



MEDIA RELEASE

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VICKY ADEY CONSULTING WITHDRAWS FROM GOVERNMENT PANELS AND SURENDERS FOR CANCELLATION ITS CIDB GRADING FOR MISREPRESENTATION OF B-BBEE STATUS

Following the findings of misrepresentation of B-BBEE status made by the B-BBEE Commission, Vicky Adey Consulting CC has agreed to immediately withdraw from each panel of contractors / service providers of any organ of state or public entity, including the Independent Development Trust, Coega Development Corporation and Department of Education Gauteng Province, which were awarded on the basis of false and misrepresented information, as well as voluntarily surrendering to the Construction Industry Development Board its CIDB grading for cancellation. Vicky Adey Consulting CC and its members Olufunsho Adebayo Ademoye and Phumudzo Nancy Muthelo cooperated with the investigation and apologised for the conduct, which in their view was not intended, and implemented the remedial recommendations.

Vicky Adey Consulting CC is a close corporation registered in South Africa, with its members being Mr Olufunsho Adebayo Ademoye, a Nigerian born African male, and Phumudzo Nancy Muthelo, a South African born African female, with 40% and 60% members' interest respectively. The investigation was impelled by a video that circulated widely on social media in South Africa in which Mr Olufunsho Adebayo Ademoye was interviewed on the Nigeria Morning TV show wherein he made statements that were misleading and distorting on the application of B-BBEE as a policy in South Africa and how B-BBEE has benefitted him as a foreign national who is also married to a South African woman.

The nature of the statements made indicated that Olufunsho Adebayo Ademoye possibly engaged in misrepresentation of B-BBEE status and fronting practice through his business Vicky Adey Consulting CC. This was particularly of concern as Mr Olufunsho Adebayo Ademoye does not qualify for any benefits under the B-BBEE Act as he does not meet the definition of 'black people' under the B-BBEE Act as a Nigerian born African male. This meant that any benefit he claimed to have received during the said interview would have been based on false or misrepresented B-BBEE credentials.

The investigation revealed that Vicky Adey Consulting CC and its members Olufunsho Adebayo Ademoye and Phumudzo Nancy Muthelo indeed misrepresented the B-BBEE status of the business by claiming that it is 100% black owned when it is not, as Mr Olufunsho Adebayo Ademoye does not qualify for any benefit under the B-BBEE Act.

Further, it was found that Vicky Adey Consulting CC was able to secure opportunities on the panel of contractors' / service providers in the Gauteng Provincial Department of Education, Coega Development Corporation and the Independent Development Trust, as well as the CIDB grading using the said misrepresented B-BBEE status. It was confirmed, however, that the corporation had not been awarded any contracts/work yet from these panels

Ms Moipone Kgaboesele, Head of Investigations & Enforcement at the B-BBEE Commission warned both the private and public sector to refrain from including foreign nationals as beneficiaries of any B-BBEE element because the law is clear as to who should benefit. Section 1 of the B-BBEE Act limits benefits to black people, which includes Africans, Coloureds and Indians that are South African citizens by birth or decent, or by naturalisation prior to 27 April 1994.

The B-BBEE Act specifically defines black people to exclude any non-black South African citizens, foreign nationals and those black people that acquired citizenship by naturalisation after 27 April 1994. "Hence it is critical to trace the existence of black people up to the actual natural black person to determine compliance with the B-BBEE Act. It is the responsibility of every corporation to ensure that the claims it makes about B-BBEE are in line with the requirements of the B-BBEE Act and organs of state must do proper due diligence to ensure B-BBEE compliance prior to appointing service providers or awarding any authorisations", she added.

"Although we received written confirmation of withdrawal from respondents, we will follow up with these relevant organs of state to ensure that the withdrawals have indeed been effected. Had it not been for this investigation, Vicky Adey Consulting CC would have continued to benefit using this falsified and misrepresented status, but we are encouraged by the fact that they cooperated fully with the investigation and demonstrated upfront willingness to correct this conduct. The corporation can continue to do business but with the correct B-BBEE credentials", emphasised Ms Kgaboesele.

The B-BBEE Commission offers free advice on B-BBEE matters and thus there should be no reason for non-compliance. As such, this case should serve as an example of illegal conduct that will not be tolerated, noting that if uncovered in any corporation going forward, it will be immediately referred for prosecution through the criminal justice system as permitted under the B-BBEE Act. Perpetrators may be jailed for up to 10 years and the corporation itself may be fined up to 10% of the annual turnover if convicted.

The summary of the findings and recommendations and the apology are available on the link: <https://www.bbbee.commission.co.za/b-bbee-commission-vicky-adey-consulting-cc-others/>

ENDS

The B-BBEE Commission was established in terms of section 13B of the B-BBEE Act 53 of 2003 as amended by Act No 46 of 2013 with powers effective from 6 June 2016. The B-BBEE Commission's mandate, amongst others, is to supervise and encourage adherence to the B-BBEE Act in the interest of the public, conduct reactive and proactive investigations on fronting and other violations and promote good governance and accountability by creating an effective and efficient environment for the promotion and implementation of the objectives of broad-based black economic empowerment.

Issued by the B-BBEE Commission

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