

SUMMARY OF THE SIU INVESTIGATION INTO CORRUPTION AT THE GAUTENG DEPARTMENT OF HEALTH

1. BACKGROUND

The Special Investigating Unit (SIU) received a proclamation from then President Jacob Zuma in May 2010, published in the Government Gazette no.33190, to investigate allegations of corruption at the Gauteng Department of Health (GDH or the department). As prescribed by the proclamation, the SIU investigation covered the period 1 January 2006 to 14 May 2010.

The final report detailing the outcomes of the investigation was submitted to President Zuma in March 2017 but was only released in May 2018 by the Ramaphosa administration following a PAIA request by SECTION27.

2. MATTERS INVESTIGATED

Ten matters were referred to the SIU for investigation:

- 2.1. The procurement of the services for the compilation of the 2007/2008 budget;
- 2.2. The procurement of the services the establishment of a project management unit (PMU);
- 2.3. The procurement of services for conference administrators for the Gauteng Aids Conference;
- 2.4. The procurement of goods and services relating to the provisioning of an information system and electronic health records system;
- 2.5. The procurement of goods and services relating to the implementation of local area networks for 134 facilities;
- 2.6. The procurement to supply the Krone cabling infrastructure, CISCO switching, implementation, project management and training;
- 2.7. The procurement of database management goods and services;
- 2.8. The procurement of goods and services relating to the evaluation of the transformation project at the surgical division of the Chris Hani Baragwanath Hospital;
- 2.9. The procurement of goods and services relating to the supply, installation, commissioning and maintenance of ultraviolet germicidal units; and
- 2.10. The incurrence of unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure in respect to services rendered to address the Auditor-General's qualified audit for the 2007/2008 financial year.

3. TOTAL COST OF CORRUPTION UNCOVERED

R 1 200 840 838.41¹

4. POLITICIANS AND PUBLIC SERVANTS INVOLVED²

The following politicians and public servants have been implicated:

¹ These costs pertain to irregular, fruitless and wasteful expenditure

² Refer to Appendix A for a list of criminal and disciplinary sanctions against the named public officials

- Brian Hlongwa – former MEC for Health in Gauteng
- Sybil Ngcobo – former head of department;
- Dr Abdul Rahman – former COO and special advisor to the MEC;
- Mr Ramaano – former chief director, supply chain management;
- Dr Mookeletsi – former director of the Executive Supports Programme Management (ESPM)
- Ms Mosupi – former director of ICT;
- Mr Ramogale – former director of finance: ESPM;
- Mr Kedama – former director of special projects;
- Ms Bailey – former ICT commodity manager;
- Mr Tulsee – director of ICT;
- Mr Lebodi – director of human resources management and organisational development; and,
- Ms Mogase – former deputy director of human resource management and organisational development.

5. PRIVATE SECTOR COMPANIES INVOLVED

The following private companies have been implicated:

- **3P Consulting**
 - Directors: Richard Payne, Kingdom Lolwane and Michelle Tryon
- **Baaki Consortium – member companies include:**
 - 3P Consulting;
 - AME Africa Healthcare (director: Dennis Paul Smidek); and
 - Amethyst
- **Ukwakha Design**
 - Pre-registered shelf company that belongs to Payne and Lolwane – Payne had sole access to the account
- **Kemsing Services**
 - Directors: Dennis Paul Smidek
- **Baraka IT Solutions**
 - Directors: unknown
- **Ubuntu**
 - Directors: unknown
- **Khalvest Consulting Services**
 - Directors: unknown
- **African Ultra Violet**
 - Directors: unknown
- **Regiments Health**
 - Directors: Niven Pillay and Calvin Sehlepelo

- **The Life Channel Africa**
 - Directors: Phil Austin

6. CAPTURE OF THE GAUTENG DEPARTMENT OF HEALTH

Five of the 10 matters that were referred to the SIU for investigation involve 3P Consulting (matters 1, 2, 3, 4 and 10). The evidence gathered in the SIU investigation highlights how 3P Consulting sought to capture the GDH through providing kickbacks, luxury trips and other corrupt benefits to senior politicians, including the former MEC for Health, Brian Hlongwa. According to the SIU report, 3P Consulting was a small entity, established in 2003. Its directors were Mr Richard Payne, Mr Kingdom Lolwane and Ms Michelle Tryon. The SIU obtained evidence indicating that Payne and Hlongwa met around 2000. At this stage, Hlongwa was an elected councillor of the Johannesburg City Council (JCC) and Payne was engaged in work conducted by the JCC on behalf of 3P Consulting. In 2006, Hlongwa was elected to the Gauteng Legislature and appointed as the MEC for Health in the Gauteng provincial government. He served in this capacity until March 2009.

In 2006, 3P Consulting was irregularly appointed to compile the 2007/2008 budget on behalf of the GDH and therefore had inside and intimate knowledge regarding where funds could be drawn from. Thereafter in 2007, 3P Consulting was appointed to develop a turnaround strategy for the GDH, but proper procurement processes were not followed. The development of the turnaround strategy led to a bigger contract of establishing a project management unit (PMU). The effect of this is that 3P Consulting developed the idea, conceptualised the functions of the PMU and then using this information, bid on the contract. The SIU investigation revealed that among other actions, 3P Consulting:

- Awarded contracts to friends and family of its directors, and companies in which it held an interest;
- Awarded contracts for a wide range of services unrelated to the GDH's strategic objectives in respect of the PMU;
- Appointed companies on retainers to 3P Consulting on behalf of the department without having the authority to do so;
- Inflated prices where the rendering of services unreasonably escalated in price compared to previous service providers to the department;
- Claimed payment from the GDH prior to the department's approval of the relevant projects;
- Assisted companies to start businesses at the department's cost; and
- Received generous kickbacks from sub-contractors it contracted with, often under the guise of fees for advance financing where such financing did not occur.

During the period under review, 3P Consulting also seconded 20 of its staff members to key positions within the GDH. Four staff members were seconded to the Finance Office, one to the ESPM, three members to the ICT Directorate and 12 staff members to the Department's PMO. The SIU could not find any document reflecting a request from the GDH for personnel assistance or a motivation for the secondment of 3P personnel. One of the key individuals placed in the department was Mr Meso, who was seconded by 3P Consulting as the acting chief financial officer. As acting CFO, Meso approved 3P's payments and also served as a voting member on the departmental acquisition council (DAC).

6.1. Flights for favour

The SIU uncovered evidence of various trips provided by 3P Consulting to Hlongwa and a few GDH officials during 2006 – 2009. No evidence was obtained of Hlongwa declaring the trips or paying/reimbursing 3P Consulting for these trips. The expenditure related to these trips were paid for by 3P which included the costs of travel, accommodation and other related expenses. The SIU was not provided with any evidence that the trips were official departmental trips.

