

# Mkhize: R150m Digital Vibes contract was irregular, denies friendship with directors

The R150m Covid-19 and National Health Insurance communications service contract awarded to Digital Vibes was "irregular" and that disciplinary action against all those implicated is underway, health minister, Zweli Mkhize said in a press conference today. The company is run by Mkhize's former personal assistant, Naadhira Mitha and Tahera Mather, who worked with the health minister when he was treasurer-general at the ANC's Luthuli House.



Health minister, Zweli Mkhize

He said, though, that he does not regard Mitha and Mather as his personal friends.

"They are certainly my comrades. I have worked with them in the ordinary course of my political or official duties and this is not unusual."

However, images posted by *Daily Maverick* journalist Pieter-Louis Myburgh on Twitter say different.

“ “Not friends” (gallery 1) [#ZweliMkhize](#) [#DigitalVibes](#) [#TaheraMather](#) [pic.twitter.com/EaH53jXC81](https://pic.twitter.com/EaH53jXC81)— Pieter-Louis Myburgh (@PLMyburgh) [May 26, 2021](#) ”

“ “Not friends”, says [#ZweliMkhize](#) RE ties to Tahera Mather from [#DigitalVibes](#)... here is Mather with the minister's daughter. Mather also attended Nokulinda Mkhize's wedding in circa 2014. [pic.twitter.com/Wq8jjTBmI8](https://pic.twitter.com/Wq8jjTBmI8)— Pieter-Louis Myburgh (@PLMyburgh) [May 26, 2021](#) ”

## Irregularities

"The irregularity findings range from the inconsistencies in the bid committee's to lack of disclosure of conflict of interest," Mkhize said on Wednesday.

The investigators have also uncovered that an amount of about R37m paid to Digital Vibes constitutes “fruitless and wasteful expenditure”.

According to Mkhize, the service provider received requests for work from the National Department of Health (NDoH) before their contract was expanded to include Covid-19 communication, which resulted in a financial commitment of some R35m that NDoH ended up paying.

“The investigators, therefore, concluded that any amount which was paid to Digital Vibes for any work done in relation to Covid-19 communication before the approval of the expansion to include Covid-19 work was irregular, as the expenditure was incurred in contravention of Treasury regulations.”

As a result, Mkhize said the total of R1,50,002,607 that was paid to the company by NDoH between 29 January 2020 and February 2021 was irregular and should be reported by the stipulations of the Public Finance Management Act.

The minister said the health director-general has since formally reported this to National Treasury. “I can also confirm that the process of consequence management, which is taking disciplinary action against all implicated individuals, is also underway.”

He confirmed that the legal process to recover funds has also commenced.

## **The investigations**

Mkhize explained how the investigation unfolded.

Health director general, Dr Sandile Buthelezi, received the final auditor general (AG) report, together with a management report, in December last year.

In the report, the AG believes that the department was being overcharged for services that could have been provided more economically by other service providers.

The auditors then recommended that the department interrogate the rates charged by Digital Vibes and benchmark them against other service providers.

“From the outset, I wish to publicly state that the outrage, anger, questions, comments, expression of disappointment and disgust by members of the public with what has been reported in the media regarding this Digital Vibes contract is well justified,” said Mkhize.

According to the minister, this is when he requested the director general to hand over this investigation to internal audit and appoint a firm of investigators to scrutinise all the documents related to this contract.

The probe also looked into the minister’s role in these administrative processes and interviewed various officials in this regard.

The Special Investigating Unit (SIU), as per the Presidential proclamation regarding all Covid-19 allegations of corruption, also looked into the matter. The department has also hired the Ngubane Tax Assurance Advisory Firm.

## Reports

Mkhize confirmed that the director general received the forensic investigation initiated by the department on Friday last week, while the final report was issued on Monday.

Both the SIU and the president were given the final report on Tuesday.

“This is because when this matter came up and my name was linked to it, I had a duty to report to the president as my superior and had undertaken to keep him apprised,” the Minister said.

Mkhize said he was aware of the narrative that the contract was awarded to his associates and that he may have used his influence.

Meanwhile, he said his programmes are coordinated directly by his office and department and that all public addresses were prepared and drafted by himself and ministry officials.

“There were no speeches which were ever prepared by a service provider and all core content was developed by the Department of Health officials.”

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