

Media statement:

Issued by Construction Industry Development Board

cidb issues collusion charges against construction companies

Pretoria 4 March 2015: Following its own investigation into collusive practices in the construction industry, the cidb has served charges on fifteen contractors listed on its Register of Contractors, for contravention of its Code of Conduct for parties engaged in construction procurement. In terms of the charges the parties will now have to appear for a formal inquiry, before an independent Investigating Committee scheduled to take place in April 2015.

The fifteen companies are: Murray & Roberts Construction (Pty) Ltd, Basil Read Holdings Limited, Aveng (Africa) Ltd, Esorfranki Ltd, G Liviero Building (Pty) Ltd, WBHO Construction (Pty) Ltd, Giuricich, Haw & Inglis Civil Engineering (Pty) Ltd, Hochtief Solutions AG, Norvo Construction (Pty) Ltd, Raubex (Pty) Ltd, Rumdel, Stefanutti Stocks Holdings, Tubular Technical Construction (Pty) Ltd and Vlaming (Pty) Ltd.

It has been a protracted process, since allegations of collusion in the construction industry first surfaced in 2011 to this point, where we are finally able to bring the charges against these construction companies, in terms of our specific legislative and regulatory mandate. This is a significant step in intensifying the effort to address fraudulent and corrupt behaviour on public sector projects, in the interest of transparency, fairness and economic transformation in the construction industry.

As the public is aware, there are other companies that have been implicated in the construction collusion scandal. Not all of these construction companies are included in this first phase of the cidb

investigation process. At this point, the cidb action is only limited to the fifteen companies that have made disclosure of their participation in collusive conduct, to the Competition Commission. More work is underway to bring all construction companies involved to book, including investigating those companies that have declined to cooperate with the Competition Commission.

The CIDB Act enjoins the cidb to promote ethical standards that regulate actions, practices and procedures of parties engaged in construction contracts. The fifteen construction companies are therefore charged in terms of Regulation 29 of the Construction Industry Development (CID) Regulations of 2004, as amended, the cidb Code of Conduct for parties involved in procurement and the Construction Industry Development Board Act No.38 of 2000.

Further detail on the formal hearings will be communicated via the cidb website: www.cidb.org.za.

Questions of clarity may be directed to:

Kotli Molise:

Tel: 012 482 7233/ 012 482 7361

e.mail: kotli.molise@cidb.org.za

