



MINISTRY OF DEFENCE AND MILITARY VETERANS
Republic of South Africa

MEDIA STATEMENT

Embargo: None

Date: 08 August 2014

Subject: IMPLEMENTATION OF THE FINDINGS OF A FORENSIC INVESTIGATION INTO ALLEGATIONS OF PROCUREMENT IRREGULARITIES AT THE DEPARTMENT OF MILITARY VETERANS

The Minister of Defence and Military Veterans Ms Nosiviwe Mapisa- Nqakula has decided that Director-General of the Department of Military Veterans Tsepe Motumi and Deputy Director General: Corporate Services, Major General Lifeni Make, return to work as of August 1 2014, respectively.

This follows the Minister's careful study of the Report on the Forensic Investigation into allegations of irregularities at the Department of Military Veterans.

"I have now been presented with the Report on the Forensic Investigation into allegations of procurement irregularities at the Department of Military Veterans (DMV). After careful study of the report, I have directed that the DG and DDG Corporate Services of the DMV return to work as of August 1, 2014. The DG's return to work is to be accompanied by an undertaking on his part to implement the findings of the Report with immediate effect. In particular, steps must be taken to ensure that supply chain management and contract management in the department is brought in line with National Treasury prescripts. Certain officials are to face disciplinary action as a result of the findings outlined in the Report, whilst others are to face further investigation flowing from the recommendations of the Report. The contracts which formed the bases of the investigation will be further scrutinised by legal counsel before a decision on the way forward is taken", said the Minister.

According to Minister Nosiviwe Mapisa-Nqakula, the Report shows several instances of non-compliance with DMV policies and provisions of the Public Finance Management Act, especially in respect of the requirement of ensuring a fair and transparent procurement system and the need to ensure that every official takes reasonable steps to avoid unauthorised, irregular, fruitless and wasteful expenditure.

In terms of the responsibilities of the Director-General as outlined in the PFMA, he is to be held responsible for the adverse findings listed in the Report in as far as they relate to the failure to maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective.

“The delivery of benefits to military veterans is a priority for me and all these actions are taken in an effort to strengthen service delivery by ensuring that services are correctly procured and well managed once procured,” the Minister added.

The Minister had placed both Director General Tsepe Motumi and Deputy Director General: Corporate Services, Major General Lifeni Make on special leave in April this year pending the outcome of an investigation into alleged irregularities in the bidding processes resulting in the alleged inappropriate awarding of contracts for the supply of furniture, provision of security, cleaning and catering services.

These actions were taken following the receipt of a high level risk evaluation report prepared by internal audit and risk management within the Department.

ENDS.

Issued by: **Ministry of Defence and Military Veterans**

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