

HOW TO LOOT R1.6BN

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ROADS TO NOWHERE

The report, prepared by Treasury, was about the construction of a number of roads in the Eastern Cape, which the then department of roads and public works commissioned.

Treasury found the department was in chaos and had a poor project management system.

In addition, the department awarded a large chunk of road construction projects worth R914 million to the IDT, Sanral and the CDC - all at the same time.

In some cases, duplicate payments were made. In one case, the department paid Aqua R4 million for two road projects which had been allocated to the IDT.

The IDT paid R8.2 million to other service providers to build the same roads. The department paid R2.3 million to Sanral for the same road.

Of another case, Treasury investigators said: "We have identified two projects where the description is indicated as quarrying of material for lengths of 12.3km and 11.1km, respectively.

"The contract value is indicated as R57.1 million and R44.3 million. These amounts seem to be excessive for supplying road stone material for the above-mentioned lengths."

About duplicate payments to Aqua, the report's authors said that "three projects possibly include duplicate payments. The total payments relating to these projects is R74.3 million."

Investigators discovered that the department paid Aqua about R139 million for 10 projects, which had also been awarded to Coega.

Furthermore, the department paid Aqua about R49.6 million, but documents show a third party got the money. The department paid R320 million to Aqua and other companies for 10 projects which had also been

awarded to the CDC. The department paid other companies - excluding Aqua, the IDT and Sanral - about R304 million for the same roads the CDC was asked to build.

Yet another company was paid R35 million for a project budgeted at R20 million.

WHAT THEY SAY

Sanral's southern regional manager, Mbulelo Peterson, said the department contracted Sanral to resurface 807km of provincial roads.

"Sanral can therefore only speculate that the identification of duplication of work by Sanral, and other implementing agents was either done in error, or refers to different types of work done on the same road, or different sections of the same road," he said.

"For example, a Sanral-appointed service provider may well have implemented a fog spray on provincial roads that were also undergoing routine maintenance or having

other work done by another service provider appointed by the department, or another implementing agent."

Aqua declined to comment, but said the report was flawed and inaccurate. The company threatened to take legal action against City Press should it publish its findings.

The IDT did not respond to questions sent on Thursday. Spokesperson Thabisile Dhlomo said: "The IDT is not in possession of the investigation report produced by special audit services and therefore is unable to provide a full response."

CDC spokesperson Ayanda Vilakazi did not respond to detailed questions, but said the department contracted Coega to build roads for three years in six provincial districts.

He said Coega handed all its files to the department after it decided to take over the project.

The SHRA could not be reached for comment.