

SCMN022/2021 – Provision of Direct Payments of Allowances to NSFAS students for a period of five (5) years

1. Background

- 1.1 Investigations into the SSETA/Grayson Reed tender revealed that individuals involved with the tender in their capacity as consortium partners started up a new group of companies.
- 1.2 The wives of Artwell Makelwe and Thula Ntumba were appointed as directors of several Coinvest companies. One of the companies, Coinvest Africa, submitted a tender to NSFAS for the provision of direct payments of allowances to NSFAS students for a period of 5 years.
- 1.3 The business model of Coinvest Africa is similar to that of Grayson Reed. The NSFAS tender is similar is similar to the SSETA tender and the CETA tender that was also awarded to Grayson Reed.
- 1.4 The NSFAS tender was split between four companies – Coinvest Africa, Tenet Technology, Ezaga Holdings & Norraco Corporation.
- 1.5 Four major banks – Nedbank, FNB, ABSA & Standard Bank - also submitted tenders, but were not successful.
- 1.6 The award of this tender to Coinvest Africa can lead to a Grayson Reed 2.0 and will most probably result in another waste of taxpayers' money.
- 1.7 The SSETA / Grayson Reed investigation report is attached as **Annexure "A"**.

2. Preliminary Investigation

- 2.1 NSFAS Bid No SCMN0022/2021 was advertised on 25 January 2022 with a closing date 25 February 2022. The date of award is unknown (assumed it was in July/August 2022) (**Annexure "B"**)

2.2 The Bid is described as “Provision of direct payments of allowances to NSFAS students for a period of five (5) years, renewable”.

2.3 18 bids were submitted by the following entities:

1. Whoosh Innovations (Pty) Ltd
2. Coinvest Africa (Pty) Ltd
3. Cloud10 Capital Software Solutions (Pty) Ltd
4. Lumphala Amber Converged JV
5. Celbux SA (Pty) Ltd
6. Tenet Technology (Pty) Ltd
7. Ezaga Holdings (Pty) Ltd
8. Norraco Corporation (Pty) Ltd
9. Nedbank Limited
10. Network International Payment Services
11. Bank Zero Mutual Bank
12. Fundi Capital (Pty) Ltd
13. EFT Corporation SA (Pty) Ltd
14. FirstRand Bank Limited
15. The Standard Bank of South Africa Limited
16. ABSA Bank Limited
17. MTN (Pty) Ltd
18. Ntiyiso – Capital Software JV

2.4 The NSFAS website shows that the bid was awarded and split between 4 entities – Coinvest Africa, Tenet Technologies, Ezaga Holdings and Norraco Corporation.

Tender Number	Tender Description	Appointed Service Provider	Awarded Amount(VAT Included)	Preferential Points Claimed	Contract Duration
SCMN021/2021	Managed Cyber Security Services	1. Take Note IT (Pty) Ltd	Various rates	100	Three (3) years
SCMN022/2021	Provision of direct payments of allowances to NSFAS students for a period of five (5) years, renewable.	1. Coinvest Africa (Pty) Ltd 2. Tenet Technology (Pty) Ltd 3. Ezaga Holdings (Pty) Ltd 4. Norraco Corporation (Pty) Ltd	Various rates Various rates Various rates Various rates	100 100 100 99	Five (5) years, renewable.
SCMN014/2021	Provision of research consultancy services – student accommodation	1. S24 Business Group	R1,043,280.00	100	Six (6) months
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2.5 The eTender website indicated that the bid was awarded to Coinvest Africa only. An interesting observation is that on the notification on eTender, there is no contact details for the successful bidder, just the contact details of the NSFAS SCM unit.

