

GOVCHAT RESPONDS TO FALSE ALLEGATIONS IN THE FINANCIAL MAIL

25 November 2021

GovChat has noted the article titled "*Inside SA's Welfare Industrial Complex*" published by the Financial Mail on 25 November 2021.

The article is based on a report issued by Open Secrets that unfairly tries to paint GovChat as a "data profiteer" and seeks to draw a number of adverse inferences about GovChat and its business model. The allegations and inferences in the article include that GovChat is a "mysterious entity" that contrary to public procurement laws "scooped up" the contract to build a digital platform through which people could apply for the SRD grant. It also unjustifiably maligns GovChat by making reference to Net1, a company that previously handled Social Grant distributions for SASSA and abused its position with grant beneficiaries.

The allegations by Open Secrets are patently false and the inferences are wholly inappropriate. We do not deal with each of the reckless allegations or inferences in this statement, but would like to highlight the following:

1 . Nowhere in the report does Open Secrets identify any misconduct by GovChat, a matter admitted by one of the Open Secrets investigators in a Webinar hosted by Rob Rose of the Financial Mail on 25 November 2021, and similarly conceded when questioned during a recent television interview on 405 Newzroom. The inuendo and inferences are unsupported allegations with no factual bases for inclusion.

2 . All of GovChat's contractual arrangements with government are lawful. GovChat was first established in 2016, and its contractual relationship with Government dates back to 2016 (several years prior to COVID).

3 . GovChat's collection of and use of data is fully in compliance with all laws, rules and regulations to which it is subject.





4 . Any misconduct perpetrated by Net1 has absolutely nothing to do with GovChat.

5 . GovChat’s mission is to seamlessly connect citizens, to their governments, and enable governments to be more responsive to their citizens needs, using real-time data.

6 . GovChat will continue to make every effort to assist the people of South Africa with accessing government services through the GovChat platform in a lawful and transparent manner.

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