Date	Destination	Travellers
March 2008	London, Vienna	Payne, Lolwane and Dr Mookeletsi
May 2008	Durban	Payne and Hlongwa
June 2008	Mauritius	Payne and Dr Mookeletsi
November 2008	Durban	Payne and Hlongwa
January 2009	Dubai	Payne and Dr Rahman
February 2009	Cape Town	Payne, Hlongwa, Dr Rahman and Dr Mookeletsi
March 2009	Durban	Payne and Dr Rahman
April 2009	Dubai, Singapore	Payne and Dr Rahman
May 2009	Dubai	Payne and Dr Rahman
September 2009	Entebbe, Lusaka	Payne and Hlongwa

The SIU also established that in 2008, The Life Channel Africa (TLC) owned by Phil Austin paid for a trip for Ms Mosupi (former director of ICT) and her family to vacation in the United Kingdom. TLC was sourced by 3P Consulting to provide television informational services to Gauteng hospitals. The flight tickets for Mosupi, her husband and two children were paid for by Austin using his personal credit card. There is also no evidence that either Mosupi or her husband incurred any expenses related to travel and accommodation during this trip. E-mail correspondence confirms that Payne facilitated the arrangements related to the travel and accommodation expenses.

6.2. House of bribes

In 2007, Hlongwa purchased a R7.2-million house in Bryanston through his company Golden Pond 363. A deposit of R2.6-million was paid by Hlongwa, with the remaining R4.6-million to be financed by the sale of Hlongwa's previous house. The deposit of R2.6-million on the purchase was financed as follows:

- R1.6-million was paid by 3P Consulting and channelled through an attorney, Mr Siven Samuel, to conveyancing attorney Ms Yousha Tayob;
- A further R1-million towards the deposit was paid by Mr Niven Pillay to Samuel. Pillay was a director of Regiments Health Care, whom 3P appointed as a sub-contractor to the department;

The balance of the purchase price was to be settled after the sale of Hlongwa's previous house. Paul Smidek is a director of AME Africa Healthcare, which is a member of the Baoki Consortium. He is also a director of Kemsing Services, which bought Hlongwa's previous home for a sum of R4.75-million. After the sale of the house to Kemsing Services in August 2008, Hlongwa continued to live in the house until November 2009. The purchase agreement made provision for rental of R20 000 per month to be paid to the owner, Smidek. There is no evidence that Hlongwa paid the required occupational rent. Kemsing Services transferred a further amount of R1.5-million directly from its Cyprus account to Hlongwa, under a reference indicating that it was for furniture purchased. Hlongwa however categorised the transaction for Reserve Bank purposes as "legal, accounting, management and consulting" services.

A preservation order was obtained against the fixed property owned by Hlongwa. Some evidence obtained during the SIU investigation served to prove that the property is the proceeds of corrupt activities. The final forfeiture order against the property is currently opposed.

6.3. The shelf company and design perks

Ukwhakha went into business during 2005 and was a pre-registered or shelf company that belonged to Payne and Lolwane, directors of 3P Consulting. John Blow was appointed as a director of Ukwhakha and acted in the capacity of managing director. Payne, however, was in control of Ukwhakha and the only person with access to relevant bank accounts. The SIU suggests that Payne used Ukwhakha as a platform to entertain corrupt activities with Hlongwa and other departmental officials, through home refurbishments, renovations to properties and the purchase of furniture. The following home refurbishments were provided by Ukwhakha:

- Home refurbishments to the value of R952 358.85 to a house owned by Mr Ramaano (GDH director of supply chain management).;
- Home refurbishments to the value of R101 872.97 for Hlongwa's previous house;
- Furniture provided to Dr Mooketsi (director of ESPM and project manager of the PMU) to the value of R86 273.44.
- No payments from any of the three for the refurbishments or furniture could be obtained.

None of these GDH officials declared these benefits, although they were voting members of the bid evaluation committee (BEC) and the departmental acquisition council appointed to adjudicate on the matter.

6.4. Dirty money

Dr Mooketsi held an FNB account in the name of "OS Mooketsi trading as and ANC Fundraising Account". The SIU found that the money in the account was used to pay for ANC-related venues, t-shirts for supporters, photography services, catering and equipment hire. Amethyst, a member of Baoki Consortium, paid R100 000 into the fundraising account in January 2009. In March of the same year, two further amounts of R200 000 and R5 000 respectively were paid into this account. A sub-contractor to 3P, Zenenza Communications, was paid a total of R19 653 from the fundraising account.

6.5. Beauty and the Bribe

In September 2009 3P Consulting arranged and paid for a luxury spa treatment for Hlongwa and his wife, complete with limousine transport.

6.6. KICK-backs: Western Rangers Football Club

Hlongwa is the chairman of Western Rangers Football Club, with Payne, Dr Mookeletsi, Mr Calvin Sehlapelo and Mr Ken James serving as directors. Sephlapelo was the financial director of Regiments Health Care, the same company where Niven Pillay was a CEO – he donated part of the deposit to Hlongwa’s Bryanston house purchase. Regiments Health Care was also a sub-contractor to 3P on the PMU project. E-mail correspondence indicates that Payne, Austin and Hlongwa discussed benefits to the football club.

The gratifications mentioned above were to advance the business interests of 3P Consulting. In the context of the corrupt relationship between 3P, Baoki, the department’s officials and the former MEC, Brian Hlongwa, the payments are seen to have had an effect of further inducing and sustaining the preferential treatment and unlawful conduct by GDH officials and Hlongwa. Their objectivity was accordingly tainted by the preceding and ongoing corruption.

7. SUMMARY OF FINDINGS

MATTER ONE: THE PROCUREMENT OF SERVICES OF AND CONTRACTING WITH CONSULTANTS OR SERVICE PROVIDERS FOR THE COMPILATION OF THE 2007/2008 BUDGET

Summary

In June 2006, the National Treasury introduced changes to the budgeting processes which required all outputs to be cost evaluated. The Gauteng Department of Health embarked on a procurement process and motivated that it did not have the necessary expertise to compile the 2007/2008 budget as per the new requirements. Department officials disputed the above statement and noted that the GDH had already compiled the 2007/2008 budget and had the necessary and expertise and capacity to do, before the tender was put out. A contract was awarded to 3P Consulting to compile the budget at a cost of R779 500. 3P was eventually paid R1 461 461.00. No extensions to the 3P appointment were noted and no product by 3P was presented or could be located. The GDH’s director of budgeting noted that he eventually compiled the 2007/2008 budget. He stated that his work was handed to 3P and that 3P made no changes to the work which was then submitted as their own. A member from the bid evaluation committee, Dr Maduna, failed to disclose his prior business relationship with two directors of 3P – this could have influenced his decision and certainly would have been seen by third parties as unfair in that he was allowed to adjudicate on the matter.

