

SIU using courts to recover looted funds

● *Post Office, SABC, government departments and municipalities part of probe into missing R7bn*

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In an attempt to recover more than R7bn of taxpayers' money spent on invalid government contracts, the Special Investigating Unit (SIU) is fighting legal battles in courts across the country.

Auditor-general Kimi Makwetu says that R50bn has been lost in unauthorised, fruitless, wasteful and irregular spending by government departments and municipalities. Recovering some of that money is essential if the government is to meet its service delivery promises.

In its annual report released earlier in October, the SIU said that it had prevented the government from losing R407m in dodgy transactions at the Post Office and departments of public works and correctional services. Through legal action and other interventions, the unit had three state contracts totalling R797m declared invalid and set aside in the past financial year. This included a Post Office lease contract valued at R493m and an invalid correctional services contract valued at R301m.

The SIU's 26 current court cases, involving investigations

dating from 2010 to 2017, were largely efforts to have contracts declared invalid, and to recover losses or seek repayment. They involve mostly the department of public works, but also include matters involving the departments of rural development and land reform, communications and correctional services.

The Post Office, SABC and several municipalities are also parties in some of the cases.

The SIU also identified government deals totalling R2.7bn that are being challenged in courts on the basis of evidence secured by its investigators. One of these involves a correctional services department contract of R1.3bn. Despite these successes, the SIU only recovered R34m unlawfully spent by the state in 2017/2018. It had identified R233m that could be recovered by the department of public works for "overpayments for parking bays, rental not due, lettable space not being provided, and electricity and water".

The SIU had also referred 148 cases to the National Prosecuting Authority for prosecution in the past year. According to its

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