

## THE DISEASE CALLED CORRUPTION

Constanze Bauer\*

*"Corruption is a disease that worsens by feeding itself" (Porta 1996:18)*

### 1. INTRODUCTION

This article, dealing with corruption during the first decade of democracy in South Africa (1994-2004), will focus on the presence of corruption in central government as pertaining to the abuse of either an office or position of authority, resulting in improper enrichment to oneself and for others. Corruption is derived from the Latin word "*corruptus*", which means corrupt, involving images of evil. Corruption has been and is still prevalent in the public sector of South Africa. The mismanagement of state money or the money of the taxpayer is a serious crime against the community in a democratic state and it is well known what the devastating implications of a corrupt government can have on the inhabitants of a state. Corruption appears to be the name of the game in South Africa. According to President Mbeki, "(c)orruption is rooted in our apartheid past but it is also a problem of the present. Many of those who are new in government are as corrupt as those before them. Corruption affects all areas of society" (as quoted in **Time** 1999:44). This article will provide various meanings of what is meant by the term 'corruption' as well as the various causes of corruption that are applicable to the South African situation. This is then followed with a detailed exposition of the most recognized forms of official corruption with applicable examples of such transgressions in post-1994 South Africa. The article is concluded with a case study of corruption in the Department of Welfare and Population Development at a national level from 1994-2000.

### 2. WHAT IS CORRUPTION?

Caiden, Dwivedi and Jabbra (2001:1) have the following viewpoint regarding corruption: "Official corruption...thrives on darkness and invisibility. It is anonymous and immeasurable. It is rooted in the very human vices of greed and lust for power through wealth... (defying)...normal approaches to definition and measure-

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\* Department of Political Studies, University of the Free State. E-mail: bauerc.hum@mail.uovs.ac.za.

ment...Corruption is colourless, shapeless, odourless, collusive, secret, stealthy, shameless. Even when it becomes pervasive, it still retains these qualities. It often leaves no trail but that impressed in human minds, memories and perceptions." Caiden (2001:19) continues with the above-mentioned viewpoint by stating that when "applied to public office, rather than referring to departures from ideal or even generally expected standards of incumbent behaviour, the practice has been to spell out specific acts of misconduct that disgrace public office and make the offenders unfit to remain there".

For Peter Eigen, chairman of Transparency International (TI), "corruption takes many forms and is a universal cancer" (as quoted in **SAPEM** October/November 2000:26). Corruption is defined in the **Shorter Oxford Dictionary** as "the destruction or spoiling of anything, especially by disintegration or decomposition. Making or becoming morally corrupt; the fact or condition of being corrupt; moral deterioration; depravity; perversion of integrity by bribery or favour; the use or existence of corrupt practices and/or the perversion of any, from an original state of purity" (Ladikos 1999:29).

The statutory definition of corrupt activities relating to public officials in South Africa is found in Chapter 2 Section 4(1) of the **Prevention and Combating of Corrupt Activities Act**, No. 12 of 2004:

4(1) Any -

- (a) public official who, directly or indirectly, accepts or agrees or offers to accept any gratification from any other person whether for the benefit of himself or herself or for the benefit of another person; or
- (b) person who, directly or indirectly, gives or agrees or offers to give any gratification to a public officer, whether for the benefit of that public officer or for the benefit of another person in order to act, personally or by influencing another person so to act, in a manner -
  - (i) that amounts to the -
    - (aa) illegal, dishonest, unauthorized, incomplete, or biased; or
    - (bb) misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;
  - (ii) that amounts to -
    - (aa) the abuse of a position of authority;
    - (bb) a breach of trust; or

- (cc) the violation of a legal duty or a set of rules;
  - (iii) designed to achieve an unjustified result; or
  - (iv) that amounts to any other unauthorized or improper inducement to do or not do anything,
- is guilty of the offence of corrupt activities relating to public officers.

