



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

NATIONAL ASSEMBLY
MEMBER OF PARLIAMENT

PO Box 15 Cape Town 8000 Republic of South Africa
Cell: 083 251 5613

Email: tchance@parliament.gov.za
www.parliament.gov.za
www.da.org.za

TOBY CHANCE, MP
SPOKESPERSON TRADE, INDUSTRY AND COMPETITION
DEMOCRATIC ALLIANCE

Hon Parks Tau, MP
Minister of Trade, Industry & Competition
77 Meintjies Street
Sunnyside
Pretoria
Gauteng
0002

Ministry@thedtic.gov.za

25th August 2024

Dear Minister Tau

Follow-up to my letter dated 6th August re SABS governance issues

I am writing with regard to the email sent yesterday to the above email address, and copied to me among others, titled "Irregularities at the SABS". A copy of the email is appended to this letter for ease of reference.

This follows allegations sent to me by an anonymous source some three weeks ago which I brought to your attention in a letter dated 6th August. To date I have not received an email from you in response.

Subsequent to that, on 14th August, I was copied on an email addressed to Mr Amos Mbele, an official at the DTIC, which made further serious allegations of bullying and mismanagement at the SABS.

At the Portfolio Committee meeting on Wednesday 21st August the CEO, Mr Lizo Makele, the COO, Mr Lungelo Ntongwana, and board member Ms Nandipha Madiba, presented the SABS's APP. At the end of the presentation Mr Makele presented a supplementary set of slides, attached here, of which section 7 contained information on Disciplinary Cases currently underway, including the sentence "Disciplinary action has been taken against employees who have committed misconduct". The phrase "who have committed misconduct" appears prejudicial to those employees whose disciplinary hearings are still underway and about which no findings have yet been made. This would suggest the author of the

presentation, Mr Makele, has prejudged the outcome of the disciplinary hearings which could therefore be subject to appeals by the accused. Mr Makele's prejudgement is itself a case of misconduct.

After the presentation I read out a summary of the allegations contained in the emails referred to above (excepting the one I received yesterday). The CEO claimed many of the allegations were new to him, Ms Madiba said the allegations were fictitious and lies while the COO said they could be libellous. All three said that these allegations had been made by disgruntled employees who themselves were facing charges of misconduct in an attempt to deflect from their own supposed guilt.

Taken together these three emails and the denials of an SABS board member and the two top SABS executives raise serious concerns which cannot go unanswered. I therefore urge you once again to set up an independent investigation to test the veracity or otherwise of the allegations. Should the investigation reveal misconduct or corruption by board members, executives or staff, it is imperative that disciplinary action be taken and criminal charges laid against those responsible.

Furthermore, you should not hesitate to place the SABS under administration once more to make sure the institution is cleaned up once and for all and is able to fulfil its mandate untainted.

The SABS is too important an institution for it to be allowed to disintegrate in so public a manner. As part of the GNU's stated commitment to root out misgovernance, mismanagement and corruption, your determined initiative in fulfilling this commitment will be welcomed by all South Africans.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Toby Chance', written in a cursive style.

Toby Chance, MP
DA Spokesperson on Trade, Industry & Competition

Addendum

From: StevenLutzwig <StevenLutzwig@proton.me>

Sent: Saturday, August 24, 2024 4:35:02 pm

To: Ministry@thedtic.gov.za <Ministry@thedtic.gov.za>

Cc: nmatomela@thedtic.gov.za <nmatomela@thedtic.gov.za>; DHulley@thedtic.gov.za <DHulley@thedtic.gov.za>; INeethling@thedtic.gov.za <INeethling@thedtic.gov.za>; Toby Chance <tchance@parliament.gov.za>; tshwane@nehawu.org.za <tshwane@nehawu.org.za>; nehawu@sabs.co.za <nehawu@sabs.co.za>

Subject: Irregularities at the SABS - Minister needs to intervene

24 August 2024

Honourable Minister Parks Tau

Minister of Trade, Industry & Competition

[77 Meintjies Street](#)

Sunnyside

Pretoria

Gauteng

0002

Ministry@thedtic.gov.za

24 August 2024

Recruitment and other irregularities at the SABS that is costing the country millions of rand

I can no longer remain silent about the corrosion of a state institution, that has been happening for the past decade and still the corrosion continues. There is no end in sight as the revolving doors of the CEO's office continue to recycle the same incompetent executives. Minister, there needs to be flushing of the system and with stable leadership. I am requesting that there be some investigation or oversight into the allegations that I will be raising and that the Minister take accountability for the irregularities and for righting the wrongs.

