



*Monday, 03 August 2020*

Dear Fellow South African,

Corruption during a national disaster is a particularly heinous type of crime, and perpetrators are going to be dealt with decisively and harshly.

It is difficult to understand the utter lack of conscience that leads a businessperson who has heeded the call to provide lifesaving supplies during a devastating pandemic to inflate the price of a surgical mask by as much as 900%.

Nor can one explain why a councillor would stockpile emergency food parcels meant for the poor for their own family, or why another councillor would divert water tankers en route to a needy community to their own home.

It is impossible to discern what drives an entire family whose member stole funds meant for unemployed workers to go on a spending spree, buying cars, paying for renovations and beauty treatments, and even tombstones.

Attempting to profit from a disaster that is claiming the lives of our people every day is the action of scavengers. It is like a pack of hyenas circling wounded prey.

As we find ourselves in the grip of the greatest health emergency our country has faced in over a century, we are witnessing theft by individuals and companies with no conscience.

We hear stories of alleged corruption in the procurement and deployment of personal protective equipment to fight COVID-19, of companies hiking the prices of essential items during the lockdown and of the illegal diversion of state resources meant for the vulnerable and destitute.

This insidious behavior is not the preserve of smaller companies. There are large companies, including a JSE-listed company, that have been caught, investigated, found guilty and fined for excessive pricing.

These stories have caused outrage among South Africans. They have opened up the wounds of the state capture era, where senior figures in society seemed to get away with corruption on a grand scale.

As a country, we have done much to turn our back on that era by disrupting and dismantling the networks that had infiltrated government, state companies and even our law enforcement agencies to loot public resources.

We have rebuilt vital institutions like the National Prosecuting Authority, SA Revenue Service and the Hawks. Through the establishment of bodies like the Investigating Directorate in the NPA, we have strengthened the hand of law enforcement to investigate and prosecute these crimes. And through the establishment of the SIU Special Tribunal, we have increased our capacity to get back funds stolen from the state.

But it is clear that we need to do more. And that we need to act more decisively.

As we set out to mobilise resources on an unprecedented scale to confront coronavirus and its effects on businesses, jobs and livelihoods, we put in place several measures to safeguard these funds.

These included regulations to ensure that emergency procurement of supplies and services was fair, transparent, competitive and cost effective. The Competition Commission has made effective use of regulations that prohibit unjustified price hikes to prosecute several companies for excessive pricing. The Auditor-General initiated special audits to detect and prevent the misuse of these funds.

While these measures have no doubt limited the potential for abuse to some extent, the evidence at hand now shows that they have not completely prevented it. And so, we need to take action.

Just over a week ago, I signed a proclamation authorising the Special Investigating Unit (SIU) to investigate any unlawful or improper conduct in the procurement of goods and services during the national state of disaster.

This is a broad remit that extends across all spheres of the state and, importantly, provides for civil proceedings to recover misappropriated funds. It enables the SIU to probe each credible allegation that is made about the theft of COVID-19 funds.

I will be receiving interim reports every six weeks on the cases at various stages of investigation and prosecution. When investigations yield evidence of criminality, they will be speedily referred for prosecution.

Experience here and in many other countries shows that a multidisciplinary approach to tackling the commission of alleged criminality is needed for the fight against corruption to be successful. A broad range of investigative and prosecutorial capabilities need to be brought together under one roof.

'Fusion centres' that draw together different agencies for better information and intelligence sharing, to pool resources and to streamline operations are common practice in a number of countries.

We have taken this approach to detect, investigate and prosecute COVID-related corruption. A special centre has been established that brings together the Financial Intelligence Centre, the Independent Police Investigative Directorate, National Prosecuting Authority, the Hawks, Crime Intelligence and the SAPS Detective Service, South African Revenue Service, Special Investigating Unit and the State Security Agency.

This strengthens our response immensely. These bodies are now working together not just to investigate individual allegations, but also establish linkages between patronage networks that are trying to hide their activities. Because of this cooperation, prosecutions should proceed more quickly and stand a better chance of success.

But corruption is a far broader problem in our society. We must take steps right now that not only safeguard COVID funds, but that also protect all public funds and all institutions from corruption now and into the future.

We must look, for example, to extend the responsibility of our multi-disciplinary team of investigators and

prosecutors beyond COVID-related crimes. We should use the current approaches and methods to dramatically strengthen the fight against corruption.

Ultimately, the success of these efforts does not rely on law enforcement alone. It depends on the actions of all individuals and all formations within society – from public servants to politicians, from businesses to political parties, from Parliament to government departments. It depends on the vigilance of citizens, religious bodies, traditional leaders, professional associations, the media and many others. I therefore encourage people to “blow the whistle” should they have information about acts of malfeasance in relation to the abuse of public funds or resources.

It requires a new consciousness and new sense of accountability.

If, as public servants and political office-bearers, we claim to be serious about restoring public trust that has been severely eroded by corruption, we must avoid even the perception of conflicts of interest.

If as public servants and political office-bearers we truly care about the public whose interests we claim to represent, we must allow ordinary members of the public who have interest in doing business with government a fair chance to bid for such business opportunities, instead of passing on inside information about opportunities to our families and friends.

We already have regulations, such as annual financial disclosure, in place to discourage public servants doing business with the state. Anyone bidding for state work has to make a declaration of interest, including whether anyone connected to the bid is employed by the state.

This is clearly not enough. While everyone in South Africa has a right to engage in business activities, we are faced with the real problem of families and friends of political office-bearers or public servants receiving contracts from the state. Not all conduct of this sort is necessarily criminal, but it does contribute to a perception and a culture of nepotism, favouritism and abuse. And it undermines public confidence in the integrity of our institutions and processes.

We are determined to finally deal with the entrenched patronage networks that enable government employees to bid for state contracts through their friends and relatives.

This requires not only better laws and stronger enforcement, but also political will and social mobilisation.

We are going to change the culture in the public service, encouraging more openness and transparency, making it easier to report misuse of public funds and working more closely with civil society to combat corruption. A good example of this, is the Health Sector Anti-Corruption Forum, which brings together civil society, health sector regulators, law enforcement agencies and government departments to fight fraud and corruption in the area of health – and which has already made much progress in investigating alleged offences.

We will overcome the coronavirus and restore the health of our country and its people. But it will never be that our triumph over this pandemic is won at the expense of our integrity.

We will not allow public funds hard-earned by loyal taxpayers or donations by patriotic companies and individuals and the international community to vanish down a black hole of corruption.

Those found to have broken the law to enrich themselves through this crisis will not get to enjoy their spoils, regardless of who they are or with whom they may be connected.

I have said that COVID-19 presents us with opportunities to change the way live, do business and govern. This moment is definitely a turning point in the fight against corruption.

We are going to act boldly and must act together.

With best wishes,

Ajit Ramakrishna