

Durban in 'ghost employees' bust

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IN ONE month alone last year, the eThekweni municipality allegedly paid more than R1.2 million to individuals for work they never did.

This has been revealed in a forensic investigation report compiled by the city integrity and investigations unit (CIU).

The report focuses on "ghost employees" in the city's Expanded Public Works Programme (EPWP) and payments of inflated daily rates to individuals.

Although criminal charges were recommended against a Safer Cities official, Andile Shangase, and disciplinary action against three of his senior managers, including former Safer Cities head Martin Xaba, the municipality has so far suspended only Shangase pending a disciplinary hearing.

Xaba is now a key staffer at mayor Zandile Gumede's office.

The other implicated officials are Sbu Chamane (project manager: infrastructure management and socio-economic development) and Xolani Vilane, Safer Cities' administration manager.

The report provided details of how Shangase, assisted by a relative, Bongani Shangase, had allegedly recruited various individuals, presented them to the municipality as legitimate EPWP workers, facilitated the opening of bank accounts under the individuals' names to receive EPWP payments, but kept the bank cards and PIN codes and subsequently withdrew money from their accounts.

The report also provides

evidence of EPWP workers, including people who never performed any work, having been paid significantly higher daily rates, ranging between R511 and R2090, as opposed to a general rate of R130 per day.

It established that 71 individuals were paid R950 per day for 43 days during May 2017, which had 22 working days. These payments amounted to just over R31000 net pay per month, a huge amount for EPWP workers, who are usually paid a pittance, it is alleged.

In total, a minimum amount of R1.2m was fraudulently paid in that month alone to individuals who never performed any duties for the EPWP pro-

gramme, reads the report, which was signed off by CIU head Mbuso Ngcobo.

This included six identified "EPWP ghost employees" recruited by Shangase.

"In July 2017 these individuals disappeared from the EPWP payroll subsequent to the CIU investigation. Those individuals will be dealt with in a separate report," said Ngcobo.

"Due to total disregard of good governance and nonexistence of internal controls, no specific official took ownership of allocating rates to individuals working within EPWP, including the six confirmed ghost employees," Ngcobo wrote in the report.

The CIU found that Xaba, Vilane and Chamane had all contravened various sections of the Municipal Finance Management Act in that they had failed to prevent unauthorised, irregular and wasteful expenditure of at least R1.2m in one month alone.

Despite the damning report, eThekweni spokesperson Tozi Mthethwa said legal opinion sought by the city manager, Siphon Nzuza, found Shangase's suspension was sufficient.

"Legal opinion was sought on the matter which resulted in the suspension of one official pending a disciplinary hearing," said Mthethwa.

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Suspended official 'stole' from city

SUSPENDED city official Andile Shangase allegedly recruited 10 unemployed people from his hometown of KwaSwayimani, Wartburg, outside eThekweni's jurisdiction, to serve as "ghost employees" in an Expanded Public Works Programme.

A forensic report by eThekweni Municipality's city integrity investigations unit, which was this week leaked to the Sunday Tribune, details how Shangase with the help of his brother, Bongani, recruited the unemployed people and had them open bank accounts at Standard Bank and ABSA using a common cell phone number.

The report states that Shangase had arrived in Pietermaritzburg in an Audi A4 after hiring a minibus taxi for the group of "ghost employees" so they could open bank accounts in

the provincial capital.

He then took the bank cards, with the pin numbers, advising the new account holders that he needed this to get them onto the municipality's payroll.

During the CIU probe Shangase denied his involvement, despite CCTV footage locating him inside the bank. A Standard Bank agent had become suspicious of the same cell phone number being used to open the accounts, and had asked that the registered user of the cellphone number (Shangase) be brought into the bank.

After that, all transactions in the bank accounts were closely monitored by Standard Bank, leading to a trail of forensic evidence.

After taking possession of the bank cards, payments were made into the bank accounts. Shangase

returned to KwaSwayimani and paid the people R1 000 each monthly, the CIU report states.

However, one woman had used her own cell phone number to open her bank account and not the number provided by Shangase. When he became aware of this, he threatened to remove her from the programme.

On May 2017, the woman received an SMS notification on her cell phone number that an amount of R31 091.50 had been deposited into her newly opened Standard Bank account.

The woman suspected they were being used in a web of corruption and immediately contacted Shangase, who still had her bank card, to advise him not to use her to commit fraud.

Although Shangase has been suspended pending a disciplinary inquiry.