



Your ref:

Tel: 078 243 46 43

Our ref:

e-Mail:

Date: 24 April 2019

vdeandrade@mandelametro.gov.za

Who deals with this: V De Andrade

MINISTER FOR COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS

HON. Z MKHIZE,MP

BY EMAIL

Dear Honourable Minister,

**REQUEST FOR SECTION 154 INTERVENTION / NELSON MANDELA BAY
METROPOLITAN MUNICIPALITY**

The aforementioned matter has reference.

Kindly note that over the last couple of months the Democratic Alliance addressed numerous pieces of correspondences to various national and provincial departments regarding the systematic collapse of the Nelson Mandela Bay (NMB) administration. Below please find a brief synopsis of the state of the NMB administration. We trust that upon receipt hereof you shall immediately proceed to institute measures in order to protect the interest of the administration as is constitutionally required from you.

1. JOHANN METTLER-CITY MANAGER

- 1.1 Cllr Mongameli Bobani, Executive Mayor of NMB has, during the course of last year, instituted disciplinary action against City Manager, Johann Mettler. Said disciplinary action has seen Mettler being placed on cautionary suspension as from September 2018 already. It is our submission that this move by Cllr Mongameli Bobani was motivated by the fact that Mettler was the driving force behind an investigation into the alleged corruption and/or fraud within the IPTS project in Nelson Mandela Bay.



- 1.2 It is public knowledge that Cllr Monagameli Bobani has been implicated in alleged fraud and/or corruption within the IPTS project as he allegedly solicited and/or received funding and/or unlawfully benefitted from public funds.
- 1.3 All but one of the disciplinary charges against Mettler has since been abandoned. The only charge that remains relates to the apparent incorrect formal advice that Mettler provided Council on the 27th of August 2018. This charge has no reasonable prospect of success given the fact that it's well documented that Mettler's advice on the day was backed by formal, written legal advice from Council's legal representatives.

2. PETER NEILSON - ACTING CITY MANAGER

- 2.1 Mr Neilson has been the fourth Acting City Manager in NMB since September 2018. The Democratic Alliance is of the opinion that Neilson does not possess the minimum competencies nor qualifications to act as municipal manager in NMB. It is our contention that the appointment of Mr. Neilson is highly irregular in that it contravenes The Municipal Systems Act 32 of 2000, section 54A (2) and (3) which reads as follows:

"(2) A person appointed as municipal manager in terms of subsection (1) must at least have the skills and expertise, competencies and qualifications as prescribed."

"(3) A decision to appoint a person as municipal manager, and any contract concluded between the municipal council and that person in consequence of the decision, is null and void if-

- (a) The person appointed does not have the prescribed skills, expertise, competencies or qualifications; or*
- (b) The appointment was otherwise made in contravention of this Act."*

In this regard we refer you to our letter addressed to the Hon Minister Z MKHIZE MP, dated 27th of November 2018, annexed hereto as Annexure "A1".

- 2.2 Neilson's tenure continues to expose the NMB administration to adverse risk due to his lack of experience at such a senior

managerial level.

- 2.2.1 A good example of the aforementioned is the fact that Neilson recently failed to advise council correctly of an unlawful resolution that was taken to summarily terminate the mandate of the legal firm Gray Moodliar Inc.
- 2.2.2 Many of the cases handled by Gray Moodliar Inc pertain to conducting disciplinary enquiries and instituting civil claims against NMBM officials and service providers in the Integrated Public Transport System (IPTS) who were identified in the Deloitte/National Treasury report of August 2015.
- 2.2.3 The aforementioned resolution was adopted in a manner that could not be implemented by the administration. Cllr Mongameli Bobani therefore affected the necessary changes to the minutes of council on the 9th of April 2019 so that the mandate of said firm could be terminated.
- 2.2.4 At no stage during any of the numerous deliberations on the matter did Mr Neilson warn council of:
- i) the millions of Rands of fruitless and wasteful expenditure that would be incurred should Council terminate the mandate of the service provider;
 - ii) the conflict of interest that Cllr Mongameli Bobani experienced in the matter as a result of being implicated in alleged fraud and corruption in the IPTS project;
 - iii) The effect that the termination of mandate would have on the ongoing disciplinary matters that were handled by Gray Moodliar Inc and how council would potentially be compromised by same;
 - iv) The fact that Cllr Mongameli Bobani was unable to alter the minutes of a council meeting in order to change resolutions of council.
- 2.2.5 Mr Neilson took steps to implement the resolution and in a letter to Gray Moodliar Inc, dated 16 April 2019 (emailed on 17 April 2019), he informed that all the mandates given to Gray Moodliar in legal matters are withdrawn, in accordance with council's aforementioned resolution.

3. VARIOUS FINANCIAL MATTERS

- 3.1 Capital Expenditure for the financial year as at the 9th of April 2019 was 33.42%. Given the fact that there is only two months left to the end of the financial year it seems impossible that the administration will fully

commit all of its conditional grant allocations for the financial year at hand.

- 3.2 The aforesaid matter is a cause for huge concern as National Treasury has warned the city that they are unlikely to approve any rollover applications for unspent conditional grants should Council fail to appoint a permanent CFO before the end of the financial year at hand. Should the administration thus fail to commit all of its conditional grant allocation within the current financial year, the city is likely to forfeit tens of millions of Rands.
- 3.3 The collection rate for the city as at the 31st of March 2019 was 92.14% against a budgeted 95%. This amounts to an under collection of R175 million which will no doubt have a huge impact on the financial performance of the administration. In this regard we refer you to the Section 71 report for March 2019 which should have been received by your good offices already.
- 3.4 An amount of approximately R148 million for the construction of water and electricity infrastructure in the 2018/2019 capital budget is funded by means of a long term loan. Said loan has been duly approved by council after consent was initially sought from National Treasury as per the prescribed processes. It is our understanding that as at the 9th of April 2019, the Acting CFO has still been unable to persuade the Executive Mayor to sign the resolutions pertaining to the loan agreement. This notwithstanding the fact that directorates have started implementing the projects and as such has incurred actual expenditure on said projects without the administration having secured the necessary funding therefore.

In this regard please refer to the correspondence addressed to the Public Protector on the 11th of December 2018, attached hereto as Annexure "A2".

- 3.5 The administration failed to meet the deadline for tabling the 2019/20 Draft Budget / IDP on or before the 31st of March 2019. Whilst the MEC was formally advised in a letter by the Executive Mayor of the delay in tabling the aforementioned as is required in terms of Sections 27 (3) and 53 (2) of the MFMA, the Democratic Alliance believes that the MEC was deliberately misled as to the reasons for the delay. In his letter dated the 22nd of March 2019, the Executive Mayor states the reasons for the delay as key role-players being unable to attend the council meeting of the 28th of March 2019. In reality, on the 22nd of March 2019 no budget existed and the Executive Mayor was well aware of the fact that as a result he would be unable to table the required documentation on or before the 31st of March 2019. The aforementioned fact is supported by the fact that Councillors only received their budget documentation from the administration on the 2nd of April 2019. Council has since tabled and noted the Draft Budget/IDP and as a result the aforesaid is of little consequence other than the fact that it is simply inconceivable that an

Executive Mayor could deliberately and maliciously mislead the provincial administration.

4. IPTS PROJECT

- 4.1 On the 28th of January 2019 the Democratic Alliance wrote to the Acting City Manager, Mr Neilson, regarding the appointment of the new project manager for the IPTS, Ms Seki Mandaba. In the correspondence addressed to Neilson we amongst others stated that:

"We wish to place on record that given the problematic history of this project it is imperative that the project leader for IPTS should either possess extensive knowledge of public transportation or at the very least, the build environment. We unfortunately do not believe that the newly appointed project manager possess either the necessary skills nor the necessary experience to manage a project of this highly specialized nature.

We are furthermore of the opinion that the appointment of a project manager without the necessary skills and experience could severely compromise the future of the project. It is our understanding that both the Department of Transport as well as National Treasury are extremely concerned about this appointment..."

The letter addressed to Acting City Manager, Mr Neilson and copied *inter alia* to the Hon Minister Z MKHIZE MP and the Hon Fikile Xasa MPL, dated 28th of January 2019, is annexed hereto as Annexure "B".

- 4.2 On the 11th of March 2019 the Democratic Alliance wrote to the Hon. Blade Nzimande MP regarding the proposed redirection of funding within the IPTS project. It amongst others stated:

"Whilst the new administration is naturally at liberty to make any amendments to the project at hand, it certainly makes no sense that funding be redirected four months before the end of a financial year, especially given the fact that little to no planning has gone into the new project.

The new project entails the spending of at least R41 million of the grant funding for the 2018/19 financial year on a bus depot in KwaNobuhle, Uitenhage. These funds were redirected from the Cleary Park –PE CBD trunk route which was part of the first phase rollout of the IPTS in NMBMM.

Given the fact that the building plans for the proposed depot has not even been finalized and approved, there is little chance that the project will break ground before the end of the financial year".

The letter addressed to the Hon. Blade Nzimande MP is annexed hereto as Annexure "C".

- 4.3 In terms of Government Gazette Nr 42318 dated the 18th of March 2019,

the Nelson Mandela Bay allocation in terms of the Public Transport Network Grant (PTNG) was subsequently reduced by an amount of R29 407 000. In this regard a letter was forwarded on the 26th of March 2019 to the Acting Chief Financial Officer, Mr Jackson Ngcelwane. Same requested more information regarding the proposed budget amendments which would accommodate the reduction in grant funding herein. Unfortunately the matter remains unclear as council has to date failed to pass a resolution in order to amend its budget accordingly.

The letter addressed to the Mr Jackson Ngcelwane is annexed hereto as Annexure “D”.

- 4.4 An item recently tabled at Council sought to reinstitute funding to the former Laphumilanga-project, but was withdrawn at the last minute. An amount of R10.8 million was earmarked for the entity and it is our understanding that this item will be resubmitted to the next Council meeting. The aforesaid is problematic given the fact that the contract between NMB and Laphamilanga has been terminated.

A copy of this item to Council is annexed hereto as Annexure “E”.

