



**THE OFFICIAL OPPOSITION
FREE STATE PROVINCIAL LEGISLATURE**

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Date:	21 October 2015
To:	Adv. Erika Cilliers Senior Investigator The Office of the Public Protector Bloemfontein
From:	Leona Kleynhans (MPL)
Subject:	Free State Human Settlements – Asbestos Eradication

Dear Advocate Cilliers,

Herewith please find the documents regarding the contract entered into between Free State Department of Human Settlements and Blackhead Consulting (Pty) Ltd trading as Diamond Hill Trading during the 2014/2015 financial year for the purpose of asbestos eradication. I have included a summary of the events and concerns regarding the contract.

It is my belief that this contract is irregular and I request you to investigate the following:

1. The motivation for entering into this contract when the necessary skills do exist in the department and within municipalities for the identification of asbestos roofed pre 1994 houses, which is what the payments in excess of R100million were made for. Further payments, up to the contract value of R255million could still be made.
2. The Auditor-General found that the Gauteng contract with this company was irregular, therefore the payment of R76million by the Free State department has also been identified as Irregular Expenditure in the 2014/2015 AFS of the Dept. Was the necessary authority from National Treasury for entering into this contract obtained?
3. The contradictions between the various Service Level Agreements, Instructions to Perform Work, and Appointment Letters in terms of the actual work to be done.
4. The contradictions in the various cost estimates, rates and payments made.
5. Irregular advances made to the company.
6. Irregular claims submitted.
7. Was value for money received by the department in terms of this contract?

It is my belief that entering into a contract in terms of which the company would receive R255 million for the identification only of 36 000 asbestos roofed houses is extremely irresponsible and highly suspect.

FREEDOM. FAIRNESS. OPPORTUNITY.

LEADER: Mmusi Maimane

CHAIRPERSON: Athol Trollip

Thank you,

A handwritten signature in black ink, appearing to read 'Leona Kleynhans'. The signature is written in a cursive style with a large, stylized initial 'L'.

Leona Kleynhans
Member of the Free State Provincial Legislature
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