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3 September 2019

Office of the North West Public Protector

Cnr Martin & Robinson Streets

Mahikeng

sechelek@pprotect.org

Attention: Mr Sechele Keebine

ALLEGATIONS OF CORRUPTION WITHIN THE RUSTENBURG LOCAL MUNICIPALITY

With reference to the above stated matter, we request your urgent investigation of two counts of corruption within the municipality that has come to our attention:

1. Alleged unlawful payment of R3.5 million to an IT company called Electronic Connect for a user license fee. It is alleged that payment was authorised by the CFO, Godfrey Ditsele and Deputy CFO, Vivian Mdhuli on 8 August 2019 before any services had been rendered. This is in contravention with the Municipal Finance Management Act (MFMA).

The contract forms part of the municipality's infamous R150 million Smart City Tender that is aimed at transforming Rustenburg into a world-class city and ensure sustainable economic activity in the face of declining Platinum mining activity.

The Acting Municipal Manager, Edward Komane, wrote to Electronic Connect on 6 June 2019 to put everything on hold regarding the Service Level Agreement with the municipality as part of the review process. Contrary to the instruction by Mr Komane, Director : Corporate services, responsible for IT among others, Yondela Roboji signed off a payment approval for the same company. The payment was later authorized by both the CFO and Deputy CFO.

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LEADER: Mmusi Maimane | **CHAIRPERSON:** Athol Trollip

2. The alleged irregular appointment of AB Scarott Attorneys, who has been selected as one of twelve legal firms to serve on the municipality's legal panel without following due tender processes. This is in contravention of the MFMA Regulations.

We also request the Public Protector to look into all the other issues surrounding this SLA, including, but not limited to, invoices submitted to the municipality, duplication of work that had been done by other service providers and suspicious repetitive monthly payments to the legal firm.

We await your feedback on this matter as soon as circumstances permit.

Yours faithfully,



Mr BF Sonakile

DA North West Spokesperson

On COGHSTA



Received by:	<u>Cordelia</u>
Signature:	<u>Getshy</u>
Date:	<u>03/09/2019</u>