

Media Statement



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TO : ALL MEDIA

DATE : 18 OCTOBER 2017

**RE : PRESERVATION ORDERS AND PROVISIONAL RESTRAINT ORDERS
GRANTED AGAINST MNQUMA FRAUDSTERS**

In the matter of tender fraud relating to rubbish bags and massive corruption in the Mquma Local Municipality, the late Sindile Tantsi (the former Mquma Municipal Manager), late Sive Nombembe (the Director of Big Event Boy (PTY) and Igubevu Construction (PTY) Ltd), businessman Regis Masuku, Tembalethu Ntuthu (ANC Amathole Regional Secretary) and Zanele Mbewu (Manager: Assets, Fleet and Logistics at the Municipality) were arrested and appeared at the Butterworth Magistrates Court. Excluding the deceased, they appeared again on Thursday, 12 October 2017 and the case was postponed to 21 November 2017 for further investigations.

Price Waterhouse Coopers auditing firm was engaged and produced a forensic report into all the activities in relation to the tender.

Last week Tuesday, 3 October 2017, Judge Pickering at the Grahamstown High Court granted the Asset Forfeiture Unit (in the NPA):

- (1) A preservation order against a Toyota Avanza, the late Nombembe purchased for **R115 000** for Ms Mbewu, as a gratification. Mbewu worked at the Municipality at the time of the tender and signed a memorandum and request. She should not have received or accepted the Avanza, which the AFU argued is proceeds of corruption;
- (2) A preservation order against all assets the late Nombembe acquired utilising the proceeds of the tender. These include three immovable properties he is leasing to two private individuals and Walter Sisulu University's Butterworth branch. Big Event Boy and Nombembe are alleged to only have paid **R598 259.83** for **1 130 000** refuse bags and charged the municipality **R10 468 385**. As a result

that Big Event Boy and Nombembe made a profit of **R9 870 125.17** or **1 649%** from the tender, which should never have been awarded to either of them. Nombembe paid gratifications amounting to **R1 327 649** to 6 employees of the municipality and Thembaletsh Ntuthu, an ANC politician. These gratifications, argued the AFU in Court are proceeds of tender fraud and corruption and so is any asset acquired through them. The estimated value of the late Nombembe's assets at risk of forfeiture to the State is **R2.5 m**; and

- (3) A restraint order against assets of Ntuthu and the six municipal employees who received gratifications. Ntuthu is alleged to have received **R250 000** and his assets to this amount have been restrained. The late Tantsi is alleged to have received **R831 949** from Nombembe but his Mercedes benz (**R200 000**) and carport (**R35 000**) have already been preserved. Mbewu is alleged to have received the Avanza plus **R70 000**. Her daughter's name was used in the bank statement by Nombembe when effecting such corrupt payments. The lowest gratification amount the late Nombembe paid to a municipal employee is **R100**, which the AFU wants to also recover.

The arrest, the orders obtained and execution thereof were made possible by good cooperation of the Anti-corruption Task Team of the Hawks, the SAPS, PWC and the NPA.

All the parties served with the asset forfeiture papers have been given an opportunity to contest in Court the allegations made against them. Should they fail to do so, the preserved items will soon be forfeited to the State and the proceeds thereof be used by law enforcement agencies to combat crime. The restrained items of property will remain restrained until the conviction of the accused, where after a confiscation application will be launched followed by a realisation application to enable the appointed Curator to sell them to settle the benefit amounts received. All this is to make sure that crime, especially tender fraud and corruption never pay.

Kind Regards,

Luxolo Tyali

Regional Spokesperson: DPP Mthatha

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