Corruption Fighters Speak Up
Who are Our Corruption Fighters?
How Worried Should South Africans Be?
Foreword by the Chair
Foreword of a Corruption Fighter

What is Corruption Watch?
What is Corruption?
Corruption Lies
Your Voices Count

On Our Watch
Corruption Reported
Corruption Cases Committed
Corruption in Government
Corruption Fighting Channels
Corruption Hot Spots Revealed

Corruption in Schools
Claiming Back Our Children's Future
Are Our Schools for Sale?
Public Schools Corruption Landscape
Teachers and Parents Become Corruption Fighters

Corruption Exposed
R29m Heist Fund Scandal
Further Insight Into the Appointment of the Construction Cartel
Mpumalanga's Critical Health Check

Our Focus in 2014

Our Board

Funders and Supporters

Contact Corruption Watch

CORRUPTION FIGHTERS SPEAK UP

Back to top ↑

South Africa is not for sale

The direct economic cost of corruption is huge and the impact of this behaviour is primarily felt by the poor. At the same time, corruption erodes trust in public and private sector institutions and leadership.

David Lewis, Executive Director of Corruption Watch.

WHO ARE OUR CORRUPTION FIGHTERS?

Back to top ↑

In 2013, we learned more about our force of corruption fighters. We asked them what their views were on what constitutes a corrupt act, why they speak out against corruption and why they chose to report their experiences to Corruption Watch. For two years running, we conducted an annual survey of a sample of those who reported to us so that we can get an indicative view of these corruption fighters.

In 2013, we surveyed a 10% sample, some 220 respondents. This sample is enough to give us a good indicative view of the corruption fighters who choose to report with us. We found that more than 90% of the respondents were African, 81% were between the ages of 30 and 59, and 74% were men. The survey also told us that the average person who reports to CW is employed or self-employed, in the public sector rather than the private, and he lives in Gauteng. He has completed secondary schooling at least, and is likely to also have obtained a tertiary qualification. Because he likes to get his information through radio, television and internet, it's probable that he heard about Corruption Watch from those sources.

HOW DO CORRUPTION FIGHTERS DEFINE CORRUPTION?

Back to top ↑

- Lack of service delivery to the public
- Abuse of power for personal gain
- Bribery to access services
- Crime
- Acting against the law for personal gain, including fraud
- Abuse of state resources for personal gain

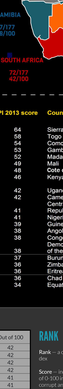
At least 51% of our polled corruption fighters understand corruption to be an abuse of state power and public resources for personal gain or bribery, the remaining 44% have a wider definition of it.

WHY DO CORRUPTION FIGHTERS REPORT CORRUPTION TO US?

Back to top ↑

59% of our survey participants reported incidents of potential corruption to us because they felt that Corruption Watch was in a position to take action to address these. 48% of respondents thought that reporting corruption concerns was the right thing to do, which was up 16% from 2012 data. 28% were motivated to report incidents of concern to us because they wanted the perpetrators to be brought to book (by authorities).

Statistics quoted are based on the views, demographics and perceptions of a 10% research sample of Corruption Watch whistleblowers in 2013.

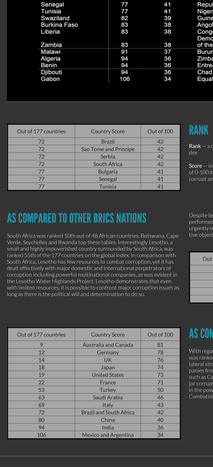


HOW WORRIED SHOULD SOUTH AFRICANS BE?

Back to top ↑

South Africa is on a slippery slope of corruption. This is according to the Transparency International (TI) Corruption Perception Index, which measures perceived levels of public sector corruption in a number of countries. In 2012, SA was ranked 69th of 176 countries surveyed, while in 2013 the country slid down to 72nd out of the 177 countries. This may not be a massive fall, but it is an indicator of steady decline and South Africa's tarnished reputation for corrupt behaviour.