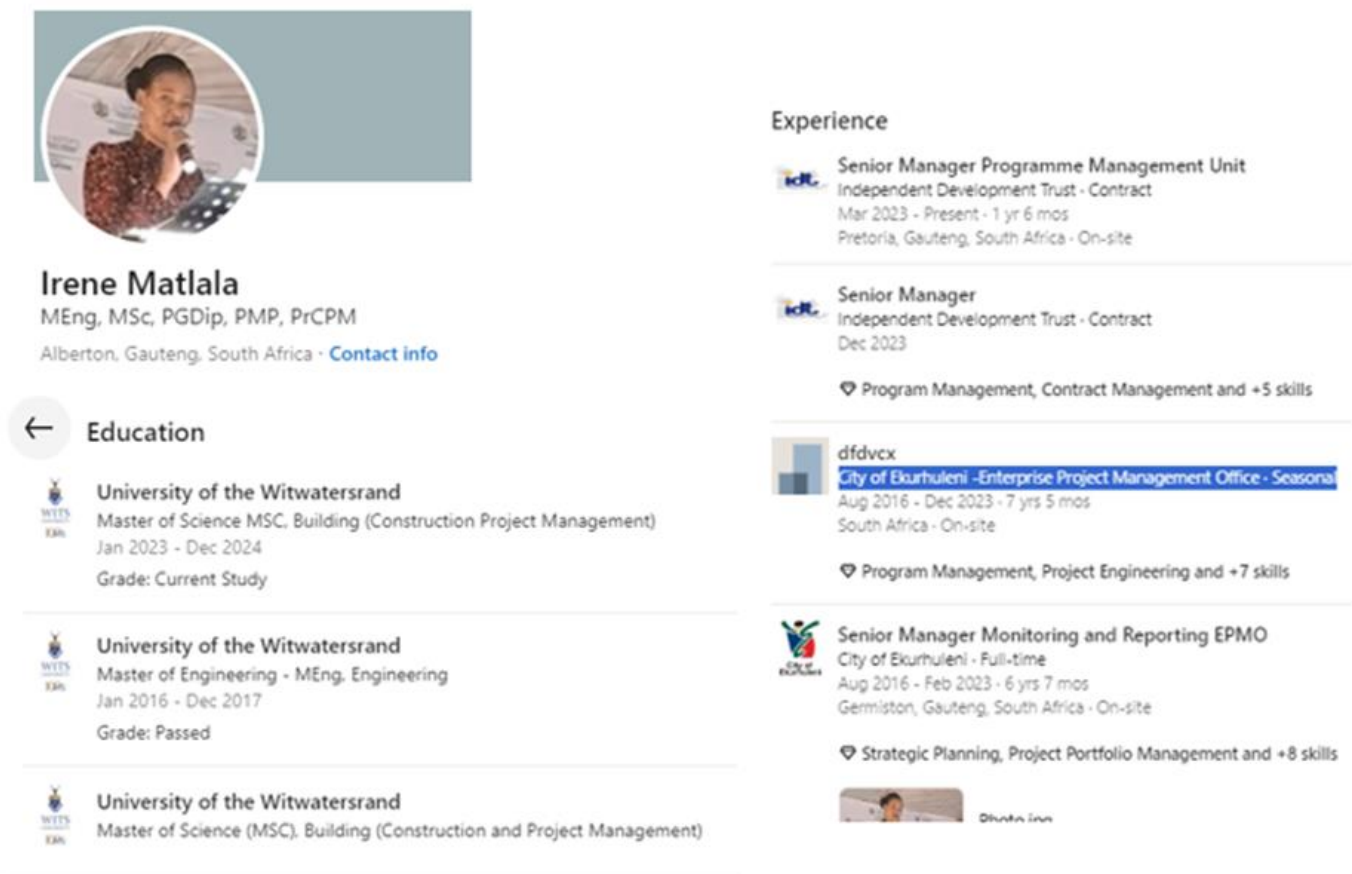
1. New recruitment irregularities

Over the last few years the current executives have launched the SABS into organizational chaos by restructuring the organization, throwing in a retrenchment, restructuring an approved structure, prioritizing certain positions, removing key skills and deploying them into other areas and replacing them with 'contractors' or unskilled people. Key to this move is that 'new' people will not question instructions from the executives and this is required for payments of salaries, sabotaging of systems and control of the supply chain. The tactics and maneuvers are not new, and were exposed during the state capture commission and the former CEO, Boni Mehlomakulu has been implicated in using the SABS to assist with state capture. Boni Mehlomakulu hired the current Acting CEO Lizo Makele and he is simply executing her plan to completely ruin the SABS. It should be noted that Boni Mehlomakula also recruited Ian Plaatjes as the head of Corporate Services (position now held by Lizo Makele) and Ian Plaatjes was dismissed by the

SABC after an investigation because of poor governance and the intent to deceive.

1.1. Khosi Makamba was hired as the Head of HC and she does not meet the requirements of the job (experience and qualifications) – these allegations were reported through whistleblowing by employees of NRCS and the SABS. Khosi Makamba was employed as a HR Business Partner at the NRCS and only lasted 6 weeks when it became clear that she had no qualifications to recruit people. She has been instrumental in the recruitment of senior people at the SABS and in addition to her recruitment, the head of programme management, the new facilities manager and the specialist of risk management are all ‘dodgy’ appointments in terms of qualifications and experience – with large gaps in their CV’s, questionable experience, and made-up qualifications.