Awarded tenders			
Category	Tender Description	Advertised	Closing
Services: Professional	Provision of Direct Payments of Allowances to NSFAS Students for a period of five (5) years, renewable	25/01/2022	5 months ago
Tender Number:	SCMN022/2021		
Department:	National Student Financial Aid Scheme		
Tender Type:	Request for Bid(Open-Tender)		
Province:	Western Cape		
Date Published:	Tuesday, 25 January 2022		
Closing Date:	Friday, 25 February 2022 - 11:00		
Place where goods, works or services are required:	10 Brodie, House Vincent Building, 2nd Floor, Wynberg Mews - Cape Town - Cape Town - 7801		
Special Conditions:	N/A		
INQUIRIES:			
Contact Person:	SCM Unit		
Email:	SCM@nsfas.org.za		
Telephone number:	021-763-3200		
FAX Number:	N/A		
BRIEFING SESSION:			
Is there a briefing session?: NO	Is it compulsory?: NO		
Briefing Date and Time:			
Briefing Venue:	N/A		
SUCCESSFUL BIDDER:			
Company:	Coinvest Africa		
Contact Details:	SCM Unit - 0217633200		
BIDDERS LIST:	<p>Whoosh Innovations (Pty) Ltd, Coinvest Africa (Pty) Ltd, Cloud10 Capital Software Solutions (Pty) Ltd, Luphahla Amber Converged JV, Celbux SA (Pty) Ltd, Tenet Technology (Pty) Ltd, Ezaga Holdings (Pty) Ltd, Norraco Corporation (Pty) Ltd, Nedbank Limited, Network International Payment Services, Back Zero Mutual Bank, Fundi Capital (Pty) Ltd, EFT Corporation SA (Pty) Ltd, FirstRand Bank Limited, The Standard Bank of South Africa Limited, ABSA Bank Limited, MTN (Pty) Ltd, Ntiyiso - Capital software JV Tender Opening Register -SCMN022_2021 Provision of Direct Payments of Allowances to NSFAS.pdf</p>		

2.6 Some of the requirements that were included in the RFP makes it doubtful if Coinvest and the other three entities could comply with it. These requirements were *inter alia* as follows:

- Evidence of a banking license or bank sponsorship or affiliate sponsorship which must be in the name of the service provider.
- No payment will be made to the successful bidder (s) unless an original tax invoice complying with section 20 of the VAT Act, 1991 (Act No 89 of 1991), as amended, has been submitted to NSFAS.
- Company experience makes up 10% of the functional evaluation of the bid.

- Core team experience makes up 10% of the functional evaluation of the bid.
- Core team experience requires at least 10 years experience for senior management and 7 years for project management.
- The solution must be ready for go-live within two (2) months from commencement of the project.

Brief overview of the successful bidders

2.7 Coinvest Africa (Pty) Ltd

2.7.1 Directors:

- Tshegofatso Ntumba. She is the spouse of Thula Ntumba who was involved as a consortium partner in the Grayson Reed Tender.
- She is also a director of Star Sign and Print, a company which was awarded a printing tender by SSETA and invoiced SSETA for example R214.00 for an exam pad.
- Merilyn Makelve. She is the spouse of Artwell Makelve who was involved as a consortium partner in the Grayson Reed tender.

2.7.2 Registration Date:

- The company was registered in 2019 and it is doubtful if the directors will have 10 years experience in management experience as required.

2.7.3 Website:

- <https://www.coinvestpay.africa/#aboutus>

2.8 Tenet Technology (Pty) Ltd

2.8.1 Directors:

- Lindiwe Mthethwa was appointed as director on 11 January 2021.
- She resigned as director on 25 July 2022.
- Lindiwe Mthethwa is married / related to Bonginkosi Andreas Mthwethwa.
- Bonginkosi Andreas Mthethwa is employed at Technodyn Data Solutions.
- Serisha Beosumbar is the director of Technodyn Data Solutions.
- Serisha Beosumbar was appointed as a director of Tenet Technology on 1 July 2022, after the NSFAS tender was awarded.
- Beosumbar resigned on 1 November 2022 and Koobanhra Naidoo was appointed as the new and solo director.

