The forensic investigation reports resulted in findings that fall into two categories: "fruitless and wasteful" expenditure, which can be attributed to negligence, gross negligence or oversight; and "irregular" expenditure.

Irregular expenditure, says the whistle-blower, "by pure definition implies probable deliberate wrongdoing", or "grossly negligent conduct of such a nature that a disciplinary hearing, and criminal and possibly civil cases must follow". The whistle-blower says the leaked documents lay bare the chaotic, free-for-all within the DWS corridors of power.

Read in Daily Maverick*: SA has experienced rain increases and most dams are full, yet a national water crisis persists (https://www.dailymaverick.co.za/article/2022-04-06-sa-has-experienced-rain-increases-and-most-dams-are-full-yet-a-national-water-crisis-persists/)*

According to the whistle-blower, Sisulu's response was to institute a DWS disciplinary committee, which was tasked with taking disciplinary action against officials implicated in the forensic investigation reports.

The whistle-blower told *DM168* that the former minister attempted to root out the rot in the department by embarking on an extensive consequence management programme that was aimed at removing incompetent and corrupt DWS officials nationally.

Among the programme's objectives were to bring charges against individuals identified in forensic investigation reports as guilty of violations of the Public Finance Management Act and negligence, and to investigate irregular, fruitless and wasteful expenditure while also making recommendations where appropriate to recover money. Among the allegations were:

- Supply chain management circumvention;
- Spending approvals exceeding delegated authority and budget; and

- Approving spending without parliamentary or Treasury approval.

The start of the breakdown

On 1 August 2021, four days before President Cyril Ramaphosa split Human Settlements, Water and Sanitation into two separate ministries and handed Water and Sanitation to his loyal supporter, former KZN Premier Senzo Mchunu on 5 August 2021, News24 reported that then minister Sisulu had lodged a formal complaint with Parliament's Joint Committee on Intelligence about the State Security Agency's alleged illegal monitoring of the Amatola Water Board and surveillance and harassment of some of her staff members after she raised concerns about a delay in an investigation into corruption at the water entity.

Sisulu said her staff were followed, harassed and threatened in hotels and their homes, while their spouses were also harassed and had guns pointed at them.

Confirming this harassment, the whistle-blower said the disciplinary committee and some of its investigators experienced robberies and break-ins, computer laptops and data were stolen, suspects' laptops were "scrubbed" and submerged in water, and phones were wiped.

The whistle-blower said some disciplinary committee team members feared for their safety so hearings were conducted at the Human Settlements offices in Pretoria, as the building was considered "more safe and secure than Department of Water and Sanitation offices".

According to the whistle-blower, Sisulu's removal and redeployment as Minister of Tourism came as "a bolt from the blue" for those trying to uncover the rot within the department.

"Within a week", said a department insider, "her replacement, incumbent Department of Water and Sanitation Minister [Mchunu], came in and closed down the Disciplinary Committee and its work", which had opened a can of worms by investigating and identifying top management officials within the department as "negligent or having acted in a manner that gave cause to corrupt or potentially corrupt activity".

Mchunu told *DM168* that there was no formal handover between himself and Sisulu when he took occupation of her office.

"It was verbal," said the minister, referring to the handover of an entire ministry and its affairs, a process that those familiar with public administration say should take about six months.

When asked for comment about circumstances surrounding her removal, and the disciplinary committee she set up, Sisulu's spokesperson, Steve Motale, said: "Minister Lindiwe Sisulu is in charge of Tourism and not the Department of Water and Sanitation. She will gladly answer any question related to her current portfolio. Please direct your questions to the current minister of water and sanitation."

Waving his stick and other tactics

The whistle-blower says the Department of Water and Sanitation Giyani water project is a classic example of how corruption destroys the lives of the "poorest of the poor".

Launched by former president Jacob Zuma and then Water Affairs minister Nomvula Mokonyane in 2014 to provide more than 50 villages in the greater Giyani area with clean water as part of the minister's War on Leaks programme, the whistle-blower says the R90-million originally allocated to the project, now seven years old, has escalated to more than R4-billion.

