



08 March 2013

Minister Baloyi should act swiftly on outcomes of investigation into Mvula Trust

Corruption Watch (CW) urges the Minister of Cooperative Governance and Traditional Affairs (Cogta) to look into the findings of CW's investigation into a R30-million tender won by Mvula Trust to manage the distribution of hundreds of millions of rands through a communities-based job-creation project, the Community Work Programme.

"We have twice written to the department passing on the outcomes of our investigation into the awarding of the contract, and have received no response," said David Lewis, executive director of Corruption Watch.

"It is high time the department takes these outcomes seriously before finding itself responsible for a debacle in a key anti-poverty programme."

According to unconfirmed reports payments made to the Community Work Programme have been late. In addition, amounts in the payments, which are the responsibility of Mvula Trust, don't stack up. These reports appear to be corroborated by recent events where Mvula Trust employees, who managed part of the Community Work Programme, revealed that they had not been paid for several months.

"The major element of the contract involves paying hundreds of millions of rands in wages to those working in the Community Work Programme, the poorest of the poor", added Lewis. "The danger was always that a firm prepared to acquire the contract irregularly would not make good on the actual deliverables in the contract."

Earlier this year Corruption Watch revealed that the tender for the contract to manage one of the portions of the Community Work Programme was awarded in a highly irregular manner, whereby Mvula Trust was used as a front for a company owned by a Mvula trustee and its ability to carry out the contract was not even assessed.

For more information

David Lewis – 082 576 3748