1.2. Irene Matlala was appointed as the head of programme management. Her owned LinkedIn profile shows inconsistencies with her qualifications and her work experience, with dates altered and overlaps:



The screenshot displays Irene Matlala's LinkedIn profile. On the left, her profile picture shows her speaking at a microphone. Below the photo, her name 'Irene Matlala' is listed, followed by her qualifications: 'MEng, MSc, PGDip, PMP, PrCPM' and her location: 'Alberton, Gauteng, South Africa'. A 'Contact info' link is visible. The 'Education' section is expanded, showing three entries from the University of the Witwatersrand. The first entry is a 'Master of Science MSC, Building (Construction Project Management)' with dates 'Jan 2023 - Dec 2024' and a grade of 'Current Study'. The second entry is a 'Master of Engineering - MEng, Engineering' with dates 'Jan 2016 - Dec 2017' and a grade of 'Passed'. The third entry is a 'Master of Science (MSC), Building (Construction and Project Management)'. The 'Experience' section on the right lists several roles. The first is 'Senior Manager Programme Management Unit' at 'Independent Development Trust - Contract' from 'Mar 2023 - Present - 1 yr 6 mos' in 'Pretoria, Gauteng, South Africa - On-site'. The second is 'Senior Manager' at 'Independent Development Trust - Contract' from 'Dec 2023'. The third is 'City of Ekurhuleni -Enterprise Project Management Office - Seasonal' at 'dfdvcx' from 'Aug 2016 - Dec 2023 - 7 yrs 5 mos' in 'South Africa - On-site'. The fourth is 'Senior Manager Monitoring and Reporting EPMO' at 'City of Ekurhuleni - Full-time' from 'Aug 2016 - Feb 2023 - 6 yrs 7 mos' in 'Germiston, Gauteng, South Africa - On-site'. Skills listed include 'Program Management, Contract Management and +5 skills', 'Program Management, Project Engineering and +7 skills', and 'Strategic Planning, Project Portfolio Management and +8 skills'.

