



**MEDIA RELEASE**                              **UIF: PSA condemns irresponsible investment of R1.8 billion**

**DATE**    4 May 2022

**EMBARGO**                                      None

**ENQUIRIES**                                    communication@psa.co.za

---

The Public Servants Association (PSA) learnt with shock that the Unemployment Insurance Fund (UIF) invested an amount of R1.8 billion without due diligence. Allegations that those who benefited from this shoddy deal are connected to politicians are deplorable and confirm the PSA's long-held view that politicians and their allies are shamelessly enriching themselves from the public purse.

The company that facilitated the investment earned a shocking R47.5 million advisory fee, despite leading the UIF to invest in a sinking ship. The involvement of the Public Investment Corporation (PIC) as the body that made the investment on behalf of the UIF, is extremely concerning as the PIC is also responsible for the Government Employees Pension Fund. This reckless dealing with the public purse can either be owing to a genuine lack of insight in dealing with investments or corruption with the intention to benefit certain individuals. The latter is more likely as the PIC is deemed to have the expertise to deal with such and even more complicated transactions.

The UIF's funds are intended to assist beneficiaries when they lose their jobs, during maternity period or prolonged sickness, and must also contribute to the reskilling of beneficiaries to enable them to either get employment or start their own businesses. It is thus deplorable that investment corruption should impact on these most vulnerable beneficiaries. It cannot be a coincidence that an unstable business was chosen for the investment of this huge amount and, as usual, no one is held accountable for the loss.

The UIF recently reported to parliament that it was running out of money during the Temporary Relief Scheme payments, whilst incorrect payments amounting to billions of rands were made. The UIF further wanted Public Service employees to contribute to the Fund whilst money is being wasted through maladministration and corruption.

It is extremely concerning that most state entities are losing money owing to various forms of maladministration, corruption, and abuse of power. Politicians and their allies are enriching themselves at the expense of service delivery to citizens as the Public Service is left incapacitated. The PSA urgently calls on the Minister of Labour and Employment to ensure stringent consequence management for those who failed to exercise due diligence, resulting the vast loss of UIF funds. In addition, the Special Investigation Unit and the Office of the Auditor-General must be involved to ensure that the culprits face the full might of the law. Should this looting continue, the country will lose its sovereignty owing to the inability to govern and service escalating debts.

END