Public servant involved	<ol style="list-style-type: none"> 1. Brian Hlongwa – former MEC for Health 2. Dr Abdul Rahman – former COO and at the time, acting head of department 3. Mr Ramaano - former chief director, supply chain management of the department
Private sector company involved:	<p>3P Consulting</p> <ol style="list-style-type: none"> 1. Richard Payne 2. Kingdom Lolwane 3. Michelle Tryon – (verify first name)
Types of corruption	<p>Irregular, fruitless and wasteful expenditure – pertaining to the irregular procurement of 3P Consulting. A closed bidding procurement process was used, and the department failed to disclose a deviation from the normal required procurement processes. No budget was made available or approved for the appointment of a consultant to compile the 2007/2008 budget.</p> <p>Fraud – pertaining to timesheets submitted by 3P Consulting. 3P employees submitted timesheets for the month of August 2006, claiming 277 hours each for the compilation of the budget. The SIU re-calculated the cost of the submitted time sheets based on the hourly tariff as submitted by 3P in their bid proposal and found that 3P overcharged the department by R22 975.74 for the hours that they claimed.</p> <p>Financial misconduct – Dr Rahman did not take effective and appropriate steps to prevent the expenditure incurred by the excess payment to 3P, and failed to report the expenditure to the relevant Treasury and tender board.</p>
Amount involved (R)	R1 461 461.00
Sanctions	<p>The conduct of Dr Rahman forms part of a referral made by the SIU to the relevant prosecuting authority and is currently under investigation by the ACTT.</p> <p>No disciplinary referrals were made against any of the officials involved as the officials are no longer in the employ of the public service.</p>

MATTER TWO: THE CONTRACTING WITH CONSULTANTS FOR THE ESTABLISHMENT OF A PROJECT MANAGEMENT UNIT IN THE GAUTENG DEPARTMENT OF HEALTH

During March 2007, 3P Consulting was contracted by Dr Rahman to develop a turnaround strategy for the GDH. 3P was paid R39 672.00 for that work. The strategy recommended the development of a project management unit (PMU) under the Executive Support Programmes Management (ESPM) branch. The strategy formed the basis for the specification of a tender for the PMU and the deputy DG, Dr Mookeletsi, compiled terms of reference for the establishment of the unit. An open tender process followed and led to the awarding of the PMU tender to a consortium consisting of 3P Consulting, Hofmeyr Herbstein and Gihwala attorneys (Hofmeyr) and Africon (PTY) Ltd. The tender was awarded for a period of two

years at an amount of R60-million per annum (VAT excluded). In July 2007, the GDH entered into a service agreement with 3P Consulting only and not the consortium. The net result is that 3P Consulting introduced the idea, developed the functions of the PMU and then, using this information, bid on the contract.

By the end of 2008, Mr Ramogale, the former director of finance at the ESPM, drafted a submission to the departmental acquisition council, requesting an increase of the 3P contract amount to R221 099 228.97. In February 2009, the DAC approved the extension of the PMU contract for a period of three years (up to May 2012) for the escalated amount of R273 366 500.00. This escalation caused an overspending on the annual budget and 3P Consulting was eventually paid R349 732 721.10.

Public servant involved	<ol style="list-style-type: none"> 1. Brian Hlongwa – former MEC for Health 2. Mr Ramaano – former chief director, supply chain management 3. Dr Mooketsi – former director of the ESPM 4. Dr Rahman – former COO and special advisor to the MEC 5. Ms Mosupi – former director of ICT 6. Ms Ngcobo – former HOD
Private sector company involved:	<ol style="list-style-type: none"> 1. 3P Consulting
Types of corruption	<p>Irregular expenditure – all amounts in respect of the PMU contract to 3P</p> <p>Fraud:</p> <ul style="list-style-type: none"> - 3P double-invoiced the GDH for services rendered, which led to a loss of over R10-million; - 3P irregularly added a 5% administrative fee to which they were not entitled, in respect of the sub-contractors' invoices; - The GDH irregularly spent over R23-million on secondments to the department, following an irregular process; - 3P claimed that their sub-contractors had conducted work, which was not due and payable by the GDH. However, the department paid an amount of over R177-million to sub-contractors which were irregularly appointed. <p>Financial misconduct:</p> <ul style="list-style-type: none"> - The former HOD as chairperson of the DAC, Ms Ngcobo, failed to ensure that proper planning occurred, that a budget was available and that approval for the expenditure in terms of the budget was obtained. She also failed to ensure that a procurement system which is fair, equitable, transparent, competitive and cost-effective was used in the appointment of 3P Consulting.
Amount involved (R)	R329 732 721.10
Sanctions	The following matters have been referred to the South Gauteng Director of Public Prosecutions:

	<ol style="list-style-type: none"> 1. Mr Hlongwa – contravention of the provisions of PRECCA; 2. Dr Mooketsi – contraventions of the provisions of PRECCA; 3. Ms Mosupi – contraventions of the provisions of PRECCA; 4. Mr Ramaano – contraventions of the provisions of PRECCA; 5. Dr Rahman – contraventions of the provisions of PRECCA; and 6. Ms Ngcobo – contravention of the provisions of the PFMA. <p>Disciplinary action was taken against the following:</p> <ol style="list-style-type: none"> 1. Mr Ramaano – dismissed since Feb 2013; 2. Mr Ramogale (former director of finance: ESPM) – dismissed since December 2012; and 3. Mr Kedama (former director of special projects) – dismissed since December 2012; <p>Disciplinary action could not be taken against the following individuals as they are no longer employed by the public service:</p> <ol style="list-style-type: none"> 1. Ms Mosupi; 2. Dr Mooketsi; and 3. Dr Rahman.
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MATTER THREE: THE PROCUREMENT OF THE SERVICES OF AND CONTRACTING WITH SERVICE PROVIDERS OF CONFERENCE ADMINISTRATORS FOR THE GAUTENG AIDS CONFERENCE

Project administrator:

In 2007, the Multi-Sector Aids Unit (MSAU) developed the required specifications for a conference administrator for the Gauteng Aids Conference that was to be held in November of that year. The MSAU obtained five written quotations from bidders and evaluated the quotations received. The MSAU then motivated to Mr Ramaano (former director of SCM) to use KarmaLive at a cost of over R300 000. However, Ramaano ignored the quotations and awarded the tender to 3P Consulting, who in turn sub-contracted the services to Umvini Events for an amount exceeding R1.6-million. The SIU established that the director of Umvini Events (Adiel Walther Tryon) is the brother of a director of 3P Consulting (Michelle Bridget Tryon). The report indicates that 3P benefited in the amount of almost R800 000 from sub-contracting this work, as it had only paid Umvini Events R829 235.65, despite receiving R1.6-million from the GDH.

Backpacks and cricket hats:

The MSAU made provision to procure various supplies such as backpacks and cricket hats for the different campaigns. This was for the use of volunteers who were required to distribute the educational pamphlets in various identified areas. In mid-2007, the MSAU submitted a proposal to Ramaano with specifications for the procurement of cricket hats and

back packs, at a budget of up to R500 000. Ramaano procured the required cricket hats from 3P Consulting without obtaining competitive bids. The GDH paid 3P over R900 000 and a further R132 253.00 for the procurement of cricket hats. 3P in turn sub-contracted the work to another entity.

The MSAU also requested approval from the DAC to procure 14 000 backpacks in an open tender process, and approved a budget of just under R700 000. The MSAU did not receive any communication in respect of its submission and Ramaano awarded the supply of the backpacks to 3P Consulting, who in turn sub-contracted the goods to another entity. Ramaano procured 15 000 cricket hats at an amount of over R1-million.