5. EXECUTIVE MAYOR CLLR MONGAMELI BOBANI

- 5.1 Executive Mayor Mongameli Bobani has allegedly personally been implicated in the IPTS fraud. His alleged involvement apparently concerns payments that were made to him from IPTS related funds to the tune of nearly R700,000.00. In October last year the Hawks raided Cllr Bobani’s office as part of their ongoing investigation in this regard.
- 5.2 In a letter addressed to the Director General for Treasury, Dondo Mogajane, on the 8th of January 2019, the Democratic Alliance highlighted its concern regarding the political interference in matters relating to the ongoing corruption trial in respect of the IPTS Project. Cllr Bobani deliberately wanted to prevent Mettler from testifying in the criminal case that Mettler initiated. The letter included the following paragraphs:

“As a direct consequence of the findings of said forensic investigation a number of criminal charges were laid by Mettler in his capacity as accounting officer. These criminal charges led to certain arrests being made by SAPS and a fraud trial is currently underway in the Port Elizabeth Commercial Crimes Court. The investigation however remains ongoing and further arrests in this complicated matter are expected in due course.

It recently came to light however that the newly elected administration led by Executive Mayor Cllr Mongameli Bobani is opposed to the state calling Mettler as an expert witness in the aforementioned trial. It would therefore certainly seem as if the new administration is either unwilling to deal with the matter decisively

or endeavoring to be obstructive.”

The letter addressed to the Director General for Treasury, Dondo Mogajane, is annexed hereto as Annexure “F”.

- 5.3 At council meetings on 28 February 2019, 4 April 2019 (as subsequently postponed to 9 April 2019), Cllr Mongameli Bobani deliberately misled council in order to procure a resolution that the cases handled by the municipality’s attorneys (agents), Gray Moodliar Inc (GM) be withdrawn. Many of these cases handled by the firm pertain to conducting disciplinary enquiries and instituting civil claims against NMBM officials and service providers in the Integrated Public Transport System (IPTS) who were identified in the Deloitte/National Treasury report of August 2015. Examples of how Cllr Mongameli Bobani misled council in an attempt to influence council to adopt the resolution it ultimately did, are:
- 5.3.1 He misrepresented that GM is a ‘white firm’, whereas GM is a majority black-owned and controlled company. Sureshni Moodliar is the major shareholder; and
 - 5.3.2 He misrepresented that the company was paid R100 million, which is false. He could have easily ascertained the facts, by requesting the municipality’s CFO to report on the true state of affairs;
 - 5.3.3 He misrepresented that GM was not co-operating. GM has at all times acted on the instructions of the Acting City Manager and his predecessors. Note that no report by the Acting City Manager was obtained or presented to council prior to the decision to terminate the mandate of GM was implemented.
- 5.4 In this regard criminal charges have been laid against Cllr Mongameli Bobani in terms of Section 119 of the Municipal Systems Act 32 of 2000 for unduly influencing the City Manager herein. Attached please find an Affidavit by Cllr Athol Trollip attached hereto as Annexure “G”.

6. DRAIN HEIST

- 6.1 The NMBM Council resolved on 4 December 2018 to approve a R21 million drain cleaning project which we refer to as the “drain heist”. The project was initiated to ostensibly create job opportunities for SMME’s in the city. It has unfortunately come to light that of the R21 million at least an amount of R4 million cannot be accounted for and is deemed to have been misappropriated.
- 6.2 The project was awarded to JK Structures and Finecorp 113 which in turn ceded the work to the SMME’s. JK Structures and Finecorp 113 was tasked to administer the distribution of work and payments. Approximately 600 SMME’s were initially earmarked to benefit from the project and the list became longer with the addition of another 300. A reconciliation revealed that R4 million could not be accounted for and 44 SMME’s did not submit

a portfolio of evidence to justify payment. Double payments were made to at least 10 SMME's. JK Structures and Finecorp 113 were also responsible for the final audit of the project. Their final audit report revealed many irregularities with regards to the payments made to SMME'S and recommended that the matters be further investigated.

- 6.3 After this project the city was terrorised by a spate of assassinations of SMME business owners. SAPS has confirmed that the majority of the more than 20 killings could be directly linked to the "Drain Heist" contract.
- 6.4 In a subsequent report to Council on the related project, municipal officials stated that projects of this magnitude should have been better conceived and managed. Mention is also made in the report of the persons who allegedly died in "hit-style" executions in the city as a result of the project.
- 6.5 The Democratic Alliance approached both COGTA Minister Mkhize MP and President Ramaphosa for their urgent intervention in this regard. Furthermore, the Democratic Alliance brought this matter to the attention of the SIU, which is now investigating the matter. A motion by the Democratic Alliance to the City Council calling for a full forensic investigation to be commenced into the project, was opposed by the majority in council. This is in itself should be a cause for grave concern for the provincial government.

7. FORENSIC REPORTS RELATING TO FRAUD AND CORRUPTION WITHIN THE PUBLIC HEALTH DIRECTORATE

- 7.1 Irregularities in the department of Public Health led to an internal report on political interference and the irregular appointment of Milongani Eco Consulting, litter pickers and EPWP-workers. This report has been referred to MPAC and has seen little to no progress under the current administration.
- 7.2 The internal report was supplemented by a full forensic report which was commissioned by the previous administration and facilitated by Price Waterhouse Coopers. This report remains buried in the administration and has not been referred to council.
- 7.3 Said forensic report has however led to another search and seizure operation by the Hawks on Cllr Mongameli Bobani and former Public Health Directorate officials implicated in this matter.

Given the aforesaid state of affairs, we once again call upon your good offices to consider invoking section 154 of the Constitution of the Republic of South Africa:

154. (1) The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

It is our considered opinion that invoking section 154 will bring some form of

stability to NMB and provide your department with the necessary insight into the current dysfunctional administration of the metro. We furthermore specifically call upon you to consider seconding a suitable candidate to NMB as Acting City Manager given the fact that the incumbent does not possess the necessary competencies nor experience to act in said position.

We sincerely believe that your failure to provide the necessary support to the municipality will only further compromise this already fragile and dysfunctional administration.

Yours sincerely,



CLLR N BHANGA (DA)

LEADER: OFFICIAL OPPOSITION

cc: Hon. F Xasa, MPL

MEC COGTA, Eastern Cape

Mr. D Mashitisho

DG: DCoG

Ms. G Gumbi Masilela

HOD: COGTA Eastern Cape

Your ref:

Tel: 078 243 46 43

Our ref:

e-Mail:

Date: 27 November 2018

vdeandrade@mandelametro.gov.za

Who deals with this: V De Andrade

**MINISTER FOR COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS
HON. Z MKHIZE,MP**

BY EMAIL

Dear Honourable Minister,

**REQUEST FOR SECTION 154 INTERVENTION / NELSON MANDELA BAY
METROPOLITAN MUNICIPALITY**

The suspension of Nelson Mandela Bay Municipal Manager, Johann Mettler, refers.

Mr. Mettler was seconded to Nelson Mandela Bay Metropolitan Municipality (NMBMM) in 2015 by one of your predecessors, the Hon Minister Pravin Gordhan MP. This intervention by the national department came on the back of a number of failed attempts by the province to provide assistance in respect of Section 154 to the metro. In 2016, Mettler was appointed as permanent Municipal Manager by the newly elected council of NMBMM and given a five year contract as from the 24th of November 2016.

On the 27th of August 2018, there was a change in the governance in NMBMM when former Executive Mayor Cllr Athol Trollip was replaced by Executive Mayor Cllr Mongameli Bobani. Cllr Bobani immediately started proceedings in order to endeavor to suspend Mettler on a number of charges that are at best described as frivolous and trumped up. Mettler was subsequently suspended pending the outcome of the disciplinary case on the 28th of September 2018. Important to note is that all but one of the original charges against Mettler has now been abandoned by the municipality.

Since Mettler's suspension, two executive directors in the administration were appointed to act as municipal managers. The first acting municipal manager resigned and the second was recalled by Cllr Bobani.

We learnt with concern on Monday, 26 November 2018 that a third municipal official was appointed to act in the position of municipal manager. The aforesaid appointment of Mr Peter Neilson as Acting Municipal Manager will entail that the city has seen three different acting Municipal Managers over the past two months. It is our contention that the appointment of Mr. Neilson is highly irregular in that it contravenes The Municipal Systems Act 32 of 2000, section 54A (2) and (3) which reads as follow:

“(2) A person appointed as municipal manager in terms of subsection (1) must at least have the skills and expertise, competencies and qualifications as prescribed.”

“(3) A decision to appoint a person as municipal manager, and any contract concluded between the municipal council and that person in consequence of the decision, is null and void if-

- (a) The person appointed does not have the prescribed skills, expertise, competencies or qualifications; or*
- (b) The appointment was otherwise made in contravention of this Act.”*

We furthermore believe that Mr. Neilson also does not possess the minimum competency levels to occupy said office. The aforesaid lack of minimum competency is a great cause of concern as said appointment will no doubt expose the institution to further adverse risk. We are therefore of the opinion that the appointment of Mr. Nielson, if subjected to legal scrutiny, will reveal gross disregard of section 54 of the Municipal Systems Act.

It is also important to note that Executive Mayor Cllr Bobani has recently been implicated in an investigation by the HAWKS relating to an alleged corrupt relationship with a local businessman, Mr. Fakeer, who allegedly defrauded the Integrated Public Transport System project in Nelson Mandela Bay.

Cllr Bobani is furthermore also the subject of a second investigation by the HAWKS for alleged interference in the municipal administration in that he allegedly contacted an official at ABSA bank requesting said official not to issue a bond of security as was requested by Mr. Mettler in preparation for a Labour Court application in Port Elizabeth. The aforementioned occurred whilst Cllr Bobani was an ordinary PR list Councillor and the matter was referred for investigation by SAPS in July 2018.

In addition to the aforesaid, the vacant positions of Executive Director: Corporate Services (which is responsible for human resources) as well as Chief Financial Officer (Executive Director: Budget and Treasury) is causing further instability in the administration. The aforesaid can be seen by the failure of the administration to render municipal accounts for period of ten weeks which led to a dramatic drop in the collection rate. During this period the creditors' repayment rate has also deteriorated to an average of nearly 60 days

According to various media reports pressure is now also mounting on officials to avail some R18 million for a drain cleaning project to benefit some 600 SMME's. It is understood that very little value will be gained from the project and the only reason for launching same will be for purposes of providing patronage. This notwithstanding the fact that this project has not been allocated the necessary budget nor has it followed any supply chain processes. The unwillingness of officials to capitulate to the demands of the overreaching Executive Mayor Bobani and MMC Andile Lungisa, we believe, are directly responsible for the resignation and/or recall of the two previous acting municipal managers.