2.8.2 Registered Address and Principal Business:

- The registered company business premises is at Block H 35, Intersite Avenue, Umgeni Business Park, Durban, KZN.
- According to the website the business address for Tenet is at 2 Ncondo Place, Ridgeside Umhlanga, Durban, KZN.
- The website of Tenet Technology changed in September 2022 (to include NSFAS services).
- On the old website the business was described as: ***“At Tenet Technology we wish to help municipalities understand their citizens better and achieve better outcomes so that they can provide services more effectively and efficiently”.***
- The new website (after changes in early Sept 2022) describes Tenet’s business as follows: **“Helping you work smart - With Tenet Technology, you could leverage secure automation from connected, digitised solutions to work smarter and be more relevant to your employees and communities”** and **“Providing you with effective solutions - You could gain Online Citizen Engagement to Balanced Scorecards and Reporting, Stat Programs, Web Presence & User Interface, even Secure Government Payment Processing, to accelerate transformation within your municipality”.**

- The opening page of the new website also have a highlighted dropdown box for “NSFAS Students”.



Helping You Work Smart

With Tenet Technology, you could leverage secure automation from connected, digitised solutions to work smarter and be more relevant to your employees and communities.

Providing You With Effective Solutions

You could gain Online Citizen Engagement to Balanced Scorecards and Reporting, Stat Programs, Web Presence & User Interface, even Secure Government Payment Processing, to accelerate transformation within your municipality.

- The “New Tenet Website”



Home Solutions Contact

Helping People Do Great Work

At Tenet Technology we wish to help municipalities understand their citizens better and achieve better outcomes so that they can provide services more effectively and efficiently.



- The “Old Tenet Website”

2.8.3 Website:

- <https://tenetech.co.za/>

2.9 Ezaga Holdings (Pty) Ltd

2.9.1 Directors:

Saud Ally – Appointed as director on 12 April 2021

Ismail Ally – Appointed as director on 9 November 2020

2.9.2 Registration Date and business activities:

The company was registered on 3 April 2017 with the founding director Aboobaker Mohammed Sacoor who it seems works at an accounting firm and register shell companies. According to its website the company provide online card and machine payment solutions and is an alliance partner of Access Bank South Africa.

2.9.3 NSFAS Services:

Ezaga changed its website in September 2022 to accommodate their NSFAS services.



