



Road Traffic
Management Corporation

NATIONAL TRAFFIC

indaba

Durban '16



Ethics, Fraud and Corruption and its Impact in Eroding Good Governance

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HEAD: SPECIAL INVESTIGATING UNIT (SIU)

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THE SIU MANDATE AND LEGAL SCOPE



Established: in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996) (“**SIU Act**”)

- current Special Investigating Unit (“**SIU**”) established by Proclamation No. R. 118 of 2001

Investigations mandated: by a Proclamation from the President

Powers:

- Can subpoena, search and seize evidence, and interrogate witnesses under oath
- Can institute civil litigation to recover state funds lost or to prevent future losses
- It does **not** have power of arrest or prosecution
- It does **not** have the power to take disciplinary actions
- It however, works closely with other relevant agencies where its powers fall short

Major functions:

- investigate corruption and maladministration
- institute civil proceedings resulting from its investigations to correct any wrongdoing, where causes of action can be found in law

ABOUT ETHICS



- Ethics are codes of conduct that influence the development of an ethical culture.
- Ethics inspire respect to be extended to each other and promote public/ private relationships that are based on honesty and integrity.
- While there are core elements that tend to define a work-based [code of ethics](#), the specific expressions of these central values vary from one setting to the next.
- “Ethics & Corporate Governance” are not just Moral or Compliance Issues. In the long term they are Essential Behavioural Traits for the Organisation, that strengthen the Organisation’s “Brand Equity” and help ensure Stable Sustainable Growth.
- Ethics in any profession develops a right conscience among its individual members and that such a conscience is helpful to assist officials in doing the right thing.

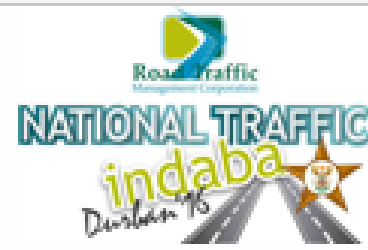
DoT PROCLAMATIONS

- Proc R23 of 2016, Published in GG: 39935 of 15 April 2016
- Proc R57 of 2014, Published in GG 37884 dated 1 August 2014
- Proc R34 of 2011, Published in GG: 34306 of 20 May 2011
- Proc R45 of 2007 Published in GG:30552 of 07 December 2007
- Proc R5 of 2005, Published in GG:27221 of 31 January 2005
- Proc R2 of 2003 published in GG:24321 of 31 January 2003
- Proc R59 of 2003 ext published in GG:25220 of 25 July 2001
- Proc R56 of 2001 published in GG:22811 of 02 November 2001

FOCUS AREAS

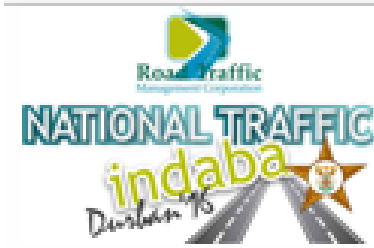
- “grey” imports
- Money dumping (traffic fines; SANRAL, AARTO; Licence fees – on diseased persons – persons with duplicate identifications 9RSA ID and TRN)
- Maladministration of the affairs of the Department(s) in relation to Cash Management, Supply Chain Management, Contract Management and the unlawful, unauthorised and/or irregular payments
- improper or unlawful conduct by officials
- corruption in connection with the affairs of the Institutions/Departments
- unlawful or improper conduct by any person which has caused or may cause serious harm to the interests of the public or any category thereof,
- improper or unlawful conduct by employees of the Department;
- Unlawful appropriation or expenditure of public money or property;
- Intentional or negligent loss of public money or damage to public property; e.g corruption in connection with the affairs of the Department

THE OUTCOMES OF THE INVESTIGATIONS



- Licence fraud
- Vehicle fraud
- Driving licence fraud
- Roadworthy fraud
- **SIU stats during DoT Proclamation time period;**
 - **Invalidly issued/ converted licences - 212 706.**
 - 28 649 referred for cancellation.
 - Criminal cases: 7 809
 - 2 088 arrested
 - 446 Disciplinary cases referred to the department
 - Stolen Vehicle investigation
 - 207 Criminal cases opened
 - 86 Arrested
 - 66 Disciplinary referrals made

THE OUTCOMES OF THE INVESTIGATIONS



Contract attacked for invalidity

- Fraud and corruption identified and reported to NPA ACTT and SAPS
- Contract declared void by the Constitutional Court
- Future savings +/-R30 million per month

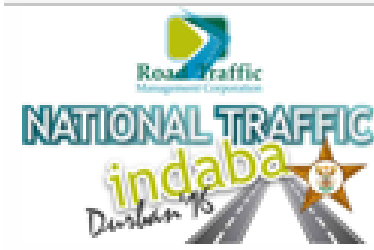
Contract attacked for invalidity

- Fraud and corruption identified Senior officials and private persons arrested. Matters handed to NPA , ACTT and SAPS.
- May 2010 Contract extension declared void by the Constitutional Court
- Future savings+/- R45 million per month

eNATIS

- Total dumped fees over the past five (5) years is approximately R1.2 billion.
- Several DOT officials were charged and convicted in court.

