

Claims Of Irregularities In The Appointment Of Low - Cost Housing Service Providers

On 20 October 2011, the Public Protector launched an intensive investigation into allegations of tender improprieties (in the Department of Cooperative Governance Human Settlements and Traditional Affairs) involving the awarding of tenders to companies alleged to have links with Mr. Julius Malema.

The companies that were alleged to have links with Mr. Malema and did business with our Department, viz: Sizani Build IT (owned by Mr. Steve Bosch), Aurecon (Multinational Company), On Point Civil Engineers (owned by Mr. Lesiba Gwangwa) and Arandi Trading (Mr. Tshepo Malema).

Upon receipt of a letter of investigation, the Department provided the office of the Public Protector with all documents requested and cooperated fully until the last day of investigation.

We have always maintained our innocence as a department that our department adheres to the highest ethical and administrative standards in all its dealings including procurement of services.

I am happy to announce that, the department has just received a letter from the Public Protector informing us that they have found no wrong doing in the appointment of the companies that were alleged to have had links with Mr. Julius Malema. This matter is now closed.

The Star Newspaper allegations

On Friday, 1st February 2013 and yesterday the 04th February 2013, The Star newspaper published an article claiming that there are irregularities in the appointment of Service Providers to handle the construction of low-cost housing for the people of Limpopo.

Upon reading the article, I did two things:

- Wrote an immediate rebuttal of the article to the editor of The Star, pointing out that the newspaper's assertion is false and without foundation, and is part of a smear campaign against the political leadership of the province.
- Wrote to the Auditor-General and Public Protector requesting that they investigate the appointment of these service providers, as well as The Star's allegation of impropriety against officials in the department of which I am political head.

I have asked the Auditor-General and Public Protector to investigate these allegations not because I believe them to be true, but because I have every reason to believe that they are false. But, because it appears that the newspaper in question seems to disbelieve us when it comes to such matters, I feel that I need to be able to give the public an independent assurance that there is no wrongdoing in the allocation of contracts to Service Providers. And because no matter how often we rebut the allegations of mispropriety which The Star seeks to peddle, and provide them with proof to the contrary, they continue to insist that there is corruption.

Let me state this upfront, and for the record: there is no corruption or favouritism in the awarding of contracts. There is no impropriety. And to suggest otherwise - without any proof or substantiation, as The Star likes to do -- is an insult to the intelligence, integrity and commitment of the public servants who burn the midnight oil ensuring that homes are provided to the poor, to the contractors who work so hard to ensure that quality homes are constructed within budget and on time, and to the workers who build those homes, brick by brick, window by window, door by door.

It is, more than anything, an insult to the thousands of beneficiaries of Government housing policy, who today have shelter and a roof over their heads thanks to the tireless work of the people I have

mentioned.

The article in The Star contains serious allegations. But they are based on innuendos and baseless conspiracy theories.

First, let us deal with the facts - or, in this case, the non-facts - that are assembled in the article:

- The companies that have been appointed as contractors for the 2013/14 financial year have been appointed on the basis of price, track record, ability and a number of other criteria outlined in our procurement policies. It is completely untrue - and defamatory -- to suggest that they have been appointed because of who they are friends with, and we challenge The Star to substantiate this claim by anything other than innuendo.
- It is disingenuous to suggest anything sinister in the fact that contracts were awarded on 19 December 2012, "24 hours after President Jacob Zuma secured a second term in Mangaung". The department was at work throughout the festive season - because of its commitment to ensuring service delivery - and we had a job to complete, just as we have done in previous years. The date in question, the 19th of December, was a working day, was it not? Or does The Star suggest our department shuts down during any events of a political nature, to ensure we are not accused of some or other political agenda?
- The image of the article is further compromised by the contradiction it contains. It lashes out at the following contractors; Dada, Boshielo and Foromo among others, but later on exonerates them from any condemnation by saying, "although Dada, Boshielo&Foromo are close to Malema, nothing irregular was found with their bid documents."

It is for this reason that we today say to The Star, and the reporter who wrote the article: Your article is baseless.

Now let us look at the facts:

- For the past four years, Limpopo's Department of Cooperative Governance, Human Settlement & Traditional Affairs (CoGHSTA) has been ranked as the Best Human Settlements Department in the country.
- During this period, the department has collected 30 Service Excellence Awards, including accolades from renowned institutions like the Southern African Institute of Chartered Accountants.
- The cornerstone of this success is compliance with the "forward planning standard" set out in the National Housing Code, which ensures the appointment of housing contractors in advance of the next financial year, so that there is sufficient time to assess project proposals, preparation by contractors, beneficiary management and assign the necessary financial resources.
- In addition, the department has ensured compliance with a robust and thorough set of accounting and good governance rules - in particular, the Public Finance Management Act, and the requirement of achieving a clean audit.

As I have said, these claims by The Star are clearly without substance, and seem to follow a political agenda best known to themselves. To demonstrate our commitment to proving this, and in the spirit of Transparency and Good Governance, we have challenged The Star to substantiate their allegations. We eagerly await their response.

In the meantime, we will be cooperating fully with the institutions that thrive on facts, figures, and the truth, and which are best-placed to find out if indeed there is anything to be concerned about: the Auditor-General and Public Protector.

In conclusion, we want to assure members of the Public that, to date, not even a penny of their money has been spent as the headline suggests.