NOTICE TO NSFAS BENEFICIARIES

2.9.4 Website:

- <https://www.ezaga.co.za/>

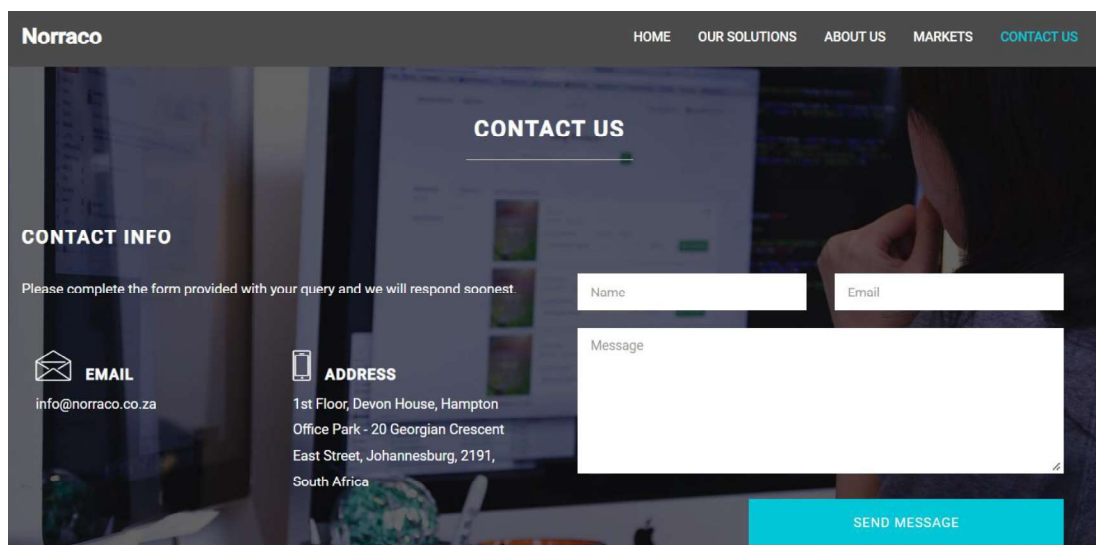
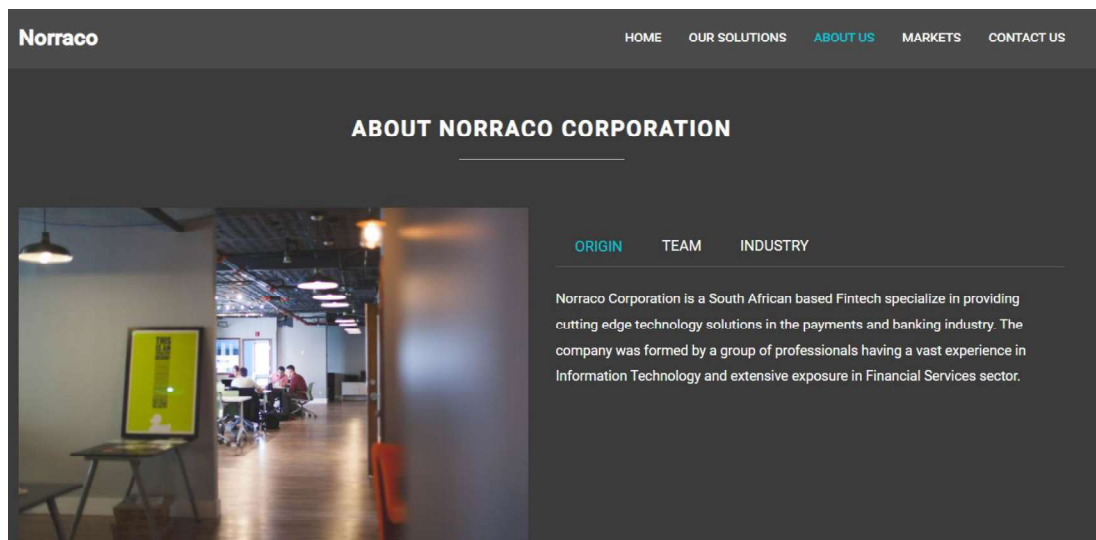
2.10 Norraco Corporation (Pty) Ltd

2.10.1 Director:

Neal Ian Macintyre was appointed on 2 January 2019 as a director. According to his LinkedIn profile he is a Banking & Payments Consultant.

2.10.2 Up until September 2022, the company did not have a website and the principal business is unknown.

2.10.3 Early in September (after the award of the NSFAS tender) Norraco developed a website.



2.10.4 Website

<https://www.norraco.co.za/>

Relationship between Coinvest & Ezaga

- 2.11 In 2021 Coinvest Africa, Ezaga Holdings, Lucro Trading 308 and Bright Innovation Technical Solutions tendered as a joint venture for a Bursary Administration System at Transport Education Sector Authority (TETA). This shows that Coinvest and Ezaga had a historical business relationship.

Suspected relationship between NSFAS CEO and Ntumba Inc

- 2.12 It is suspected that Mr Andile Nongogo, the NSFAS CEO had a business relationship with Mr Melusi Ntumba, one of the directors of Ntumba and Associates Consulting. This is illustrated by Investec bank records obtained of Isigidi Trading 34 CC (Reg No: 2005/043001/23), a Close Corporation of which Mr Nongogo is the sole member. Isigidi made a payment of R40,000.00 to Mr Melusi Ntumba on 20 October 2015. Mr Melusi Ntumba is the brother of Mr Thula Ntumba who is the spouse of Tsegofatso Ntumba, one of the directors of Coinvest. Ntumba and Associates Consulting is also a service provider of NSFAS. This transaction took place when Mr Nongogo was still the CEO of SSETA. At the time Ntumba and Associates Consulting also had contracts with SSETA.

