



30th August 2011

ANTI FRAUD AND CORRUPTION EFFORTS START PAYING DIVIDENDS WITH THE ARREST OF A PROVINCIAL DEPARTMENT OF PUBLIC WORKS CONTRACTOR ALLEGED TO HAVE DEFRAUDED THE DEPARTMENT OF MILLIONS OF Rands

This morning the HAWKS arrested Mr RAJKAPOOR LAKRAJ for allegedly defrauding the KZN Department of Public works of millions of rand. Mr RAJKAPOOR LAKRAJ will be charged with fraud and corruption relating to the award of numerous contracts with a combined value in excess of R87mil awarded to Quantum Leap Investments 24 (Pty) Ltd and Dreamteam Trading 562 cc.

It is alleged that Mr RAJKAPOOR LAKRAJ who is commonly known as “Teddy”, was the directing mind and/or managed and/or controlled Quantum Leap Investments 24 (Pty) Ltd, trading as Teddy’s Construction and Dreamteam Trading 562 cc, trading as Siyasiza Builders. Contracts to these companies were all awarded in terms of the Government’s BEE and BBBEE frameworks but Mr RAJKAPOOR LAKRAJ committed fraud by “controlling” both companies yet the tender documents reflected that there were African woman as the only controlling shareholders. This is regarded as “fronting”.

The case against Mr RAJKAPOOR LAKRAJ has been prioritised and forms part of President Jacob Zuma’s anti-fraud and corruption initiative (ACTT) announced in July 2010.

After her appointment as MEC for Human Settlements and Public Works: KwaZulu-Natal in May 2009, MEC Maggie Govender vowed to rid the Department of fraud and corruption so that citizens got value for money. Fraud, corruption and wasteful expenditure steal money from the poorest sections of the community and we are all obliged to run a tight ship to accelerate delivery.

These words were put to action with the formation of a multi-disciplinary anti-fraud and corruption task team headed by Mr SR Nel also from the Department of Public Works and representatives from the SAPS (HAWKS), Special Investigating Unit (SIU), National Prosecuting Authority (NPA), Asset Forfeiture Unit (AFU) and Provincial Treasury.

The team worked tirelessly and to date their efforts have resulted in 15 new criminal cases, across the Province, being registered with the SAPS for further investigations. Further to this the KZN Department of Public Works, through the SIU, applied for a Presidential Proclamation authorising the SIU to investigate various matters ranging from fraud, corruption, fronting and



Human Settlements and Public Works
PROVINCE OF KWAZULU-NATAL

WezokuHlaliswa kwaBantu nemiSebenzi yoMphakathi
IsiFundazwe saKwaZulu-Natali

Office of the Mec

Human Settlements and Public Works
Private Bag X 54336 • DURBAN • 4000
Tel: +27 31 261 8997 • Fax: +27 31 261 8157

cover-quoting to maladministration. This application was successful and resulted in Presidential Proclamation R43/2010 Gazetted on 27-08-2010.

Currently the teams' efforts have also resulted in disciplinary action being instituted against a further 20 Department of Public Works officials. Completed disciplinary hearings have resulted in 1 dismissal, 9 final written warnings and 1 written warning. Hearings are continuing.

The arrest this morning of Mr RAJKAPOOR LAKRAJ is the first, and many more arrests will follow. One further case against Mr RAJKAPOOR LAKRAJ opened as far back as 2007 has been added to the team's charges bringing the current total to 16. This investigation led to the blacklisting of Quantum Leap Investment 24 (Pty) Ltd. earlier in the year by National Treasury effectively barring them from doing business with any Government Department.

The Department intends to recover any monies irregularly paid to Mr RAJKAPOOR LAKRAJ and others. Mr RAJKAPOOR LAKRAJ, other contractors, service providers and officials of Government found to have committed any crimes or acts of maladministration will be brought to book through continuing investigations.

MEC Govender would like to extend her appreciation to Dr FB Madlopha and the Task Team for their efforts over the last two years. As a Department we have been confronted with numerous incomplete projects, stalled projects and cancellations of contracts. This has resulted in infrastructure backlogs. Fraudulent and corrupt practices contribute to this state of affairs and this is why we, as a Department are acting this. We want to remove the obstructions to service delivery to our people.

Today's arrest, and others to follow, is proof of our commitment to act decisively against acts of fraud and corruption. This is further accentuated by the fact that the Department of Public Works was voted by DPSA as the best within KwaZulu-Natal in terms of its anti-fraud and corruption programmes and processes for 2010.

Issued by KZN MEC for Human Settlements and Public Works, Ms Maggie Govender