FOCUS ON AFRICA



Country name	Country rank	CPI 2013 score
Botswana	30	64
Cape Verde	41	58
Seychelles	47	54
Rwanda	49	53
Mauritius	52	52
Lesotho	55	49
Namibia	57	48
Ghana	63	46
Sao Tome and Principe	72	42
South Africa	72	42
Senegal	77	41
Tunisia	77	41
Swaziland	82	39
Burkina Faso	83	38
Liberia	83	38
Zambia	83	38
Malawi	91	37
Algeria	94	36
Benin	94	36
Djibouti	94	36
Gabon	106	34

Country name	Country rank	CPI 2013 score
Sierra Leone	119	30
Togo	123	29
Comoros	127	28
Gambia	127	28
Madagascar	127	28
Mali	127	28
Cote d'Ivoire	136	27
Kenya	136	27
Uganda	140	26
Cameroon	144	25
Central African Republic	144	25
Nigeria	144	25
Guinea	150	24
Angola	153	23
Congo Republic Democratic Republic of the Congo	154	22
Burundi	157	21
Zimbabwe	157	21
Eritrea	160	20
Chad	163	19
Equatorial Guinea	163	19

Out of 177 countries	Country Score	Out of 100
72	Brazil	42
72	Sao Tome and Principe	42
72	Serbia	42
72	South Africa	42
77	Bulgaria	41
77	Senegal	41
77	Tunisia	41

Out of 177 countries	Country Score	Out of 100
72	Brazil	42
72	South Africa	42
80	China	40
94	India	36
127	Russia	28

Out of 177 countries	Country Score	Out of 100
9	Australia and Canada	81
12	Germany	78
14	UK	76
18	Japan	74
19	United States	73
22	France	71
53	Turkey	50
63	Saudi Arabia	46
69	Italy	43
72	Brazil and South Africa	42
80	China	40
94	India	36
106	Mexico and Argentina	34

AS COMPARED TO OTHER BRICS NATIONS

South Africa was ranked 10th out of 48 African countries. Botswana, Cape Verde, Seychelles and Rwanda top these tables. Interestingly Lesotho, a small and highly landlocked country surrounded by South Africa, was ranked 55th of the 177 countries on the global index. In comparison with South Africa, Lesotho has few resources to combat corruption, yet it has dealt effectively with major domestic and international perpetrators of corruption. Lesotho's Highlands Water Project, which is a major dam in the Lesotho Water Highlands Project. Lesotho demonstrates that even with limited resources, it is possible to confront major corruption issues as long as there is the political will and determination to do so.

Despite being middle-income developing countries, the BRICS countries perform poorly on the index. Brazil, Russia, India, China and South Africa urgently need to collectively prioritise fighting corruption as a collaborative objective.

AS COMPARED TO THE G20 NATIONS

With regard to corruption perception levels within the G20, South Africa was ranked in the bottom half of the countries represented in that multilateral structure. However, it must be emphasised that multi-national companies from those G20 members thought to be relatively corruption-free such as Canada, France, Germany and the US and UK are implicated in major corruption incidents occurring in developing countries. Countries within the powerful G20 are not exempt from the need to combat corruption. Combatting corruption must be a major item on the G20 agenda.

RANK

Rank – a country's position relative to other countries included in the index

Score – indicates the perceived level of public sector corruption on a scale of 0-100 in a country, where 0 means that a country is perceived as highly corrupt and a 100 means that a country is perceived as very clean.

Speak up against corruption.

Most South Africans struggle on a daily basis against corruption in their communities. Every one of these corruption fighters is looking to kill [corrupt](#) and they do this by speaking up when they are confronted with dishonest dealings, public mismanagement of funds, and general abuse of power. As a collective, if we are going to nip all the price tag on South Africa, we all need to become corruption fighters.

Nip off the price tag.

We all pay corruption in one form or another. It not only threatens economic stability and investment, but also damages critical public confidence in leadership. How can we move forward without those in our leaders, whether they are in government, at the helm of a corporate or in charge of a school programme?

