

## Annual Trend Analysis on Corruption, Fraud Theft & Maladministration in the DCS: 1 April 2010 – 31 March 2011

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### 1. EXECUTIVE SUMMARY

This Annual Trend Analysis report provides an overview of corrupt related cases during 1 April 2010 to 31 March 2011 in the DCS. It includes the cases handled by DIU (Departmental Investigation Unit) and CEU (Code Enforcement Unit) as well as the matters which were handled by the respective regions.

The scope covered by this exercise extends to Head Office and all six regions.

The analysis is based on the reported cases perpetrated by the DCS employees, how those cases were handled and the outcome of the disciplinary hearings. Graphs, tables and pie charts were used to illustrate the rate of occurrence in corrupt related cases in respect of each region, the percentage per categories of transgressions for purposes of monitoring the flow in order to establish whether there is an increase or decrease in reported cases.

The reported cases were received by DIU from the following sources:-

- The National Anti-corruption Hotline which is manned by Public Service Commission ( 0800 701 701)
- SIU
- Through walk-in to DIU offices
- Via DIU telephone line, fax and email
- letters addressed to DCS
- Management Area and Regional offices

A total of 181 new cases were reported to DIU in 2010/2011 financial year. Cases brought forward from the two previous financial (2008/2009 and 2009/2010) were 222. DIU received in total 403 cases for 2010/2011 financial year which include two previous financial years. 184 cases were carried over as open to 2011/2012 financial year.

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The year under review 219 cases were finalized as follows:

- 185 cases closed due to lack of evidence.
- 34 cases referred to Code Enforcement Unit for disciplinary hearing.

On 34 cases referred to Code Enforcement Unit by DIU, 52 officials appeared before disciplinary hearing. Sanctions were as follows:

- 2 officials dismissed,
- 12 officials received final written warning,
- 3 officials received written warning,
- 8 officials suspended without salary,
- 1 official received verbal warning,
- 1 official was found not guilty and
- 25 disciplinary hearings pending.

On 40 cases referred to Code Enforcement Unit by Regions including cases of previous financial year 95 officials appeared before disciplinary hearing. Outcome of disciplinary hearing are as follows:

- 5 officials dismissed,
- 12 officials received final written warning,
- 28 officials received written warning,
- 20 officials suspended without salary,
- 8 officials was found not guilty,
- 2 officials receive corrective counseling,
- 1 official demoted and
- 19 disciplinary hearings pending.

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Regions investigated 255 cases of which 243 Investigations were finalized and 12 cases are still pending investigation. Out of the 243 cases finalized by regions, 235 went through disciplinary hearing of which 176 were finalized and 59 disciplinary hearings still pending.

The outcome of the 176 disciplinary hearings handled by regions is as follows:

- 30 officials dismissed
- 2 officials demoted,
- 26 officials suspensions without salary (varying from one to three months),
- 35 officials final written warnings issued,
- 20 officials written warnings,
- 13 officials received verbal warnings,
- 2 officials received corrective counseling,
- 8 officials withdrawn,
- 3 officials not guilty,
- 1 official resigned,
- 36 officials acquittal and
- 59 disciplinary hearings pending.

### **HIGH RISK AREAS**

The following high risk areas have been identified namely:

- Procurement irregularities where tenders were awarded to friends
- Misuse of state properties and vehicles
- Smuggling of dagga and prohibited items into the correctional centre
- Fraudulent receipt of social grant
- Utilization of DCS name in defrauding members of the public to pay for jobs
- Presented fraudulent sick certificate

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- Financial system fraud where personnel officials effect financial transactions for their own benefit due to weak internal controls
- Dereliction of duties
- Failed to comply with policy directive ( breaching of security arrangement at correctional centre)

The analysis has established that the following are root causes of the perpetration of corruption, fraud, theft and serious maladministration in the DCS:-

- greed
- unethical relationship between DCS officials and offenders
- laxity on the part of managers to enforce internal controls
- the collapse of social morals and work ethics as well as inadequate searching of officials and visitors and their belonging upon entering Correctional Centres
- The over-indebtedness also contributes in leading official to commit wrongdoing.