The word 'corruption' has a variety of meanings and beliefs and besides including crimes and felonies, it can also be related to administrative misdemeanours such as bribery, deceit, falsification, embezzlement, forgery, theft, graft, patronage, nepotism and influence peddling (Joubert 1977:2). Klitgaard (1994:39) supports this viewpoint by saying that "virtually all countries have laws that condemn extortion, bribery, speed money, fraud and embezzlement, kickbacks, nepotism and other forms of corruption".

It is important to remember that compensation for corrupt deeds does not necessarily have to be of a monetary nature but can be concealed in a number of clever and innovative ways, for example: an all expenses paid holiday; free liquor and meals; free hunting/fishing trips; free invitations to sporting events; sexual favours; excessive discounts or free services; and unearned benefits for friends, family or colleagues. Corruption is an intentional act with the public official knowing what his/her duties are but preferring to neglect or misperform them in order to obtain some personal gain. The common denominator of corruptible behaviour is whenever the public official makes use of his/her office for personal gain to the detriment of another person or society.

### 3. CAUSES OF CORRUPTION

Here, the focus will fall on those causes of corruption that are applicable to the South African situation.

Factors that contribute towards an increase in corruption are low public sector salaries; immunity of public officials from scrutiny; government secrecy; worsening public procurement practices; and privatisation processes (**Business Day** 2001:21). The following can be classified as factors that directly advance corruption: regulations and authorisation; taxation; spending decisions; provision of goods and services below market prices; financing of political parties; quality of the bureaucracy; level of public sector wages; penalty systems; institutional controls; transparency of rules, laws and processes; and examples set by leaders (Ladikos 1999:30-2). A provincial audit report released by the Department of Public Services and Administration in 1997, listed the problem areas discovered in all nine provinces to include lack of accurate data; poor political leadership; political

infighting; ethnic rivalries; poor strategic planning and budgetary control; and in some cases, inadequate accounting systems and tendering procedures opening the door to corruption (**The Star** 1997:12).

Among numerous causes of corruption in sub-Saharan Africa are greed, dishonesty, ethnicity, family pressures, nepotism, kinship, self-enrichment and resistance to innovative change or reform. Beneficiaries of corruption defend the status quo. The perfect environment for corruption can be related back to factors such as socio-economic inequalities, wealth of the élite amidst a sea of mass poverty, primordial loyalties, ruthless suppression of the opposition, pseudo democracy, state controlled radio and news media and general voter apathy (Dube 1999:68).

A corrupt syndrome can also develop in situations where public officials become part of corruption either due to sheer ignorance or because they are poorly remunerated. Public officials are quite often placed in situations where ethical choices have to be made - situations in which they could easily succumb to enticing propositions. The corruption syndrome could develop if government regards corruption as being exceptional aberrations in their system as well as refusing to accept that corruption is universally endemic. As a result, this could lead to the development of a situation where bureaucratic wrongdoing could become the norm instead of the exception to the rule. In terms of such a scenario, public officials when confronted with value choices could find themselves applying double standards - condoning unethical conduct whilst always operating within the letter of the law thereby doing nothing for which public officials could criminally be prosecuted for (Hillard 1997:10).

The following social causes can also ensure the survival of corruption:

- Leaders in key positions who are not capable of inspiring and influencing conduct of the highest moral standards;
- weak religious and ethical teaching;
- lenient punishment; and
- competition by large numbers of people for insufficient services (Hamir 1999:2).

Some organisational features may create an environment conducive to corrupt practices, viz.,

- outdated or inadequate policies and procedures;
- excessive discretion;
- insufficient supervision; and
- insufficient publicity (Hamir 1999:3).

Another drawback on effective government is the absence of senior managers in the public service. The vacancy of 60 out of 241 managerial posts in the Department of

Welfare can serve as an example, which not only resulted in the Department of Welfare underspending in 2000, but which also led to the contracting out of the disbursement of poverty funds to the non-governmental sector. The acute management deficit at national and provincial levels entails that millions of rand budgeted for the Departments of Health, Welfare, Housing and Education are not spent. The Department of Welfare -

- did not spend R500 million earmarked for poverty relief over three years;
- transferred spending responsibility to the Independent Development Trust;
- only 334 000 out of 3 million eligible for the child support grant of R100/month have received it; and
- the Director-General stated that the Department lacks management capacity (**Financial Mail** 2000: 34).

