

MEDIA STATEMENT

CIDB SUSPENDS CONTRACTORS FOR FRAUD

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In a tough stance against fraud and corruption the Construction Industry Development Board (cidb) has suspended a number of unscrupulous contractors from its register since the start of its anti-corruption campaign last year. The suspensions effectively bar corrupt contractors from receiving government tenders for construction. Government departments, municipalities and public entities may not award tenders to contractors that are not registered with the cidb, according to the CIDB Act 38 of 2000 and the Construction Industry Regulations of 2004.

Unscrupulous contractors are increasingly resorting to bribery, fraud and corruption to bypass cidb requirements for registration, especially in higher grades, in a bid to land bigger construction projects from government. Taking a tough stance the cidb CEO Ronnie Khoza said that the cidb cannot allow a situation where a few individuals threaten to undermine the integrity of the Register of Contractors through unlawful acts. “No government department, municipality or public entity may award a construction tender to a suspended contractor. And to assist clients in rooting out offenders the cidb has, for some time now, been gazetting suspended contractors. The cidb has also started to publish a list of suspended contractors on its website www.cidb.org.za.”, Khoza said.

The Register of Contractors was established as a risk mitigating instrument to assist public sector clients to select capable contractors to deliver public infrastructure. The Register grades and categorises contractors according to their capability to carry out construction projects. Poor delivery and quality of work as well as escalating costs of project failure are part of the reasons why Government set up the Register in 2004, effectively ensuring that

contractors that are awarded projects have the capability to deliver. “We have a responsibility to protect the integrity of infrastructure and cannot allow the actions of a few unscrupulous individuals to undermine current achievements in making the Register an effective risk management tool”.

At least two cidb employees have been imprisoned and dismissed for accepting bribes and others are being investigated. The cidb has established an anonymous fraud reporting hotline: 0800 112 452, where the staff and the public can report suspected fraud and corruption. The hotline is managed independently by external experts. Independent investigators have also been appointed to follow up reported incidences of fraud and to enable the cidb Board to conduct hearings and issue penalties to offenders.

“We want to send a strong message to contractors that fraud will not be tolerated and to deter those that may be tempted. In addition the cidb is also handing down fines to offenders”. Khoza concluded.

The cidb was established in terms of the CIDB Act 38 of 2000 to regulate and develop the construction industry for improved performance in infrastructure delivery.

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