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### **State of Capture Report lays foundation for further investigation, says Corruption Watch**

Corruption Watch, in its response to the public protector's *State of Capture Report*, highlights the critical importance of the report in ensuring that a few, favoured individuals do not continue to abuse state resources and power.

While the public protector has not made adverse findings against any of those implicated in the report, she does, however, set the stage for further investigation and inquiry. The extent to which the state has potentially been captured is made clear. The report lays the foundation for ongoing inquiries into the improper relationships between state officials and private entities, and irregular awarding of state contracts to Gupta-related companies.

The report, which focuses primarily on gathering evidence, reflects phase one of the investigation and will be followed by a second phase which will investigate Transnet, DENEL, the SABC and SAA.

"It is worth noting", says David Lewis, executive director of Corruption Watch, "that Brian Molefe was previously CEO of Transnet. In our view, he has been integral to facilitating corrupt relationships between the state and two state-owned enterprises that have been implicated in highly questionable tenders, which have had an enormous impact on service delivery."

The public protector's key finding relates to the appointment of a Commission of Inquiry and sets out the manner in which the commission should be appointed, outlining its terms of reference. Corruption Watch regards the appointment of a such a commission as a step in the right direction and one which will hopefully lead to harsh sanctions against those implicated.

The allegations made against public officials, state owned entities and private actors concerning potential breaches of the Constitution, the Public Finance Management Act, the Prevention and Combatting of Corrupt Activities Act, and numerous other pieces of legislation and codes of conduct, are serious and expansive. This provides a unique opportunity for civil society to pressure the relevant state authorities to pursue sanctions against those individuals and companies involved.

The report's inclusion of the Eskom deal with Tegeta is of particular importance to Corruption Watch. The organisation sent a [letter](#) to the Minister of Finance in June 2016 requesting an investigation into the pre-payments to Tegeta for the supply of coal, highlighting the same potential procurement irregularities which are raised in the public protector's report.

Corruption Watch intends to focus in particular on mechanisms to hold the CEO and Board of Eskom responsible for breaches of legislative provisions and on ensuring that the private actors are also held

accountable; where those legislative breaches lead to criminal sanctions, Corruption Watch may lodge criminal complaints against those implicated. In this regard, the Gupta family, Salim Essa and Duduzane Zuma through their interests in Tegeta, must be investigated for breaching several pieces of legislation in conducting their affairs with Eskom.

Corruption Watch welcomes the public protector's report and views its release as a positive reflection of the democratic processes aimed at ensuring that access to information is limited only in the most compelling and serious circumstances.

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