Printing of educational pamphlets:

The MSAU submitted a motivation to the DAC to obtain approval of the printing of educational pamphlets (1.5-million English, 450 000 Zulu, and 450 000 Sotho). The MSAU approved a budget of just over R4-million (VAT inclusive) and requested an open tender process. Ramaano informed the MSAU to make use of the Government Printing Works to print the educational pamphlets. Ramaano then instructed the MSAU to cancel the orders at the GPW. The GPW noted that this could not be done as they had already completed the printing of the Zulu and Sotho pamphlets for an amount of R1.5-million. The GPW, as instructed, then cancelled the order for the English pamphlets. Ramaano subsequently awarded the printing of the English pamphlets to 3P Consulting, who in turn sub-contracted this service to another entity. No competitive bids were obtained and the GDH paid 3P Consulting over R2.5-million for this service. In November, the MSAU requested a second print run for 1.5-million English pamphlets, 399 000 Zulu pamphlets and 399 000 Sotho pamphlets. Ramaano, again without following proper procurement processes, awarded the work to 3P who charged an amount of over R3-million.

Public servant involved	<ol style="list-style-type: none"> 1. Mr Ramaano – former director of SCM 2. Ms Ngcobo – former HOD
Private sector company involved:	<ol style="list-style-type: none"> 1. 3P Consulting 2. Umvini Events
Types of corruption	<p>Irregular, fruitless and wasteful expenditure – all contracts pertaining to the procurement of the conference administrator, backpacks, cricket hats and printing of public education material;</p> <p>Financial misconduct – Ngcobo as HOD failed to report to the Treasury and tender board about the irregular expenditure (of which she was made aware of) involving 3P Consulting. Ngcobo wilfully or negligently failed to comply with the requirements of the PFMA and also failed to ensure that full and proper financial records of the financial affairs of the department were kept, in accordance with the prescribed norms and standards.</p>
Amount involved (R)	R2 137 157.34

Sanctions	Criminal referral of Ngcobo's three acts of financial misconduct have been made to the relevant prosecuting authority. She is no longer an employee of the public service and therefore no disciplinary action could be taken. Ramaano was dismissed in February 2013.
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MATTER FOUR: THE PROCUREMENT OF AND CONTRACTING FOR GOODS AND SERVICES RELATING TO THE PROVISIONING OF AN INFORMATION SYSTEM AND ELECTRONIC HEALTH RECORDS

In 2007, EOH conducted an assessment of the Medicom and patient administration and billing system (PAAB) systems at four health facilities. Both systems were owned by the government and did not require expensive licensing fees. Both systems were operated by the State Information Technology Agency (SITA) and, according to SIU affidavits, were outdated. SITA recommended that the systems be upgraded at a cost of R58-million over three years. The GDH ignored this advice and instead put out a tender in June 2007 for a new, integrated system – despite this being prohibited by the SITA Act. Fourteen local companies submitted bids, with the Baoki consortium eventually being selected. Baoki is a joint venture between AME Africa, Health System Technologies, 3P Consulting and Amethyst. The SIU found that the bid evaluation committee (BEC) was not properly constituted as it met before it was delegated by the HOD to adjudicate on the matter. The BEC also lacked the required expertise to adjudicate on a complicated IT system.

The Evaluation Charter was approved after the advertisement of the tender, however another version of the criteria was used during the evaluation stage. The BEC changed the evaluation criteria during the evaluation stage and no evidence could be obtained of the BEC informing bidders of these changes. During the clarification responses, Ms Bailey, former ICT commodity manager and currently a deputy director of contracts management at the Gauteng Department of Finance, changed the pricing of the Baoki bid to exclude almost 14% of the overall cost. Bailey furthermore added R513-million to the pricing of another bidder, IntersystemsBV, without their prior knowledge or consent. The decrease of the Baoki bid and the increase in cost of the IntersystemsBV bid unfairly placed the latter company as the most expensive option. In the submission to the DAC, the BEC failed to mention the following:

- The SITA was excluded from the procurement process;
- The scoring criteria was changed after the tender was advertised;
- Amounts were added to the IntersystemsBV bid by the BEC;
- Amounts were removed from the Baoki bid by the BEC;
- Baoki was provided with an opportunity to amend their bid price during the evaluation phase; and,
- No budget was allocated or approved.

Based upon the submission by the BEC, the DAC approved the appointment of IntersystemsBV and Baoki to embark on a proof of concept (POC) respectively. During the POC, both service providers were meant to implement their respective systems at designated hospitals and clinics. After the POC was completed, the GDH would then decide which system best

met its needs. However, contrary to the DAC award, only Baoki was appointed to conduct a POC. IntersystemsBV was sent a letter of regret.

After being given the POC award, Baoki implemented their systems and sub-contracted service providers who were also subcontractors of 3P Consulting. The GDH also delegated procurement functions to Baoki and members who were in alleged corrupt relationships with Hlongwa. In the process, Baoki was under no obligation to adhere to the legal framework for procurement as set out in the relevant legislation. The department allowed for the scope of the POC agreement to be extended and to include goods and services to be procured other than those that the RFP provided for. This occurred without authorisation of the DAC.

Under the guise of informational television broadcasts to patients waiting for treatment, a wide area network (WAN) was provided by Life Channel Africa. The GDH had previously procured a WAN that enables information to be shared among hospitals, clinics and the department. The network also doubles as an entertainment platform, allowing patients to watch television. Baoki noted however that the WAN was not functional and thus installed a two-way broadband satellite system that was not required. The SIU interviewed staff at the POC sites who noted that the satellites were installed at the time of the project but are no longer working or in use.

The SIU investigation revealed that eight days after concluding the service level agreement (SLA) for the implementation of the main contract between the department and Baoki, there was a change requesting additional services for the provision of a Gauteng province Wide Area Network (VSAT). Payne of 3P Consulting, and Mr Smidek and Mr Allen (directors of Baoki) began preparing a change order. Ms Mosupi, director of ICT, developed a submission to the DAC requesting approval for the provision of a province-wide WAN by Baoki at a cost of R223 936 304.79 over three years. Mosupi failed to indicate in her motivation that the VSAT solution was not the most cost-effective solution for the provision of WAN. Mosupi's motivation was circulated via email between Mosupi, employees of 3P Consulting and Mr Austin from The Life Channel Africa. The VSAT services were installed but never used by the GDH. The total amount of R14 325 045.00 is found to be fruitless and wasteful expenditure. The SIU also found that the services proposed by Baoki were installed at four sites but not at any of the department facilities. The GDH is still currently using the Medicom system, supplied by SITA – a system that was meant to be replaced by Baoki.