Similar Tenders by NSFAS

- 2.13 A similar tender was advertised twice before by NSFAS. Bid No SCMN006/2020 for the "Direct payments of allowances to NSFAS students" was cancelled because apparently all the bids received were not acceptable which resulted in the tender being cancelled.
- 2.14 Bid No SCMN014/2020, a bid for "Direct payments of allowances to NSFAS students for a period of five (5) years" was also cancelled with the apparent reason that due to changed circumstances, there is no longer a need for the goods or services specified in the invitation

2.15 A screenshot from the NSFAS website confirms the abovementioned cancelled tenders and is attached hereto as **Annexure “C”**.

3. Whistleblower engagement

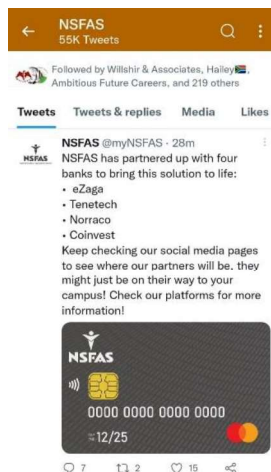
3.1 After an OUTA tweet, a whistleblower made contact with OUTA and provided us with valuable information.

3.2 WB informed us that the payment system developed by Coinvest, Ezaga, Tenet & Norraco will deduct R102.35 from a student’s allowance to cover the administration costs of the service providers. This will have a devastating effect on the students. They receive R1500 as an allowance and the deduction will result in them receiving 7% less of their allowance. It is also understood that there will be additional bank charges for transactions.

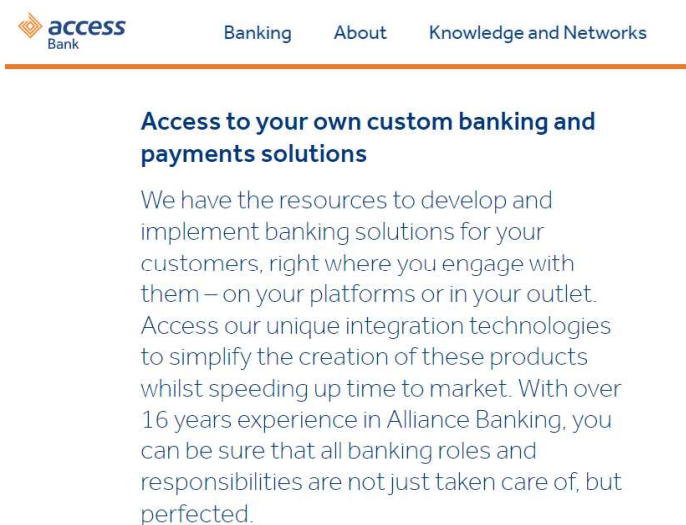
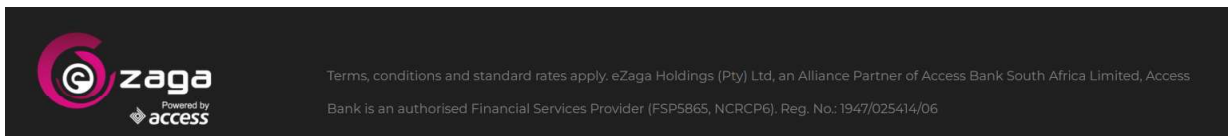
3.3 It should be noted that allowances of students are paid with tax payers money, which means that any deductions from the allowances to pay service providers is also ultimately tax payers money.

3.4 WB reported on several other issues as well that is not relevant to this tender. This information will be shared with SIU.

4. Social Media



- 4.1 NSFAS announced on social media that the service providers are “BANKS”.
- 4.2 OUTA’s preliminary investigation shows that only one of the service providers is affiliated with a bank, namely Ezaga who is affiliated with Access Bank. Below is a screenshot of Ezaga’s website where the public is informed that Ezaga is an Alliance partner of Access Bank. Further below is a screenshot of Access Bank’s website where they explain their alliance banking services.



- 4.3 No information on open source could be obtained to show that the other service providers are affiliated with any bank.
- 4.4 The WB informed OUTA that the service providers will also make use of Nedbank, Access Bank and 2 foreign banks. This information needs to be verified.

This preliminary report was drafted in November 2022 and new information on bank affiliation has been received since then.

