

**PAPER PRESENTED AT THE PUBLIC WORKS' ZERO TOLERANCE
STANCE CONFERENCE ON FRAUD & CORRUPTION**

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**SUDAN EXPERIENCE
TRENDS OF FRAUD AND CORRUPTION IN PUBLIC
SERVICE**

SALUTATIONS AND PROTOCOL

**MY PAPER WILL DISCUSS THE ISSUE OF CORRUPTION IN PUBLIC
SERVICE IN THE SUDAN WITH EMPHASIS ON SOUTHERN SUDAN.**

**MY PAPER IS NOT AN EXHAUSIVE STUDY OF FRAUD AND
CORRUPTION. IT IS LIMITED IN SCOPE TO MY PERSONAL
EXPERIENCES.**

MY PRESENTATION IS GIVEN IN THREE MAIN HEADINGS:

- A) GENERAL DEFINITION OF CORRUPTION AND CAUSES**
- B) TRENDS OF FRAUD AND CORRUTION IN THE PUBLIC
SERVICE IN THE SUDAN**
- C) CONLUDING REMARKS**

Corruption Defined and Causes

**In its simplest terms, corruption may be defined as the abuse
of public position for personal gain or for the benefit of an
individual or groups to whom one owes allegiance.**

**Corruption is also defined as a symptom of something gone
wrong in the management of the state institutions
established to govern the relationships between citizens and
the state.**

**Corruption occurs when a public official accepts, solicits, or
extorts payments, or when private agents offer a payment to
circumvent the law for competitive or personal advantage.**

Corruption also occurs when state institutions are used for the personal enrichment by public officials entrusted to manage these institutions

Corruption is a two-way process, involving members of both the public and private sector, who are engaged in illegal, illegitimate and unethical actions that diminish the country's economic prospects and degrade its social and political institutions.

Corruption is a symptom of weakness in political, social, legal and economic systems.

Even where corruption is widespread, its practitioners strive to keep it hidden from public view.

Corruption is not new, nor is it confined to any particular part of the world.

Corruption is a global phenomenon and its severity varies from country to country.

The viewpoint that the “West” was morally superior and supposedly corruption-free whereas the developing world was riddled with corruption was challenged factually, with many examples of corruption and scandals, such as, Enron World Com. in the US.

Fraud and Corruption

Fraud and Corruption take many forms, including bribery, nepotism, **undeserved promotions? Allocation of resources?** Patronage, theft of state assets, evasion of taxes, diversion of revenues and electoral fraud.

Bribery refers to payments used by private agents, or sought by officials, in return for the supplying of favours such as government contracts, benefits, lower taxes, licenses or legal outcomes.

The theft of state assets by officials charged with their stewardship is also a form of fraud and corruption.

This form of corruption was rampant in the old Sudan and in the post CPA Southern Sudan and still is to day.

Many cases of this kind of fraud and corruption were reported by the National Auditor General of the Sudan for many years.

Banks in Sudan and in other least developed Countries are not an exception. Quoting a researcher ‘an investigation in Sudan revealed that capitalists have consistently used their close relationship with bureaucrats and political figures to extract considerable amounts of funds. In the period from 1980 to 1983, a number of top executives of some banks and corporations were convicted by emergency courts, charged with embezzling public money. (*Under shairia systems in the Sudan different crimes are tried under specific courts*)

In other bank large sums of money was paid as loan to one business man for a non-existent.

The Churches and Churches Institutions did not escape corruption. ‘Corruption in the Churches and churches institutions takes many dimensions. People run away with church money or sale of church assets. A good example is the case of church guesthouse sold by a dismissed bishop. The building belonged to the Church but the dismissed bishop sold this property in his own name to a private commercial company.’¹

TYPES OF CORRUPTION

Many observers make a distinction between “grease” (SHAHAM) corruptions

Payments made to or sought by public officials for performing their legal Duties—and payments made or sought for illegal actions.

Some differentiate between corruptions that has its origins at the national Level and those forms of corruption that originate in the international arena.

