

Deputy minister accused of using political power to save embattled KZN firm

The Star, pg 6, 16 April 2013

**BONGANI HANS AND
BRONWYN FOURIE**

A DEPUTY minister appears to have overstepped her mandate by involving herself in the liquidation of a Pietermar-

itzburg company that worked on President Jacob Zuma's Nkandla home, possibly helping to bail it out of liquidation.

Bonelema Construction, Enterprise and Projects – which was awarded two building

contracts worth almost R90 million – avoided liquidation in February after reaching a settlement with its creditors, including a string of Kwazulu-Natal sub-contractors.

But questions are now being asked if the intervention of Hendrietta Bogopane-Zulu, the deputy minister for Women, Children and People with Disabilities, enabled Bonelema to avoid liquidation. She apparently used her

political muscle to pressure the Industrial Development Corporation (IDC) to grant the company further finance of R10m.

The company, owned by Pietermaritzburg businessman Thandeka Nene, already owed the IDC more than R19m.

A source, who was part of some of the liquidation meetings, said the IDC had declined a request from Bonelema for an additional funding before Bogopane-Zulu's involvement.

The corporation agreed to grant Bonelema R10m that helped pay Nene's creditors R39.5m after her intervention.

Last week, Bogopane-Zulu admitted urging the IDC to give Nene a second chance because she had the potential.

However, a written response from Motumani the following day denied this. She said the deputy minister assisted companies "all the time" in similar ways. Spokesman Sisa Mbuli said

the decision was made to ensure the continued operation of the company and to save jobs.

However, the R10m was never paid to Bonelema as the additional security requested, particularly mortgage bonds, had not been supplied.

He said he did not know where Nene was accessing the finance to pay creditors as part of the agreement.

The source was adamant that Bogopane-Zulu had

influenced the IDC to assist Nene.

When The Star's sister paper, The Mercury, asked Nene how she was able to commit to paying R39m to her creditors, she said the newspaper "should ask the IDC".

When told that the IDC claimed it had not released further finance, she said it was a private matter and hung up.

Archen Dreyer, the DA's spokesman on Public Works,

said she would be submitting questions to Bogopane-Zulu and the minister of finance to ascertain the full details relating to the reasons for her involvement, and whether any influence had been used in the IDC granting Nene finance.

Department of Public Works spokesman Sabelo Mali said matters related to the Nkandla upgrade were being investigated and could not comment.



IN THE SPOTLIGHT: Deputy Minister for Women, Children and People with Disabilities Hendrietta Bogopane-Zulu