

CORRUPT BUSINESSES UNDER MICROSCOPE

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THE state is gunning for business entities that are suspected of having been involved in corruption and having benefited from state contracts worth over R10-billion.

Speaking in Parliament yesterday, Finance Minister Pravin Gordhan said the Treasury was scrutinising 76 business entities with contracts worth R8.4-billion.

"We believe [the entities have] infringed the procurement rules, while the South African Revenue Service is currently auditing more than 300 business entities and scrutinising another 700.

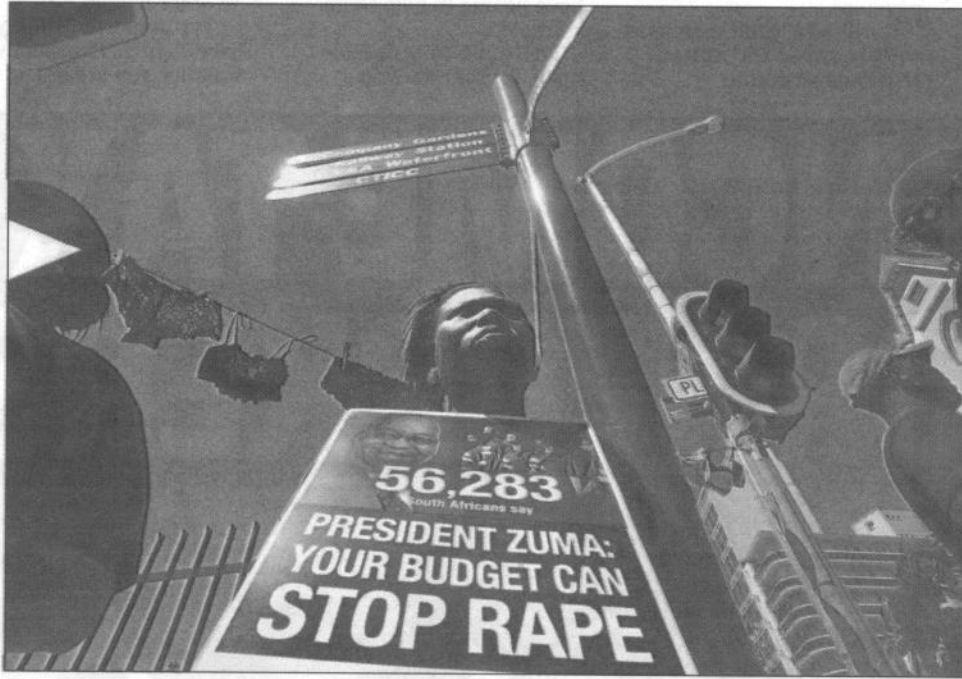
"So far 216 cases have been finalised, resulting in assessments amounting to over R480-million being raised," Gordhan said. "The Financial Intelligence Centre has referred more than R6.5-billion for investigation linked to corrupt activities."

Gordhan conceded combating corruption had not been smooth sailing.

"Let me be frank. This is a difficult task with too many points of resistance."

He said the present procurement system resulted in transactions taking place at too many localities and the contracts are short term.

"Consequently, there are hundreds of thousands of transactions



BRIEF MESSAGE: Zimbini Mteza stands in front of a washing line with female underwear outside Parliament before the Budget speech yesterday. She was one of the marchers organised by Avaaz.org, Sonke Gender Justice Network and gender equality activists who gathered to plead with President Jacob Zuma to allocate R1-million a year to stop violence against women.

PHOTO: SHELLEY CHRISTIANS

from a multitude of centres. There is very little visibility of all these transactions. While our ablest civil servants have had great difficulty in optimising procurement, it has yielded rich pickings for those who seek to exploit it."

He said there were too many peo-

ple who benefited from keeping the procurement system vulnerable.

Gordhan seconded Kenneth Brown, deputy director-general at national Treasury, as the chief procurement officer (CPO). He has been appointed to help keep an eye on government tenders.

"The process for setting up the chief procurement office in the National Treasury has begun in earnest," he said.

A year ago Gordhan announced a position of chief procurement officer would be created to combat corruption. - sibanyonim@sowetan.co.za