EFFECT OF FRAUD AND MALADMINISTRATION



Impact on road fatalities

- Fraudulently obtained drivers licenses, motor vehicle licenses, road worthy certificates, Public Driving Permits (PDP), converted drivers licenses, military converted licenses
- All increase/contribute to road fatalities

Impact on other crimes

- Facilitates the commission of other offenses e.g Hijacking, Cash in transit Heists

Impact on the Economy

- Affects revenue thus increasing taxes
- Reduced workforce

EFFECT OF FRAUD AND MALADMINISTRATION



Effects of illegally issued licences

- Incompetent and/or dangerous drivers contribute to high accident rate
- Road accidents contribute to a loss to the economy
- Corruption and fraud compromise integrity of system
- Loss of confidence in RSA drivers licences

INTEGRATED FORENSIC SOLUTIONS



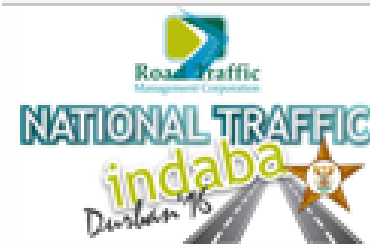
- Fraud, corruption and maladministration usually detect... as a result of failure of processes, people and systems leading to losses or weakened service delivery
- Dealing effectively with corruption requires:
 - a holistic approach, integration of forensic investigation disciplines and
 - strong collaboration and cooperation amongst the state institutions and other relevant agencies, such as: SIU, SAPS- HAWKS, AGSA and NPA.
- Critical part of fighting corruption requires, amongst others, an integrated approach, including:
 - Effective forensic audit and investigations
 - Implementation of remedial actions: civil recovery, criminal prosecution and disciplinary actions
 - Systemic improvements and effective risk management

How SIU assists State Institutions



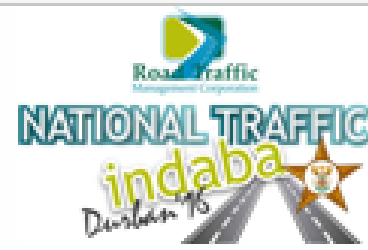
- SIU able to provide to provide a complete forensic investigations service
- Forensic Accounting and Audit
- Cyber Forensic Analysis
- Forensic Data and Scenario Analysis
- Systemic recommendations
- Civil Recoveries
- Secondments
- Support in the implementation of remedial actions

LESSONS LEARNT FROM INVESTIGATIONS



- Personnel not adequately trained
- Personnel not appropriately screened
- Access to eNaTIS is not properly controlled and managed
- Ineffective and processes
- Ineffective monitoring of officials at the Driving Licence Testing Centres (DLTC's)
- No regular audits at the DLTC's
- Inadequate record keeping
- Lack of accountability
- Lack of transfer of skills which leads to service providers becoming entrenched
- Collusion between officials and members of the public

LESSONS LEARNT FROM INVESTIGATIONS



- Lack of segregation of duties
- Collusion amongst officials
- Anti-corruption hotline ineffective as not all matters are investigated
- Lack of reporting due to victimisation e.g. attacks on whistleblowers and witnesses
- Gift register not completed and financial disclosures not appropriately management
- Officials changing of jobs from one DLTC to another

ETHICS IN RELATION TO INVESTIGATIONS



- Investigations indicated that the officials behaved in an unethical manner by receiving gratification for the following:
 - Issuing of false drivers licenses, motor vehicle licenses, road worthy certificates, Public Driving Permits (PDP), converted drivers licenses, military converted licenses
 - Extending contracts in contravention of Section 217 (1) of the constitution (non compliance to procurement processes)

CONCLUSION



- Ethics is doing the right thing at the right time in a correct manner
- ETHICS is doing the right thing ALL the time
- This is the only way that can lead to clean and proper governance in any organisation

THANK YOU
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