Our country's future is not for sale.

Since the establishment of Corruption Watch in January 2012 we have received over 5 000 reports from the public. These reports are critical, pointing out the public's perceptions of corruption and those who hold our nation for ransom. Our team of journalists, investigators, lawyers, researchers, data specialists and administrative staff and social justice activists are by nature, corruption fighters – and we are being joined by thousands more everyday.

FOREWORD

By Corruption Watch Board Chair, Archbishop Njongonkulu Ndungane

A ROBUST PUBLIC VOICE IS THE CONSCIENCE OF THE NATION

Back to top ↑

Twenty-years ago South Africa stood at a precipice, unsure of the direction the winds of change would take. The months ahead of the 1994 elections brought a mixed bag of emotions. Many hoped for a better future and were excited whether change would deliver on its promises. Others feared that it would become the magic cauldron that had our fears, hopes, doubts, and aspirations together, and his spewing its Demon the less renewed the vision that South Africa can benefit all who live in it.

One of the greatest achievements of our time - attained through blood, sweat and tears - is the establishment of a Constitutional Democracy. For democracy to flourish, we need to honour, respect and support the instruments that are enshrined in the Constitution. Theologian, Reinhold Neibuhr reminds us that our capacity for justice as human beings makes democracy possible; our inclination to injustice makes democracy necessary.

It is of the essence of a democracy for there to be checks and balances. The biggest threat to democracy is corruption and it is for example with great concern that we witnessed tensions between the Government's Security Cluster and the Public Protector over the Nkandla debacle. All organs of State are required by the Constitution to assist and protect the Office of the Public Protector to ensure its independence, impartiality and effectiveness.

Corruption is theft from the public. It requires a vigilant response and should be treated by all. What we now need is a passionate commitment to the promotion of the Common Good. Over the past two years, many people have turned to Corruption Watch to report incidents of corruption or share their stories about ways in which it has affected them. More than 5 000 cases were reported, registering a willingness by the public to play their part in deepening our democracy.

A united public voice can influence change. According to a campaign conducted by the African Monitor with youth across ten African countries, democratic governance is the biggest concern, with young people calling for an end to corruption and corrupt governments. They express frustration about the betrayal by elected leaders who have chosen to care more about their stomachs, pockets and bank accounts than they care about citizens.

As we face the 2014 elections and the future, our leaders need to know that we are ready to hold them to higher standards of accountability in the fulfilment of a just society, as it was envisioned by Madiba. We have set up an online and mobile platform and invite you to join the community of corruption fighters and make your voices heard.

Each one of us can be a voice in our communities that promotes accountability and transparency. We stand to achieve better results when we do this as part of a community of like-minded people. To make inroads on corruption we need a robust and vigilant civil society, media and faith communities that can be the conscience of the nation.

REMEMBERING NELSON ROLIHLAHLA MANDELA 1918 - 2013

Former South African President Nelson Rolihlahla Mandela, who passed away on 5th December 2013, was an exemplary man who stood firmly for what was right. He stood up against corruption in any form, across every border. He called for the birth of a new morality.

His moulds approach to rooting out corruption is captured in his 1996 State of the Nation Address in which he said: "Dealing with corruption requires a new morality for our new nation. Indeed, it requires a new patriotism across communities, the public and private sectors, and the security services – so that at the end of each day, each one of us can answer in the affirmative the question: have I done something today, to stamp out crime?"

Corruption Watch pays tribute to his life, his work and his memory. We will work tirelessly to foster his anti-corruption stance in our country.

PROFILE OF A CORRUPTION FIGHTER

There is a growing force of corruption fighters in South Africa as people step forward and speak out. Join the movement by making your voice heard.

WHAT IS CORRUPTION WATCH?

Back to top ↑

Corruption Watch is a non-profit organisation that was launched in January 2012. We rely on the public to report corruption to us. We use the information in an important source of information to fight corruption and hold leaders accountable for their actions.

