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SIU SA
STRIKING AGAINST CORRUPTION

MEDIA STATEMENT
FOR IMMEDIATE RELEASE
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SIU OBTAINS PRESERVATION ORDER TO FREEZE LUXURY PROPERTY LINKED TO ALLEGED MISUSE OF NATIONAL LOTTERIES COMMISSION FUNDS

The Special Investigating Unit (SIU) has secured a preservation order from the Special Tribunal to freeze the immovable property located at Midstream Estate, Gauteng, pending the finalisation of civil proceedings into the alleged misuse of funds allocated by the National Lotteries Commission (NLC).

The order interdicts Israel Mathibe, Smart Safety PPE and any other party from selling, disposing, leasing, encumbering (including by granting rights of retention), transferring, donating, or dealing in any manner whatsoever to the immovable property.

The SIU's investigation revealed that funds intended for community projects, including agricultural development and old-age homes, were diverted to purchase the property through a network of non-profit companies (NPCs) and private entities.

- SA Youth Movement NPC received R23 million for old age homes in rural provinces, but later paid R1.6 million to Smart Safety PPE, which contributed R1.6 million to the property purchase.
- Malusi We Sizwe NPC received R13 million for an agricultural project in KwaZulu-Natal but transferred R896,980 to Trizaflo (Pty) Ltd, which then paid R2.1 million toward the property.

The property was registered under Smart Safety PPE, with Mr. Alfred Mzwakhe Sigudhla, the then director of Smart Safety PPE, signing key transaction documents.

Sigudhla, who is cited in the Tribunal order, serves as the Chairperson of the SA Youth Movement NPC, which received R23 million from the NLC for old-age homes in rural provinces. He signed the

grant agreement on September 15, 2017, and diversion for an additional R7.5 million on May 21, 2019, despite a lack of proof of project delivery.

In October 2018, he signed as a director of Smart Safety PPE in bank agreements and later remained an "interested party" on the company's bank account after being replaced by another director. Additionally, he authorised payments amounting to R1.6 million from SA Youth Movement NPC to Smart Safety PPE, which were used to purchase the Midstream property, for which he signed the offer to purchase on October 23, 2019, on behalf of Smart Safety PPE.

The order of the Special Tribunal is part of implementing SIU investigation outcomes and consequence management to recover financial losses suffered by State institutions because of corruption or negligence. The order forms part of a broader investigation into corruption involving NLC grants intended for community development projects.

The SIU is empowered to institute a civil action in the High Court or a Special Tribunal to correct any wrongdoing uncovered during investigations caused by corruption, fraud, or maladministration. In line with the Special Investigating Units and Special Tribunals Act 74 of 1996, the SIU refers any evidence pointing to criminal conduct it uncovers to the National Prosecuting Authority (NPA) for further action.

END.

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