



Specialised
Security Services



PROJECT:
THE
CONSTRUCTION
MAFIA IN
SOUTH AFRICA
2024

Specialised Security Services receives more and more requests from various mines and construction companies to secure and safeguard their premises, their assets and their employees.

Please read our latest project for more context:

<https://mikebh.link/6V3OSf>

The "Construction Mafia" in South Africa typically refers to criminal groups or individuals involved in extortion and other illicit activities within the construction industry. These groups are often accused of demanding protection money from construction companies in exchange for allowing them to operate in specific areas.

These criminal organisations masquerade as legitimate business associations, operating nationwide and constantly expanding into other economic sectors.

*Public Works and Infrastructure Minister Sihle Zikalala recently confirmed that construction mafias cost the economy around **R68 billion** by delaying and even preventing construction projects.*

MODUS OPERANDI:

- The modus operandi of the construction mafia involves asserting control over construction sites, demanding a share of the project profits, and intimidating or using violence against those who refuse to comply.
- Initially originating in KwaZulu Natal, this phenomenon has recently been reported primarily in the Gauteng province, where these groups allegedly target construction projects, demand a "cut" from contractors, and disrupt operations if their demands are not met.

- They disrupt construction projects and demand a certain amount, usually 30% of the construction value.
 - Several laws form the construction mafias' so-called "business model" which they misinterpret for their own financial gain:
 - The initial Broad-Based Black Economic Empowerment Act 53 of 2003, that address the imbalances suffered by black South Africans due to the apartheid system.
 - The subsequent updated Broad-Based Black Economic Empowerment Codes of October 2013.
 - The 2017 Construction Regulation Codes, that explicitly refer to the construction industry.
 - The Preferential Procurement Policy Framework Act [PPPFA] 2000, which governs the procurement policies and structure of government agencies.
- Commercial building sites have also been targeted, although the restrictions only apply to government contracts.
- As "protection" against more violent disruptions and work stoppages, the gangs demand a 30% interest in the project or 30% of the overall contract value in cash.
- The impact of the construction mafia includes delays in project completion, increased costs for construction companies, and an overall negative influence on the construction industry and related sectors.
- Construction project owners face disruptions of projects resulting in loss of equipment, materials, and income.

Their methods of extortion, bribery, and other forms of corruption, including physical violence have several negative impacts on the economy:

- **Economic Drain:**
 - Corruption in the construction sector can lead to inflated project costs, misallocation of resources, and a drain on public funds.
 - This, in turn, affects the overall economic health of the country.
- **Infrastructure Development:**
 - Corruption can hinder infrastructure development by diverting resources away from essential projects.
 - Delays and substandard work may occur if projects are awarded based on illicit practices rather than merit.
- **Investor Confidence:**
 - Such activities can erode investor confidence in the country.
 - Investors are likely to be wary of putting their money into an environment where corruption is prevalent, as it introduces uncertainty and risk.
- **International Perception:**
 - The international community views South Africa negatively if there are concerns about corruption and organised crime within its construction sector.

- This could affect diplomatic relations and the country's standing in international organisations.
 - Social Impact:
 - Corruption in construction can also have direct consequences on the lives of citizens.
 - Poorly constructed infrastructure may pose safety risks, and the misallocation of resources can exacerbate social inequalities.
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- To address these issues, the government must implement effective anti-corruption measures, strengthen regulatory frameworks, and promote transparency in the construction industry.
 - The legislation aims to address several issues, including the percentage of local participation and requiring organisations to do their due diligence on companies involved in construction, particularly in the subcontracting space.
 - Minister Zikalala also implemented two other initiatives in 2023:
 - Social facilitation unit:
 - This unit assists with facilitating and communicating with local communities.
 - Specialised Organised Crime Detective Services Unit:
 - This unit investigates extortion, racketeering and similar crimes.
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Specialised Security Services has extensive experience in combatting this complicated and violent crime.

Contact Mr Bolhuis for advice and effective safety and security.

REFERENCES:

- <https://businesstech.co.za/news/business/744803/the-new-criminal-mafias-ruling-south-africa/>
- <https://dailyinvestor.com/south-africa/24482/construction-mafias-cost-south-africa-r68-billion/>

- <https://www.researchgate.net/publication/375447374> The Emergence of Construction Mafia in South Africa The Implication on the Construction Industry
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CONTACT MR MIKE BOLHUIS FOR SAFETY AND SECURITY MEASURES, PROTECTION, OR AN INVESTIGATION IF NEEDED.

***ALL INFORMATION RECEIVED WILL BE TREATED
IN THE STRICTEST CONFIDENTIALITY AND
EVERY IDENTITY WILL BE PROTECTED.***

You may forward this document.

Regards,

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EXTREMELY IMPORTANT: All potential clients need to be aware that owing to the nature of our work as specialist investigators there are people who have been caught on the wrong side of the law - who are trying to discredit me - Mike Bolhuis and my organisation Specialised Security Services - to get themselves off the hook.

This retaliation happens on social media and creates doubt about our integrity and ability. Doubt created on social media platforms is both unwarranted and untrue.

We strongly recommend that you make up your minds concerning me and our organisation only after considering all the factual information - to the exclusion of hearsay and assumptions.

Furthermore, you are welcome to address your concerns directly with me should you still be unsatisfied with your conclusions. While the internet provides a lot of valuable

information, it is also a platform that distributes a lot of false information. The distribution of false information, fake news, slander and hate speech constitutes a crime that can be prosecuted by law. Your own research discretion and discernment are imperative when choosing what and what not to believe.

STANDARD RULES APPLY: Upon appointment, we require a formal mandate with detailed instructions. Please take note that should you not make use of our services – you may not under any circumstance use my name or the name of my organisation as a means to achieve whatever end.

POPI ACT 4 of 2013 South Africa: Mike Bolhuis' "Specialised Security Services" falls under Section 6 of the act. Read more here: <https://mikebolhuis.co.za/popi-act-4-of-2013-section-6-mike-bolhuis/>

SSS TASK TEAM:

<https://mikebh.link/ssb-task-team>

SSS CYBERCRIME UNIT:

<https://mikebh.link/ssb-cyber-team>



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You are receiving this email to inform and keep you up to date with violent and/or economic crimes. So that you can inform and protect your loved ones and everyone you know.

Our mailing address is:

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