In a provincial audit report released by the Department of Public Services and Administration in 1997, it was estimated that it would take at least 10 years to train and build the necessary management skills at provincial level at the rate of training about 22 000 public officials a year - especially in human resources, information technology and financial management sectors (**The Star** 1997:12).

One reason for the shortage of competent managers as mentioned above can be traced back to the voluntary severance packages introduced by the government in 1996 as a means to make the public service more racially representative and leaner. The priority focus of government after 1994 in relation to the public service was first in getting its racial numbers right rather than concentrating on service delivery capacity. The voluntary severance packages often attract only those with the most skills and the longest experience. The net result of government action according to Ken Andrews of the Democratic Party was that "large numbers of the most experienced and qualified people took these packages. This denuded the institutional capacity of government on a big scale" (as quoted in the **Financial Mail** 2000: 34).

Illiteracy and ignorance are also regarded as falling among the main causes of corruption. In South Africa, the majority of black people are illiterate especially in rural areas. Poor education has denied people the opportunity to question the government on aspects of financial management/administration, thereby contributing to corruption in South Africa especially in the poverty-stricken areas of the Northern Province and the Eastern Cape (Kanyane 2000:18).

Table 1 provides a simplified typology of corruption.

TYPE	MAIN ACTORS	MODE	BACKGROUND
1. Foreign sponsored	<ul style="list-style-type: none"> <li>• Public officials</li> <li>• Politicians</li> <li>• Representatives of donors and recipient countries</li> </ul>	<ol style="list-style-type: none"> <li>a. Bribery and kickbacks</li> <li>b. Collusion to defraud the public</li> </ol>	<ol style="list-style-type: none"> <li>a. Economic dependency</li> <li>b. Multidimensional value systems</li> <li>c. Dyadic, plural, loosely structured society</li> <li>d. Comprador bureaucrats</li> </ol>
2. Political scandal	<ul style="list-style-type: none"> <li>• Bureaucratic élites</li> <li>• Politicians</li> <li>• Businessmen and middlemen</li> </ul>	<ol style="list-style-type: none"> <li>a. Large scale embezzlement and misappropriation through public tender and disposal of public property</li> <li>b. Economic privileges accorded to special interests</li> <li>c. Large political donations and bribes</li> </ol>	<ol style="list-style-type: none"> <li>a. State capitalism, scarcity of capital, competition for domestic markets and public funds</li> <li>b. Unpatriotic, self-serving officials</li> <li>c. Corruption as a way of life</li> <li>d. Ineffectual bureaucratism</li> </ol>
3. Institutionalised	<ul style="list-style-type: none"> <li>• Politicians</li> <li>• Businessmen</li> <li>• White-collar workers</li> </ul>	<ol style="list-style-type: none"> <li>a. Large-scale disbursement of public property to special and privileged interests under the pretext of 'national interest'</li> <li>b. Favouritism and discrimination exercised in favour of ruling parties in exchange for political contributions</li> </ol>	<ol style="list-style-type: none"> <li>a. Industrialisation, concentration of capital, monopolies, statism</li> <li>b. Class systems</li> <li>c. Petty bourgeoisie values</li> <li>d. Spoils system</li> <li>e. Managed economies</li> </ol>
4. Administrative malfeasance	<ul style="list-style-type: none"> <li>• Petty officials</li> <li>• Interested individuals</li> </ul>	<ol style="list-style-type: none"> <li>a. Small-scale embezzlement and misappropriation</li> <li>b. Bribes</li> <li>c. Favouritism and discrimination</li> <li>d. Parasitism</li> </ol>	<ol style="list-style-type: none"> <li>a. Domestic systems of production</li> <li>b. Social insecurity</li> <li>c. Clanism, office as perquisite</li> <li>d. Maladministration and incompetence</li> <li>e. Gossip and rumour</li> </ol>

(Caiden 2001:22)

#### 4. FORMS OF CORRUPTION

The causes and conditions in society conducive to the occurrence of corruption includes greed, patronage, nepotism, bribery, ghosting, bid-rigging, graft, and kickbacks (public officials), conflict of interests, lack of public interest, inequality

prevalent in society, politicisation of the public service and political interference, excessive administrative secrecy and vote-buying (political office-bearers). However, the acts of corruption associated with public officials and the acts of corruption associated with political office bearers are not always associated only amongst the groups mentioned. Acts of corruption which are associated with public officials can also be associated with political office-bearers and vice-versa.

