



19 June 2014

Governments, Business “Unmask the Corrupt”

Corruption Watch will participate in a global campaign, “Unmask the Corrupt” launched on 19 June by Transparency International (TI). The campaign’s overarching objective is to end the impunity enjoyed by perpetrators of corruption. The specific campaign demands will make it easier to trace the proceeds of corruption and to prevent the perpetrators from enjoying the fruits of their ill-gotten gains.

The campaign calls on governments to establish public registries of the owners and beneficiaries of companies and trusts. These registers will be accessible to the public and to law enforcement authorities, thus making it more difficult to hide the proceeds of corruption, crime and tax evasion. As a first step, governments are urged to require companies bidding for public sector contracts to disclose their beneficial ownership.

Bankers, lawyers and accountants who advise on the establishment of companies and trusts are also required to conduct proper background checks and due diligence on the people and companies they work with. Governments and professional bodies are urged to vigorously enforce these provisions.

The proceeds of corruption are also frequently laundered through the purchase of costly luxury goods – expensive properties, cars, jewellery, artworks, yachts, private jets and casinos to name the most obvious. Retailers and agents who are involved in the trade in luxury goods should be subject to the same ‘Know-Your-Customer’ standards imposed on banks.

Governments are urged to adopt and enforce laws that prohibit real estate and associated financial brokers, and other high-end luxury goods dealers from accepting cash above a specified amount and to report any suspicious transactions.

David Lewis, executive director of Corruption Watch commented:

‘As a relatively new member of the TI family, we are determined to make a positive contribution to this important campaign. While South Africa’s financial system is sophisticated and relatively well-regulated, because it is so deeply inserted into the global financial system, it is also an attractive place to launder the proceeds of corruption and organised crime. There are several well documented cases of dirty money flowing into this country from other countries on the continent. I have no doubt that dirty money also

leaves South Africa to reappear in difficult-to-trace bank accounts elsewhere or in the purchase of luxury home in European and North American cities. Certainly in the arms deal there has been much talk of offshore accounts being used to hide the proceeds of bribery. We will engage with the public and with interested stakeholders in the private and public sectors to close these loopholes that enable perpetrators of corruption to evade the consequences of their criminal conduct'.

Corruption Watch is an accredited national contact for TI, a global movement that seeks to stop corruption and promote transparency, accountability and integrity at all levels and across all sectors of society. The status of national contact means that Corruption Watch is part of the TI's network of just under 100 countries and is now TI's designated reference point in South Africa.

For more information:

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