



CURBING THE SPREAD OF FRAUD AND CORRUPTION DURING COVID-19

“I call on all of us, one and all, to play our part.” President Cyril Ramaphosa

South Africa, along with the rest of the world is currently wading through uncharted waters as the COVID-19 pandemic unfolds. The current pandemic has led to many departments having to adjust the manner in which their ordinary business is conducted. This may mean that many processes are streamlined, procurement and funding may be expedited, and the manner in which work is conducted has changed due to the need for social distancing etc.

As this crisis unfolds, there is a heightened risk of fraud and corruption. Many countries have already experienced a wave of corruption-related incidents and decreasing transparency and accountability associated with the COVID-19 outbreak. South Africa will not be immune to similar issues. It is for this reason that we take a quick glance at what has happened in other countries and look at how we, as public servants, can assist in curbing the spread of fraud and corruption during COVID-19.

Here are a few examples of fraud and corruption issues which other countries faced, directly related to COVID-19, from an article by the *U4 Anti-Corruption Centre on Health, COVID-19 and Corruption (published under U4 Brief 2020:6)*:

Italy
A company won a bid to supply the Italian government with face masks and other protective gear. Following the award, it was reported that this company was previously accused of fraud - then submitted false documentation in order to gain contracts and funding. The matter is now under investigation by the public procurement agency.

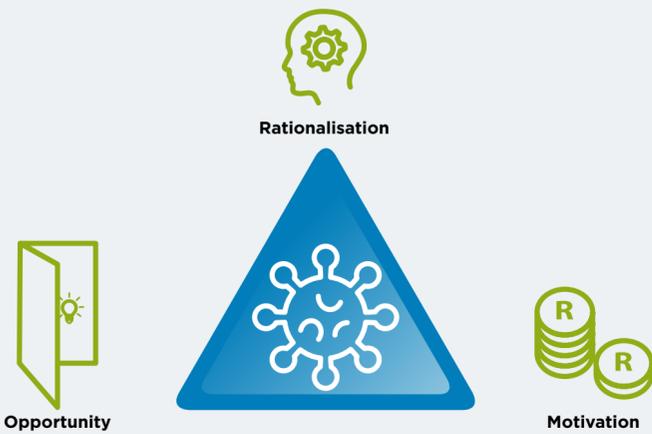
Serbia
The Serbian President has publicly indicated that due to a lack of ventilators available on the European market, he was “forced” to acquire them on the semigrey market. This raises suspicion about the integrity of the procurement procedures in Serbia.

Germany
There are reports of individuals posing as health care workers going door to door in neighbourhoods in Berlin providing COVID-19 “health care kits” at a cost.

Cameroon and Uganda
Reports of individuals bribing officials to evade quarantine, which will inevitably lead to a spread of the disease.

The unique challenges presented by this pandemic could result in new fraud and corruption schemes emerging. We need to ensure that resources earmarked for the COVID-19 pandemic are used to fight this pandemic and sustain the vulnerable, rather than enrich a few corrupt individuals.

? DO YOU REMEMBER THE FRAUD TRIANGLE?



COVID-19 has created a climate for the three components the Fraud Triangle to thrive, leaving our organisation vulnerable to the increased likelihood of economic crime risks.

The impact that this pandemic and the lockdown has had on our economy means that individuals may look for **opportunities** to sustain themselves. The **rationalisation** for committing fraud and corruption may become easier because of the circumstances people find themselves in, as they may be **motivated** by financial pressures, such as financing family members' health/medical costs and the need to continue providing for their family where work circumstances have changed.

🎯 SOME EXAMPLES OF FRAUD RISKS DURING THIS PANDEMIC

- Telephone calls from persons impersonating WCG officials requesting confidential information and/or offering assistance to the poor, needy or elderly and using this information to commit fraud. For example: using the personal information of others to access grants/funding they are not entitled to.
- False travel claims from officials exploiting limited supervision and relaxed controls during this time.
- Cybercrime i.e. Phishing scams where the recipient of the email is asked for personal information and/or business-related documentation. Attachments or links in the email may contain malware (including viruses etc) which are designed to cause extensive damage to data and systems or to gain unauthorised access to a network.
- Digital forgery with the submission of false documentation (e.g. B-BBEE certificates, SARS clearance certificates, medical certificates, permits, operating licences) or by false entities/charities/NGO/NPO to obtain relief benefits (e.g. grants, subsidy, donations) from the WCG.
- Impersonation of public officials during door-to-door home screening to gain access to private properties to commit a further offence.
- Submission of false documentation to Finance/SCM and officials exploiting the “relaxation” of processes or segregation of duties at this time.

? WHAT ABOUT CORRUPTION?

This pandemic has led to increased procurement, possibly using the emergency procurement process, which may increase the opportunity for corruption, bribery and/or kickbacks due to the perception of

a relaxation of controls.

Government has also made available relief funding to charities, community-based organisations and NGO's/ NPO's.

These desperate circumstances may result in corrupt officials, fraudsters and service providers colluding to derive an undue benefit from the State, at the cost of the citizen.

🎯 MORE EXAMPLES OF CORRUPTION DURING THIS PANDEMIC

- Bribery in the procurement lifecycle or the irregular award of tenders/contracts.
- Bribery of traffic police to not issue fines in the absence of permits granting permission to travel.
- Facilitation payments made to a government official to facilitate approval of some type of business transaction or activity. For example, a commission is negotiated between a service provider and government official in exchange for the approval of a contract. This form of bribery is known as a kickback.
- Bribery related to social grants/funding.
- WCG employees setting up private entities to sell PPE (Personal Protective Clothing). The Code of Conduct, which came into effect on 1 August 2016, prohibits public servants from doing any form of business with organs of state, whether in their own capacity as individuals or through companies in which they are directors.
- Nepotism/favouritism during the selection of contractors or service providers may increase during this time.

? WHAT CAN WE DO?

Here are a few tips which could reduce the impact and likelihood of fraud and corruption occurring during the COVID-19 pandemic:

- Protect your livelihood by not becoming involved in criminal activities.
- Be vigilant - look out for phishing attacks that may compromise your own and your employer's confidential

information.

- Do not click on links or icons in unsolicited emails or SMSs.
- Do not blindly believe the content of unsolicited emails or SMS'. If you are concerned about the authenticity of the information in an email, first verify the information with the organisation/sender before taking the action.
- Adhere to the processes and procedures put in place for

procurement and funding allocations to ensure the risk of fraud and corruption is minimised.

- Report any control deficiencies resulting from changes in your environment/processes to management in your department.
- Remain vigilant and report any suspicions of fraud and corruption to your manager, or via any of the channels indicated below.

🔨 HOW TO REPORT

The WCG is as committed as ever to fighting fraud and corruption during these difficult and challenging times. Should you wish to report any suspicions of fraud, theft or corruption, you can contact the Provincial Forensic Services directly or the National Anti-Corruption Hotline on:

- **Post to** PO Box 659, Cape Town, 8000
- **Telephone on** 021 483 0931
- **Email at** tip.off@westerncape.gov.za
- **Toll-free to the National Anti-Corruption Hotline on** 0800 701 701

IF YOU DON'T REPORT IT, YOU SUPPORT IT!