Mchunu visited the project in September last year, soon after replacing Sisulu. *The Citizen* reported him as saying that "those who stole a cent from this [Giyani] project will soon face the wrath of the law. It doesn't matter whether you are a senior government official or municipality guru."

When asked by *DM168* why he did not use the extensive forensic evidence in the disciplinary committee's investigation to bring culprits to book, Mchunu said he preferred to work "his way", referring suspected parties to "the competent authorities".

Mchunu said the Special Investigating Unit (SIU) was investigating allegations of misconduct at various water boards and municipalities. But the the whistle-blower says the SIU can only work with the information given to it, and that the SIU is "highly unlikely" to have the information contained in these forensic investigation documents.

As an example of what could be called selective DWS investigation, the whistle-blower says that, while former Lepelle Water Board CEO Phineas

Legodi and his six co-accused are out on bail after appearing in the Polokwane Magistrates' Court in Limpopo on several charges of fraud and theft, he "could not have got away with what he did without the assistance of DWS officials".

"Which begs the question, who is investigating the DWS?" he asked.

Irregular expenditure for dummies

The whistle-blower said the War on Leaks project, which had no parliamentary approval, a prerequisite for projects of this nature, is illustrative of the pattern of "irregular" expenditure that captured DWS.

As revealed by a News24 investigation, billions of rands were allocated (https://www.news24.com/news24/southafrica/news/exclusive-nomvula-mokonyane-blamed-for-draining-taxpayers-out-of-almost-r3-billion-in-botched-water-project-20220325) and spent in the name of the War on Leaks.

Many questions remain for Mchunu, among them why the disciplinary committee's two million files were not handed to the SIU, and what happened to the 65 cases involving senior officials implicated in the leaked documents produced by the disciplinary committee investigations. The whistle-blower says the option open to Mchunu and the department is obvious: "secure the data and files and hand these to the competent authorities".

Read in Daily Maverick*: 'Mammoth effort' and R8-billion needed to clean up SA's stinking sewage and wastewater crisis (https://www.dailymaverick.co.za/article/2022-04-07-mammoth-effort-and-r8-billion-needed-to-clean-up-sas-stinking-sewage-and-wastewater-crisis/)*

The whistle-blower says that, in disbanding the disciplinary committee, Mchunu and the department have chosen to ignore the investigation into his corruption-riddled department, effectively closing the book on two years' digging by a multidisciplinary forensic investigation team, which set out a plan for the clean-rinsing of the department.

In an interview this week, Mchunu told *DM168* that "there was no disbandment" (of the disciplinary committee), but rather that it was an advisory committee, the life of which ended with the conclusion of Sisulu's term of office, a view

confirmed by newly appointed DWS Director-General Dr Sean Phillips. “The committee referred to was an advisory committee to Minister Sisulu and the then acting DG on disciplinary matters that were being handled at the time. The role of the committee ceased with the political term.”

What about those 65 implicated senior DWS officials?

The whistle-blower says the elephant in the room is the basket of investigations involving billions of rands of irregular expenditure and the involvement of the very top tier of management within the DWS.

“I don’t know anything about that,” Mchunu said at the start of the interview.

“I asked for the status of whatever committee [Sisulu had instituted four advisory committees], and was told ‘they are attached to minister’ [sic], and now that minister is no longer there, so there was termination.”

Forgive them, for they have sinned (some of them anyway)

Later in the interview, however, the minister said the 65 were “either undergoing internal disciplinary processes … and also part of [sic] being investigated by the SIU and SAPS”.

Persistent requests and engagements with the minister’s office over 24 hours resulted in Mchunu calling DM168 directly at the end of the day to say he had been informed by DWS Chief Director: Human Resource Management Conrad Grieve that “17 of the so-called 65 cases were left, and that none of them were senior officials”.

Grieve confirmed that the SIU had conducted a number of investigations of their own, based on allegations made, either internally or by the public. One of the proclamations issued pertains to an entity of the department. Upon completion, the SIU has since made referrals to the National Prosecution Authority for fraud, corruption and money laundering of 57 individuals and entities. Furthermore, five disciplinary referrals to the entity have been made and 45 administrative action applications have been made for placing the implicated entities and individuals on the National Treasury database of restricted suppliers.