Her Master of Science is still current, yet she is using the qualification. How is it possible for her to achieve a Master of Engineering in a year and if her experience is to be believed she started working at the City of Ekurhuleni in the same year. How can she obtain two masters and there is no degree that is attached to her resume. Her experience with the 2023 overlaps indicates something made up and untoward. If you assume that her current study is plausible, why then does the SABS hire someone still studying for a critical position?

1.3 Africa Zulu. - this manager in Facilities Maintenance seems to follow the pattern of recent recruitments – with dodgy experience and qualifications. There are many inconsistencies in his experience with overlapping dates in different companies, across provinces. Again, in such a critical position, why would the SABS hire someone who is still studying and won't be able to commit 100%.

Africa Zungu
Facilities (Utilities) Manager at Gibela Trains, Durban, KwaZulu-Natal, South Africa - [Contact info](#)

Education

- University of Pretoria**
Honours, Water Resources Engineering
Jan 2024 - Dec 2024
Grade: NQF 8
Water Utilization
- University of Cape Town**
Certificate, Facilities Planning and Management
Jan 2022 - Apr 2022
- DoL GCC Factories (MECHANICAL)**
Government Certificate of Competency, Engineering
2015 - 2016
COMPLETED.
- University of South Africa/Universiteit van Suid-Afrika**
Bachelor of Technology, Mechanical Engineering
2011 - 2011
- NOSA**
CERTIFICATE, SAMTRAC
2010 - 2010
- Durban University of Technology**
National Diploma, Mechanical Engineering
2000 - 2008

Experience

- Facilities Manager**
Gibela Rail Transport Consortium - Full-time
Sep 2023 - Present - 1 yr
Gauteng, South Africa
- Maintenance Manager**
Necsa - Full-time
Jun 2023 - Jan 2024 - 8 mos
Gauteng, South Africa - On-site
- Maintenance Manager**
Durban University of Technology - Full-time
Jul 2020 - Feb 2023 - 2 yrs 8 mos
Durban, KwaZulu-Natal, South Africa - On-site
Policy development: Research, design and develop engineering and building related policies, plans, procedures and systems on an ongoing basis in line with the relevant legislation, national standards and international standards.
♥ Facility Management (FM) and Operations Management
- Mhlathuze Water**
Full-time - 2 yrs
Richards Bay Area, South Africa - On-site
- Plant Engineer** - Industrial Chemical Waste Plant, Reticulation and Offshore Disposal
Jan 2019 - Jun 2020 - 1 yr 6 mos

2. Recruitment Systems and processes

The SABS changed its e-recruitment suppliers and just 'lost' the renewal period for the new company and will therefore not be able to hold the recruitment company accountable for the 'vetting' of new hires. It is very possible that there are kick backs that are being paid to the executives and hence there are 'dodgy' people being recruited. These people are so pre-occupied with their studies they also then become perfect scapegoats for executives, and will sign off invoices without the proper training and scrutiny.

The SABS is now using LinkedIn to hire people, because they cannot get the recruitment process in place – and deliberately so. This is to enable 'dodgy' hires.

3. Squashing of whistleblowing reports

Several reports have been made to the SABS whistleblowing hotline, however nothing happens because the head of internal audit is as involved in the corrosion and corruption of the SABS as its executives. The NRCS has been vocal about having reported Khosi Makamba for the irregular appointment and Oratile Molatudi (internal audit) for squashing the whistleblowing report.

It is also not surprising that the SABS has started to desperately look for an alternative supplier for whistleblowing, to get rid of Deloitte because of a letter by Mr Toby Chance to the Minister that states further whistleblowing reports. Deloitte has provided services to SABS for the past decade and it is untoward that there is a sudden rush to remove them as suppliers.