Caiden (2002:17) sees the following as the most recognised forms of official corruption. Examples of such transgressions in post-1994 South Africa are provided where applicable.

- Treason; subversion; illegal foreign transactions; smuggling.
  - For example, a head of state who stealthily and fraudulently takes large sums of money from the state and deposits them in foreign banks (Van der Walt 2001:693).
- Kleptocracy; privatisation of public funds; larceny and stealing
- Misappropriation; forgery and embezzlement; padding of accounts; diverted funds; misuse of funds; unaudited revenues; skimming.
  - The 1995/96 Auditor-General's Report on public spending in KwaZulu-Natal revealed unauthorised expenditure of some R70 million in seven Departments of the provincial government as well as fraud, nepotism, the flouting of tender procedures and inadequate control over finances (**The Daily News** 1998:2).
  - Shortcomings were found in Parliament's finances according to the 1995/96 Auditor-General's Report. The audit revealed overpayments to the value of R253 323 for advertising costs. The audit also found nine cases of theft totaling R96 993 as well as the theft of a camera worth R77 000. Equipment worth about R935 500 was bought mainly from one supplier and altogether R104 567 was used to buy equipment without first obtaining the required quotations (**Cape Times** 1997b:5).
  - A KwaZulu-Natal Provincial Administration audit of the Edenvale Township Administration found that there were no internal controls and verification measures were inadequate; outstanding debtors were not followed up and no accounts were issued to consumers for services rendered; revenue collected for hall-hiring could not be verified as a result of a lack of maintenance of records; and a cashier was found to have collected revenue without authorization (**The Natal Witness** 1995:1).
- Abuse and misuse of power; intimidation; undeserved pardons and remissions; torture
- Deceit and fraud; misrepresentation; cheating and swindling; blackmail.

- In KwaZulu-Natal in 1997, 12 provincial government officials were found guilty of fraud amounting to more than R500 000 over two months. The 12 officials were found guilty of 148 counts of pension and cheque fraud, abuse of tribal funds, fraudulent repairs to state vehicles and false allowance claims (**The Natal Witness** 1997:1).
- In 1997, a total of 22 fraud and theft cases valued at R850 000 were being probed in the KwaZulu Department of Transport; one case amounting to R200 000 in the KwaZulu Department of Safety and Security; and one case amounting to R46 000 in the national Department of Forestry (**Business Day** 1997a:1).
- In 1998, the MEC for Finance in Mpumalanga was forced to resign after allegations had been made of his involvement in a fraud where 32 provincial game parks were illegally used as collateral for offshore loans (**The Economist** 1999a:37).
- In 1997, a senior official in the KwaZulu-Natal Local Government Department of Engineering Services was arrested in Pietermaritzburg in connection with suspected fraud of R2 million. It was alleged that he had arranged for a tender for supplying goods for a department project to be subcontracted to a business of which he was the owner (**The Daily News** 1997:1)
- Perversion of justice; criminal behaviour; false evidence; unlawful detention; frame-ups.
  - In 1999, a disgraced former KwaZulu-Natal lawyer was unable to accept his appointment - after huge public outcry - as consul-general to India. He had been struck off the roll of attorneys after putting a client's money to his own personal use (**Sunday Tribune** 1999:3).
  - Non-performance of duties; desertion; parasitism; cronyism.
  - A KwaZulu-Natal Provincial Administration audit of the Edenvale Township Administration found that a private water delivery contractor had submitted claims for work done while at least six of his vehicles had been inoperative for a lengthy period of time. This lack of non-performance had prompted the auditor to enquire whether the community had received the required services from the contractor. It was also found that cashiers were absent from work (**The Natal Witness** 1995:1).
  - As example of cronyism could serve the presidential pardon given to Allan Boesak by President Mbeki. Boesak was sentenced to six years imprisonment in 1999 for fraud and theft for stealing about R1,3 million in donor money from his own charitable foundation. One of the convictions was set aside on appeal and in the end, Boesak ended up serving only three years for thefts amounting to R500 000. Boesak was released in 2001 and despite evidence to the alternative, kept on protesting his innocence as well