It is our understanding that the Acting Municipal Manager has been instructed to dispose of high profile disciplinary matters, relating to senior officials, who were suspended by the previous section 154 team. The aforesaid team were sent to Nelson Mandela Bay by Minister Gordhan to address the rampant corruption and

PR COUNCILLOR

deteriorating levels of governance. This is cause of grave concern to ourselves and the institution.

We therefore request your good offices to consider invoking section 154 of the Constitution of the Republic of South Africa:

154. (1) The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

It is our opinion that invoking section 154 will bring some form of stability to NMBMM and provide your department with the necessary insight into the current dysfunctional administration of the metro. We furthermore believe that failure to invoke this section forthwith will only further compromise an already fragile administration which will inevitably lead to its collapse.

Yours sincerely



CLLR N BHANGA (DA)
LEADER: OFFICIAL OPPOSITION

cc: Hon. F Xasa, MPL
MEC COGTA, Eastern Cape

Mr. D Mashitsho
DG: DCoG

Ms. G Gumbi Masilela
HOD: COGTA Eastern Cape

Mr. J Hattingh
National Treasury Chief Director: Local Government Budget Analysis

Your ref: NMBM

Our ref: AT 12/01/2018

Date: 11 December 2018

Tel: 082 417 9254

e-Mail: vdeandrade@mandelametro.gov.za

Who deals with this: V. De Andrade

PUBLIC PROTECTOR
MS BUSISIWE MKHWEBANE
customerservice@protect.org

BY EMAIL

Dear Public Protector

RE: Urgent matter of concern with regard to financial mismanagement, misconduct and possible financial offences being committed in the Nelson Mandela Metropolitan Municipality

You might be aware that there was a transition of Political governance in the above said municipality on the 27 August 2018. The issues that will hereafter be reported for your attention are informed, not out of malice due to the change of political leadership but rather due to our very grave concerns that the current government is transgressing many legislated requirements and are flouting basic requirements when it comes to financial management. In this regard I wish to make specific reference to the following legislation, the **"Municipal Regulation on financial misconduct procedures and criminal proceedings"**.

Specifically, **"The Reporting of allegations of financial misconduct"**

3. (1) Any person must report an allegation of financial misconduct against-
- (a) the accounting officer, a senior manager or the chief financial officer of a municipality, to the municipal council of the municipality, the provincial treasury and the national treasury;
9. (1) Any person may report an allegation of a financial offence against
- (a) a councillor of a municipality, to the designated official, the Minister of Finance and the MEC for finance;
 - (b) the speaker of a municipality, to the mayor of the municipality;

(2) An allegation referred to in sub-regulation (1)(a) or (b) must be dealt with in terms of the Code of Conduct for Councillors in Schedule 1 to the Municipal Systems Act.

MUNICIPAL FINANCE MANAGEMENT ACT

173. Offences

(1) The accounting officer of a municipality is guilty of an offence if that

Accounting officer-

(a) deliberately or in a grossly negligent way-

i) contravenes or fails to comply with a provision of section

61(2)(b), 62(1), 63(2)(a) or (c), 64(2)(a) or (d) or 65(2)(a), (b), (c), (d), (f) or (i);

(iii) fails to take all reasonable steps to prevent unauthorised, irregular or fruitless and wasteful expenditure;

(4) A councillor of a municipality is guilty of an offence if that councillor-

(a) deliberately influences or attempts to influence the accounting officer, the chief financial officer, a senior manager or any other official of the municipality to contravene a provision of this Act or to refrain from complying with a requirement of this Act;

(5) A councillor, an official of a municipality or municipal entity, a member of the Board of directors of a municipal entity or any other person is guilty of an offence if that person deliberately or in a grossly negligent way-

(a) impedes an accounting officer from complying with a provision of this Act;

(f) provides false or misleading information for the purposes of any document which must in terms of a requirement of this Act be-

(i) submitted to the council, mayor or accounting officer of a municipality or to the Auditor-General or the National Treasury; or

(ii) made public.

With regard to all of the above, I wish to bring two matters to your attention which were recently presented by the Executive as proposed items at our council meeting of 4th December 2018.

Firstly, there was a proposal to suspend all suspensions of municipal staff (document attached as Annexure (A)). This proposal was compounded by the fact that Cllr. M. Bobani and the MMC for Infrastructure & Engineering, Cllr. A. Lungisa both suggested that the suspended staff be allowed to return to work on the 5th December 2018, pending the outcome of a so called review, by recently appointed legal representatives who appear to have little or no specialist expertise in labour legislation. This proposal is fraught with many concerns as the municipality has embarked on legal action against the said suspended officials, based on material and prima facie evidence, some of whose cases have been ongoing since prior to the 2016 local government elections. Any proposed suspension and possible termination of these cases would result in significant fruitless and wasteful expenditure for the municipality, not to mention the prejudice it would be faced with as an institution as these cases were pursued on the strengths and specific merits of each case. Any blanket suspension of such cases would smack of irregular and unlawful political intervention. Even the presentation of the item without the benefit of accompanying review information or legal opinion would seem highly irregular in that council was expected to approve an item on the basis of a whim, not on any relative and relevant information.

These concerns are all exacerbated by the fact that the current mayor has been championing the cases of the said municipal officials almost since they were charged, suspended and in some cases, dismissed. It is clear that he has a vested interest in these cases. There has also been a book published recently by Dr Crispian Olver, about what was happening in this City, prior to the 2016 elections. The book is entitled "How to Steal a City" and some of the officials and politicians, who are promoting the return of the said officials, have been directly and indirectly implicated in the "stealing" of this City.

The second issue of major concern is another item that was brought to council and reported on by the local media whereby the new administration seeks to amend an approved business plan related to the municipality's intention to borrow R700 million for the augmentation of water and prevention of unnecessary loss of water and other urgent infrastructure & energy related projects. (The above said proposal is attached and marked Annexure B).

This proposal is irregular and unlawful in so many ways that it escalates our concern that the current political leadership seems to have no regard of the Municipal Finance Management Act (MFMA) and National Treasury Regulations. In this regard, I attach a letter from Treasury, (marked Annexure (C)) as well as a number of newspaper articles (marked Annexure (D (1), (2), (3), (4), (5), (6) & (7)).

The said loan funding application was made under my leadership as the former Executive Mayor and we followed every applicable prescript, including securing National Treasury's approval for the application. The MMC

for Infrastructure & Engineering, Cllr A. Lungisa was totally dismissive of Treasury's correspondence in this regard and even went as far as labelling the author of being part of a "rogue unit" in the National Treasury.

The proposed request in the proposal to use R100 million to build or provide bulk infrastructural services to an unbudgeted for new housing development by "Sakhisizwe Renewal Energy" at Florida Heights is not only against the loan funding conditions, it is also highly irregular as this is normally the responsibility of the contactor and the Environmental Impact Assessment for this project has lapsed. The proposal to use some of the loan funding to pay service providers such as SABATA and EOH is also irregular and not permissible.

The proposal to pay a former service provider, Afrisec for outstanding invoices, based on services rendered is highly irregular and unlawful as the Municipality is currently embroiled in contested litigation related to the contract awarded to Afrisec which amounted to an open ended tender that went way and beyond the scope of the original contract.

The proposal to use some of the funding to pay controversial attorney, Mr Philip Masiza an amount of R1,9 million as a "commission" for services rendered to the controversial Integrated Public Transport System (IPTS), is simply outrageous and should not be allowed.

Lastly, the proposal to allocate R45 million from the loan funding for "festive season events" when the current budget has already allocated R4 million for this purpose, is the most brazen attempt to loot the loan funding account. How on earth can any sober minded person contemplate allowing such a proposal on the 4th of December 2018 when the "festive season" ends early in January 2019. There would not be enough time for the legislated Supply Chain Management (SCM) processes to unfold and as a result, deviations would have to be utilized which would result in irregular expenditure, not to mention the fact that it would be practically impossible to secure any worthwhile artists at such short notice and this would have the potential to result in fruitless and wasteful expenditure.

The aforementioned matters raised all fall into the categories of the legislative prescripts that I quoted in the beginning of my correspondence and I believe that they warrant your urgent attention. The situation in Nelson Mandela Bay is also extremely unstable especially since there have been three Acting City Managers in the past three months since the new administration took over. The current acting City Manager refused to confirm or deny if the two proposed items had been duly processed through his office and / or the Mayoral Committee. This situation appears to have circumvented all due processes as a number of Mayoral Committee members and administrative staff are quoted as claiming not to have seen the items prior to their being tabled.

I am also sending this correspondence to the Minister and MEC for Cooperative Governance and Traditional Affairs as well as the Minister and the MEC for Finance.

Your urgent attention and response to this matter is appreciated.

Sincerely



CLLR ATHOL TROLLIP (DA)
FEDERAL CHAIRPERSON

cc: Hon. F Xasa, MPL
MEC COGTA, Eastern Cape

Mr. D Mashifiso
DG: DCoG

Ms. G Gumbi Masilela
HOD: COGTA Eastern Cape

Mr. J Hattingh
National Treasury Chief Director: Local Government Budget Analysis

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NELSON MANDELA BAY MUNICIPALITY: ITEM TO COUNCIL: SUSPENDED EMPLOYEES

PURPOSE

The purpose of this report is to inform council about the ongoing review into:

- all employees currently on suspension pending disciplinary enquiries;
- all employee disciplinary related matters taken on review by the municipality;
- all employee disciplinary related matters wherein employees are challenging the outcome of their disciplinary processes.

LEGAL FRAMEWORK

- Local Government: Municipal Systems Act (MSA);
- Labour Relations Act;
- Basic Conditions of employment Act

BACKGROUND

1. Various employees are currently on suspension pending disciplinary enquiries due to alleged misconduct. Some of these employees are on suspension for very long periods of time, whilst receiving full remuneration and the municipality having to pay acting allowances in place of those so suspended.
2. Whilst the municipal administration cannot unilaterally revoke all suspended employees' suspension, having regard to due labour legal process, the municipality is embarking on a review of all the said disciplinary processes and suspensions by utilizing the services of an external law firm in order to possibly avert fruitless and wasteful expenditure on all the matters.

