

Comment & Analysis

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Villains siphon off public billions

The PetroSA scandal we expose this week is an example of what Trevor Manuel meant when he said: "We cannot continue to blame apartheid for our failings as a state."

It tells a story of pitiless exploitation of state opportunities for personal gain — a story that sweeps aside the sociological dissembling produced by state apologists such as Jeremy Cronin. The villains here are not bantustan bureaucrats living on parasitically in the new order; they are not officials overwhelmed by Thatcherite budget cuts and outsourcing — some of the causes Cronin has suggested for corruption and mismanagement.

No, the villains are at the apex of the state-owned enterprise system, selected — and sustained — by the democratic government. Playing with billions of rand in public funds, they shuffle padded contracts and bogus invoices, dealing away our common inheritance in rigged games with the politically connected and the professional advisers who trail them.

When the alarm is raised, these villains seem impervious: they cite the endorsement of "higher authority": shadowy parallel committees of "political principals" and other insiders. And when whistle-blowers emerge, often at considerable personal and professional risk, they are not lauded but sent packing by the institutions they are trying to protect.

In the present case, the alarm was sounded by former PetroSA chief financial officer Nkosemntu Nika, who drew the auditor general's attention to his concerns. Nika's contract was not renewed. In an affidavit prepared in terms of the Prevention and Combating of Corrupt Activities Act, former board member Rain Zihlangu tells how the man at the centre of these allegations, Yekani Tenza, then acting chief executive, baldly refused to co-operate with a probe by his own internal audit division — and how board chair Benny Mokaba barely lifted a finger to rein Tenza in.

The affidavit details Zihlangu's frustration over how his attempts to raise red flags were rebuffed by Mokaba, expressing his perception of how the new chief executive, Nosizwe Nokwe-Macamo, circumscribed the internal investigation. Zihlangu's allegations are detailed and robust.

Yet attempts by this newspaper to follow up on tip-offs about irregularities, in November last year, were met with obfuscation by PetroSA. Even this week, faced with a serious challenge to its fiduciary record, PetroSA has fudged and prevaricated. As has become customary, there is more concern about leaks than wrongdoing: "We are alarmed that commercially sensitive documents, which have been the subject of discussions at board level, have found their way into the hands of the *Mail & Guardian*," says PetroSA.

Instead of taking responsibility, the board has "commissioned a review ... and will report its findings ... to the shareholder"; it will take action "to the extent that any impropriety has taken place". There are weasel phrases about "some deviations from our normal procurement processes", which the company blames on the need for "swift decision-making" to close a deal.

These are excuses. But, as Manuel has said, the time for excuses is over.