Investigation

We investigate corruption cases reported to us and work with whistleblowers to make sure their voices are heard. We also work with law enforcement agencies to make sure that corruption cases are investigated and prosecuted.

Research

We conduct research on corruption and publish reports that highlight corruption trends and patterns. We also research government policies and legislation to identify loopholes that can be exploited by corrupt individuals.

Mobilisation

We mobilise communities to take a stand against corruption. We also work with partners in government, business and civil society to promote ethical conduct and integrity.

> *"One of the greatest achievements of our time in South Africa has been the establishment of constitutional democracy characterised by the accountability, transparency, ethical leadership, promotion and pursuit of socio-economic rights and participation of the people. Corruption is a blight and robust civil society that is the conscience of the nation.*
>
> Archbishop Desmond Mpilo Tutu (Retired), Chairperson of Corruption Watch

WHAT IS CORRUPTION?

Back to top ↑

Corruption is the abuse of public resources or power to enrich or give unfair advantage to individuals, their family or friends. Corruption Watch is concerned with any such abuse of public resources and power by anyone, at any level of government or in business.

> *"Corruption in South Africa is a bitter, viscous growth and unless dealt with effectively, it could have devastating long term consequences on government's ability to deliver basic services and on confidence in the country's institutions.*
>
> Mavuso Msimang, Executive Director of Corruption Watch

Common forms of corruption

- Embezzling or misappropriating public funds
- Bribery
- Use of government resources for private purposes
- Nepotism, cronyism and patronage
- Conflicts of interest
- Abuse of power
- Extortion
- Fraud
- Theft
- Money laundering

CORRUPTION TALK

Back to top ↑

Terms that crop up in the fight against corruption

Abuse of power is a public official's or government official's exchange for a government contract or favour.

Accountability is the ability to account for actions. The purpose of accountability is to ensure that public officials do not misuse the powers that they have been given.

Accounting is recording financial activities and preparing financial statements so that they present a true and fair view of the financial performance and position of a business, person or institution.

Bribery is the offer of money, goods or services in order to get an action kept.

Fraud – The manipulation or distortion of information with the intention to seek personal gain.

Abuse of government resources is a public official's or government official's exchange for a government contract or favour.

Nepotism – A form of corruption in employment and in providing access to public contracts and facilities which involves the favouring of friends and family rather than people who qualify.

Public procurement – The buying of goods and services by government for public purposes.

Transparency – A principle in which public officials and individuals in both the public and private sector have to act in a visible manner to promote universal values.

YOUR VOICES COUNT

Back to top ↑

Is corruption getting worse?

In a corrupt society, everything can be "bought", but this comes with a hidden cost. In the fight against corruption, every voice, every person who speaks up makes a difference.

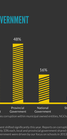
Report corruption committed in any of these ways:

- Phone us on 0800 1 56 46 (toll free) or 0800 corrupt (free on a landline)
- SMS us on 072 912 3766
- Email us on report@corruptionwatch.org.za (or anon.)
- Fill in the online report form on our website
- Write a letter and send to us by post to PO Box 3923, Parklands 2121

ON OUR WATCH

Back to top ↑

CORRUPTION REPORTED



5 485 reports of alleged corruption received since our January 2012 launch.

2 262 reports received in 2013, with a marked improvement in overall reporting quality.

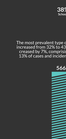
Every person speaking up against illegal practices such as following incorrect tender processes, a lack of due diligence in deal making, bribery and misuse of funding, helps us tackle corruption.

PROVINCIAL CORRUPTION CONCERNS

Back to top ↑

CORRUPTION IN GOVERNMENT

Back to top ↑



The data by sphere of corruption in government reflects typically the case. Reports on corruption in local and national government make the up most of the reports received by Corruption Watch. Reports on corruption in state-owned enterprises are the lowest, mainly because these companies are not directly funded by the government. Reports on corruption in provincial government were at their highest in 2012. Schools are managed under provincial departments of the Education.