3. Notwithstanding the aforementioned, the disciplinary hearings shall be ongoing and finalized in due course.

4. Recommendation:

- 4.1 That Council note the report regarding the disciplinary suspensions of employees;
- 4.2 The acting municipal manager to implement any recommendations received from the lawyers who are currently reviewing all the disciplinary matters.
- 4.3 The acting city manager to give regular reports to council regarding the progress with all disciplinary hearings, including suspensions of all employees.

ITEM BY: ACTING CITY MANAGER

Annexure (B)

Page 1 of 6

NELSON MANDELA BAY MUNICIPALITY: ITEM TO COUNCIL: AMENDMENT OF BUSINESS PLAN Re: R700m LOAN

PURPOSE

The purpose of this report is for Council to consider:

1. Amending the business plan of the R700m bank loan as contained herein below, based on operational requirements.

LEGAL FRAMEWORK

- Municipal Finance Management Act (MFMA)

BASIS FOR THE AMENDMENT

Whereas council is in the process of procuring a R700m loan from a banking institution (the Loan) in line with the relevant provisions of the MFMA, the council hereby wants to amend the business plan for the spend of the R700m, due to operational requirements, to include the following:

1. FLORIDA HEIGHTS HOUSING DEVELOPMENT

- 1.1 R100m (one hundred million rands) of the loan to be made available for the necessary municipal bulk infrastructure needed to support the said housing development.

2. PAYMENT DUE PAYABLE TO EOH

- 2.1 In line with the municipality's financial obligations to EOH based on its service level agreement, sufficient funds must be made available from the loan in order to settle any amounts due owing to EOH, which

amounts will be paid within 24 hours after the said negotiations in sub paragraph 2.2 take place.

- 2.2 Before any payments are made in terms of paragraph 2.1, meetings between the municipality and EOH must take place wherein the municipality certifies any amount due owing to EOH, based on services rendered and as per the service level agreement entered into, prior any payment.

3. SMART WATER METRES

- 3.1 R300m (three hundred million rands) of the loan to be made available for the acquisition and installation of smart water metres throughout the municipal area, in order to enhance income generation for water consumption and to reduce water losses.

4. PAYMENT DUE PAYABLE TO SEBATA

- 4.1 In line with the municipality's financial obligations to SEBATA based on its service level agreement, sufficient funds must be made available from the loan in order to settle any amounts due owing to SEBATA, as well as any amount needed to complete the project of SEBATA within the municipality, which amounts will be paid within 24 hours after the said negotiations in sub paragraph 4.2 take place.
- 4.2 Before any payments are made in terms of paragraph 4.1, meetings between the municipality and SEBATA must take place wherein the municipality certifies any amount due owing to SEBATA, based on services rendered and as per the service level agreement entered into, prior any payment.

5. PAYMENT DUE PAYABLE TO AFRISEC

5.1 In line with the municipality's financial obligations to AFRISEC based on its service level agreement, sufficient funds must be made available from the loan in order to settle any amounts due owing to AFRISEC, as well as any amount needed to complete the project of AFRISEC within the municipality, which amounts will be paid within 24 hours after the said negotiations in sub paragraph 5.2 take place.

5.2 Before any payments are made in terms of paragraph 5.1, meetings between the municipality and AFRISEC must take place wherein the municipality certifies any amount due owing to AFRISEC, based on services rendered and as per the service level agreement entered into, prior any payment.

6. PAYMENT DUE PAYABLE TO MASIZA INC.

6.1 In line with the service level agreement concluded with Masiza Inc., legal services were performed by Masiza Inc., on behalf of the Municipality, whereby the fees due, owing and payable to Masiza Inc. amounts to R 1 900 000.00 (one million, nine hundred thousand rand only).

6.2 The aforementioned amount will be paid within 24 hours, after being resolved by council.

7. RECONNECTION FEE FOR ELECTRICITY AND WATER AND INTERRUPTION OF SAID SERVICES

7.1 There will be no interruption of municipal services as far as water and electricity is concerned, for a period of 6 months, from council resolution, while the municipality is devising means of addressing and collecting outstanding arrears.

- 7.2 Further, there will be no reconnection fee, in the event that the aforementioned services are interrupted/cut, while the municipality is addressing outstanding arrears.

8. FESTIVE SEASON EVENTS

- 8.1 In line with ensuring that all the municipality's inhabitants benefit from the annual festive season events, the municipality will this year have various festive season events by having events in different locations around the municipal area, thereby taking the festive season events to the people.
- 8.2 An amount of R45m is required for the various festive season events. As such, the amount of R45m must also be obtained from the loan.

9. Recommendation:

- 9.1 That Council note the report regarding the proposed amendment of the business plan relevant to the R700m loan;
- 9.2 That Council accepts the proposed amendments to the business plan of the R700m loan to reflect the following, based on operational requirements:
- 9.2.1 R100m from the loan be made available for the necessary municipal bulk infrastructure needed to support the Florida Heights housing development;
- 9.2.2 Sufficient funds be made available from the loan in order to settle any amounts due owing to EOH and AFRISEC;

- 9.2.2.1 Before any payments are made to EOH and AFRISEC, meetings between the municipality and EOH and AFRISEC must take place wherein the municipality certifies any amount due owing to EOH and AFRISEC, based on services rendered and as per the service level agreement entered into, prior any payment. These will be separate meetings.
- 9.3 R300m of the loan be made available for the acquisition and installation of smart water metres throughout the municipal area, in order to enhance income generation for water consumption and to reduce water losses.
- 9.4 Sufficient funds must be made available from the loan in order to settle any amounts due owing to SABATA, as well as any amount needed to complete the project of SABATA within the municipality.
 - 9.4.1 Before any payments are made to SABATA, meetings between the municipality and SABATA must take place wherein the municipality certifies any amount due owing to SABATA, based on services rendered and as per the service level agreement entered into, prior any payment.
- 9.5 Council confirms the payment of R 1 900 000.00 (one million, nine hundred thousand) to MASIZA INC.
- 9.6 Council confirms the stay of reconnection fees for water and electricity, for a period of 6 months, while the municipality devises means of addressing and collecting outstanding revenue.

9.7 Council confirms that the municipality will this year have various festive season events by having events in different locations around the municipal area, thereby taking the festive season events to the people.

9.7.1 An amount of R45m of the loan be made available for the various festive season events.

Annexure (C)



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AMENDMENT OF BUSINESS PLAN - ₹700 MILLION LOAN

The process currently underway in your Municipality to amend your business plan associated with the ₹700 million loan to be taken up by the (MMA) and / or any other financial institution has advanced.

Before this process is completed, I would like to remind you of the Accounting Officer of your Municipality as articulated in Sections 20 and 27 of the MMA and especially the requirement governing borrowing as outlined in the Chapter A of the MMA - the chapter on municipal debt.

Please note that in terms of Section 41(2) a municipality is only allowed to incur long term debt for capital expenditure and not to finance any operational expenditure. Please also ensure the administration conforms strictly to the requirements of Section 43 to 50 of the MMA.

The procedures outlined in MMA Circular No. 26 are also included in this report. No payment should be made to any service provider before all the procedural processes have been followed to the letter of the law.

If you have not consulted the National and provincial legislatures with regard to this loan, may I suggest you do so as a matter of urgency. Kindly ensure that you submit the certification of long term borrowing that must be signed by both the MM and the Mayor. The long term debt checks include that the following documents must be submitted by the municipality:

1. Certification of long term borrowing
2. A copy of the newspaper advertisement contents from the public
3. The latest borrowing monitoring return and
4. The repayment schedule

As a start, also check and ensure that the loan is included in the 2015/16 MTRF Budget that was adopted by Council before the start of the municipal financial year.

Sent from my iPhone

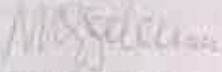
reception EC

From: Roland Athol Price Trollip <raptrollip@gmail.com>
Sent: Monday, December 10, 2018 12:55 PM
To: vdeandrade@mandelametro.gov.za

I hope this provides you with the information and guidance you need to ensure that any interest by the Municipality remains clearly within the spirit of the law. National Treasury would be welcome the opportunity to provide further guidance to you or your Council should this be required.

I would appreciate if you could keep me regularly updated on the status of the proposed connection as it is processed, including advising me if it is correct value.

Yours Sincerely,



MHLINGISI NGQALESI
DEPUTY DIRECTOR-GENERAL, INTERGOVERNMENTAL RELATIONS

Date: 05/12/2018

CC: Office of the Auditor General

ANNEXURE (D) 1

UTRUD gailuru

● Municipality departments dish out R2

PE attorney, wife facing f

● Couple in trust fund debacle pin hopes on payout from city

Siyamtanda Capa

capas@iisoblackstar.co.za

Port Elizabeth attorney Phillip Masiza and his wife Nomsa, who have been arrested for alleged fraud and theft totalling almost R1m, are pinning their hopes on an expected payout from the Nelson Mandela Bay municipality to enable them to repay the missing money.

The attorney representing Masiza, Danie Gourws, claimed that Masiza's law firm, Masiza Inc, was in the process of being paid by the municipality.

He based his assertion on an article in The Herald this week outlining a proposal that Masiza Inc and other firms be paid monies owed within 24 hours of council approval being granted.

However, the council did not authorise the payments, which were mooted by infrastructure and engineering portfolio head Andile Lungisa as part of a proposed amendment to the council's business plan for R700m in loan funding.

It is unclear what services Masiza rendered for the city.

Masiza and his wife are accused of scamming Port Elizabeth businessman Greg Billings



11:15 AM - 11:30 AM

IPTS bus commuters have to pay more

By [Name] | [Location]

Commuters using the IPTS bus service will have to pay more for their fares from next month, as the government increases the price of diesel.

The IPTS bus service, which is operated by the IPTS, will see a 10 per cent increase in fares from next month. This is due to the increase in the price of diesel, which is used to power the buses.