## 2. BACKGROUND

- 2.1 In 2002 the Cabinet resolved that all government departments must establish the Minimum Anti-Corruption Capacity (MACC) within their structures to deal with corruption in their domains.
- 2.2 In 2003 the DCS approved the three pronged Anti-Corruption Strategy which was aligned to the Public Service Anti-Corruption Strategy. The said strategy focused on Prevention of corruption, investigation of reported cases and sanctioning.

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- 2.3 During restructuring in 2003 the chief directorate Legal and Special Operations was established with three directorates, namely Legal Services, Departmental Investigation Unit (DIU) and Code Enforcement Unit (CEU). The DIU and CEU were designed to give effect to the MACC requirements as well as to lead the implementation of the Anti-Corruption Strategy.
- 2.4 The objective of the trend analysis is to determine and highlights the prevalence's of corruption, fraud, theft and maladministration and the causes in order for DCS management to engage the necessary mitigating mechanism.
- 2.5 Through process information is presented so that senior management can recognize similarities, differences and trends over different time frames throughout the DCS.
- 2.6 Raise Awareness through fraud prevention and anti-corruption workshops and they conducted as follows:
- Head of the correctional centre and EST (Emergency Support Team) team leaders: 9 workshops with a total of 332 attendees.
  - Regional Management Boards (managers): 4 sessions with a total of 153 attendees.

### **3. SCOPE & METHODOLOGY**

- 3.1 The scope covered by this exercise was confined to Head Office as well as the six regions of the DCS. The focus is on the transgressions perpetrated by the employees of the DCS.
  
- 3.2 Pie charts, tables and graphs were used to illustrate the rate of occurrence in transgression in respect of each management area. The percentage per category of transgressions for purpose of monitoring the flow in order to establish whether there is a decrease or increase of reported incidents and disciplinary hearings.

### **4. DISCUSSION**

For the year under review, DIU received 181 cases which resulted in having a workload of 403 cases including 222 brought forward cases from the previous financial years. Out of the total workload 219 cases were finalized of which 185 cases were closed due to lack of evidence, 34 were referred to CEU for disciplinary actions to be taken against the perpetrator and 185 cases were still under investigations as at 31 March 2011.

CEU received 34 cases from DIU where 52 disciplinary hearings were handled in which 27 officials were charged and 25 disciplinary hearings still pending as at 31 March 2011. 40 cases were received from other sources where 95 disciplinary hearings were handled in which 76 officials were charged and 19 disciplinary hearings still pending.

255 cases were reported to the regions of which 176 officials were charged after the disciplinary hearings, 12 cases were still under investigation, eight cases were finalized and were not taken through disciplinary hearing and 59 disciplinary hearings were still pending on the 31 March 2011.

## 5. ANALYSIS

### 5.1.1 CASES REPORTED TO DIU

Figure provides an overview of the nature of cases reported to DIU from 1 April 2010 to 31 March 2011

