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Ex-HOD, director nabbed for R420m mental health project bungle

Appointed contractor didn't have capacity, say the Hawks

A former government official and a company director faced fraud, corruption and money laundering charges in court yesterday – two decades after R420m was spent building an “unusable” mental health facility in the Northern Cape.



A company was given a tender it could not see through 20 years ago. /123RF

The 65-year-old former head of department for roads and public works and the director were arrested earlier yesterday by the Hawks' serious corruption investigation team in Kimberley.

The provincial health department and public works department, as implementing agents, embarked on a project to build the facility in 2003 with the original contract valued at R290m.

“It is further alleged that some of the constructed buildings faced possible demolition after R420m was paid to a liquidated contractor on the project,” said Hawks spokesperson Nomthandazo Mnisi.

“It was discovered that the company that was appointed did not have the capacity to render the service and the contract was terminated while money was already paid.

“Work on the project has since been halted, leaving the facility incomplete and unusable, and at a considerable cost to the department of health. Officials did not follow normal procurement procedures when appointing the consultant.

“Issues of maladministration” were uncovered during the project, which ultimately provided “no value for money”.

Further arrests linked to the case were imminent, added the Hawks. – TimesLIVE