CORRUPTION FIGHTING CHANNELS

Back to top ↑

CORRUPTION HOT SPOTS REVEALED

Back to top ↑

RAISING RED FLAGS

Top four sectors featuring in corruption reports in 2013

TYPES OF CORRUPTION REPORTED

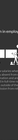
The most prevalent type of corruption was abuse of government resources by a public official, which increased from 32% to 41% in 2013. Corruption in procurement processes, which includes tender irregularities, also increased by 7%, comprising 13% of the total number of corruption cases. Bribery was confirmed in 13% of cases and incidents of corruption in the workplace also increased, taking place in 8% (2012) vs. 12% (2013).

CORRUPTION IN SCHOOLS

Back to top ↑

CLAIMING BACK OUR CHILDREN'S FUTURE

The school bell rings, reminding learners to focus on their studies and to take another step forward towards a positive future. Worryingly, this year we uncovered mass evidence of corruption in schools and as a result, the meticulous school bell has become a bell tolling siren.



Since our inception in 2012, we've come to the harsh realities of reports by learners, parents and teachers who have experienced corruption in schools. Our call centre has received 72% of all reports of corruption in schools, with the majority coming from Gauteng, KwaZulu-Natal and the Eastern Cape.

Reports indicate that principals, educators, School Governing Bodies (SGB) members and officials in the Department of Basic Education are involved in corruption in schools. Corruption Watch has received reports of teachers and principals in some provinces being forced to pay bribes to get jobs and promotions. Learners have also been victims of corruption, with reports indicating that they have been forced to pay bribes to get admission to schools.

The high scarcity, the drive to survive and the pull of corruption: Corruption Watch's research has revealed that corruption in schools is driven by a number of factors, including poverty, unemployment and the lack of resources. Poverty is the root cause of the misappropriation and misuse of resources at a LOT of schools. Unemployment has led to a scramble for jobs, with many people willing to pay bribes to get employment in the education sector.

The high scarcity, the drive to survive and the pull of corruption: Corruption Watch's research has revealed that corruption in schools is driven by a number of factors, including poverty, unemployment and the lack of resources. Poverty is the root cause of the misappropriation and misuse of resources at a LOT of schools. Unemployment has led to a scramble for jobs, with many people willing to pay bribes to get employment in the education sector.

Over 40% of the public reporting on corruption in schools have experienced corruption in the form of bribery. Corruption Watch has met with the Department of Basic Education, Teddy Mabona, Director-General, and Mathanzima Mweli, Deputy Minister, and trust that even though a principal's problems may seem insignificant, they are symptomatic of problems that many learners and teachers face each day. Some also praised the department for its efforts to address corruption in schools, but we also urged the department to do more to address the issues that we have been exposing. We have also met with the Minister of Basic Education, Angie Motshekga, to discuss the role of the department in addressing corruption in schools.

Corruption Watch is currently collaborating with the Department of Basic Education and Corruption Watch Volunteer Network Campaign teams in 2013 through the Schools Integrity Programme (SIP) to address corruption in schools. The SIP is a pilot project that will run for 18 months. It will aim to build a culture of integrity in schools, empower learners, parents and educators to report corruption and enable them to hold school leaders to account.

FALLING ON DEAF EARS?

A lack of action by a government is seen as a sign of a further corrupt relationship between officials and principals, or a lack of concern by the department.

ARE OUR SCHOOLS FOR SALE?

Back to top ↑

YOUR PROBLEM AREAS IN PUBLIC SCHOOLS

Embezzlement of funds

Principals and educators are misusing funds, or stealing funds, allocated to schools.

Corruption in procurement

Tenders are awarded to companies owned by principals, educators or their family members.

School Governing Body (SGB) misconduct

SGB members are misusing funds, or not under financial statements.

Corruption in employment

Teachers are forced to pay bribes to get employment.

PUBLIC SCHOOLS' CORRUPTION LANDSCAPE

Back to top ↑

Where is corruption at play?