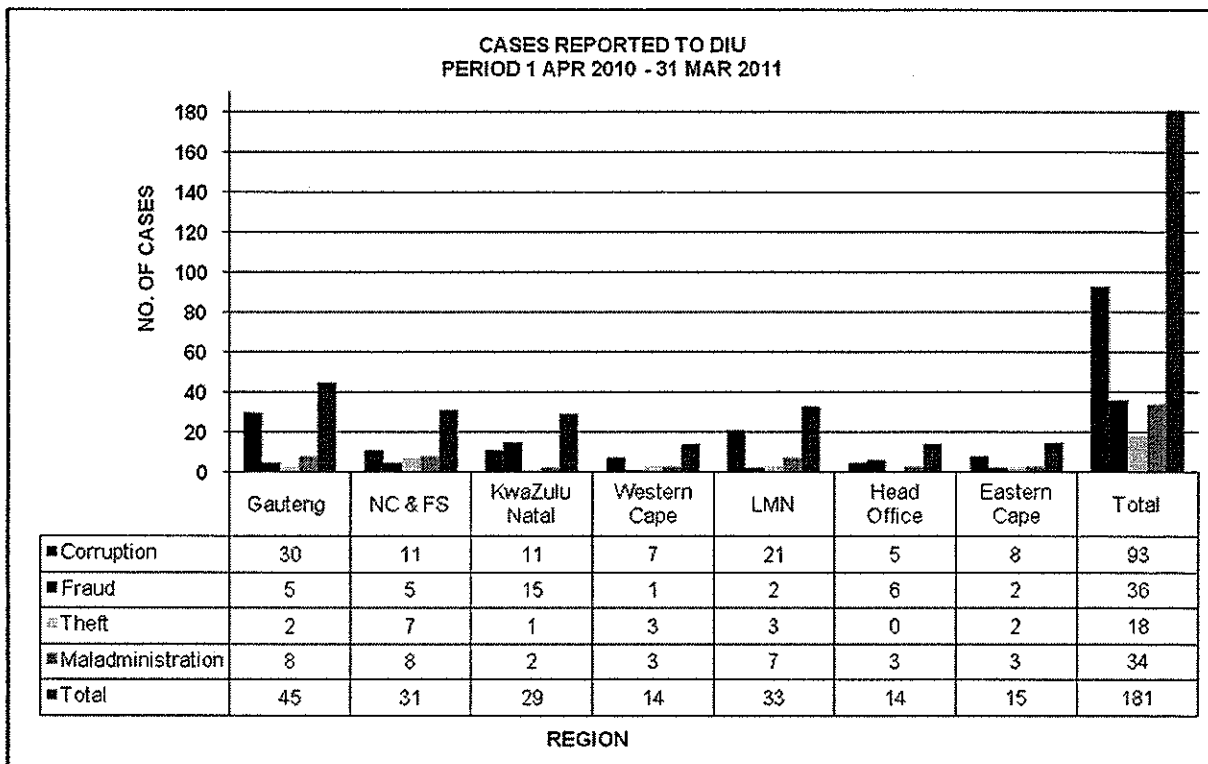


Figure 5.1: Analysis of cases reported to DIU

A total number of 181 cases have been reported to DIU. As reflected in figure 5.1 above corruption recorded 93 of reported incidents, which was the highest in the four categories, fraud recorded 36 incidents, theft had 18 incidents and maladministration had 34 incidents.

