

Business Against Corruption

Companies can help break the cycle of corruption in South Africa by protecting whistleblowers.

If companies in South Africa want to contribute to breaking the cycle of corruption, they need to create an environment where those who have the courage to speak out feel safe to do so, said FTI Senior Managing Director of FTI Consulting in South Africa, Petrus Marais.

“It’s seldom that the participants in a corrupt transaction will have a ‘Damascus road’ moment and blow the whistle or go public,” said Marais. “That means having to look for evidence from peripheral observers as opposed to direct participants and piecing the circumstantial evidence together. Organisations need to create as safe as possible an environment for those that have the courage to speak out and raise their hands when they see or suspect something corrupt. It also requires a responsive and effective criminal justice system”

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Speaking at “Business Against Corruption” on 27 June in Johannesburg where business and government leaders discussed topics pivotal to beating corruption,

Marais said organisations needed to ensure that their corporate environment protected whistle-blowers so that they could feel confident that if they reported corrupt activities to the investigating authorities, the case would receive the appropriate attention or to the prosecuting authorities and it would eventually have its day in court.

“My plea is for organisations to get to the point where witnesses find it easier to speak out and instigate a quicker reaction to corruption,” he said.

Marais said one of the challenges companies and the government faced in tackling corruption in South Africa though, was the poor performance of the criminal justice system.

“You can get a case to the point that it is a packaged set of facts that can sustain legal or criminal action, but the ability to get that into the local court and get action is very challenged,” said Marais speaking as part of a panel of experts discussing corruption in the private sector. “It’s to the huge frustration of corporates who feel they’ve done the right thing that it is currently very difficult to get a fraud or corruption matter into a court.”

Marais, who was formerly a founder member of The Office for Serious Economic Offences in the Department of Justice in South Africa and has been actively involved in establishing, growing and leading forensic practices in numerous jurisdictions, says corruption is currently at a level not encountered before in the country.

“Corruption has been an issue in South Africa for a long time, however my perception is that while this may be in part because of improved transparency, it is at unprecedented high levels.”

Marais said on the positive side, organisations were more willing to be open about investigating corruption rather than covering it up. He advised businesses to think creatively when pursuing forensic cases to uncover corruption.

“Corruption is like adultery, you can’t do it on your own,” he remarked to the audience. “That’s where the problem lies, all participants are equally guilty and unlikely to own up, so you have to look elsewhere to get the evidence to identify, investigate and prosecute corrupt practices.”

He added that this could include looking to the unsuccessful bidder who didn’t make it through the tender process or interrogating internal data to pick up anomalies.

Said Marais: “We all have a part to play in tackling corruption in South Africa to take this country forward.”



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