The IPTS has announced that the increase in fares will be 10 per cent, which is in line with the increase in the price of diesel. The IPTS has also announced that it will be introducing a new fare structure, which will see the introduction of a new fare category for commuters who use the bus service regularly.

The IPTS has also announced that it will be introducing a new fare structure, which will see the introduction of a new fare category for commuters who use the bus service regularly. This new fare category will be for commuters who use the bus service for more than 10 days in a month. The price of this fare will be lower than the current fare for regular commuters.

in brief
[Small text in the 'in brief' section]

Bobani flings to power as efforts to oust him fail

Bobani has been re-elected to the position of [Title] after a series of failed attempts to remove him from office. The re-election was a surprise to many, as Bobani had been widely expected to step down.

Bobani's re-election was the result of a combination of factors, including his strong support among the electorate and the failure of his opponents to build a winning coalition. Bobani has a long history of public service and has been a prominent figure in the community for many years.

Bobani's re-election is seen as a vote of confidence in his leadership and a sign that the electorate is satisfied with his performance. Bobani has promised to continue to work hard to improve the lives of the people and to address the challenges facing the community.



Bobani is seen here at a public event, surrounded by supporters.

Why unions want to change list of fees

Unions are pushing for changes to the list of fees that employers are required to pay. The unions argue that the current list of fees is outdated and does not reflect the current economic conditions.

The unions want to see a review of the list of fees to ensure that it is fair and reasonable. They argue that the current list of fees is too high and places a significant burden on employers, which in turn affects the economy and the well-being of workers.

The unions also want to see changes to the way that the fees are calculated and collected. They argue that the current system is complex and difficult to understand, and they want to see a simpler and more transparent system.



The mascot for the 'Hotter Summer Gig' event is seen here.

Budget amended to pay SWMIS R2.1m

The government has amended the budget to allocate R2.1 million for the SWMIS project. This funding will be used to support the implementation of the project and to ensure that it is completed on time and within budget.

The SWMIS project is a major initiative aimed at improving the efficiency and effectiveness of the government's operations. It involves the implementation of a new system for managing the government's resources and will have a significant impact on the way that the government operates.

The government is committed to ensuring that the SWMIS project is successful and that it delivers the benefits that it is intended to. The R2.1 million allocation is a key part of this commitment and will ensure that the project has the resources it needs to succeed.

Multi-agency project - R100m worth of rail infrastructure for R100m worth of new rail

Metro stands behind mega-project

Metrolink is backing a multi-agency project to build a new rail line from the city to the airport. The project is worth R100 million and will create 10,000 jobs. The project is being led by the City of Johannesburg and the Gauteng Provincial Government. The project will include a new rail line, a new station, and a new depot. The project is expected to be completed by 2015.



Metrolink officials with project partners at the start of the R100m rail infrastructure project.

Pound stays closed in payment row Sir over Alibonza's Mission street

The Pound in Mission Street has remained closed for several days due to a payment dispute. The dispute is between the City of Johannesburg and the Gauteng Provincial Government. The City is demanding payment for the services provided, while the Province is disputing the amount. The dispute has caused significant inconvenience to the public.

The dispute is being handled by the courts. The City has filed a lawsuit against the Province. The Province has filed a counter-suit against the City. The case is expected to be heard in the next few weeks. The Pound is expected to remain closed until the dispute is resolved.

KIDS WHO READ CAN GO ANYWHERE

Discover the power of reading. Join the National Book Foundation's 'Read to Succeed' program. This program provides free books and reading materials to children in need. The program is designed to help children improve their reading skills and achieve their dreams.

in brief

No power in parliament

The ANC has lost its majority in parliament. This is a significant development for the party. The opposition has formed a coalition government. The ANC is expected to be in opposition for the next few years.

Maryanne wants job back - but to stay (SABUMAMBA)

Maryanne Mkhabela has expressed her desire to return to her job. She has been out of work for several months. She is looking for a job that offers a good salary and benefits. She is also looking for a job that offers a good work environment.

The Herald

ANC stalwart, 87, critical after vicious home attack

Intruders beat frail Ncwane Lomani for cash, bank cards

By Mphahlele Mphahlele

ANC stalwart and former minister of health, Ncwane Lomani, has been critically injured in a vicious home attack in Johannesburg. The 87-year-old was attacked by intruders who beat him for cash and bank cards.

Lomani, who has been a member of the ANC since 1962, was attacked in his home in the Sandton suburb of Johannesburg on Sunday night. He was found lying on the floor, surrounded by blood, with multiple injuries to his head and torso.

The police have arrested two suspects in connection with the attack. One of the suspects, a 35-year-old man, was charged with murder and armed robbery. The other suspect, a 28-year-old woman, was charged with murder and assault.

Lomani is currently in a critical condition in a hospital in Johannesburg. He has been in a coma since the attack and is expected to remain in hospital for several weeks.

The attack has shocked the ANC leadership and has raised concerns about the safety of senior party members. The ANC has expressed its condolences to Lomani's family and has promised to do everything possible to ensure his recovery.



City warned over plan to divert funds from loan

The City of Johannesburg has been warned by the national government over its plan to divert funds from a loan. The national government has expressed concern that the City's plan to use the funds for other purposes could be a breach of the loan agreement.

The City has announced that it plans to use the funds to finance a new infrastructure project. However, the national government has insisted that the funds must be used for the specific purpose for which the loan was granted.

The City has argued that the funds are needed to finance the project and that the national government's intervention is unwarranted. The national government has responded by threatening to take legal action against the City if it proceeds with the plan.

Bay tourism body set to be a new tack by metro

The Bay of Plenty tourism body is set to be a new tack by the metro. The metro has announced that it will be taking over the management of the tourism body and will be introducing a new strategy to promote the Bay of Plenty as a tourist destination.

The new strategy will focus on promoting the Bay of Plenty's natural beauty and cultural heritage. The metro will also be investing in infrastructure projects to improve the Bay of Plenty's tourism infrastructure.

The Bay of Plenty tourism body has expressed its support for the metro's plan and has welcomed the metro's investment in the Bay of Plenty's tourism industry.

Blue ducker bucks nature with garden visit

A blue ducker has been seen in a garden, bucking nature. The ducker was seen in a garden in the Sandton suburb of Johannesburg. The ducker was seen in a garden that was not a typical habitat for ducks.

The ducker was seen in a garden that was not a typical habitat for ducks. The ducker was seen in a garden that was not a typical habitat for ducks.

Annexure (D) (6)



ROGUE CLAIMS: ANC councillor Andile Lungisa



Just 'collegial advice', not interference

Nomazima Nkosi

nkosino@tisoblackstar.co.za

It is hard to imagine that "collegial advice" reminding the municipality of the law could be considered interference in the Nelson Mandela Bay municipality.

This was the response from the National Treasury to claims by ANC councillor Andile Lungisa that there was a "rogue unit" operating within the department that was interfering in the affairs of the city.

It comes after Lungisa said he would write to finance minister Tito Mboweni to report what he felt was the undermining of the metro after Treasury deputy director-general for intergovernmental relations Malieng Nqaleni

in this case a council memorandum, the Treasury immediately sought to advise and caution the accounting officer of the legal issues that would need to be considered before any action was taken in this regard.

"The advice was offered in the spirit of co-operative governance, with an offer to provide subsequent support to the municipality and council should they be unfamiliar with the regulatory environment."

"It is hard to imagine what would be considered to be interference, or why it would be necessary to label the national Treasury or its intergovernmental relations division as a 'rogue unit', when these are clearly within its responsibilities."

The media unit said the

Guy Rogers

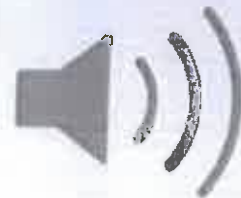
rogersg@tisoblackstar.co.za

The pending small-scale rights allocation has the potential to uplift Port Elizabeth northern areas, Cape Khoisan Fishery Commission said on Thursday. Its interim chair, Guy Rogers, said the key factor in the allocation would be offshore access.

"For years we have been struggling in the northern areas. You cannot feed your family by fishing off the coast with your Marine Resources Act permit for one day of that, or otherwise you often have days without catching anything."

"This new allocation

Volume



of a new small-scale

brief

4 ministers demand to know who ordered police arrests

Neilson under fire over suspensions

By Anand Singh
The Union Minister for Health and Family Welfare, Dr. Anand Singh, has been under fire for his suspension of several ministers from the Union Council of Ministers. The suspension was announced on Monday, a day after the Union Council of Ministers met to discuss the suspension of several ministers. The suspension was announced on Monday, a day after the Union Council of Ministers met to discuss the suspension of several ministers. The suspension was announced on Monday, a day after the Union Council of Ministers met to discuss the suspension of several ministers.

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Dr. Anand Singh, Union Minister for Health and Family Welfare, is seen speaking at a press conference.

Growth calls for review of R10ha project

The Union Minister for Health and Family Welfare, Dr. Anand Singh, has called for a review of the R10ha project. The project is a major infrastructure project in the state, and its progress has been slow. The Union Minister has expressed concern over the delay and has called for a thorough review of the project's progress and budget.



The Union Minister for Health and Family Welfare, Dr. Anand Singh, has called for a review of the R10ha project. The project is a major infrastructure project in the state, and its progress has been slow. The Union Minister has expressed concern over the delay and has called for a thorough review of the project's progress and budget.

'Rogue unit' to blame - Haryana

The Union Minister for Health and Family Welfare, Dr. Anand Singh, has blamed a 'rogue unit' for the suspension of several ministers. He has stated that the suspension was a necessary measure to ensure the stability and integrity of the Union Council of Ministers. He has also stated that the 'rogue unit' is responsible for the suspension and has called for its removal.



For residents and visitors in Nelson Mandela Bay

The Union Minister for Health and Family Welfare, Dr. Anand Singh, has announced a new initiative for residents and visitors in Nelson Mandela Bay. The initiative is aimed at improving the health and well-being of the community and is expected to be implemented in the near future. The initiative is aimed at improving the health and well-being of the community and is expected to be implemented in the near future.



MPs to test crack test in...

The Union Minister for Health and Family Welfare, Dr. Anand Singh, has announced that several Members of Parliament (MPs) will be testing a crack test in... The test is a new initiative aimed at improving the safety and security of the state and is expected to be implemented in the near future. The test is a new initiative aimed at improving the safety and security of the state and is expected to be implemented in the near future.



