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JOHN HENRY STEENHUISEN, MP

LEADER OF THE OFFICIAL OPPOSITION

 29 January 2024

The President of the Republic of South Africa

Honourable Cyril Ramaphosa

Per e-mail: malebo@presidency.gov.za

Dear President Ramaphosa,

**REQUEST FOR SIU INVESTIGATION INTO DEPUTY PRESIDENT PAUL MASHATILE**

**Introduction**

1. With reference to the latest revelations surrounding, and allegations of illegality concerning, the conduct of Deputy President Mashatile over the course of the last eighteen years, and whilst serving in public office.
2. According to recent reports from a major investigative news outlet, News24, the Deputy President is alleged to have conducted himself in a manner that is not only contrary to his duties and obligations as a member of cabinet and of Parliament but, moreover, is in direct contravention of, amongst others, the provisions of the Public Finance Management Act 1 of 1999 (“**the PFMA**”), the Prevention and Combating of Corrupt Activities Act 12 of 2004 (“**the PCCAA**”), the Executive Members’ Ethics Act 82 of 1998 (“**the EMA**”), read together with its Regulations, as well as various governmental and parliamentary policies, codes of conduct, and regulations.
3. These are allegations which, if proven, would mean that the Deputy President has conducted himself in an illegal and criminally responsible manner.
4. The scope of these allegations is vast, spanning almost two decades of the Deputy President’s political career. Accordingly, we have set out the most pertinent recent allegations levelled against the Deputy President in this letter, at least insofar as they appear in the public domain to date.
5. It is our view that these averments, as they stand, are more than sufficient to justify both the Deputy President’s **immediate suspension**in terms of your party’s step aside policy, pending an investigation, as well as for you to exercise the powers granted to you under the Special Investigating Units and Special Tribunals Act 74 of 1996 (“**the SIU Act**”) to order the commencement of an urgent SIU investigation into these matters. The matters are set out herein below as follows:

**Grounds for an SIU Investigation**

**Diepsloot East Housing Project**

1. It is alleged that in 2006, during the Deputy President’s tenure as the Gauteng MEC for Finance and Economic Affairs (2004 to 2008), some 237 hectares of public land was sold-off to a housing development entity named Safdev-Tanganani at the sum of R15 million. It is then further alleged that in 2009, barely three years later, and following the Deputy President’s election as the ANC Provincial Chairperson in Gauteng (2007 to 2018), the same plot of land was re-sold to the Gauteng Provincial Government at the staggering price of R80 million for the construction of a public housing development – on the condition that Safdev-Tanganani would be appointed as the developer.
2. According to the reports, Safdev-Tanganani did subsequently receive a tender from the Gauteng Provincial Government in 2013 to construct some 9 520 residential dwellings and, notwithstanding formal legal advice having been obtained shortly thereafter regarding the legality of the tender – and which found the project to be illegal and in violation of the PFMA – Safdev-Tanganani was retained as the successful tenderer.
3. Safdev-Tanganani is allegedly owned by an entity called Valumax, a housing development conglomerate, allegedly having personal ties to the Deputy President through his own friendship with a Mr Teddy Greaver, a director of Valumax, who, in turn, is alleged to have made payments totalling some R900 000 in 2023 to a company linked to one of the Deputy President’s former romantic partners.
4. Following the award of the aforesaid tender, it is alleged that the following entities were also contracted to take part in the project, all of which are reported to retain close ties with the African National Congress.
	1. Blackhead Consulting, an entity owned by Mr Edwin Sodi, is alleged to have been contracted to act as the main consulting firm behind the project. Mr Sodi is a known ANC donor and is reported to have not only paid funds into the Deputy President’s personal bank accounts but also to have allowed the Deputy President to reside at his properties, one of which, in Clifton, is reported to have been under asset seizure at the time, as continues to be.
	2. Lesedi Technical Engineering Consulting (“**LTEC**”) was reportedly also contracted into the project and remunerated some R106 million by the Gauteng Provincial Government between 2014 and 2015. LTEC is owned by Mr Thulani Majola, another ANC donor who apparently contributed some R16 million to the party between 2013 and 2020.
	3. Nanza Facilities Management was alleged to have also been contracted in relation to the same project to construct two pedestrian bridges at a contract price of R27 million – also paid for by the Gauteng Provincial Government – neither of which were apparently built.
5. We pause to emphasise that notwithstanding the Provincial Government’s promise to allocate some R134 million to the project, the public housing development never went ahead and not a single dwelling has been constructed. This should be grounds alone for an SIU investigation to be conducted.

