

SIU probes 236 ‘dodgy’ lease agreements

Provincial public works department's rent office space under microscope

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The SIU is investigating 236 “dodgy” lease agreements which the provincial public works department entered into to rent office space.

The special investigating unit is probing lease agreements between June 1 2003 and August 27 2014.

SIU deputy national head Caroline Mampuru told MPLs at the Bhisho legislature last week that this was part of an investigation into the national public works department.

The SIU is investigating the procurement and administra-

tion of lease agreements.

The SIU was roped in after former president Jacob Zuma signed a proclamation on August 27 2014 for the SIU to investigate whether there was any theft, fraud, corruption, irregularities, malpractice or maladministration in the affairs of the department in respect of these leases.

The report stated that of the

236 lease agreements, 38 of the deals were from Mthatha.

Mampuru said her unit was in the process of recovering in excess of R500,000 due to the provincial department.

Mampuru said so far, they had recovered R1.1m the provincial department had paid for parking space.

The unit is investigating allegations that several service

providers who had lease agreements with the department for a whole range of accommodation purposes including of-office space.

“We have saved the department millions. These are cases in which the department does not check the amount of space that they are renting and therefore landlords charge them whatever they want to charge.

“Sometimes there are overpayments because landlords charge for parking space that they do not make available to the departments.

“One parking may not be a lot of money but if you look at a number of parking spaces across a number of departments over a period of five years, that’s substantial money,” Mampuru said.

“In relation to the Eastern Cape in particular, we have been able to assist the department to recover R1.1-million in respective of overpayments for parking space that was not utilised.”

The SIU has also referred four cases to the South African Revenue Services where individuals claimed VAT from the department whereas they were not

registered with SARS.

“In some cases, individuals were hiding the income they were making and so SARS is looking into that,” she said.

“We have also gone to great lengths to give systematic recommendations, to explain to departments where they were wrong and have made recommendations on how internal controls can be improved.”