Sent from my iPad

Your ref:

Tel: 078 243 46 43

Our ref:

e-Mail:

Date: 28 JANUARY 2019

vdeandrade@mandelametro.gov.za

Who deals with this: V De Andrade

**ACTING CITY MANAGER
MR PETER NEILSON**

BY EMAIL

Dear Mr Neilson,

**RE: PROJECT MANAGER: INTEGRATED PUBLIC TRANSPORT SYSTEM (IPTS)
PROJECT**

The aforementioned matter has reference.

We understand that after the departure of Mr Luthando Mabhoza as project manager of the IPTS project, Ms Seki Mandaba has subsequently been appointed project manager.

Kindly note that we are concerned that this appointment to the IPTS project may have exposed the municipality to adverse risk.

We wish to place on record that given the problematic history of this project it is imperative that the project leader for IPTS should either have extensive knowledge of public transportation or the build environment. We unfortunately do not believe that the newly appointed project manager has either the necessary skills or the necessary experience to manage a project of this highly specialized nature.

We are furthermore of the opinion that the appointment of a project manager without the necessary skills and experience could severely compromise the future of the project. It is our understanding that both the Department of Transport as well as National Treasury are extremely concerned about this appointment and have already approached your good office for advices on Ms Mandaba's qualifications.

Given the fact that National Treasury has in the past intimated that they will not hesitate to put a stop to the funding of this project and to recover (claw back) all wasteful expenditure through our equitable share should we fail to adhere to their advices.

PR COUNCILLOR

We should do everything in our ability to address all the concerns that the departments have with regards to said project. I trust that we are all very well aware of the devastating effect that a claw back in this regard will have on our city.

Against this background I want to implore both you and the Executive Mayor to either reconsider the appointment of Ms Mandaba, or at the very least, immediately arrange a round table meeting with the relevant departments in order to endeavor to allay any fears that they may have with regard to the appointment.

We trust you find the above in order.

Yours sincerely



CLLR N BHANGA (DA)
LEADER: OFFICIAL OPPOSITION

cc: Hon Z Mkhize, MP
Minister CoGTA

Hon. F Xasa, MPL
MEC COGTA, Eastern Cape

Cllr Mongameli Bobani
Executive Mayor, NMB

Cllr Retief Odendaal
DA Caucus Chairperson, NMB

Mr Dondo Mogajane
DG: NT

Mr Mathabatha Mokonyama
Acting DG: DOT

Ms Malijeng Ngqaleni
DDG: Intergovernmental Relations, NT

Mr. D Mashitsho
DG: DCoG

Ms. G Gumbi Masilela
HOD: COGTA Eastern Cape

Mr. J Hattingh
National Treasury Chief Director: Local Government Budget Analysis

Mr Jackson Ngcelwane
Acting CFO, NMB

Your ref:

Tel: 078 243 46 43

Our ref:

e-Mail:

vdeandrade@mandelametro.gov.za

Date: 11 March 2019

Who deals with this: V De Andrade

Hon. Blade Nzimande, MP
Minister of Transport

And

Mr Pule Godfrey Selepe
Director General Department of Transport

BY EMAIL

Dear Hon Minister/Director General

**RE: RE-PRIORITISATION OF THE INTEGRATED PUBLIC TRANSPORT SYSTEM
– NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (NMBMM)**

The aforementioned matter has reference.

I trust that the project manager for IPTS has advised your good department that it is the intention of the new administration to re-prioritize the IPTS starter service in NMBMM (see attached). In order to facilitate this re-prioritization, budget amendments were made in the adjustments budget which saw tens of millions of Rands redirected to the Uitenhage Starter Service Route Network.

Whilst the new administration is naturally at liberty to make any amendments to the project at hand, it certainly makes no sense that funding be redirected four months before the end of a financial year, especially given the fact that little to no planning has gone into the new project.

The new project entails the spending of at least R41 million of the grant funding for the 2018/19 financial year on a bus depot in KwaNobuhle, Uitenhage. These funds were redirected from the Cleary Park –PE CBD trunk route which was part of the first phase rollout of the IPTS in NMBMM.

Given the fact that the building plans for the proposed depot has not even been finalized and approved, there is little chance that the project will break ground before the end of the financial year. Against this backdrop I am extremely concerned that the administration will be unable to spend the redirected funding or worse, embark on some form of fiscal dumping towards the end of the financial year herein.

I therefore request your kind but urgent intervention in this regard. I furthermore still have grave concerns regarding the competency and/or experience of the new project manager of the IPTS. In this regard I also refer you to a letter that was forwarded to the Acting City Manager on the 28th of January 2019 which is also attached hereto.

Should you have any queries please do not hesitate to contact us.

Yours sincerely



CLLR N BHANGA (DA)
LEADER: OFFICIAL OPPOSITION

cc: cc: Hon Z Mkhize, MP
Minister CoGTA

Hon. F Xasa, MPL
MEC COGTA, Eastern Cape

Cllr Mongameli Bobani
Executive Mayor, NMB

Cllr Retief Odendaal
DA Caucus Chairperson, NMB

Mr Dondo Mogajane
DG: NT

Mr Mathabatha Mokonyama
Acting DG: DOT

Ms Malijeng Ngqaleni
DDG: Intergovernmental Relations, NT

Mr. D Mashitsho
DG: DCoG

Ms. G Gumbi Masilela
HOD: COGTA Eastern Cape

Mr. J Hattingh
National Treasury Chief Director: Local Government Budget Analysis

Mr Jackson Ngcelwane
Acting CFO, NMB

Your ref:

Tel: 078 243 46 43

Our ref:

e-Mail:

Date: 26 MARCH 2019

vdeandrade@mandelametro.gov.za

Who deals with this: V De Andrade

**ACTING CFO
MR. J NGCELWANE**

Dear Sir,

REDUCTION OF PUBLIC TRANSPORT NETWORK GRANT (PTNG) 2018/19

I refer to the aforementioned matter as well as to my letter addressed to the Minister of Transport, Honourable Nzimande dated the 11th of March 2019.

Kindly note that it is my understanding that in terms of Government Gazette Nr 42318 dated the 18th of March 2019, the Nelson Mandela Bay allocation in terms of the aforementioned grant has been reduced by an amount of R29 407 000.

The Democratic Alliance has on numerous occasions voiced our concerns regarding the reprioritization of funding from the Cleary Park - CBD trunk route towards the Uitenhage Starter Service Network in the adjustments budget. Whilst we understand that the new administration wished to prioritize another route, the redirection of funding towards the new project three months before the end of a financial year made no sense whatsoever.

Against this backdrop we now wish to establish where suitable budget amendments will be made in order to accommodate the reduction in funding herein. Specifically, we request your advices as to whether the reduction in funding will have an impact on either the operations or capital investment on the Cleary Park – PE CBD trunk route.

I await your urgent advices in this regard.

Yours sincerely



**CLLR N BHANGA (DA)
LEADER: OFFICIAL OPPOSITION
NELSON MANDELA BAY METRO COUNCIL**

cc: City Manager

IPTS Project Manager

REPORT
TO THE
COUNCIL
BY

Annexure "B"¹²

THE EXECUTIVE DIRECTOR: INFRASTRUCTURE AND ENGINEERING

APRIL 2019

ITEM ON REQUESTING APPROVAL FOR FUNDING AGREEMENT (3/2/14; 19/6/2/2)

PURPOSE

The purpose hereof is to request the Municipal Council to authorise the Acting City Manager to initiate a process leading to the signing of Annexure "A" hereto, being the agreement for the Technical Assistance funding for Laphum'ilanga Secondary Co-Operative Limited. It should be noted that an item on this matter was tabled at the Executive Mayoral Committee meeting held on 15 June 2016 however, it was deferred.

GENERAL INTRODUCTION

1. The Municipality is in the process of developing an integrated public transport system (IPTS), which includes road, based public transport services on express, trunk, main and area routes.
2. In terms of the National Land Transport Act, No. 5 of 2009 (NLTA), the Municipality may conclude negotiated contracts with the current vehicle operators within the metro to render transport services in respect of the IPTS.
3. The taxi industry within the metro consists of 10 (ten) taxi associations who have organised themselves into 5 (five) primary co-operatives. The 5 (five) primary cooperatives in turn established Laphum'ilanga to act as their representative in all negotiations and discussions with the Municipality.
4. The Municipality had resolved to enter into once off negotiations with the current vehicle operators within the taxi industry to provide the transport services for the IPTS.
5. Laphum'ilanga had been mandated by the taxi industry to represent it and its members in such negotiations with the Municipality with a view to concluding the necessary agreements for the provision of transport services in the metro for a period not exceeding twelve years.
6. National Department of Transport recognises and makes provision for the Technical Assistance funding and for capacity building and development of secondary business opportunities for taxi operators, attached hereto as Annexure "B" is a copy of the guidelines from National Department of Transport for Taxi Operators. A reporting tool has been developed by NDOT to account for Technical Assistance funding.

THE FUNDING AGREEMENT – LAPHUM'ILANGA

In order to commence with the transport services in the Metro, Laphum'ilanga as the representative body of the taxi industry was required to attend to the following matters as a matter of urgency:

1. Assist with the verification of the members and employees of the taxi industry in order to ascertain which members' rights will be affected by the IPTS and the financial impact upon such members;
2. Pursuant to the above, negotiate compensation agreements for those taxi operators who are directly or partially affected by the implementation of IPTS;
3. Establishing vehicle operating companies for the 5 (five) primary co-operatives, which includes registering private companies, allotment of shares, appointment of board members, drafting of shareholders' agreement and assisting with start-up operations;
4. Negotiating the terms and conditions of 5 (five) negotiated contracts for the provision of transport services for a period not exceeding 12 (twelve) years;
5. Conduct a skills audit and ensuring appropriate skills development and training for the taxi industry;
6. Provide professional and other shared services for the primary co-operatives and VOC'S.

Laphum'ilanga had approached the Municipality for further funding requesting council to approve funding for their office operational costs, historical debt which came as a result previous debt incurred due to non availability of funds to pay their creditors and also budget for Technical Assistance.