as showing no remorse (Honey 2005:26). According to Honey (2005:26), "the ANC executive's efforts, first in the mid-1990s to cover up Boesak's felonies, and now, subsequent to his conviction and imprisonment, to scrub his crimes from record smacks of the soggiest cronyism".

- Bribery and graft; extortion; illegal levies; kickbacks.
  - For example, a policeman who abandons the charge against an arrested person after receiving a bribe; or a magistrate or judge who prevents the course of justice in favour of an individual who offers him a bribe. Another example can be where a clerk deliberately miscalculates the tax of a rich businessman in return for some kickbacks (Van der Walt 2001:693).
  - With regard to the condition of kickbacks, the former KwaZulu-Natal MEC for Finance, Peter Miller, gave an example from his own experience, of bribes and kickbacks being paid by large civil engineering constructing firms for work performed for a certain regional council: "It was alleged that certain office holders in the regional council concerned were demanding kickbacks and even payments up front in return for awarding major projects for development projects...I was told by certain sources from within the civil engineering industry that the practice was common in this region, and that if firms were not prepared to pay the kickbacks, they were simply blacklisted and not awarded any further contracts (as quoted in **The Leader** 2000:5).
- Tampering with elections; vote rigging; gerrymandering
- Misuse of inside knowledge and confidential information; falsification of records
- Unauthorized sale of public offices, loans, monopolies, contracts, licences and public property.
  - In a 1996-report released by the Auditor-General into the affairs of the St Lucia Council in KwaZulu-Natal, non-rateable properties had not been identified separately on the valuation roll as required. It was also not possible to find the TLC resolution that had approved the sale of a municipal computer by the then Town Clerk (**The Natal Witness** 1996:3).
- Manipulation of regulations, purchases and supplies; bias and favouritism in decision-making.
  - A report submitted to the national executive committee of the South African Red Cross found that a sum of R100 000 was paid to CompSol Technologies for the installation of an e-mail system without quotations from other companies. This was despite the organization's rules that required three quotes for work costing more than R500 (**Mail and Guardian** 1998:10).

- Tax evasion; excessive profiteering
  - In a 1996-report released by the Auditor-General in the affairs of the St Lucia Council in KwaZulu-Natal, gross financial irregularities were identified. It was found that the travelling allowance of the then Town Clerk had not been declared on an IRP5-form and that the additional R32 920 he had earned whilst acting as the Town Works Foreman had neither been taxed nor declared. Furthermore, no fringe benefits had either been taxed or deducted for the reduced rental paid by the Town Clerk for his accommodation. No tax had also been paid on payments to officials; the salary of the typist/general administration officer; and the R32 760 paid to an agent (**The Natal Witness** 1996:3).
- Influence-peddling; favour-brokering; conflict of interest, nepotism.
  - In a report submitted to the national executive committee of the South African Red Cross, it was alleged that its former financial director misused Red Cross funds without intervention by senior management. His brother-in-law was hired to install antilightning safety equipment for the organization's computers but shortly afterwards they were damaged after having been struck by lightning. He was then hired again and paid another R8 000 (**Mail and Guardian** 1998:10).
  - In 1995, allegations were made in the **Sowetan** of growing nepotism in appointments to senior posts in the Eastern Cape Administration with MECs appointing relatives regardless of experience and qualifications. As example can serve the appointment of a former municipal worker who was a sister of the MEC for finance and provincial expenditure. She was appointed as Director of Finance (**Sowetan** 1995:1).
  - Investigations were instituted against officials and senior councilors of the Indlovu Regional Council in KwaZulu after allegations of nepotism and maladministration with regard to the issuing of tenders for the Council's capital development projects. One official stood accused of issuing tenders to his son's company whilst others were involved in giving contracts to their relatives. The chairperson of one of the Council's substructures was accused of influencing the council to give contracts to the company which had been his previous employer. (**The Natal Witness** 1999:2).
- Acceptance of improper gifts and entertainments; 'speed' money; junkets.
  - 'Kitu Kidogo' is the Swahili word for cash sweeteners without which nobody in Africa achieves very much at all (**The Leader** 2000:5).
- Protecting maladministration; cover-ups; perjury
- Black market operations; links with organized crime
- Misuse of official seals, stationary, residences and perquisites