4. Corruption of Internal Audit

The Head of Internal Audit is intricately linked in ALL matters at the SABS. He sits in interviews and then also audits the process, he sits in all EXCO and management meetings and also then audits for governance, he develops his own policies and procedures and is responsible for auditing it. It is known that he squashes report with the union at the SABS, NEHAWU, informing the SABS of:

- fraudulent qualifications of Bjorn Buyst, where he claimed to have a Masters, yet he has no tertiary qualification. Even though he was then demoted he was fraudulently acting as a manager and authorizing payments to suppliers (which were paid) and payroll information such as leave and employee claims
- illegal appointment of Nils Flaatten, from a contractor into a manager position
- manipulation of audit reports where Oratile Molatudi was the accused (incorrect reports issued),
- questioning the appointment of Lungelo Ntongbongwana as the COO who has a criminal record and is a contract worker,
- the relationship of the COO with a then intern, Nokubongwa Mvelesa who was appointed into a plum position despite having no experience, with the affair taking place while the COO's wife was also employed in a senior role within the Finance Division.
- The Acting of a year by Philiswa Dlamini in a position that is not prioritized and where employees in that department were of higher grade levels than her. This irregularity was highlighted when the request for Bjorn Buyst to Act in a non-prioritized position was refused by the same Acting CEO who authorized Philiswa's acting

All these whistleblowing reports/disputes were brought to the attention of the executives and squashed in their usual style.

5. Silence of Supply Chain and CFO

The CFO and the head of supply chain, Nitin Gunga are inactive in the management of contracts, financial risk and general good governance. There are contracts that are lapsing yet still being paid, contracts – especially in facilities – with a budget of R100million where there is no oversight or management of contracts. How can a supplier still be painting a building in Durban for more than 2 years because of the flood damage? Employees in Durban are still forced to work from home.

6. Manipulation of organizational structure to 'reward' corruption and cause further mismanagement.

When the structure was reviewed, it was done under the auspices of an external company that alleged it was benchmarked. The structure was adopted and people were placed into positions. Following the placement – the internal audit structure – which did not include a Head – but rather a manager, was altered. Oratile Molatudi was appointed as Manager initially and was then upgraded to Head. In order to justify the decision, and again because questions were raised about the irregular process – the structure has become bloated to include a Manager and to include two specialists. This is extremely irregular, in light of the SABS having dismissed 170 people through retrenchments and still having the structure and non-critical 'positions' frozen in order to 'save' money. Oratile, based on his contract status and current expired contract – should have been excluded from illegally occupying the Manager position and from being appointed as a Head.

7. Collapse of measurement (Performance and Customer ratings)

For the past few years the SABS has been unable to 'appoint' a supplier to conduct and implement a customer satisfaction rating. And this is deliberate – to hide the exorbitant number of clients that are leaving the SABS and to 'protect' the scorecard of the executives. It is inconceivable that the Ministry allows this year on year and that this remains on the corporate scorecard of the SABS. In addition – there is more than R300 million that is not collected from customers for work done – simply because customer services cannot contact customers to send them the banking details of the SABS.

The turnaround times to contact clients is 15 days... not to deliver services or products – to contact them – is it any wonder that the SABS needs to sabotage its customer service rating?

In much the same style, the SAB performance management system has collapsed. The executives don't have performance contracts and the rotation of the executives and the 100s of Acting positions creates chaos (there is no stability or accountability) – the situation is so dire that the organization has been unable to produce an organogram in the last 4 years, the address lists are messed up, the leave system is messed up, the payroll is messed up – with some people getting two payslips – some people having duplicated employee numbers and therefore irregular payments.

Honourable Minister, there are so many things that are terribly wrong at the SABS and it will never get fixed if you allow the same management to continue to manipulate processes and governance structures. The previous ACEO and current COO openly lied on national TV to say that their appointments were made permanent by the previous Administrators and it will be true justice if you could appoint Garth Strachan or Jodi Scholtz as the CEO... as they are fully aware of the tactics of the current executives at the SABS and will immediately be able to rectify the obvious things.

Minister, the current executives are currently illegally getting paid from the SABS as their contracts have long since expired and it will be easy to appoint legitimate management at the SABS.

Sincerely,

A concerned citizen
Steven Lutzwig