

Media Release;

cidb clampdown on fraud and corruption receives Presidential endorsement

Pretoria, 20 April, 2016: In a move to protect the integrity of the Register of Contractors the Board of Directors of the Construction Industry Development Board (cidb), has enlisted the help of the Special Investigating Unit to probe persistent allegations of fraud and corruption within the organization. The SIU has thrown its weight behind this initiative and on 15 April 2016, obtained a Presidential Proclamation strengthening its authority to carry out investigations into various claims.

Among others, Proclamation number R. 19 of 2016 empowers the SIU to probe allegations of improper and unlawful conduct by officials of the cidb as well as unlawful or improper conduct by any person, which has caused or may cause serious harm to the interests of the public dating back to January 2006.

Welcoming the Proclamation the Board Chairperson, Mr Lufuno Nevhutalu, said this was a significant step towards cleaning up the organization if there is any wrong doing. The cidb Board, he said, has a duty to act in the best interests of the industry and the public, and impropriety on the part of staff, whether perceived or real, only detracts focus from the enormous challenges of construction industry development and the mandate of the cidb.

In her reaction the Acting cidb Chief Executive Officer, Ms Hlengiwe Khumalo, said the cidb expects the SIU to leave no stone unturned in their effort to get to the bottom of these allegations.

Khumalo said that the Register of Contractors plays a very critical role as a macro-risk management tool for public sector clients procuring construction goods and services, and persistent allegations of fraud and corruption within the cidb undermine industry and public confidence in this role. "The cidb

will do everything in its power to cooperate with the investigation and drastic measures will follow against any employees found to be implicated”, Khumalo said.

Khumalo has however, assured clients and the industry of the reliability of the Register of Contractors, saying that the sporadic allegations of fraud and corruption cases though unfortunate, should not cast doubt on the capability of contractors registered with the cidb. She said fraud and corruption not only undermined the country’s economy and transformation efforts, it also has the potential to put the lives and safety of ordinary citizens in danger as a result of poor quality infrastructure. “The cidb simply cannot afford to ignore the potential risks associated with any fraud allegations related to its Register of Contractors”, Khumalo added.

The cidb registers and grades contractors according to capability to carry out construction projects based on financial capability and track record. Public sector clients are compelled to only award construction contracts to cidb registered contractors.

The investigation by the SIU starts immediately.

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