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Corruption Watch goes to court to review Sassa's payment of R317-million to Cash Paymaster Services

Corruption Watch has asked the High Court to set aside the South African Social Security Agency (Sassa) CEO Virginia Petersen's decision to make a payment of R317-million to Cash Paymaster Services (CPS), a subsidiary of Net1 UEPS Technologies Incorporated, a company incorporated in the US and listed on Nasdaq and the Johannesburg Stock Exchange.

"The reasons provided by Sassa to explain this payment were unfathomable to say the least. The initial contract between Sassa and CPS, concluded in 2012 and since set aside by the Constitutional Court, clearly provided for the registration of all beneficiaries but not for a re-registration process," explains Corruption Watch's David Lewis.

"We were unable to find any contractual basis for the payment and no new contract had been concluded between the parties which could have justified the payment."

When Corruption Watch approached Sassa for an explanation for the payment to CPS, their response was that this was in lieu of services rendered for the re-registration of beneficiaries, citing various reasons justifying the payment and the re-registration process.

Corruption Watch's further engagement with Sassa, including an on-site inspection, revealed that there were serious irregularities surrounding both the payment and the re-registration process.

In light of Sassa's failure to co-operate with us further, as well the irregular nature of Petersen's decision to pay CPS, Corruption Watch decided to review her decision on certain administrative law grounds. A copy of Corruption Watch's founding affidavit will be placed on the website (www.corruptionwatch.org.za) by the end of the week.

Further relief will be sought once Corruption Watch obtains a copy of all documents on which Petersen relied to take her decision.

For more information

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