**Gauteng Partnership Fund**

1. Between 2013 and 2017, and whilst the Deputy President was the ANC Gauteng Provincial Chair (2007 to 2018), Minister of Arts and Culture (2010 to 2014), Gauteng MEC for Human Settlements (2016 to 2017), and ANC Treasurer-General 2017 to 2022), the Gauteng Partnership Fund (“**GPF**”) provided loans totalling between R25 million and R30 million to an entity known as Nonkwelo Investments to construct a student accommodation project in Highlands, Gauteng.
2. It is reported that Nonkwelo Investments is owned by Mr Nceba Nonkwelo, the Deputy President’s son-in-law, since 2006 – a clear and indisputable conflict of interest at the outset. It is further reported that Nonkwelo Investments thereafter transferred large sums of money to an entity known as Legacy Properties which, in turn, owns a residential property in Waterfall Estate, reportedly valued at around R37 million, at which the Deputy President currently resides.
3. It was further found that the aforesaid loan taken by Nonkwelo Investments went wholly unpaid until a settlement was finally reached between it and the GPF for the much-reduced repayment sum of R9,6 million – a settlement which is reported to have been witnessed by the Deputy President’s daughter herself.
4. A subsequent independent investigation conducted by a firm of attorneys under the instruction of the GPF Board of Trustees (and, by extension, the Gauteng Provincial Government) found several possible irregularities to have taken place during the process, including insufficient due diligence being undertaken prior to extending the loan, unlawful alterations to the project’s scope, and the disturbing fact that the project was in all likelihood not even viable in the first place. In fact, despite the incredible sums of money lent to Nonkwelo Investments, it is reported that the student housing development has still not been completed.

**Constantia property**

1. It is also alleged that the Deputy President is utilising a property in Constantia, Cape Town – valued at approximately R28,9 million – which is, in turn, registered to an entity owned by his son-in-law, Mr Nonkwelo, the same individual who owns Nonkwelo Investments as discussed above.
2. A further report avers that the aforesaid property was once owned by Mr Edwin Sodi and was later seized by the State. There are still further allegations that, as with the property in Waterfall Estate, this property can be linked to Mashatile’s dealings with the Gauteng Department of Human Settlements and his son-in-law’s connection to the GPF.

**Conclusion**

1. The existence of these extraordinary allegations, their detailed nature, the severity of their possible consequences, and the seriousness with which they must be approached, all plainly justify the exercise of presidential powers to instruct the Special Investigative Unit (“**SIU**”) to undertake a full investigation into the Deputy President’s conduct as well as the conduct of his associates and the implicated individuals and entities.
2. Aside from possible contraventions of the PFMA, the PCCAA, and the EMA, the allegations levelled against the Deputy President include serious violations of his oath of office, his ethical duties and responsibilities, and his obligations under the Constitution. Should these allegations be found to be true, the Deputy President must face criminal charges and appropriate sanctions for ethics violations.
3. Under the provisions of the SIU Act, the President is empowered to refer matters such as these to the SIU for investigation. The allegations levelled at the Deputy President and other individuals and entities fall squarely within the provisions of section 2(2) of the aforesaid Act, being directly related to:

*(a) serious maladministration in connection with the affairs of any State institution;*

*(b) improper or unlawful conduct by employees of any State institution;*

*(c) unlawful appropriation or expenditure of public money or property;*

*(d) unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon State property;*

*(e) intentional or negligent loss of public money or damage to public property;*

*(f) offence referred to in Part 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004, and which offences was committed in connection with the affairs of any State institution; or*

*(g) unlawful or improper conduct by any person which has caused or may cause serious harm to the interests of the public or any category thereof.*

1. Considering the magnitude of these allegations, your own constitutionally-imposed obligation to *“uphold, defend and respect the Constitution”*, and the strict prohibition against the type of conduct with which the Deputy Minister has been charged, as dictated in section 96 of the Constitution, we submit, with respect, that there is no alternative to ensuring the well-being of our democracy but to instruct the SIU to commence an investigation into these matters.
2. Moreover, we submit that for the good of the country, and in light of the clear *prima facie* case against the Deputy President, the only constitutionally responsible course of action would be for you to suspend the Deputy President with immediate effect whilst the SIU investigation is underway. Considering the ANC’s own “step-aside” rule, we trust that such a determination will be made without delay so that the integrity of the Presidency does suffer even greater harm than has already been suffered as a result of the Deputy President’s alleged conduct.
3. The integrity and well-being of our democratic state rests upon a clean, fair, and transparent government, accountable to the people, subject to the Constitution and the rule of law. These reports allege that the Deputy President has not abided by or respected these fundamental values and, accordingly, cannot be allowed to continue acting in his post whilst such serious allegations of this nature remain unscrutinised.
4. We accordingly hereby request that you take the aforesaid action to institute an investigation by the SIU by no later than close of business on 2 February 2024, as well as suspending the Deputy President with immediate effect until such time as the SIU has finalised its investigation.
5. Given the gravity of this situation, and the matters concerned therewith, we trust you will give this the urgent attention which it requires.

We look forward to receiving your earliest response.

Yours faithfully,

**John Henry Steenhuisen, MP**

**Leader of the Opposition**

**Democratic Alliance**