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Operation Clean Audit: Scopa hears Directors General are not reporting corruption

**The head of the Commercial Crimes in the Directorate for Priority Investigations, Major-General Alfred Khana, made a startling revelation to Scopa on Tuesday that most cases of suspected government corruption were not reported to the Hawks by Directors General of affected departments but by whistle-blowers and officials at lower levels. Oh, and KwaZulu-Natal emerged as the province where the bulk of the country's serious economic crimes had been uncovered. By MARIANE THAMM.**

While the DPCI's ambitious "Operation Clean Audit National Government Departments and SoE's and MoE's" might have been rolled out in 2009 in North West Province and "implemented systematically in all other provinces" since then, evidence of its spectacular failure is the irregular expenditure by government departments of some R46-billion flagged by the Auditor General for the 2016/17 financial year alone.

#### ADVERTISING

On Tuesday DPCI head, Major-General Yolisa Matakata, and head of the DPCI's Commercial Crimes Major-General, Alfred Khana, presented to Scopa a progress report with regard to the case load, court cases, investigations and matters before the Senior Public Prosecutor for a decision.

Considering that SoEs have been the centre of the universe for the endemic project of corruption that has come to be known as State Capture in South Africa, Scopa members were not impressed with the lack of detail with regard so current cases in the DPCI presentation. What did emerge is that the province that had been blighted with the greatest number of serious economic crimes was KwaZulu-Natal with six cases in justice, two in SARS, two in rural development, six in health, nine in home affairs, four in human settlements, 10 in public works (ah

Nkandla), 14 in transport, two in SAPS, two in rural development, a whopping 43 in education, two in labour, three in land affairs, one in social security and development, one in water and sanitation, seven in agriculture, one in correctional services, one in the department of legislature, two in GOGTA, one in trade and industry and 12 in the department of local government

Khana, sketching the national picture in relation to the feeding troughs of SoEs told Scopa that there were 78 cases “on hand”, 14 of which had made it to court, 50 that were still under investigation and 14 that were with the SPP.

With regard to Provincial SoEs, Sassa was responsible for 23 cases in the Eastern Cape, two of which had made it to court, while 15 cases were being investigated and six were with the SPP. In the Free State there were five cases against Sassa, three of which had made it to court while in KZN four Sassa cases had been reported, one having made it to court with two still being investigated.

One of the key focus areas with regard to government and local government corruption and a feature of “Operation Clean Audit” was, said the DPCI, “to contribute and to ensure that by 2019, 120 persons are convicted for corruption” and also “to contribute and ensure that by 2019, 1000 public officials are convicted for corruption or offenses related to corruption”.

While Tuesday's presentation by Matakata and Khana might have been big on pie charts and pyramids, it was short on detail such as names, values and the number of cases presently being investigated. Scopa chair Temba Godi requested the DPCI to provide a detailed list at its next presentation.

“Visible action should be taken against those who conspire to use public funds. It send the message out there that you can run but you can't hide,” said Godi.

Khana presented a power-point to committee members outlining that nationally there were 30 “cases on hand”, three of which had made it to court, 26 of which were still under investigation, while one was with the

SPP.” The Estina/Vrede case was one of the three that had made it to court.

Nationally the Department of Health was responsible for the “bulk” (in terms of monetary value) of serious economic offences clocking in at the grand total of four. Health was followed by the Department of Social Development with one case, the Department of Rural Development with three cases, the Department of Home Affairs with one case and the Department of Transport with two, SAPS with six, the Department of Rural Development with one, Department of Education with four, Correctional Services with one, Mineral Resources with three, Cultural Affairs and Sport with three.

Asked by committee members why some cases took so long to come to court Khana replied “there are lots of cases lying with prosecutors for long periods. I have personally taken that up”.

Matakata said while the DPCI did not have challenges with funding it did have problems with regard to the retention of staff.

“We have a loss of members. The DPCI requires specialised skills. We have lost a lot of members over the years and our problem is we could not advertise for a structure that was not approved. That structure was only approved in February last year. Also there are other labour challenges with labour organisations.”

(Matakata is referring here to the illegal appointment of Lieutenant General Berning Ntlemeza which was later overturned by the courts.)

Asked why the DPCI was haemorrhaging staff Matakata said: “Members are getting greener pastures in the private sector, municipalities and local government are offering them better packages. Some of them have retired but we have lost the bulk of members to the private sector.”

Khana alarmingly told the committee that some of the corruption and serious economic crime cases were dealt with “internally”, a process to which “we are not privy”.

He also stated that the bulk of bases reported to the DPCI were from lower ranking officials and whistle-blowers and not Directors General.

This would suggest that these Directors General, as accounting officers are flouting the Public Finance Management Act with apparent impunity and without fear of repercussion.

He said that departments also often contracted private investigations into corruption and that these investigations often presented “findings and opinions” not based on facts or interviews with those implicated. Khana's comment would seem to mirror events that took place at SARS and the four investigations into the alleged “rogue unit” the most controversial of which was conducted by KMPG. KMPG later publicly withdrew the findings and recommendations of the “SARS Report” as well as paid back the R23-million it had cost South African taxpayers. The Commercial Crimes head said some departments would tell Parliament that they had reported alleged corruption to the DPCI when in fact they had only provided a flimsy, often three-page “section 34 report” that “says nothing”. This was done, said Khana, in order to comply with the most basic statutory requirements.

“In fact we should charge these people with an abuse of process. It is part of the problem. It prolongs the process of getting information from the complainant.”

Asked whether the NPA was hindering DPCI investigations Matakata would not be drawn saying only that there were some cases that have been with the NPA for over a year.

Khana said the Commercial Crimes unit did use consultants and accountants for those cases where it needed a cash flow analysis to be done and that these service providers were appointed through the normal supply chain management process.

Godi asked Matakata and Khana to provide a detailed list, within two weeks, to Scopa “so we can see how fast or how slow you are moving”. He also asked for the names categories of public officials who had been charged and convicted. **DM**

*File Photo: The acting National Head of the Directorate for Priority Crime Investigation (Hawks) Yolisa Matakata, 23 February 2018.*

*Picture: Sethembiso Zulu/ EWN*

- MARIANNE THAMM