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Corruption Watch urges Absa to act on the PP's findings

Corruption Watch has urged Absa Bank to respect the public protector's findings on the CIEX report, released yesterday, calling upon the bank to either repay the R1.125-billion bail-out granted by the South African Reserve Bank (SARB) to Bankorp Limited / Absa between 1986 and 1995, or otherwise launch a judicial review.

David Lewis, executive director of Corruption Watch, commented: "Absa should immediately make it clear that they will abide by the Public Protector's finding or that they will launch a judicial review. The Constitutional Court has decided that the remedial powers of the Public Protector are binding and Absa either needs to pay back the money that the Public Protector deems was unlawfully paid in the Bankorp bail-out or it must review this decision. Respect for the rule of law requires this."

In the main, the report highlights the government's and SARB's failure to:

- implement the CIEX report dealing with alleged stolen state funds, in spite of having paid 600 000 British Pounds for the asset recovery company's services; and
- uphold specific sections of the Constitution dealing with conduct relating to professional ethics, diligence and value for money.

The anti-corruption watchdog welcomed the public protector's concern with apartheid-era corruption and her commitment to seeing this money returned to the public coffers.

However Corruption Watch expressed its extreme disquiet at the public protector's finding, apparently derived from this investigation, instructing Parliament to amend the Reserve Bank's mandate. Lewis commented: 'We cannot credit this decision. If she believes this is within her powers, she has either received alarmingly poor legal advice or she has chosen to ignore her legal advisors. We would also want to understand whether she has applied her mind to the economic complexity of the debate surrounding the mandate of a central bank. This decision smacks of a combination of ignorance and arrogance and is condemned without reservation. We welcome the Reserve Bank's decision to seek an urgent review of this finding.'

The organisation also called for her office to release her full report immediately so that the public may understand the reasoning that underpinned these decisions and so that all relevant parties may respond accordingly.

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