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CORRUPTION WATCH EXPOSES "FRONTING" IN R30-MILLION MVULA TRUST CONTRACT

Corruption Watch has uncovered fronting in a R30-million tender won by Mvula Trust to manage the distribution of hundreds of millions of rand through a communities-based job-creation project.

The revelations follow a four-month investigation after CW was approached last year by a whistleblower who alleged that rural development NGO Mvula Trust had obtained a government tender irregularly. The tender was for a lead agent to manage the Department of Cooperative Governance and Traditional Affairs' (Cogta) Community Works Programme.

The tender irregularities occurred under the watch of trust chairperson and Deputy Water and Environmental Affairs Minister Rejoice Mabudafhasi.

The investigation found that Mvula Trust subcontracted a significant part of the awarded contract to a third party. This arrangement between Mvula Trust and the third party, Ubuntu Sima, was not disclosed in the initial bidding documents as required. A number of questionable links, relating to conflicts of interest, between Mvula Trust and Ubuntu Sima were also uncovered.

An ex-trustee has reported the irregularities to the police and the case is being investigated by the commercial crimes unit.

"We have approached Cogta and provided it with detailed information based on our investigation. We are requesting them to further investigate the matter and to follow up with necessary tough action against those found to be in the wrong," said CW executive director David Lewis.

He added that the civil society organisation will keep a close watch on the outcome of the police and departmental investigation.

For more on the story visit www.corruptionwatch.org.za or call:

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