Public servant involved	<ol style="list-style-type: none"> 1. Brian Hlongwa – former MEC for Gauteng Health 2. Dr Mookelisi – former deputy director-general of ESPM 3. Ms Mosupi – former chief director of ICT 4. Ms Ngcobo – former HOD 5. Mr Ramaano – former director of SCM 6. Ms Bailey – former ICT commodity manager
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Private sector company involved:	<ol style="list-style-type: none"> 1. Baoki Consortium 2. 3P Consulting 3. The Life Channel Africa
Types of corruption	Procurement irregularities and irregular and wasteful expenditure
Amount involved (R)	R470 807 868.73
Sanctions	<p>The following matters have been referred to the South Gauteng Director of Public Prosecutions:</p> <ol style="list-style-type: none"> 1. Mr Hlongwa – contravention of the provisions of PRECCA; 2. Dr Mooketsi – contraventions of the provisions of PRECCA; 3. Ms Mosupi – contraventions of the provisions of PRECCA; 4. Ms Ngcobo – contravention of the provisions of the PFMA. <p>Disciplinary action could not be taken against the following individuals as they are no longer employed by the public service:</p> <ol style="list-style-type: none"> 1. Ms Ngcobo 2. Ms Mosupi; 3. Dr Mooketsi; and 4. Mr Ramaano

MATTER 5: THE PROCUREMENT OF AND CONTRACTING FOR GOODS AND SERVICES RELATING TO THE IMPLEMENTATION OF LOCAL AREA NETWORKS FOR 134 FACILITIES.

Around July 2007 the GDH implemented a project to establish local area networks (LAN) in 46 facilities through an open tender process. A further 134 facilities were identified for the LAN infrastructure.

The department was required to approach SITA to provide the system, as per section 7(3) of the SITA Act. SITA was excluded from the procurement process without reasons being given. The GDH was required to submit a report to the Department of Public Service and Administration explaining why they had not approached SITA. No request for deviation was noted in the tender specifications. The bid adjudication committee and department acquisition council did not follow correct tender processes.

Following the appointment of Baraka IT/KSS price negotiations took place but the price remained the same resulting in over-expenditure of R11 558 225.00 (this amount forms part of the total irregular expenditure), and was not approved by the Head of Department or the DAC. Furthermore, the GDH had incorrectly assessed the need, which caused another price increase of R3 466 201.00. Baraka IT provided the required services, and was re-appointed for further work the department failed to include in the original tender. The SIU could not ascertain whether a tender process was followed, or who invited them to quote for the work. This resulted in further irregular expenditure of R5 079 533.00.

Public servant involved	<ol style="list-style-type: none"> 1. Ms Mosupi – former director of ICT 2. Members of bid adjudication committee
Private sector company involved:	<ol style="list-style-type: none"> 1. Baraka IT Solutions/KSS
Types of corruption	<p>Irregular procurement :</p> <ul style="list-style-type: none"> - The DAC approved the tender specifications despite there being no reasons for deviation. - Advertising for the tender was not in line with supply chain management policy - The scoring model used by the BEC was changed, and the method was not mentioned in the tender bulletin - Four members of the BEC attended meetings without being appointed formally; one also voted on the DAC which is not allowed. - The procurement process did not specify a product, but the BEC focused on a CISCO product. Bidders that did not have the product were not given an opportunity to adjust, and were therefore unfairly eliminated. - Though Baraka It Solutions and KSS did not receive the highest scores, they were appointed. - SIU could not determine how Baraka IT came to be awarded the contract for further work
Amount involved (R)	<p>R50 021 644.87</p> <p>R5 079 533.00</p>
Sanctions	<p>Evidence was presented to the Asset Forfeiture Unit, resulting in an investigation to recover R470 807 868.73 paid to the service provider. Though allegations were made that Baraka/KSS could have influenced members of the GDH, the SIU could not obtain evidence to this effect (from bank statements, lifestyle audits and interviews). Evidence was not sufficient to merit referral to a prosecuting authority.</p> <p>Disciplinary action could not be taken against the following individuals as they are no longer employed by the public service:</p> <ol style="list-style-type: none"> 4. Ms Mosupi; 5. Members of the BEC

MATTER 6: THE PROCUREMENT OF AND CONTRACTING FOR THE SUPPLY OF KRONE CABLING INFRASTRUCTURE, CISCO SWITCHING, IMPLEMENTATION, PROJECT MANAGEMENT AND TRAINING

In September/October 2008 the Baoki Consortium identified a need for upgrades of local area network infrastructure at various hospitals in Gauteng, in order for them to install the HIS/e-HR systems (matter 4). Mr Tulsee submitted a request for a closed tender process to be completed within three weeks in order to meet the requirements of implementing the HIS/e-HR systems.

The DAC gave provisional approval, but requested provision of budget availability, a work model explaining the role of SITA, a SITA report on the work completed and an assessment from the Department of Infrastructure. The SIU found no evidence that these were submitted.

SITA advised the GDH that three different transversal term contracts were required, and that the procurement should have been limited to the service providers listed in the relevant SITA transversal term contracts. Separate tender processes would have been required for each of the different goods or services listed. The GDH did not follow this advice. Eventually Baraka IT Solutions and Ubuntu Technologies were appointed. After negotiations a contract to the value of R299 468 567.78 was awarded. The work done by Baraka and Ubuntu was evaluated in 2009 and found to be in progress – partially sufficient and partially delayed progress.

Public servant involved	1. Mr Tulsee, director of ICT
Private sector company involved:	1. Baraka IT Solutions 2. Ubuntu Technologies
Types of corruption	Irregular procurement <ul style="list-style-type: none"> - The tender process recommended by SITA was not followed - Companies other than those specified by SITA were included in the procurement process
Amount involved (R)	R299 468 567.78
Sanctions	<p>The matter had been reported in 2009 by Gobodo to the GDH. In light of the fact that the contract has concluded and that the services have been delivered, the SIU does not foresee probability of just and equitable recovery.</p> <p>Though allegations were made that Baraka/KSS could have influenced members of the department, the SIU could not obtain evidence to this effect (from bank statements, lifestyle audits and interviews). Evidence was not sufficient to merit referral to a prosecuting authority.</p> <p>Disciplinary action could not be taken against the following individuals as they are no longer employed by the public service:</p> <ol style="list-style-type: none"> 1. Mr Tulsee

MATTER 7: THE PROCUREMENT OF AND CONTRACTING FOR DATABASE MANAGEMENT GOODS AND SERVICES

The GDH had previously used the services of Relational Database Consulting (RDC) via SITA to provide database management services. The department decided to terminate SITA’s services, even though all IT services are supposed to be procured through SITA. If SITA cannot provide the services, they are supposed to act as an agent for procurement. The amount quoted exceeded the R500 000 threshold, meaning that a competitive tender process was required – however, this did not happen.

Mr Tulsee requested a quote from RDC for the services, then sought approval from the DAC. He stated that because SITA services had been terminated it was extremely urgent to appoint a service provider as the GDH could not deliver the services. Mr Tulsee failed to declare that the urgency was created by the GDH itself by terminating the services of SITA. He also said that the department would save costs by employing RDC.

In reality, there was no saving because Mr Tulsee miscalculated costs and the GDH incurred irregular expenditure by approving the award. Mr Tulsee had failed to include the VAT in the RDC contract. He then made a submission to this effect, co-signed by Ms Mosupi, that the DAC should rectify this. He requested that R308 448.00 be made available for the VAT. The SIU states that that omission of the VAT was negligence on the part of Mr Tulsee. The SIU found that prior to the procurement process, budget had not been allocated for the project, but was approved after procurement.

