



ECONOMIC FREEDOM FIGHTERS STATEMENT ON THE OVERSIGHT VISIT TO ZULULAND DISTRICT MUNICIPALITY

Monday, 22 January 2024

The Economic Freedom Fighters' (EFF) Deputy President and Parliamentary Chief Whip, Commissar Floyd Shivambu led a delegation of EFF Public Representatives to an oversight visit in Zululand District Municipality in KwaZulu Natal Province on the 22nd of January 2024. The delegation was comprised of Members of Parliament Commissars Hlengiwe Mkhali and Babalwa Mathulelwa, Members of the KZN Provincial Legislature (Provincial Chairperson Mongezi Twala and Deputy Chairperson Thobisile Nkosi), and EFF Councillors in Zululand District, and the Local Municipalities of Nongoma, Ulundi, eDumbe, Abaqulusi, and uPhongolo.

The oversight visit was necessitated by the now confirmed reports that an amount of R33 million was stolen from the Municipality's bank accounts on the 27th of December 2023. The EFF can officially confirm that indeed an amount of R32 019 914.96 was withdrawn from the District Municipality in 6 trenches ranging from R3.8 million to R9.6 million. Upon being alerted by ABSA, the Municipality's banker, the Municipal Manager, Ronald Hlongwa informed the bank that the transactions were illegal and opened a police case at Ulundi Police station in what is case number CAS336/12/2023.

The companies that received these trenches of unlawful and illegal payments are:

- a) ZERO AZANIA Pty Ltd was paid R4 429 832.00 and R4 360 177.30
- b) TOP CENTRE TRADING was paid R9 675 241.36
- c) MJWARA Pty Ltd was paid R3 854 078.38
- d) SIYAKHULISA DISTRIBUTORS was paid R4 870 356.69 and R4 841 247.28

After the bank's interventions and an interim Court order that was issued on the 8th of January 2024, an amount of R26 065 209.68 was repaid to the bank account of the Municipality. An amount of R4 831 247.28 paid to Siyakhulisa Distributors is currently being held in an FNB suspension account awaiting the final Court order. The case number CAS336/12/2023 has been elevated to the Directorate of Priority Crimes Investigations (known as the Hawks) and the Municipality has since suspended the head of IT in the Municipality who is alleged to have played a role in the unlawful and illegal transfer of these huge amounts of money.

The EFF directed the Municipality, particularly the Municipal Manager and Chief Financial Officer, to strengthen their cybersecurity because it is totally unacceptable that criminal elements were able to gain access to and make payments from the District Municipality bank account, which would otherwise need three approvals before payments are made.

We, as the EFF, will write to the Hawks to demand that they take urgent action against all those who are involved in the theft of public funds from the Municipality. The company registrations, bank accounts, and IP addresses of computers used to steal money from the Municipality are traceable and can be pointed to specific individuals who must be held accountable. We demand that all the banks that hold the accounts that received the illegally paid money disclose the identities of the recipients.

We also demand their immediate suspension from the Central Suppliers Database (CSD) by the National Treasury to prevent them from doing business with the state until the investigations are concluded.

The EFF delegation to the oversight visit also demanded an explanation on the Auditor General's findings that the District Municipality had unauthorised expenditure of R126 million for the 2022 Financial Year. The Municipality attributed this to load shedding, high costs of diesel, water tankers (due to distrusted water systems) and increased expenditure on security, all of which are electricity related matters.

The second part of the oversight visit and engagement focused on the District Municipality's capacity to provide water to all the people of Zululand District. We note

that currently, the Municipality is engaged in several water extraction and reticulation projects and programmes to respond to the dire and devastating water crisis that exists in all the Municipalities under Zululand. We also note that in areas with severe perennial water shortages, the District Municipalities use water tankers and boreholes. We as the EFF demand that water provided through water tankers must not be politicised because some rogue elements in Municipalities give water on partisan grounds.

The EFF also notes that the recurrent load shedding has a huge impact on water services and systems, therefore worsening the already inadequate capacity that exists to provide quality water to all the people of Zululand. EFF Councillors in Zululand will closely monitor all projects that are related to water provision and will continue to pay attention to communities with severe and perennial water shortages.

We encourage all EFF Public Representatives to intensify oversight on Municipalities and demand optimal accountability from government. We carry the obligation to protect public resources and make sure that they are fully used for the benefit of ordinary people and not the corrupt and vile few. In relation to the outstanding amount that must be paid back to the Municipality, the EFF will be expecting weekly reports from the Mayor and Municipal Manager. The EFF remains the most dependable weapon in the hands of the people of South Africa.

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