Distinctions are also made between “petty” corruptions, which is

Practiced by officials who may be grossly underpaid, (TKO IN KENYA)

The “grand” corruption, involving senior officials who obtain large

¹ At el,

Benefits for themselves. (THE SPADE AND SPOON PHENOMENA).

This form of corruption is also in the Sudan and featuring even in the Post CPA Southern Sudan.

(TAKARIMA TANZANIAN EXPERIENCE DURING THE LAST ELECTION)

Questions may be raised about these distinctions. For example, there may

Be nothing petty about 'petty' corruption. Indeed, in countries stricken by

Endemic petty corruption, the consequences for a country's political,

Social and economic life can be severe.

Such distinctions may obscure the complex web of connecting forces

Behind corruption.

For example, there is often a strong linkage between domestic and

International sources of corruption, particularly in countries where

Corruption has become entrenched within national institutions.

CORRUPTION IS THEREFORE CORRUPTION REGARDLESS AS

TO ITS ORIGIN AND SIZE OF ILLEGAL REWARDS GAINED BY

THE RECIPIENT

CAUSES OF CORRUPTION

In general, it can be said that corruption flourishes where the institutions

Of governance are weak, where a government's policy and regulatory

Regime provides scope for it, and where oversight institutions (e.g.

Parliament, judiciary, civil society) are marginalized or have become

Corrupted them. It occurs in the interaction between the public and

Private sector. Where poverty forces government officials to

Compromise- their professional ethics

Greed and get rich quick are also causes of corruption in many parts of the world.

Poor conditions of service and low wages in the public sector also contribute to corruption

However, it must be stressed that the causes of corruption are highly

Contextual, rooted in a country's political development, legal

Development, social history, bureaucratic traditions, economic conditions and policies.

This is not to say that corruption is culturally relative. Few countries

Consciously set out to encourage corruption.

Nonetheless, the sources of corruption, and therefore the subsequent

Efforts needed to combat it, tend to vary not only between countries, but also between institutions within countries.

Certain characteristics of developing and developed countries lend

Themselves to the emergence of corruption. Such societies may suffer

From a power vacuum arising out of the struggle over the control of the

State's institutions, or may have a weak to nonexistent tradition of the rule of law.

They may possess a system of government that has traditionally been

Dominated by the executive or the military. Such countries may also

Possess an underdeveloped civil society that has minimal interaction with

Other institutional actors. For example ineffective judicial system;

And the absence of effective political competition.

B) TRENDS OF FRAUD AND CORRUTION IN THE PUBLIC SERVICE IN THE SOUTHERN SUDAN

In this part of my presentation I will attempt to put in context the current fraud and corruption in the Southern Sudan within its historical roots.

The paper will then suggest that the development of strong institutions is a necessary condition for ensuring good management of public resources by the young government of Southern Sudan.

HISORICAL BACKGROUND: The Pre-British Colonial period

Historically, Southern Sudan traditional forms of government are peaceful and fair in their very make up. (Traditional leadership comprising of tribal chiefs and elders)

It should be noted however that the first forms of externally created government in what is today's Southern Sudan had no intention of good governance free of corruption and fraud. Indeed the first well organized major intruders were the Turks who came to pillage human, animal and other Southern Sudan resources by force.

Southern Sudanese who were stolen by these intruders can be found today in the Americas and other parts of the world. One of these Southern Sudanese was a crusader in the anti slave movement in England and he wrote paper in which he described the brutal activities of these intruders in what is today's Southern Sudan. These intruders never came to develop the land they came to corrupt and pillage it.

The Independent Sudan.

Sudan independence was gained at the expense of the South of the country. The Sudan was plunged into civil war after independence in 1956 because of the corrupt way in which the civil service posts were

divided. The South received less than one per cent of the government posts. The new emperors then moved to dominate the south militarily, administratively and economically

All educated and enlightened Southern Sudanese were either transferred to the North, killed or forced to the bush and exile.

The government of the day then began to corruptly and fraudulently exploit the natural resources of the Southern Sudan.

