

Anonymous Complaint

Alleged irregularities at the District Council of Rivière du Rempart.

On 05 December 2022, we received an anonymous complaint from a whistleblower alleging that applications for Building and Land Use Permit (BLUP) were being purposely rejected at the District Council of Rivière du Rempart for monetary gains and that the statutory penalty fee of Rs 50,000 was waived in some cases.

In view of the seriousness of the allegations, this Office requested the Ministry of Local Government to investigate the matter and to report thereon. Consequently, the Ministry set up an Investigation Team and prompted the Council to submit a list of Compliance Notices issued and the outcomes, as well other documentation, including Minutes of the Permits and Business Monitoring Committee (PBMC).

A list of 198 Compliance and Pulling Down Notices issued by the Council from July 2021 to December 2022 was submitted to this Office for review and the following were observed:

- in over 20 cases, penalty fee under Section 127A (5) of the Local Government Act were unpaid;
- the penalty fee was waived by the PBMC, despite no legal provision allowing such action; and
- there were instances where the Chief Executive declined to sign the Compliance Notice without any justification.

Upon further query, the Ministry of Local Government confirmed that there is no provision under the Local Government Act for waiving of the penalty fee and that where development works have started without a BLUP, developers are given the opportunity to regularise the development against payment of the penalty fee. They also reported that a meeting was held with officers of the Council wherein the *modus operandi* for approval of a BLUP, application of penalty fee and inconsistencies noted in the Compliance Notices issued by the Council were discussed.

As the matter was under review of the Investigation Team, we continued to follow-up on the developments. Finally, on 15 May 2025 we were informed by the Ministry of Local Government that following the internal enquiry and verification of documents submitted by the District Council, it was found that:

- the justifications provided by the Council for waiving of penalty fees were unsatisfactory;
- some decisions of the PBMC were contrary to the law;
- the PBMC is not empowered to waive penalty fees or revoke Compliance Notices; and
- some recommendations by the Head of Land Use Planning Department were unreasonable.

In light of the above, the Ministry referred the matter to the Financial Crime Commission for investigation and necessary action.