- Illegal surveillance; misuse of mails and telecommunications; improper use of electronics and computers.
  - A 1996-report released by the Auditor-General into the affairs of the St Lucia Council in KwaZulu-Natal contained details of the unauthorized purchase of monitoring equipment from the Spy Shop totalling R6 500. The report questioned whether approval to monitor conversations had been obtained by a judge as required by the **Interception and Monitoring Prohibition Act**. The St Lucia Councillor's believed that the bugging devices had been used to keep tabs on the activities of the Administrator who had been appointed to take care of the town's affairs since 1995 (**The Natal Witness** 1996:3).

According to former Judge Willem Heath, corruption governs South Africa: "Corruption governs the country. We are confronted with the fact that we are operating in Africa - essentially a third world. The problem is we have a third world country operating in a third world economy" (as quoted in **Southern African Report** 6 April 2001:3). Heath was also of the opinion that a culture of dishonesty was prevalent in South Africa and that bribery was the order of the day. Companies that did not accept bribery offers ran the risk of being alienated and sidelined (**Southern African Report** 2001:3). The above-mentioned scenario is further damaging if one hears of reports appearing in newspapers, of a provincial premier claiming that it was perfectly all right for a politician to lie (**The Economist** 1999b:54). The former premier of one of South Africa's poorer provinces, viz. Mpumalanga (also known as Mamparalanga - mampara being the miners' slang for twit), Ndaweni Mahlangu, stated on 22 June 1999 that it was acceptable for politicians to lie (**The Economist** 1999a:36).

## 5. THE DEPARTMENT OF WELFARE AND SOCIAL DEVELOPMENT

As far back as 1995, the then Auditor-General Henry Kluever in a report tabled in Parliament, stated that urgent attention needed to be paid to "overcome fundamental shortcomings in the social pensions system" (as quoted in **Cape Argus** 1995:4). Mr. Kluever stated that a national effort was "needed to revise social pension systems to establish legitimacy, determine over payments and investigate irregularities" (**Cape Argus** 1995:4), to control the following:

- a pensioner being paid more than once for the same period. This happened where a pensioner was registered more than once at different centres or at the same centre under different names;
- payment being made to people who do not exist;

- payment being made to people who do not qualify for pensions; and
- the continuation of pension payments after the death of the person entitled to the pension.

The problem mentioned above, was worsened by the fact that up to 1996, different administrative systems was in operation which led to fragmentation. In some provinces, manual systems were still in operation and it was not unusual for files to disappear. The implication of this fragmented system was the non-existence of a centralized and co-ordinated registry capable of verifying the identity of beneficiaries. Worsening the already decrepit systems, were problems such as poor management, understaffed departments, undertrained personnel and financial audits that were not conducted on a regular basis (**The Citizen** 1996:2). According to a Department spokesperson, "it is inevitable that a system fraught with so many inefficiencies and loopholes would be abused and exploited" (as quoted in **The Citizen** 1996:2).