Prior to the civil wars the South Sudan looked like the Biblical Garden of Eden with wild animals grazing side by side with cattle. By the time the famous or infamous Addis Abba agreement was signed in 1972 the situation had changed.

Abel Alier the first President of the High Executive Council in 1972 summarized the pathetic situation when he said that he started the government of Southern Sudan with one car.

The Autonomous Southern Sudan. 1972-1983

Following the Addis Ababa Agreement between the South and the North, The High Executive Council was set up in Juba. Many of the achievements of that government were overshadowed by corruption made by non other then the leaders who had signed the agreement with the Northern Sudan government

Following the discovery of the oil in the Southern Sudan the Northern Government decided to get rid of the Addis Ababa agreement. They unilaterally changed the map of the South to annex the oil producing areas to be a part of the North. They also dissolved the Regional government in Juba.

(FLUID BORDER PRESIDENTS COUNTY IS IN THE NORTH
NOW BECAUSE NEW BOARDERS)

These actions gave birth to the second war championed by the SPLM/SPLA in the South, for 21 years. The end of the war ushered in the signing the Comprehensive Peace Agreement (CPA) in 2005 and the

Establishment of the Government of Southern Sudan (GOSS) in 2005

The Goss has over twenty-four ministries and twenty commissions. In addition, there are ten state governments.

Southern Sudan is not a sovereign state, but it is administered as an autonomous Region of the Sudan

GOSS is the youngest government in Africa. Its institutions are weak because of lack of trained personnel and properly constituted oversight systems and institutions

The main source of revenue for the GoSS is its share of oil revenues as stipulated under the Wealth Sharing Protocol (WSP) of the CPA.

“The initial task of the leadership of GoSS was to embark on reconstruction and development of the Southern Sudan. The programmes for reconstruction and development were set out in the 200 Days Action Plan evolved around:

- Rehabilitating infrastructure;
- Rebuilding the economy;
- Providing basic services;
- Building peace and security; and
- Strengthening institutions of good governance.

This ambitious plan required that the limited resources had to be directed towards achieving the above plans. However some where along the line these plans were not making a head way because of mismanagement of public funds

GOVERNMENT CONTRACTS

Late in 2006, an investigation into mismanagement of public resources and abuse of authority resulted in the dismissal of senior officials in our government. Our government instituted an in depth review of all government contracts in order to understand the extend of corruption in the government institutions with the view that corrective actions could be put in place and curb mismanagement and future corrupt practices.

The contracts review revealed that the central challenge for the GoSS is to put in place fiduciary mechanisms that will ensure that government's programmes and projects will be developed and implemented in a manner that ensures proper use of its limited resources and that they are used for the intended purposes. (Achieve value for money)

The government devoted most of its resources in setting up public institution and creation of infrastructure in accordance with the 200 day action plan.

This resulted in massive procurement of government assets and services. This opened the door for the few privilege senior officials to award contracts in a corrupt manner

The findings of the review revealed that Few contractors known to senior government officials were awarded the bulk of government contracts without due regard to competitive bidding

The "preferred" mode of payment was cash even for foreign vendors in neighboring countries.

Lack of policy framework in the award of contracts to local and foreign contractors;

Contracts were awarded without approval and regard to the budgetary constraints limits approved by the parliament

The analysis of both capital and recurrent expenditures during the review revealed that, Goss institutions invested heavily in luxurious motor vehicles. The government spent almost 40% of capital expenditure on vehicles purchased at highly inflated prices for the benefit of the official's. This mode of expenditures had no tangible benefit to the peoples of southern Sudan.

The contracts review also revealed that contracts signed with UN Agencies and international organisations deserved special attention. Most of these contracts were signed on the basis of cost estimates of the goods and services to be delivered. The actual costs of goods and services need to be determined since some agencies have the tendency to levy their overhead costs which range between 28 and 62 per cent of the project cost on poor government like Goss. . Price escalations are frequent in the projects implemented by these agencies.