Public servant involved	<ol style="list-style-type: none"> 1. Mr Tulsee - director of ICT 2. Ms Mosupi - former director of ICT
Private sector company involved:	<ol style="list-style-type: none"> 1. Baraka IT Solutions 2. Ubuntu Technologies
Types of corruption	<p>Irregular procurement: Officials failed to follow the tender processes as prescribed by National Treasury and by SITA.</p> <p>Financial misconduct:</p> <ul style="list-style-type: none"> - Mr Tulsee and the members of the DAC failed to take steps to prevent irregular expenditure - Deviation from the normal tender process was not reported to National Treasury as required by Practise Note 8 of 2007/2008 - The SIU could not obtain two invoices from SIU, the Gauteng Shared Services Centre or the department.
Amount involved (R)	R2 511 648.00
Sanctions	Though allegations were made that RDC could have influenced members of the department, the SIU could not obtain evidence to this effect (from bank statements, lifestyle audits and interviews). Evidence was not sufficient to merit referral to a prosecuting authority.

	<p>Disciplinary action could not be taken against the following individuals as they are no longer employed by the public service:</p> <ol style="list-style-type: none"> 1. Mr Tulsee 2. Ms Mosupi <p>The matter had been reported on in 2009 by Gobodo to the GDH. In light of the fact that the contract has concluded and that the services have been delivered, the SIU does not foresee probability of just and equitable recovery.</p>
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MATTER 8: THE PROCUREMENT OF AND CONTRACTING FOR GOODS AND SERVICES RELATING TO THE EVALUATION OF THE TRANSFORMATION PROJECT AT THE SURGICAL DIVISION OF THE CHRIS HANI BARAGWANATH HOSPITAL

During May 2008 a need was identified for an evaluation of the NALEDI pilot transformation project. An invitation for quotes was sent out to companies identified via the Gauteng Shared Services Centre – they were Mfana Ka Ndlovu Consulting Services (Khalvest Consulting); SD Malebo Logistic; and MSV Consulting C. In August 2008 two more companies were invited to provide quotations – Idzima Training, and Development Research Africa. This process constituted a deviation from the normal tender process, which should have been substantiated as an urgent situation. The SIU could find no request for deviation submitted to the DAC. The time between calls for tenders and the award being made was long enough that an emergency situation would have dissipated. The DAC members could not recall whether there was in fact an emergency.

The DAC did provide written approval for the deviation, but meeting minutes did not indicate what this was based upon. Mr Lebodi and Ms Mogase carried out scorecard assessments for Khalvest and Idzima. Bidders were not informed of their scores. The department noted that Idzima was to be appointed, but the SIU noted that in GDH correspondence, the name of the company was changed from Idzima to Khalvest. The SIU could not ascertain who had changed the name to Khalvest. Khalvest was appointed, but the SIU could not ascertain what the decision to deviate was and whether it was a justified deviation.

In December 2008 Khalvest provided a draft report, which the GDH considered incomplete. Khalvest cited issues in accessing information and staff. Staff at Chris Hani Baragwanath Hospital said the company had never consulted them. The SIU concluded that it would be expected of the department to take reasonable steps to ensure that staff were available for consultation with Khalvest. They imply therefore that Khalvest did not take reasonable steps to complete the project – constraints were identified only at the final reporting stage, necessitating an extension of the project at a cost of R127 110.00. Had the project been properly monitored, the constraints would have been identified earlier and resolved.

Public servant involved	<ol style="list-style-type: none"> 1. Mr Tulsee - director of ICT 2. Mr Lebodi - director of human resources management and organisational development
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	3. Ms Mogase - former deputy director of human resource management and organisational development
Private sector company involved:	Khalvest Consulting Services
Types of corruption	Irregular procurement: <ul style="list-style-type: none"> - A deviation from the regular tender process was approved without reasons furnished. - Mr Lebodi and Ms Mogase were not members of the BEC, so did not actually have the power to perform scorecard assessments. - The name of the company designated as the awardee was changed.
Amount involved (R)	R127 110.00
Sanctions	<p>Though allegations were made that Khalvest could have influenced members of the GDH, the SIU could not obtain evidence to this effect (from bank statements, lifestyle audits and interviews). Evidence was not sufficient to merit referral to a prosecuting authority.</p> <p>Disciplinary action could not be taken against the following individuals as they are no longer employed by the public service:</p> <ol style="list-style-type: none"> 1. Mr Tulsee 2. Mr Lebodi 3. Ms Mogase <p>A lack of a proper contract defining the rights and responsibilities of the parties involved makes it impossible to make a finding.</p> <p>The matter had been reported on in 2009 by Gobodo to the GDH. As the contract has concluded and the services have been delivered, the SIU does not foresee probability of just and equitable recovery.</p>

MATTER 9: THE PROCUREMENT OF AND CONTRACTING FOR GOODS AND SERVICES RELATING TO THE SUPPLY, INSTALLATION, COMMISSIONING AND MAINTENANCE OF ULTRAVIOLET GERMICIDAL UNITS

In 2007 the GDH procured ultraviolet germicidal units (UVGI) for ambulances and clinics, but they were never purchased because the contract was cancelled. In early 2008, the need for UVGI was reconsidered, this time in high-risk hospitals in Gauteng, and the BEC recommended a closed tender process of the same 2007 suppliers. The DAC approved. SIU states that due to the specialised nature of the technology, the closed tender process was appropriate. The SIU obtained cryptic, incomplete, handwritten minutes from the BEC meeting. The BEC presented African Ultra Violet (AUV) as a company with

around eight years' experience, but AUV did not specifically indicate that they manufactured the UVGI units, according to meeting minutes. AUV also stated in their tender documents that they had only six weeks' experience in UVGI units, and that they had never manufactured UVGI units. SIU verified this information in interviews with AUV. The BEC members were negligent in failing to verify before presenting to DAC.

Concerns were raised by Mr Moonsammy, chief director of the Procurement Business Unit in the Gauteng Department of Finance, who refused to sign the recommendation to DAC. He said it was an unacceptable offer compared to Tecmed who tendered for less than half the amount and had a better technical track record – but the BEC had not taken them into consideration.

AUV was given the tender at a cost of R57 177 783.00 including a maintenance period of two years after the end of the two-year guarantee period. The total cost was reduced to R48 601 115.55 after negotiations. The UVGI units were installed as commissioned. AUV did not comply with the requirement that maintenance had to continue after the two year guarantee period. Maintenance is now required, and the department was not able to explain why that part of the contract was not enforced. The department did not pay for the maintenance portion, and therefore lost no money in relation to maintenance.

