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MEDIA ADVISORY

10 March 2025

For Immediate Release

To All Media Houses

Re: FDC TURNING THE TIDE AGAINST CORRUPTION AND MALFEASANCE.

The Free State Development Corporation was established with the primary aim of growing the economy of the Free State and creating much needed jobs. The Corporation, among others, is charged with the promotion and development of small, medium and micro enterprises and them with funding by advancing loans.

Deep assessment of the performance of this entity revealed trends consistent with those in many other state-owned entities in the past years. Questionable and poor decisions were taken resulting in the corporation losing its stable financial situation and negatively affecting the very SMMEs it is meant to support and develop. These decisions and actions by some of those who were charged with the oversight and management responsibility of this corporation are seen by the current management as nothing but systematic destruction of value of this institution of the people of the Free State.

The Shareholder, the Board and Management, have taken a resolution to save this institution from those who turned it into their personal source of wealth and return it back into the hands of the people of the Free State. Questionable and poor financial decisions include, but are not limited to inflated invoices, outsourced assignment adding no value to FDC, disposal of public assets fraudulently, misrepresentation and dishonesty.

Duly constituted in terms of Free State Development Corporation Act 6 of 1995

Mr. T Motloi (Chairperson); Ms. NCS Khetha (Deputy Chairperson); Ms. S Sithole; Ms. Z Nhlapo; Mr. LT Motsamai; Mr. IV March; Mr. KC Tau (Acting Chief Executive Officer) Mr. RJ Montshioa (Company Secretary)

To this end, several forensic investigations have been commissioned and are at different stages of completion. Implicated officials have been suspended, dismissed and cases of fraud have been reported to the law enforcement agencies. The courts have been approached with the intention to reverse some of these dubious decisions.

These actions by the Board and Management to introduce sound and ethical governance in the FDC, have agitated some who saw and still see the FDC as a source for personal enrichment. Their pushback is evident in intimidation, cheap publicity and false accusations and casting aspersions in the leadership of the Free State Development Corporation. Good strides have been made in turning the institution around and this is evident from the opinion of the Auditor-General in the past two financial years

The entire FDC community is aware of the challenges facing this organization and have committed to introducing fundamental changes to ensure that the FDC is on the track of recovery. This once effective institution has been disemboweled and disabled to serve the people it is meant to serve. Management and staff at the FDC are committed to deal with and reverse deliberate actions or inactivity aimed at weakening internal controls encouraging poor performance resulting in runaway debt, illegal occupation of FDC properties and reckless decisions exposing the FDC.

The FDC will work with trusted partners to help it to reclaim its shine. It remains our individual and collective commitment to reach our set objectives to fight corruption in all its manifestation in this institution of the people of the Free State.

The FDC management is emboldened by the Free State Provincial Leadership to support it in its mandate to become the economic driver and job creation entity of the Free State Province.

END

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