Sections of the population which are hit hard by this chaotic system are the poor, the elderly, the disabled and the abandoned. Thousands who qualified for assistance in 1995 were forced to wait months before receiving their grants. The main culprits responsible for this chaotic and unacceptable situation were the implementation of the new **Social Assistance Act** of 1992 and the botched amalgamation of the 16 apartheid defined welfare systems into a single national body. According to a source in the Welfare Department, "it is completely chaotic, staff feels demoralized and undermined and the amalgamation programme which combines the social assistance system of all 16 of the previous administrations is lagging more than a year behind schedule...Further, the computer system which is meant to connect up all regional offices is currently not working..."(as quoted in the **Mail and Guardian** 1996:14). In such an inefficient environment, fraud would be rife. Seema Naran of the Black Sash Office in Durban stated that people were so desperate to receive their pensions, that clerks were presented with chickens or livestock if they did not have any money for bribes. The Department of Welfare estimated that 10% of the R12, 4 billion allocated for social assistance yearly, is lost to corruption and inefficiencies (**Mail and Guardian** 1996:4).

Through the amalgamation process, duplicate ID numbers were picked up. The then Welfare and Population Development Minister, Geraldine Fraser-Moleketi, stated in the National Assembly in February 1997, that more than 26 000 people had been identified as receiving double welfare pension payments costing about R134 160 000 a year since the 1995 amalgamation (**The Citizen** 1997:8). In 1996, the Department of Welfare and Population Development managed to save more than R240 million through the elimination of nearly 50 000 deceased recipients of

welfare benefits (**Cape Times** 1997a:4). On the 15<sup>th</sup> of April 1997, 16 216 'ghosts' and 'duplicates' were detected and removed from the newly computerized social pension (Soepa) system, resulting in a saving of R13 945 769 to the end of June when calculated against the value of a monthly grant of R430 and R45 729 120 between July and December 1997, after an increase to R470. There are about 3 million recipients of social pensions in South Africa (**Cape Argus** 1997:1). On the 30<sup>th</sup> of June 1997, a further 12 931 'ghosts' and 'duplicates' were removed from the system resulting in a saving of R59 674 880 (**The Daily News** 1997:9).

In its final report, the Committee for Restructuring of Social Security (CRSS) identified the following weaknesses in the Department of Welfare and population Development as the main reason why fraud and corruption were flourishing:

- a lack of uniformity and co-ordination between the provinces led to cross province double payments;
- a breakdown of communication between the Department and the police;
- no reporting procedure existed for armed robberies at payment points and in the transporting of money between pay points; and
- no effective internal procedures for investigating and dealing with staff suspected of fraudulent behaviour was in place. It was left to the SAPS and the criminal justice system to deal with such cases (**The Cape Times** 1997a:4).

As a measure to combat fraud and corruption, it was decided to introduce a re-registration process costing R110 million for all beneficiaries of social assistance programmes starting in December 1997. According to the Director-General of the Department, this would result in savings of an estimated R2 billion over two years. According to Fraser Moleketi, "in December 1997 and January 1998 alone, about 12 000 deceased beneficiaries have been removed from the system which led to a saving of R5,5 million per month" (as quoted in **Cape Times** 1998:6). Fraser Moleketi further stated in Parliament that the suspension of 109 000 welfare benefits has resulted in the saving of R61 million per month. Furthermore, 20% of the country's three million welfare beneficiaries were linked to irregularities (**Cape Times** 1998:6).

This crackdown on welfare fraud resulted in a 6,4% increase in social grants by R20 per month to R490 on 1 July 1998 and as from 1 October 1998, by a further R10 per month to R500. In her budget vote in May 1998, the Welfare Minister announced that nearly R160 million had been saved by her Department as a result of suspending payments to nearly 60 000 deceased beneficiaries. Another 20 249 grants worth R11,3 million were suspended to beneficiaries who reached the limit of 18 years. The following types of grants are available: old age; war veterans;

disability; grant in aid; parent allowance; child care; foster care; and core dependency (**Business Day** 28 May 1998:1).

