

HOUSING GRAFT PROBE ESCALATES

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Fighting housing corruption ... Cooperative Governance, Traditional Affairs and Human Settlement
MEC Olly Mlamleli

MEC Mlamleli is adamant that the provincial government will flush out the corrupt elements and deliver more quality houses

The cooperative governance, traditional affairs and human settlement MEC, Olly Mlamleli, has vowed to root out fraud and corruption in the housing division of her department, and continue to provide decent housing to the poor people of the province.

In line with this pursuit, the department has already suspended a number of senior officials, pending a full forensic investigation. It will further spend its entire housing budget to repair incomplete and badly built houses throughout the province in the next two financial years.

Mlamleli's reassurance follows statements by national housing minister, Tokyo Sexwale that his department was considering placing the provincial department under Section 100 administration, after a R500-million irregular expenditure was uncovered by the Auditor-General.

Sexwale said R481-million was paid during the 2009/2010 financial year, on behalf of contractors to the suppliers.

"They've dug themselves a hole financially. They can never get out of that hole. Every time we give them funds, they are trying to close that hole."

Sexwale said he presented the Auditor General's findings to Cabinet for discussion and consideration. However, Mlamleli said this week that the provincial government has acted firmly on the matter, and stressed that there is no crisis.

Mlamleli offered to cooperate with Sexwale to effectively deal with the matter and said she was confident that the provincial government will clean the mess in the department.

She said the provincial government, under the leadership of premier Ace Magashule, has declared war on corruption in the housing sector, and will deliver decent and quality houses after two years.

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“The department will not tolerate corruption. I want people to know that I have listened and heard their complaints, but I am asking them to be patient while we tackle these problems. Anyone found guilty of corruption or fraud, irrespective of whether it is an official or a contractor, will face the full might of the law.”

“I want the public to know that the department will not be building new houses in the next two financial years. We will be completing the existing incomplete houses in the province. This is to ensure that going forward we use the funds allocated to the department to build new houses,” said Mlamleli.

The MEC suspended six senior housing officials in her department a few weeks ago following extensive internal investigations and numerous complaints by the public about incomplete and shoddy houses as well as information brought to her attention about possible collusion between government officials and contractors to defraud government.

The six officials are chief director of housing programme management, Mamiki Mokhele; director of priority and intervention programmes, Corney Twala; Fifi Makhaotse who works in housing subsidies and development unit; Kaizer Maxatshwa from housing development planning and monitoring; project management and technical services director, Kabelo Kolozi and the director of informal settlements and land tenure, Loyiso Ndenze.

Preliminary investigations have revealed that there were cases where, for instance, 100 houses were allocated, but 10 unbudgeted houses were added to the list. This compromised the quality of the approved number of houses and added strain to the existing budget.

The department has also established that some houses that were supposed to be completed and paid for were half done or not built at all. These problems exist in many small towns in the province, such as Brandford and Bethulie.

There are people in those areas who are on the housing list, and were supposed to have their houses by now, but still do not own a house. In some cases, the system shows that the money was paid to contractors who not completed houses that were supposed to be allocated to beneficiaries. Allocations were also made to ghost beneficiaries.

The investigation against the six will cover amongst others; manipulation of the individual subsidy system, allocation lists of contractors, advance payments and poor or non-inspection by technical staff.

According to Mlamleli, she first identified these irregularities while she was still the chairperson of the portfolio committee for local government and housing in the Free State provincial legislature.

This was the exact finding by the national department of human settlement. It was established that the housing grant expenditure totals do not correlate with the amount of units delivered on the ground. In May this year, the office of the Auditor-General independently interacted with human settlement officials in the province. This team found out that there was a wrongful housing allocation by senior managers, irregular expenditure of more than R500-million and houses built without being registered with the National Home Builder Registration Council (NHBR).

Mlamleli will appear before the committee to share the progress made this far in the internal investigation.

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