The initial budget requested by Laphum'ilanga to cover all the above aspects amounted to R25 875 537.40, the copy is attached hereto as Annexure "C". In receipt of the request the municipality convened a series of meetings with Laphumilanga to try to understand the costs involved in the amount requested and subsequently resolved that only R10 800 000.00 could be offered for technical assistance. A revised budget of R10 800 000 was subsequently submitted by Laphum'ilanga attached as "Annexure D" and an amount of about R9 500 000.00 claimed to be historical debt be subject for verification by Budget & Treasury Directorate.

PROGRESS TO DATE

RECOGNITION AND SUPPORT FROM THE NATIONAL DEPARTMENT OF TRANSPORT

In reply to a progress report which was submitted by the NMBM in December 2015 the national Department of Transport responded as follows:

- a) The IPTS team have developed and submitted to both the industry and the DOT, a detailed project process plan that aims to get a scaled down phase one service running in the second half of 2016. In addition, the then Acting City Manager had committed to DOT, Treasury and the industry that his office was ultimately accountable for the IPTS administration and that capacity, controls and communication was to be strengthened over the short term to ensure the IPTS was to be restored as a flagship project led by the municipality.
- b) The DOT also noted the commitment by the then Acting City Manager and IPTS team to ensure maximum value for money and financial prudence on the project and that any major financial commitments going forward were to be consulted with the DOT.
- c) The project has since progressed and a starter service was now operational since May 2018.
- d) Funding Agreement for the purposes of authorising the payment of Laphum'ilanga for technical assistance is attached hereto as Annexure "A" for approval.

CONCLUSION

In light of the above and to assist the taxi operators to finalize final planning for the establishment of a formalized integrated transport system it is considered necessary to continue to provide financial support for technical assistance and that Laphum'ilanga should be allocated a budget of R10.8m for the period 1 January 2016 to 31 December 2016 by which time it is anticipated that the planning for the phase 1 starter service should have been finalized.

RECOMMENDATIONS:

It is recommended:

1. That Council approves the process of allowing the IPTS Director: Transport Sector to:
 - a) Confirm and allocate a budget of R10 800 000.00 for technical assistance and an amount of about R9 500 000.00 claimed to be historical debt which is subject to verification by Budget & Treasury Directorate.
 - b) Proceed to discuss and negotiate with National Treasury and national Department of Transport for approval of the payment.
 - c) Report the outcome of the funding and negotiations with National Treasury to the next Council meeting.

MR P NIELSON
ACTING CITY MANAGER

RETIEF ODENDAAL

Tel: +27 82 462 0668

Email: rodendaal@mandelametro.gov.za

PO BOX 21 10 10 THE FIG TREE 8033

08/01/19

**Office of the Director General
Director General Dondo MogaJane
And
Office of the Deputy Director General
Intergovernmental Relations
Malijeng Ngqaleni**

BY EMAIL

Dear Sir/s

RE: NELSON MANDELA BAY METROPOLITAN MUNICIPALITY OBSTRUCTIVE IN INTEGRATED PUBLIC TRANSPORT SYSTEM FRAUD CASE

I refer to the abovementioned matter as well as to the forensic investigation into grand scale fraud and corruption within the Integrated Public Transport System project.

During 2015 National Treasury assisted Nelson Mandela Bay Metropolitan (NMBM) to launch a forensic investigation into fraud and corruption within the aforesaid project. The forensic investigation was initiated by then Acting City Manager Johann Mettler. Mettler was subsequently appointed permanent City Manager by NNMB Council in 2016.

The investigation was completed and it exposed grand scale fraud and corruption in the project to the value of tens of millions of Rands. As a direct consequence of the findings of said forensic investigation a number of criminal charges were laid by Mettler in his capacity as accounting officer. These criminal charges led to certain arrests being made by SAPS and a fraud trial is currently underway in the Port Elizabeth Commercial Crimes Court. The investigation however remains ongoing and further arrests in this complicated matter are expected in due course.

It recently came to light however that the newly elected administration led by Executive Mayor Cllr Mongameli Bobani is opposed to the state calling Mettler as an expert witness in the aforementioned trial. It would therefore certainly seem as if the new administration is either unwilling to deal with the matter decisively or endeavoring to be obstructive. Attached hereto please find formal correspondence in this regard from the City Manager to the Executive Mayor dd 20 December 2018.

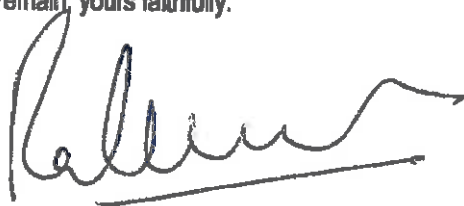
An even greater cause for concern is the fact that Executive Mayor Bobani has allegedly personally been implicated in the IPTS fraud. His alleged involvement apparently concerns payments that were made to him from IPTS related funds to the tune of R700,000.00. In October last year the HAWKS then also raided Cllr Bobani's office as part of their investigation in this regard. I thus question the objectivity of the actions by the Bobani-led administration in this matter.

I have also attached hereto a copy of a media report on the aforementioned matter which appeared in the Weekend Post on the 22nd of December 2018.

I wish to place on record that it is not my intention to call upon National Treasury to interfere in a judicial matter. I do however request that you urgently engage with the Acting City Manager on the commitments and undertakings that were made by the administration in respect of the findings of said forensic investigation.

Should you have any queries please do not hesitate to contact me

I remain, yours faithfully.



Retief Odendaal LL.B (NMMU)

DA Caucus Chairperson

**CC Hon Mr Fikile Xasa MPL, MEC for Cooperative Governance and Traditional Affairs, Eastern
Cape
Cllr Nqaba Bhanga, Leader of the Opposition, NMB
Mr Peter Neilson, Acting City Manager, NMB
Mr Jan Hattingh, Chief Director: Local Government Budget Analysis at National Treasury**

Bay municipality objects to Johan Mettler testifying

Hendrick Mphande
mphandeh@isoblackstar.co.za

The Nelson Mandela Bay municipality, which lost millions of rands through the controversial IPTS debacle, has joined the fray opposing the testimony of suspended municipal manager Johan Mettler, who was to shed light on how processes were allegedly flouted.

Standing trial are Mandisa Mkhasa, former director of Laphum'langa, Nadia Gerwel, former assistant director in the metro's finance department, businesswoman Andrea Wessels and her events company Zeranza, the ex-CEO of Access Management, Stephan Pretorius, and former EP Rugby boss Cheeky Watson.

They face 44 charges involving fraud and money laundering. They have all pleaded not guilty.

Advocate Tjaart van Zyl for the state was scheduled to call Mettler as an expert witness in terms of how supply chain management policy was allegedly flouted.

After the matter was placed on the roll on Friday, Van Zyl

The state alleges Gerwel and Wessels used an events management company as a vehicle to launder the money

dropped a bombshell in the Port Elizabeth Commercial Crimes Court as he read into record a letter from the municipality objecting to Mettler's evidence.

Van Zyl said the letter was forwarded to attorney Danie Gouw's office.

"He is a competent and compellable witness who can testify to admissible facts which falls within his knowledge gained while he was the municipal manager," he said.

Earlier, advocate Terry Price SC for the first three accused raised a similar objection, asking whether Mettler was competent as a witness.

He requested a postponement - to the dissatisfaction of other legal representatives who complained of time-wasting.

Magistrate Lionel Lindoor

asked Price how the court could determine whether or not Mettler was competent if he was not given the opportunity to have his version tested.

The matter was postponed to August 5 for the court to hear the grounds of the objection and whether or not Mettler would be a competent witness.

The full trial will then resume from September 16.

The National Treasury approved a budget of R208m for the improvement of the IPTS system in 2007.

It is alleged that Wessels conspired with Gerwel to defraud the metro in a manner designed to give them unlawful access to IPTS funds.

The state alleges Gerwel and Wessels used an events management company as a vehicle to launder the money.

But when that company was no longer viable, they allegedly turned to Access Management, a company operating at the Nelson Mandela Bay Stadium, and then to EP Rugby.

 **comment on this**
weekend@isoblackstar.co.za

...collaborate light in hospital

Download Show email



(No subject)

[Redacted]

Reply all | v

Today, 1:42 PM

[Redacted] rodendaal@mandelametro v



Send email



[Redacted header line]

City of Mandeville
10000 Highway 101
PO Box 100
Mandeville, LA 70471
www.mandevillela.gov
Phone: 985-683-4000

MEMORANDUM

TO: EXECUTIVE STAFF

FROM: ACTING CITY MANAGER

RE: STATUS OF MR. METTLER AT 15-5-0000 CASE

DATE: 29 DECEMBER 2018

I refer to your correspondence with the above subject regarding dated 29 December 2018.

This letter serves to confirm that Mr. Mettler has not requested any additional items that apply to or represent the Mandeville in the above-mentioned matter.

In addition to this, Mr. Mettler is generally on the grounds that the SUBJECT has not requested a subpoena for him to appear in the matter.

I trust you will find the above useful.

Field 003-0000

BRUNO G. A.
ACTING CITY MANAGER


AFFIDAVIT

I, the undersigned, ROLAND ATHOL PRICE TROLLIP, do hereby make oath and state:

1. I am a municipal councillor in the Nelson Mandela Bay Metropolitan Municipality and I am resident in Port Elizabeth.
2. The facts herein deposed to are within my direct knowledge unless it appears from the context or is stated to the contrary and are to the best of my knowledge true and correct.
3. I was the Executive Mayor within the aforesaid council between the period August 2016 to 27th of August 2018.
4. During the aforesaid period an extended investigation into fraud and corruption within the Integrated Public Transport System (IPTS) project was ongoing. Said investigation was launched by the now suspended city manager, Mr Johann Mettler, with assistance from National Treasury.

