

# Media Statement



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**TO: ALL MEDIA**

**DATE: 20 OCTOBER 2010**

**Re : KZN HEALTH & LOCAL GOVERNMENT DEPARTMENTS' TENDER FRAUD ACCUSED APPEAR IN COURT**

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On Wednesday, 20 October 2010, ten (10) accused including three companies, appeared in the Pietermaritzburg Regional Court in KwaZulu Natal and their case was postponed to 2 December 2010. They are all facing charges ranging from corruption, fraud, money laundering and contravention of the Public Finance Management Act after being arrested today by members of the South African Police Service. The Asset Forfeiture Unit (AFU) in the NPA has already been granted restraint orders against immovable and movable property belonging to the accused in terms of the Prevention of Organised Crime Act.

The accused are: Siphoshe Shabalala, Gaston Savoi, Busisiwe Nyembezi, Beatrice Shabalala, Sandile Khuboni, Lindelihle Mkhwanazi and Yoliswa Mbele. The three companies which are charged with them are: Intaka Holdings (Pty) LTD, Blue Serenity Investments (Pty) LTD and Rowmoor Investments 738 (Pty) LTD.

These offences, which were allegedly committed during the period 2004 to 2007, relate to alleged flouting of supply chain management and procurement procedures by officials in the KwaZulu Natal Provincial Department of Health, Provincial Treasury and Department of Local Government and Traditional Affairs. The Intaka Holdings (Pty) Ltd (Intaka) and its subsidiary companies had fraudulently and corruptly secured tenders with the Departments of Health, Local Government and Traditional Affairs in KwaZulu Natal for the supply of water purification plants for use in provincial hospitals. It is alleged that in awarding the said tenders, some of the accused, who worked for the KwaZulu Natal Department of Health fraudulently colluded with Intaka and certain entities without following the necessary and relevant procurement processes. It is further alleged that some of the accused fraudulently and corruptly secured tenders with the

KwaZulu Department of Health for the supply of bulk medical oxygen units for use in hospitals in the province.

The arrest, court appearance and the restraint orders against the accused are a result of a joint initiative between the SAPS, National Treasury and the NPA in combating corruption that seeks to threaten the economic stability of the country and service delivery.

**Issued by:**

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