With such detailed information provided, the question remains: What has happened to the 65 officials who were implicated in irregular

expenditure by two years of investigations and a ministerially appointed disciplinary commitee?

At the point the disciplinary committee was closed down, the whistle-blower says the cost to investigate corruption in the department was “in excess of R36-million”. **DM168**

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Ian Gwilt 10 April 2022 at 08:19 (https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5332415)

I bet Cyril was shocked

> **Libby** 11 April 2022 at 08:05 (https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5337913)

> Do you think even he is shocked? He must have known all along. Is he not the boss? Maybe he is so busy loving Russia he has not even heard the news yet.

Pieter Malan 10 April 2022 at 08:23
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5332430)

What ANC do best. Sweep it under the carpet.

Paul Ten-Bokum 10 April 2022 at 08:39
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5332530)

It doesn't make sense that all the work commissioned by a minister ends when that minister is replaced, that is a weak excuse. It is clear that the new minister does not want the investigations to continue. More worrying is that The president is the one to move ministers, so he must be in on it.

Paul Ten-Bokum 10 April 2022 at 09:01
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5332656)

It has been widely reported that Sisulu has been vying to be the ANC presidential candidate for the RET faction, which appears to be a grouping of the ANC's biggest crooks and gangsters. Why would she be working so hard to expose graft when she would likely be targeting her own supporters? For someone who happily pins her colours to the mast of the RET pirate ship this doesn't seem to be a savvy political move.

Ricky Rocker 10 April 2022 at 11:37
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5333528)

...there really are no words to justify the brutal rape of our country by the ANC.

John Cawood 10 April 2022 at 11:38
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5333535)

More worms than apple.

Glyn Morgan 10 April 2022 at 12:05
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5333825)

So it seems as tho' Ramaphosa is aware of the workings of this treason?

Steve Smith 10 April 2022 at 14:44
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5334745)

Now watch there be a witch-hunt like no other in order to identify the whistle-blower, more than likely without anything happening to any of the fraudulent thieves in the departments!! That would be soooo typical of what happens in this corrupt government.

Tim Elliott 10 April 2022 at 16:57
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5335529)

Another day, another brilliant article exposing failure, theft and corruption on an unimaginable scale! Tragic enough but the REAL tragedy is there will NO CONSEQUENCES for those implicated with honest, hard working, tax paying South Africans abandoned yet again.

Brian Cotter 10 April 2022 at 17:25
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5335800)

Why the hell should we believe you, you lie, you lie, you lie
There was an article within a couple of days ago saying it would take R8 billion to fix all the mess.
So where is the transparency? There was none, it is only a whistleblower who lets the cat out of the bag. Shame on you Cyril. Every move you have made over the last month locally and internationally has been a disaster.

JAJ Stewart 10 April 2022 at 18:15
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5336030)

I'm past disgust. Just sad.

John Duncan 10 April 2022 at 22:40
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5337074)

Messing with water is a crime against humanity. The perpetraitors must pay..

Stefanie Schutte 11 April 2022 at 08:13
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5337960)

Shocking!

Dick Cullingworth 11 April 2022 at 09:04
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5338370)

I am absolutely astonished that any person expected to step aside dare put his name down for any government office, and more so, actually get support and get voted in. Must be a Russian influence, the Putin way of doing and denying.

James Harrison (Https://Www.Facebook.Com/App_scoped_user_id/YXNpZADpBWEhhTWFnazBYYWhSYVU3QUZA3UUx0LUxaZAnFTLUNuZAWRa)

11 April 2022 at 09:24
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5338513)

It is clear that the ANC is beyond redemption and represents a direct threat to the future of RSA and its people. The question is, when will citizens realize this?

Chris 123 12 April 2022 at 08:32
(https://www.dailymaverick.co.za/article/2022-04-09-watergate-whistle-blower-lifts-lid-on-probably-the-most-perfect-example-of-anc-state-capture/#comment-5344255)

Seems Sisulu is not as bad as she is made out and Ramaphosa is not as keen on ending corruption as we thought.

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