The seriousness of the fraud problem in the Department of Welfare is underlined by the following cases revealed by the Ministry of Welfare and Social Development in Pretoria on 5 November 1998:

- Eastern Cape: R6 013 540 was stolen between 1996 and August 1998. R610 000 of the total was stolen during in transit robberies and R5 404 540 through other criminal means.
- Western Cape: 14 thefts were reported resulting in an amount of R2,85 million being stolen. This loss was carried by the Post Office as the payout contractor.
- North West: Here, R3 265 840 was stolen and five arrests were made.
- KwaZulu-Natal: An amount of R4 118 837 222 was stolen with R2,8 million recovered through insurance.
- Gauteng: R422 559 was lost and 26 officials were dismissed with a further 21 officials being suspended pending the outcome of the investigation.
- Mpumalanga: R165 000 was stolen but was later recovered. One official was suspended whilst a further two are being investigated for allegations of fraud.
- Northern Province: R116 000 was stolen resulting in the suspension of five officials pending internal disciplinary procedures; and
- Free State: R2 149 048 was stolen and three officials charged. Two of the three officials were found guilty of theft and sentenced to seven years imprisonment each (**Sowetan** 1998:4).

More allegations that pensioners were being ripped off were revealed in December 1998 by Welfare Minister Fraser Moleketi - this time it was the so-called timetable ticket scam. The scam worked as follows: timetable tickets written on Department of Welfare and Social Development letterheads would indicate on which day a pensioner should report to the pay point. Tickets were then sold to pensioners in the area of that specific pay point for R2 each (**Pretoria News** 1998:2). Fraser Moleketi had the following viewpoint on this scam: "Just imagine a situation where there are 10 000 pensioners... the people who sell these tickets will get away with R20 000. This is ripping off our helpless pensioners" (as quoted in **Pretoria News** 1998:2).

During the 1998/99 financial year, the Welfare Department was able to save over R200 million as a result of the removal of 77 000 'ghost' beneficiaries from the Government's security system. 'Ghost' beneficiaries were in most cases old age pensioners who had died but their benefits continued to be collected by their relatives. These fraudulent beneficiaries are detected when their names are checked by officials against the population register maintained by the Department of Home

Affairs (**The Citizen** 1999:8). In releasing this information on 18 February 1999, Welfare Minister Fraser Moleketi further stated that "through this process and other measures we have saved an amount of R281,9 million in the 1998/99 financial year" (as quoted in **The Citizen** 1998:8).

In March 2000, Dr Fida Maforah, Chief Director in the Department of Welfare and in charge of doling out millions of rands to the poorest of the poor, was suspended by the new Minister of Welfare and Population Development, Dr Zola Skweyiya, after allegations of financial irregularities in her department. Since she had become Chief Director in May 1998, Dr Maforah's Department was riddled with allegations of corruption. An Assistant Director in her Department was jailed for defrauding poverty alleviation programmes of approximately R500 000. (**Sunday Times** 2000a:7). Claims were also made against Dr Maforah for selling cosmetics and recruiting staff for her direct selling business during office hours from her office (**Cape Argus** 2000a:4).

## 6. CONCLUSION

Corruption is as prevalent in post-1994 South Africa as was the case in pre-1994 South Africa. It can be viewed as the abuse of either an office or position resulting in improper enrichment to oneself and/or others. Corruption takes on many manifestations and should not be regarded as a single concept/incident/form. It is like a disease that thrives on the human vices of greed and lust of power through wealth - one is never satisfied with what one has or achieved and constantly wants more. The statutory definition of corrupt activities regarding public officials is contained in the **Prevention and Combating of Corrupt Activities Act**, no. 12 of 2004. However, despite this, examples of transgressions by means of the most recognized forms of official corruption were found in post-1994 South Africa ranging from bribery, theft, misuse of funds and nepotism. In the Department of Welfare and Social Development, these transgressions were also to be found at the national level from 1994-2000 - an indication that the disease called corruption is alive and well in South Africa.

The following comment by the director of the Grahamstown Black Sash advice office sums up the operational capabilities perfectly as follows: "We monitored one office where one man was filling in forms really slowly in ink and it was said that he only did two a day, while there was a long queue of people filling the room. It was Dickenstan..." (quoted in the **Mail and Guardian** 1996:14).

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