Corruption Watch has received reports of corruption in schools based in various provinced provinces, with most of the reports coming from the Gauteng province. Gauteng is followed by KwaZulu-Natal and the Eastern Cape. Corruption Watch has received reports of corruption in schools in all provinces except the Northern Cape. Although the Northern Cape has not reported any corruption in schools, we do not believe that there is no corruption in schools in this province. We encourage people in the Northern Cape province to report corruption in schools.

Who are the corruption fighters?

Corruption Watch has received reports of corruption in schools in the school year. 36% of the reports came from teachers. This was followed by 34% of members of SGBs. Parents and learners also reported corruption in schools, with 24% of reports coming from parents and 6% coming from learners. Corruption Watch encourages all people who witness corruption in schools to report it.

WHO ARE THE CORRUPTION FIGHTERS IN SCHOOLS?

HOW ARE CORRUPTION FIGHTERS IN SCHOOLS REPORTING CONCERNS?

Corruption Watch has received reports of corruption in schools through various channels over the past two years. 2012 saw most reports coming in via the call centre, followed by e-mail. In 2013, the number of reports received via the call centre increased significantly, while the number of reports received via e-mail decreased significantly. The number of reports received via the website also increased significantly. Corruption Watch encourages people to report corruption in schools via the call centre, website or e-mail.

HOT SPOTS IN SCHOOLS

Top types of corruption reported in 2013 were financial mismanagement, theft of goods and corruption in procurement.

44% Financial mismanagement

24% Theft of goods and funds

16% Corruption in procurement processes

FINDING FINANCIAL DECEIT AT THUBELIHLE

10 February 2012 Competition Watch received a complaint from a group of whistleblowers at the Thubelihle Independent School, who was part of the alleged fraud. The Thubelihle School Governing Body (SGB) has been in power since 2009 and has been plagued by allegations of corruption and financial misconduct.

After investigation, Competition Watch found massive evidence of fraud, corruption and misconduct by the Thubelihle SGB. Competition Watch has since laid criminal charges against the following SGB members:

- Acting Chairperson Sindiswa Mthembi-Mahanyele and administrator Mr Mandla Mthembi
- Former Chairperson Mr Mbulelo Mahanyele
- Former Finance Committee (FinCom) Member Mr Sandile Mthembi

Competition Watch investigated the matter and found that the crimes were the following:

- Fraud
- Theft
- Corruption
- Misappropriation of funds
- Misconduct

Competition Watch has since handed the matter over to the South African Police Service (SAPS) for further investigation.

WE DON'T HAVE A PRICE!

This is what Sibongile Mbali, the Deputy Principal of Thubelihle Intermediate School, who was part of the alleged fraud, had to say when confronted by Competition Watch:

> "What I can tell you is that I have no idea how the fees that the parents pay to the Thubelihle SGB (that's now elected) respectively as chairperson of the SGB. There is no previous fraud records followed when choosing members of the SGB. I am the principal. All parents of learners are eligible for election as a member of the SGB.
>
> The SGB members are not elected for their skills but rather for their status. I was back because he did not qualify to be a member of the SGB. We invoked a new version with status and knowledge but failing on the benefits of the school. Unfortunately though, he was elected once again even though he did not qualify to be a member.
>
> The reason we elected him was that he knows how we can raise funds for the school. They are relatively new, not understand where they are coming from. They were not there when the school was built.
>
> I have had some no-nonsense with regards to the running of the school and that is why I am not liked by some members, they don't see fulfilment of rules as. Unlikely. We don't have prices."

TEACHERS AND PARENTS BECOME CORRUPTION REPORTERS

DETERMINED TO PULL OFF THE PRICE TAG OFF OUR SCHOLARLY SYSTEM

Back to top ↑

Accountable School Governing Body Member and Chairperson

Mr Mbali Mahanyele of ******* School is showing his unaccountable to his constituents. He says he is not a member of any political party. Yet he is chairperson of the SGB and he is governed by the Political Party Act. Mr Mahanyele is also a member of the ANC. Mr Mahanyele is also a member of the ANC. Mr Mahanyele is also a member of the ANC