In addition most of the agencies demand advance payments without a clear schedule for implementation or the delivery of goods and services;

GOSS EXPERIENCE 2 YEARS

Our people believed that, with the signing of the CPA and sharing the oil revenues, their lives would be better than in war time in terms of education, health care, physical infrastructure (clean drinking water and sanitary facilities. These benefits are still elusive for most Southern Sudanese, because of corruption and mismanagement of its resources

Our government is emerging out of 21 years of destructive war, the

Government of Southern Sudan (GOSS) is facing challenges to create a

System of governance that exercise political, economic and administrative authority to manage a nation's affairs.

Our Government is concerned about the

Serious of problems posed by corruption for the stability and security

Of Southern Sudan.

Corruption undermines the newly created institutions of governance and values of Sudan's transformation to

Democracy, ethical values and justice and jeopardizing sustainable development and the rule of law.

Further more GOSS is concerned about cases of corruption that involved

Misallocation of the assets, which should be directed to the betterment of the life of our people. This threatens the

Political stability and sustainable development of Southern Sudan.

The GOSS is therefore convinced that, the quick acquisition of personal

Wealth by senior officials is particularly damaging to the new emerging

Democratic institution, economy **moral values/ norms** and the rule of law.

Another form of corruption in our country involves payments of

GHOST workers. These are payments made in the names of people

Who are not legally recruited using public service procedures? The

People involved could be children under 5, old people, mere fictitious

Names, dead persons or people working in different ministries and departments or organizations.

This was rampant in the Southern Sudan during the period 1983-2004 which was the war period

**This was a deliberate policy of the Northern Government to ensure
That there was a complete break down of any organised system of
government in the South Sudan.
Regrettably this legacy still exist even in the present government of
Southern Sudan
You will therefore appreciate the difficulties facing the present
Government when it tries to establish institutions of accountability
and financial controls
Institutions like the Anti Corruption Commission and the
Auditor Generals Office are now perceived by the corrupt as
Depriving them of their chance to EAT
(CHOP) as our brothers in West Africa call it**

C) CONCLUSIONS

The war against corruption in Southern Sudan is spear headed by none
Other than our President General Salva Kiir Mayardit.
He has openly and repeatedly declared that Southern Sudan should be a
corruption free country.
His strong statements aimed at fighting corruption are a source of
Encouragements to the new oversight institutions created by our
government over a year ago.
His most recent statement states quote *“If you swallow something that does
not belong to you, you will be forced to vomit it out “*
This statement is a clear warning to corrupt official who have stolen any
public funds or property.
.The recent investigations undertaken by our government on

Mismanagement of public resources by corrupt officials was a blessing in

Disguise because the culprit's corrupt officials have been served with notice that there is no hiding from our laws

That responsibility is given to our institution of anti corruption

Commission under the determined leadership of my colleague Dr. Pauline Riak

The lack of policies, laws and structures governing procurement of government contracts and financial controls are also contributing factors to corruption and financial mismanagement

Our government has taken steps to establish oversight institutions this includes the Anti Corruption Commission the Auditor General's Office. It is believe that once these institutions are fully established the reported incidences of corrupt practices will be greatly reduced. .

Our government has also taken steps to strengthen the public procurement through enactment of appropriate laws

The newly created institutions have programs of public awareness and education which we believe will improve the situation

The prevention and eradication of corruption is the responsibility of all Governments and we must cooperate with one another.

International cooperation to prevent and control corruption is essential.

Banks in developed countries who are the net recipients of ill gotten gains

From poor countries by corrupt officials must help repatriate these funds to their rightful owners in poor countries

International banks should stop hiding behind secrecy and confidential client information.

THERE ARE ARTICLES RECENTLY PUBLISH ON SPECIFIC CASES OF FRAUD AND CORRUPTION SOUTHERN SUDAN WHICH MAY GIVE YOU AN APPRECIATION OF THE EXTEND OF THE PROBLEMS WE DEALING WITH IN SOUTHERN SUDAN

Ladies and gentleman, our country is very young hardly 2 years old nevertheless, we are confident with the political will and support of our people we believe we can curb this cancerous problem of corruption in South Sudan.

THANK YOU

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