

■ CORRUPTION

# Claims integrity of inquiry threatened

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VARIOUS property experts, political analysts and government insiders have warned that the integrity of the State Capture Commission of Inquiry may be under threat as a subsidiary of Tiso Blackstar, the owners of the Sunday Times, is profiting from leasing out a building to the Zondo Commission for a contract worth an estimated R3 million.

New allegations have emerged that the process did not go out to tender, which means that the Department of Public Works, which is renting the building on behalf of the commission, may have flouted certain aspects of the Public Finance Management Act (PFMA).

The department denied this but Independent Media was able to verify, from a number of property experts that the commission was renting the offices from a subsidiary of Tiso Blackstar called The Empire “at a very high rental rate” of R110 per square metre in Parktown, Johannesburg.

The contract with the subsidiary was scheduled for 24 months with an option to renew should the work of the commission continue beyond the lease term.

Corrie Kruger, a property specialist who spoke to Independent Media, estimated that the amount of space the commission requires, is a minimum of 600m<sup>2</sup>. According to the Department of Public Works, the commission is leasing 1 222m<sup>2</sup> at a rate of R110 per square metre which amounts to R133 442 per month.

A government source at National Treasury, said “there was no tender process. It is more interesting that the newspaper that broke the state capture story, now earns money from the commission. Is this not a conflict of interest?”, the source asked.

At the time of going to press, the Treasury had neither confirmed nor denied if a tender process was followed, and if the Department of Public

Works adhered to the guidelines stipulated by the Act.

Department of Public Works spokesperson Thamsanqa Mchunu confirmed that the department is leasing the building.

“The entire procurement process complied with all the requirements of the PFMA and National Treasury directives. The procurement team evaluated a number of proposals.

“The proposals were served before the various independent and distinct procurement governance committees of evaluation and adjudication.”

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The Empire has an arm’s-length contract for the hosting of the State Capture Inquiry

**Andrew Gill**

Managing director of media division at Tiso Blackstar

Andrew Gill, the managing director of the media division at Tiso Blackstar, said: “We happen to own an eventing business called The Empire which hosts a range of third-party conferences and events.

“The Empire has an arm’s-length contract for the hosting of the State Capture Inquiry... Please be advised that there will be no further comment in this regard.”

Political analyst Professor Sipho Seepe said it was a cause for concern that a company with a brand that participated in the factional battles of the ANC would gain financially from the Zondo Commission.

“While this may have been an innocent co-incidence from Tiso, the mere whiff of that should be of concern. When we talk about being independent of influence, you should also mean infrastructure,” said Seepe.