Public servant involved	Unknown
Private sector company involved:	African Ultra Violet
Types of corruption	Irregular procurement – Misrepresentations were made which influenced the tender award.
Amount involved (R)	R34 075 388.88
Sanctions	<p>The SIU report states that there could have been a misunderstanding by AUV as the cryptic handwritten minutes of the BEC's 24 April 2009 meeting are unclear. The SIU could also not find evidence that fraud was intended with regards to the misrepresentations by BEC to DAC.</p> <p>Though allegations were made that AUV could have influenced members of the GDH, the SIU could not obtain evidence to this effect (from bank statements, lifestyle audits and interviews). Evidence was not sufficient to merit referral to a prosecuting authority.</p> <p>The BEC made recommendations based on claims that they failed to substantiate. They were disciplined by the Gauteng Shared Services Centre and the GDH before the SIU investigation.</p>

MATTER 10: THE INCURRENCE OF IRREGULAR EXPENDITURE IN RESPECT OF THE SERVICES RENDERED TO ADDRESS THE AUDITOR-GENERAL'S QUALIFIED AUDIT FOR THE 2007/2008 FINANCIAL YEAR

In 2007, the GDH received a qualified audit from the Auditor-General pertaining to the department's fixed assets. 3P Consulting was appointed to conduct asset verification through the PMU. 3P appointed a company, Bosele Placements, as a sub-contractor. Bosele was paid an amount of R5 417 737.71 for asset management. The SIU found that the required services did not form part of the objectives of the PMU and the GDH should have followed a competitive procurement process to appoint a relevant service provider, which did not occur.	
Public servant involved	Unknown
Private sector company involved:	3P Consulting
Types of corruption	Procurement irregularities and irregular and wasteful expenditure
Amount involved (R)	R5 417 737.71
Sanctions	Possible corruption in terms of PRECCA was reported to the South Gauteng Director of Public Prosecutions.

8. CIVIL LITIGATION

8.1. 3P Consulting

In 2009, the services agreement between 3P Consulting and the GDH was extended for a period of three years to May 2012. In July 2009 however, the GDH repudiated the extension of the service agreement with 3P Consulting. This was initiated by the former MEC for Health, Qedani Mahlangu, who replaced Brian Hlongwa.

When the department tried to cancel the contract, 3P Consulting turned to litigation to enforce the contract. On application by 3P to the South Gauteng High Court, Judge Lamont granted a declaratory order to the effect that the service agreement between the parties had been duly renewed, by mutual agreement, for a further period of three years. The court also ordered that the department implement the renewed service agreement. The GDH then obtained leave to appeal to the Supreme Court of Appeal. A full bench of this court then confirmed the judgement of the High Court. The effect of this decision was that the department had to pay an additional R125-million to 3P Consulting, in terms of this extended contract for services already rendered. Believing that the contract was awarded through corrupt means, but unable to prove it, the department refused to adhere to the order.

3P Consulting subsequently went into liquidation and attorneys Brooks and Brand, representing the liquidator, pursued the payment of R125-million, which to date has accumulated to approximately R300-million with costs and interests. The SIU provided evidence to assist the state attorney to submit claims on behalf of the GDH in the 3P liquidated estate. Relying on the evidence of corruption, the AFU obtained a preservation order whereby all rights accruing to 3P Consulting in terms of the GDH

contract were preserved pending final forfeiture to the state. The 3P liquidator and PricewaterhouseCoopers, a creditor of 3P Consulting who delivered services to the department, are opposing the forfeiture order. The matter is ongoing.

8.2. Baoki Consortium

The contract between the Baoki Consortium and the GDH was established in a manner that required the department to pay Baoki a set monthly retainer fee, even if Baoki did not deliver any services. Baoki was paid a total of R470-million for the proof of concept, the roll-out contract and the VSAT, with an outstanding claim of R800-million. The contract with Baoki Consortium was cancelled by the GDH in 2009.

The consortium instituted arbitration proceedings against the department for the payment of R800-million. The state attorney raised a defence that the contract was concluded in contravention of section 86(1) and (3) of the PFMA. The SIU provided evidence to assist the state attorney in defending the claim on the basis of corruption. The AFU obtained a preservation order against Baoki Consortium's contractual rights to the value of R800-million, including interest. A final forfeiture order was obtained. Together with interest, this saved the state a total of R1.5-billion.

9. SIU RECOMMENDATIONS

The SIU investigation has revealed several shortcomings in the GDH's processes. Although many of these issues are already provided for in legislation and policies, it is clear that the prescripts have not been followed.

9.1. It is recommended that the HOD and department should ensure:

- Compliance with the provision of section 38(1)(g) of the PFMA and immediately report the irregular expenditure, as well as the fruitless and wasteful expenditure that had been identified in the SIU report, to the relevant Treasury;
- Compliance with the provisions of section 40(1)(a) of the PFMA, which states that the accounting officer of a department must ensure that full and proper records of the financial affairs of a department are kept in accordance with the prescribed norms and standards;
- Full compliance with the PFMA and prescripts applicable to the appointment consultants.

9.2. Adjudication committees should ensure that:

- BEC and DAC meetings are electronically recorded and that these recordings are properly stored for future reference purposes;
- The submissions contained in the tender documents be verified before the BEC submits proposals to the DAC. It should furthermore be ensured that any submissions made during presentations to the BEC be compared with those submissions contained in the initial tender documents, and discrepancies addressed. It is recommended that this aspect be incorporated in the current policy document on supply chain management;
- The BEC and DAC are composed of different members;

- Any electronic system used to assist with the scoring of the bids reflects the true score and does not allocate points different from the actual scoring;
- Any conditional approval by the DAC be referred back to the DAC for the committee to consider and determine whether the conditions had been met before any award is made;
- The BEC and the DAC, in future evaluations, consider and determine whether VAT is included in the amounts presented. Verification must take place before a bid is considered;
- The DAC, when a deviation from the required tender process occurs, must record the reason for such deviation to be submitted to National Treasury and the Auditor-General; and
- When DAC members are appointed, those who are appointed to replace certain members have the same powers of the absent member he/she has replaced.

9.3. Recommendations for general conditions of contract:

- The general conditions of contract must be adhered to and all contracts must be properly entered into;
- All contracts entered into are approved by the legal division of the department;
- When a tender is awarded to a consortium, it must be ensured that the agreement entered into by the department includes all consortium members are reflected in the bid; and
- Service deliverables must be monitored and compared with the provisions of the contract entered into and the department should insist on specific delivery in terms of that contract.

9.4. Recommendations for stock control:

- A proper record is implemented reflecting delivery of goods and services.

9.5. Recommendations for budgetary control and payment for services:

- Expenditure should remain within the approved budget and all expenditure should be linked to the awarded amount. Any payments over and above the awarded amount should immediately be investigated to prevent fruitless and wasteful expenditure. Any payment above the initially agreed amount should only occur after the DAC has granted a deviation order or approved an extension of scope for further expenditure; and
- Payments must be limited to only those services actually rendered to the department.

9.6. Recommendations on staffing

- Should the GDH require the secondment of personnel, key positions such as the CFO must not be allocated to a secondee employed by a consultant with an interest in the financial management of the department;
- Where secondments occur, the seconded personnel should be excluded from any decision making process involving the firm from where the secondee originates;
- Consultants must be used for consultation purposes only and not for implementation; and

- Consultants must not be used to appoint service providers to circumvent the prescripts applicable to procurement by the department.

