



SPECIAL TRIBUNAL

EST: ACT 74 OF 1996

TO: ALL MEDIA

21 August 2020

FIRST COVID-19 MATTER APPEARS BEFORE SPECIAL TRIBUNAL

The Special Tribunal of South Africa has granted an urgent order freezing R38, 7 million held in the bank accounts of 40 Gauteng-based companies involved in the implementation of the contract for the supply and delivery of various Covid-19 Personal Protection Equipment (PPE).

Judge Billy Mothle granted the order in the ex parte application brought before the Special Tribunal by the Special Investigating Unit (SIU) yesterday (Thursday), interdicting the Provincial Department of Health from making further payments to Ledla Structural Development (Pty) Ltd and 39 other companies.

In the papers before the Special Tribunal, Ledla Structural Development (Pty) Ltd was awarded a contract by the Gauteng Department of Health for the supply of Covid-19 items, which the SIU contends, was unlawfully, irregularly and corruptly awarded, and at prices which were grossly inflated way in excess of market related prices. The contract was awarded on the 6th April, 2020.

Ledla Structural Development (Pty) Ltd subsequently transferred a large portion of the proceeds it received into various banking accounts belonging to entities and individuals, which funds, the SIU contends in court papers, are liable to be forfeited to the State.

Payments, totalling R38 758 155, 00, were made between August 3 and 4, 2020, into the bank accounts of different entities and individuals, all cited as respondents.

The order further interdicts the Government Employee Pension Fund (GEPF) from releasing the pension money and benefits to the former Departmental Chief Financial Officer (CFO), Mantsu Kabelo Lehloenya, pending the institution of civil litigation proceedings by the SIU.

Lehloenya, cited as one of the respondents, has since resigned from the public service. The Special Tribunal held that civil recovery proceedings against Lehloenya be instituted within 15 days of the granting of the order for recovery of financial damages suffered by the Department resulting from actions of illegality, misconduct and acts of dishonesty.

In terms of the order, the respondents have until October 6 to show cause why it should not be made final.

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