5. During this time the administration worked very closely with law enforcement agencies so as to ensure that all information relating to fraudulent and/or suspicious activities or transactions within the IPTS project was readily available so that no investigation would be obstructed.
6. It is public knowledge that the current Executive Mayor of Nelson Mandela Bay, Cllr Mongameli Bobani, has been implicated in alleged fraud and/or corruption within the IPTS project as he allegedly solicited and/or received funding and/or unlawfully benefitted from public funds.
7. Cllr Bobani has, during the course of last year, instituted disciplinary action against City Manager, Johann Mettler. Said disciplinary action has seen Mettler being placed on cautionary suspension as from September 2018 already. It is my belief that this move by Cllr Bobani was motivated by the fact that Mettler was the driving force behind the investigation into the alleged corruption and/or fraud within the IPTS project in Nelson Mandela Bay.
8. At council meetings on 28 February 2019, 4 April 2019 (postponed to 9 April 2019), Mongameli Bobani misled council

Handwritten signature and initials in the bottom right corner of the page.

in order to procure a resolution that the cases handled by the municipality's attorneys (agents), Gray Moodliar Inc (GM) be withdrawn. Many of these cases handled by the firm pertain to conducting disciplinary enquiries and instituting civil claims against NMBM officials and service providers in the Integrated Public Transport System (IPTTS) who were identified in the Deloitte/National Treasury report of August 2015. Such a resolution was adopted by Council on 9 April 2019. At no stage in any of the aforementioned council meetings or during the deliberations on said matter did Bobani disclose his potential conflict of interest in respect of the termination of the Gray Moodliar Inc mandate.

9. The Acting City Manager took steps to implement the resolution and in a letter to the Gray Moodliar Inc, dated 16 April 2019 (emailed on 17 April 2019), he informed that all the mandates given to Gray Moodliar in legal matters are withdrawn, in accordance with council's aforementioned resolution. The letter is attached hereto as "Annexure A".
10. Two cases of relevance are dealt with in this statement, viz. Heerkos and Le Roux Inc. There are other cases.



10.1 HEERKOS

- 10.1.1 One of the matters affected by Bobani's actions is the High Court action under case number 2713/18, instituted by the municipality against Heerkos Projects CC (1st defendant), Fareed Fakir (2nd defendant) and Mhleli Tshamase (3rd defendant).
- 10.1.2 In this matter, the municipality claims payment from the defendants of R 9 895 838.40 wherein it avers, inter alia, that the Municipality did not receive value for the amount paid, that the Municipality has been impoverished in the amount of R9 895 838.40 and that the 3rd defendant breached his obligations to the Municipality, and accordingly, that NMBM enjoys reasonable prospects of success in a claim for damages against the defendants.
- 10.1.3 The Hawks deposed to an affidavit in support of an application for seizure of Bobani's computers, wherein it is averred that Heerkos is the entity that paid the sum of R 664 000.00 to Bobani between April 2014 and May 2015, and this relates to the submission of an invoice

by Heerkos to the NMBM in respect of a rates claim for the development of the E-Tendering Solutions.

- 10.1.4 The NMBM paid the amount of R 9 895 838.40 to Heerkos, however it did not receive the E-Tendering solution or any value whatsoever, and accordingly suffered damages.
- 10.1.5 The seizure application deals with the same subject matter as that of the High Court litigation under case no. 2713/18.
- 10.1.6 The municipality has an obligation under, *inter alia*, the Local Government: Municipal Finance Management Act 56/2003 to recover the said amounts.
- 10.1.7 Bobani stands to benefit if the Heerkos case is not pursued, and his actions are an attempt to influence Council and/or the City Manager and/or Gray Moodliar Inc (an agent of the municipality) and thereby influence the outcome of the matter, and the municipality's statutory obligation to recover monies.

**10.2 LE ROUX INC / DAVID LE ROUX / RICH REWARDS
ASSOCIATES / FREDERICKS INC / TSHAMASE /
MBAMBISA**

- 10.2.1 This is a High Court action (case number 4186/17) against Le Roux Inc, David le Roux on the basis of breach of contract for failing to advise officials and councillors that the appointment of Jarami Projects cc trading as Project Assist Group (Fakir entity), Ozran 16(Pty) Ltd trading as Rich Rewards and Fredericks Inc as sub-consultants was contrary to the requirements of the Supply Chain Management Policy (SCMP) and the MFMA. Furthermore, he failed to advise the municipality that it was contrary to the delegations and the subversion of the SCMP and charging a 10% mark-up on invoices submitted by the sub-consultants in circumstances where no value was received.
- 10.2.2 The claim is for damages paid to these defendants and incurring of unauthorised, irregular, fruitless and wasteful expenditure. The municipality has claimed that Jarami's payment is contrary to the SCMP and claims

payment of R15 533 412.97 for unjust enrichment alternatively cancellation and payment of this amount.

11. Section 119 of the Local Government Municipal Systems Act, 32/2000 provides:

(1) A councillor who attempts to influence the municipal manager or any other staff member or an agent of a municipality not to enforce an obligation in terms of this Act, any other applicable legislation or any by-law or a decision of the council of the municipality, is guilty of an offence and on conviction liable to a fine or to imprisonment for a period not exceeding two years.

(2) A municipal manager or other staff member of a municipality who accedes to an attempt mentioned in subsection (1), is guilty of an offence and on conviction liable to a fine or to imprisonment for a period not exceeding two years.

(3) A person who contravenes section 101 is guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding one year.

81 2021

(4) A person convicted of an offence and sentenced to more than 12 month's imprisonment without the option of a fine, is disqualified to remain a councillor of the municipality concerned and to become a councillor of any municipality during a period of five years as from the conviction.

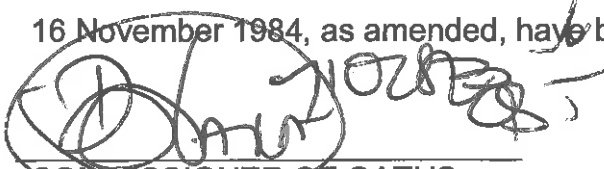
12. Given the aforementioned facts, I herewith lay criminal charges against Cllr Mongameli Bobani, Executive Mayor of Nelson Mandala Bay, as well as Mr Peter Neilson, Acting City Manager of Nelson Mandela Bay.

13. I furthermore refer you to the criminal charges that I brought against Cllr Mongameli Bobani on the 13th of March 2019 in respect of the Prevention and Combatting of Corrupt Activities Act, 2004. These charges were instituted at Humewood Police Station and case number 209/03/2019 refers. A copy of the charges that was brought in that matter is annexed hereto as Annexure "B".


ROLAND ATHOL PRICE TROLLIP

I CERTIFY that the Deponent has acknowledged that he knows and understands the contents of this affidavit which was signed and

sworn to before me on this 24th day of April 2019 at Port Elizabeth. In administering the oath, the requirements of Regulation R2477 dated 16 November 1984, as amended, have been complied with.


COMMISSIONER OF OATHS





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PO Box 116, Port Elizabeth 6000
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www.nelsonmandelabay.gov.za
Email: cm@mandelametro.gov.za

16 April 2019

Messrs Gray Moodliar
Port Elizabeth

Dear Sirs,

TERMINATION OF MANDATE

We refer to the various mandates given to you under the service level agreement which you concluded with the Municipality.

The Council of the Municipality resolved at its meeting on 4 April 2019 to terminate all your existing mandates and this letter serves as notification of that resolution.

A meeting to be scheduled urgently between our respective offices relating to the above.


You will be informed of the date of the meeting in due course.

Yours faithfully,



PETER NEILSON
ACTING CITY MANAGER

- cc: **CHIEF OPERATING OFFICER** : Note your Office to form part of the said meeting to discuss implementation herein.
- cc: **DIRECTOR : LEGAL SERVICES** : Note your Office to form part of the said meeting to discuss implementation herein.



AFFIDAVIT

I, the undersigned, ROLAND ATHOL PRICE TROLLIP, do hereby make oath and state:

1. I am a municipal councillor in the Nelson Mandela Bay Metropolitan Municipality and I am resident in Port Elizabeth.
2. The facts herein deposed to are within my direct knowledge unless it appears from the context or is stated to the contrary and are to the best of my knowledge true and correct.
3. I was the former Executive Mayor within the aforesaid council between the period August 2016 to 27th of August 2018.
4. During the aforesaid period an extended investigation into fraud and corruption within the Integrated Public Transport System (IPTS) project was ongoing. Said investigation was launched by the now suspended city manager, Mr Johann Mettler, with assistance from National Treasury.

BT



5. During this time the administration worked very closely with law enforcement agencies so as to ensure that all information relating to fraudulent and/or suspicious activities or transactions within the IPTS project was readily available so that no investigation would be obstructed.

6. It has now come to my attention through various media reports that the current Executive Mayor of Nelson Mandela Bay, Cllr Mongameli Bobani, has been implicated in alleged fraud and/or corruption within the IPTS project as he allegedly solicited and/or received funding and/or unlawfully benefitted from public funds.

7. Cllr Bobani has recently been responsible for initiating disciplinary action against City Manager, Johann Mettler. Said disciplinary action has seen Mettler being placed on cautionary suspension as from September 2018 already. It is my believe that this move by Cllr Bobani was motivated by the fact that Mettler was the driving force behind the investigation into the alleged corruption and/or fraud within the IPTS project in Nelson Mandela Bay.

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8. I therefore wish to institute criminal charges against Cllr Mongameli Bobani in respect of the Prevention and Combatting of Corrupt Activities Act, 2004.
9. Furthermore, various media reports have also brought to light the fact that Mr Zandisile Qupe, former ANC regional secretary, has also been implicated in alleged fraud and/or corruption within the IPTS project as he allegedly solicited and/or received funding and/or unlawfully benefitted from public funds.
10. I therefore also wish to institute criminal charges against Mr Zandisile Qupe in respect of the Prevention and Combatting of Corrupt Activities Act, 2004.
11. In reference to the Prevention and Combatting of Corrupt Activities Act, 2004 I specifically refer you to Section 3 of said act which reads as follows-

Any person who, directly or indirectly-

(a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person;

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in order to act, personally or by influencing another person so to act, in a manner -

(ii) that amounts to-

(aa) the abuse of a position of authority;

(bb) a breach of trust; or

(cc) the violation of a legal duty or a set of rules;

is guilty of the offence of corruption



ROLAND ATHOL PRICE TROLLIP

I CERTIFY that the Deponent has acknowledged that he knows and understands the contents of this affidavit which was signed and sworn to before me on this 13th day of March 2019 at Port Elizabeth.

In administering the oath, the requirements of Regulation R2477 dated 16 November 1984, as amended, have been complied with.



COMMISSIONER OF OATHS

