

## **Press Statement**

## 4 December 2024

## This Anti-Corruption Week, we call for Minister Simelane to be relieved of her duties

It is with deep disappointment that as we mark Anti-Corruption Week, South Africans have to simultaneously grapple with fresh allegations against the now newly appointed Minister of Human Settlements, Thembi Simelane.

Anti-Corruption Week runs from 3-10 December. It aims to galvanise South Africans across sectors to confront corruption and state capture, demand accountability and enhance transparency.

This Anti-Corruption Week, we, the undersigned organisations, call on Minister Simelane to account. Minister Simelane should long have stepped down from office.

President Cyril Ramaphosa failed to exercise political accountability on Tuesday, when instead of removing Minister Simelane from the Executive, he instead chose to 'play musical chairs'. From the Department of Justice and Constitutional Development, the serious allegations against the Minister still follow her into the Department of Human Settlements.

Our call remains for President Ramaphosa to relieve the Minister of her duties, pending the outcome of the case against her and a potential investigation by the Hawks - who recently raided the Polokwane Municipality's offices and executed a search and seizure warrant on the Minister's former PA.

Tuesday's media reports allege that Minister Simelane led a lavish lifestyle seemingly far beyond her means during her tenure as Mayor of Polokwane. The latest allegations come in the wake of questions which remain unanswered regarding her connection to "unlawful" investments in VBS Mutual Bank, also during her tenure as Mayor of Polokwane in 2016.

When the allegations first arose several months ago, Freedom Under Law and others called for full transparency.

In August this year, President Ramaphosa requested a detailed report from the Minister on the matter. Ramaphosa has had this report since mid-September when he told the National Assembly, that he needed "the time and opportunity to consider this matter so that finality can then be reached".

Since then, the President's inexplicable inertia saw Democratic Alliance making a PAIA request for access to the report. In October 2024, Action SA laid criminal charges against the Minister.



The background to the allegations is important. According to investigative reports, during 2016 and while the Minister was serving as Mayor of Polokwane, the Polokwane Municipality made two "unlawful" investments into the since-collapsed VBS Mutual Bank. It appears that these payments may be linked to "kickbacks" paid in exchange for the deposits into VBS by the municipality. It is alleged that these "kickbacks" may have been paid to a company, which then used a significant portion of the money to extend a "loan" to the Minister, which was used for the purchase of a coffee shop.

In unsatisfactory responses in Parliament, Minister Simelane could publicly produce neither the loan agreement nor proof of settlement of the loan.

Perceptions of corruption and conflicts of interest cause significant harm to public confidence in governance institutions. If the allegations against Minister Simelane were deemed sufficiently serious for her to be removed from the justice portfolio, they are of sufficient seriousness for her to be removed from the Executive altogether.

Questions around Minister Simelane's integrity will continue to cast a shadow over government efforts being made to improve accountability. This is even as the country intends to mark International Anti-Corruption Day (9 December) which government has historically used to report back on work being done to enhance accountability and tackle state capture and corruption.

Endorsed by: Active Citizens Movement Ahmed Kathrada Foundation Centre for Good Governance and Social Justice NPC Congress of Business and Economics Defend our Democracy Freedom Under Law Impact4Good Kuhlase Disability Center NPO Msunduzi Association of Residents Ratepayers and Civics Organisation Undoing Tax Abuse Phoenix Settlement Trust Sisonke Lana Multipurpose Centre Survivors of State Capture at SARS Support Group The Fair Labour Practice



To endorse the statement, click here: <u>https://forms.gle/9CGL7BjsKWoBiZUJA</u>

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