

No. R. 41, 2007**SPECIAL INVESTIGATING UNITS AND SPECIAL TRIBUNALS ACT, 1996 (ACT NO. 74 OF 1996): REFERRAL OF MATTERS TO EXISTING SPECIAL INVESTIGATING UNIT AND SPECIAL TRIBUNAL**

WHEREAS allegations as contemplated in section 2(2) of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996) (the "Act"), have been made in respect of the affairs of the Matjhabeng Local Municipality situated in the Free State Province (hereinafter referred to as the "Municipality");

AND WHEREAS the Municipality suffered losses that may be recovered;

AND WHEREAS I deem it necessary that the said allegations should be investigated and justiciable civil disputes emanating from such investigation should be adjudicated upon;

NOW, THEREFORE, I hereby, under section 2(1) of the said Act, and at the request of the Premier of the Free State Province, refer the matters mentioned in the Schedule, for investigation to the Special Investigating Unit established by Proclamation No. R. 118 of 31 July 2001 and determine that, for the purposes of the investigation of the matters, the terms of reference of the Special Investigating Unit are to investigate as contemplated in the said Act, any -

- (a) serious maladministration in connection with the affairs of the Municipality;
- (b) improper or unlawful conduct by officers and/or employees of the

Municipality;

- (c) unlawful appropriation or expenditure of public money or property;
- (d) unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon State property;
- (e) intentional or negligent loss of public money or damage to public property;
- (f) offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, and which offences were committed in connection with the affairs of the Municipality; or
- (g) unlawful or improper conduct by any person, which has caused or may cause serious harm to the interests of the public or any category thereof,

which have taken place between 1 December 2002 and the date of publication of this Proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said Special Investigating Unit by the said Act, in relation to the said matters in the Schedule, for the purpose of the recovery of any losses suffered by the Municipality.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria this Sixteenth day of November Two thousand and seven.

T. M. MBEKI

President

By Order of the President-in-Cabinet:

B. S. MABANDLA

Minister of the Cabinet

SCHEDULE

1. The procurement and events leading to the procurement, from August 2003, of services for the repair and maintenance of street and public lights and high masts, and the supply of components in connection therewith, contrary to applicable legislation and the Municipality's internal regulations, and losses suffered by the Municipality as a result thereof.
2. The release of a contractor from a performance guarantee covering the cost of the Municipality in the event of malperformance by the contractor after the said contractor had malperformed.
3. The hiring and events leading to the hiring of 10 motor vehicles during 2004 contrary to applicable legislation, and losses suffered by the Municipality as a result thereof.
4. The procurement and events leading to the procurement during July 2004 of financial management advisory services contrary to applicable legislation, and losses suffered by the Municipality as a result thereof.
5. The writing off of debts for rates and service charges owed to the Municipality, and losses suffered by the Municipality as a result thereof.
6. The forfeiture by the Municipality of a deposit paid by it in terms of a contract for the procurement of fixed property, upon the cancellation of the said contract during 2003.
7. The hiring of fixed property by the Municipality without it taking occupation thereof for approximately one year and unauthorised improvements that were effected to the said property at the Municipality's expense.