9.7. Recommendations on SCM policies and procedure

- SCM policies must be adhered to. Any deviation from this policy must be followed by a detailed motivation and authorised by the relevant authority; and
- The motivation for deviations must be tested and supported to ensure that the underlying reasons for the deviation are valid.

9.8. Recommendations on the compliance with the SITA Act and regulations

- The provisions of section 7 of the SITA Act, in terms of which it is compulsory to procure specific information technology goods or services through SITA, be complied with;
- When procuring directly from a service provider in terms of a framing term contract as provided for in regulation 10 of the SITA regulations, the department should ensure a fair process by limiting the invitations to the suppliers listed in a specific relevant framing term contract; and,
- When the goods or services that are required by the department apply to more than one framing term contract, as provided for in regulation 10 of the SITA regulations, the department should ensure separate procurement processes.

APPENDIX A



BRIAN HLONGWA

MEC for Health (Gauteng)

Criminal charges (PRECCA)

No disciplinary action

Current: ANC Chief Whip Gauteng
Legislature



SYBIL NGCOBO

Head of Department

Criminal charges (PFMA)

No disciplinary action as she is no longer in
the employ of the Public Service



ABDUL RAHMAN

COO and advisor to MEC

Criminal charges (PRECCA)

No disciplinary action as he is no longer in
the employ of the Public Service



MR RAMAANO

Chief Director: Supply Chain
Management

Criminal charges (PRECCA)

Dismissed since Feb 2013 following a
disciplinary process



DR MOOKELETSI

Director: ESPM

Criminal charges (PRECCA)

No disciplinary action as he is no longer in
the employ of the Public Service



MS MOSUPI

Director: ICT

Criminal charges (PRECCA)

No disciplinary action as she is no longer in
the employ of the Public Service



MR RAMOGALE

Director of Finance: ESPM

Criminal charges

Dismissed since Dec 2012 following a
disciplinary process



MR KEDAMA

Director of Special Projects

Criminal charges

Dismissed since Dec 2012 following a
disciplinary process



MS BAILEY

ICT Commodity Manager

Criminal charges

Recommendation of disciplinary action



MR TULSEE

Director of ICT

No disciplinary action as he is no longer
in the employ of the Public Service



MR LEBODI

Director of HR and Organisational
Development

No disciplinary action as he is no longer
in the employ of the Public Service



MS MOGASE

Deputy Director of HR and
Organisational Development

No disciplinary action as she is no
longer in the employ of the Public
Service

APPENDIX B: Links to media coverage

Mail & Guardian

- 6 April 2009: Heath's dirty bill - <https://mg.co.za/article/2009-04-06-healths-dirty-bill>
- 29 April 2009: The face of patronage - <https://mg.co.za/article/2009-04-29-the-face-of-patronage>
- 10 December 2009: Contract between health department, 3P must run course - <https://mg.co.za/article/2009-12-10-contract-between-health-dept-3p-must-run-course>
- 18 December 2009: Gauteng fights on against expensive tender - <https://mg.co.za/article/2009-12-18-gauteng-fights-on-against-expensive-tender>
- 24 July 2014: Top ANC man fleeced Gauteng - <https://mg.co.za/article/2014-07-24-top-anc-man-fleeced-gauteng>
Health funds flowed to ANC - <https://mg.co.za/article/2014-07-24-health-funds-flowed-to-anc>
The house of graft and lies - <https://mg.co.za/article/2014-07-24-the-house-of-graft-and-lies>
- 26 July 2014: NPA seizes over R1bn in Gauteng Health Department contract claims - <https://mg.co.za/article/2014-07-26-31-npa-seizes-over-r1bn-in-gauteng-health-department-contract-claims>
- 28 July 2014: Hlongwa allegations taken to ANCs integrity committee - <https://mg.co.za/article/2014-07-28-hlongwa-allegations-taken-to-ancs-integrity-committee>
- 31 July 2014: Gauteng's billion rand white elephant IT system - <https://mg.co.za/article/2014-07-31-gautengs-billion-rand-white-elephant-it-system>
- 31 July 2014: Embattled Hlongwa in leadership tussle - <https://mg.co.za/article/2014-07-31-embattled-hlongwa-in-leadership-tussle>
- 27 January 2015: DA challenges ANC to fire former MEC over alleged corruption - <https://mg.co.za/article/2015-01-27-da-challenges-anc-to-fire-former-mec-over-alleged-corruption>

Independent Online

- 27 July 2014: Hlongwa's R14bn corruption ring - <https://www.iol.co.za/news/politics/hlongwas-r14bn-corruption-ring-1726225>

Corruption Watch

- 8 September 2014: Fighting corruption is an ongoing struggle - <http://www.corruptionwatch.org.za/fighting-corruption-an-ongoing-struggle/>

The Citizen

- 9 October 2017: It has taken 7 years to probe Trillian-linked Gauteng health corruption case, says DA - <https://citizen.co.za/news/south-africa/1682293/it-has-taken-seven-years-to-probe-trillian-linked-gauteng-health-corruption-case-says-da/>

EWN

26 January 2016: Calls for Makhura to fire former health MEC - <http://ewn.co.za/2015/01/26/Calls-for-Makhura-to-fire-former-health-MEC>

News 24

27 April 2014: ANC heavyweight in R14bn corruption scandal - <https://www.news24.com/SouthAfrica/News/ANC-heavyweight-in-R14bn-corruption-scandal-20140727>

28 April 2015: Brian Hlongwa corruption allegations taken to integrity committee - <https://www.news24.com/Archives/City-Press/Brian-Hlongwa-corruption-allegations-taken-to-integrity-committee-20150429>

ENCA

26 July 2014: Brian Hlongwa responds to allegations at corruption - <https://www.enca.com/media/video/brian-hlongwa-responds-allegations-corruption>

Health-e.org

26 January 2015: Former Gauteng MEC for Health implicated in “massive corruption” - <https://www.health-e.org.za/2015/01/26/former-gauteng-mec-health-implicated-massive-corruption/>

28 January 2015: Hlongwa Further Implicated on Corruption Charges - <http://ehealthnews.co.za/hlongwa-corruption-charges/>

Daily Maverick

1 December 2017: Op-Ed State capture threatens the right to health - <https://www.dailymaverick.co.za/article/2017-12-01-op-ed-state-capture-threatens-the-right-to-health/#.WwvBP-6FPIU>

APPENDIX C

Links to legal documents mentioned in the SIU report

- NPA asset forfeiture application <https://www.health-e.org.za/wp-content/uploads/2015/01/NPA-Hlongwa-Forfeiture-application-.pdf>
- High Court Case: 3P Consulting (Pty) Limited v Gauteng MEC for Health (2009)
<http://www.saflii.org/za/cases/ZAGPJHC/2009/128.html>
- Supreme Court Case: Gauteng MEC for Health v 3P Consulting (Pty) Ltd (2010)
<http://www.saflii.org/za/cases/ZASCA/2010/156.html>