### 5.1.2 THE PERCENTAGE CONTRIBUTION OF CASES REPORTED DIU

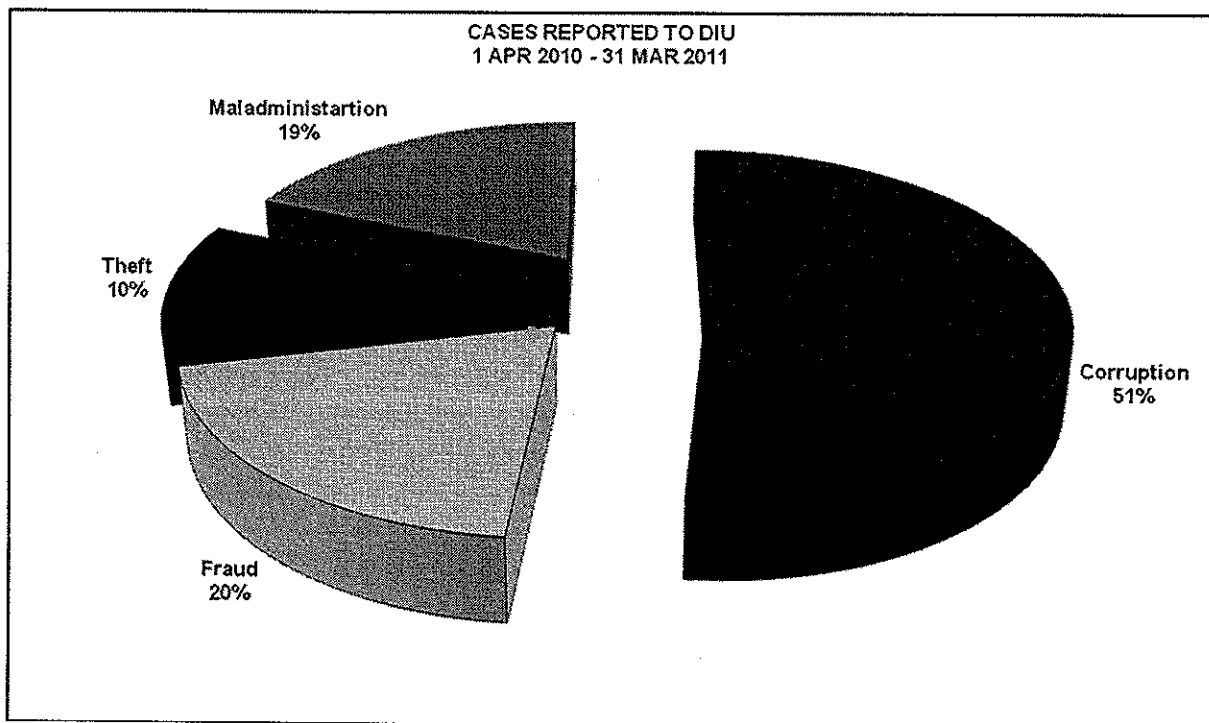


Figure 5.2: CASES REPORTED TO DIU FOR THE PERIOD 1 APR 2010 – 31 MAR 2011

Of the 181 cases reported to DIU corruption contributed 51%, fraud 20%, Theft 10% and Maladministration 19%. The common incidents were abuse of power by giving orders that are against the policies, misuse of state vehicle, misuse of state computer by using capturing the names of his debtors as he loans money, misuse of state vehicle, procurement irregularities where tenders were awarded to friends, soliciting bribes from inmate and inmate's family, smuggling of dagga, utilization of inmates irregularly and drugs into the section and drugs into the section. Fraud contributed 20% of which the common incidents were fraudulent receipt of social grants, sick leave under false pretences, submitted sick certificate, fraudulent utilization of other officials pi code or password. Theft contributed 10% of which most common were theft of club money and inmate's money. Maladministration had contributed 19% and the most common were dereliction of duty and failed to comply with policy directives.



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### 5.1.3 NATURE OF CASES REPORTED TO DIU

The table below highlights the nature of cases reported per category:

<p>1. Corruption= 93</p>	<ul style="list-style-type: none"><li>• Abuse of power</li><li>• Favouritism / Nepotism</li><li>• Misuse of state vehicles and properties for personal gain</li><li>• Operated business at workplace</li><li>• Procurement irregularities where tenders were awarded to relatives, friends and DCS employees</li><li>• Provided prohibited items to inmates ( money, cellphones, tape recorder, alcohol and sleeping tablets)</li><li>• Recruitment irregularities</li><li>• Smuggled dagga and drugs into the centre</li><li>• Solicited bribes from DCS applicants, inmates and suppliers</li><li>• Undertook remunerative work irregularly</li><li>• Intimate relationship with an inmate</li><li>• Aided an escape</li><li>• Failed to declare business interest</li><li>• Manipulation of parole system</li><li>• Offered bribes to inmates</li><li>• Received money from inmates</li></ul>
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	<ul style="list-style-type: none"> <li>• Received money from inmate's family</li> <li>• Inflation of prices</li> <li>• Utilization of an inmate irregularly by using them to built church and repair officials vehicles</li> <li>• Performed remunerative work irregularly</li> </ul>
<p>2. Fraud =36</p>	<ul style="list-style-type: none"> <li>• Fraudulent entry on Persal system</li> <li>• Submission of fraudulent qualifications</li> <li>• Took sick leave under false pretences</li> <li>• Fraudulent utilization of DCS name</li> <li>• Falsification of documents ( salary advice and ID )</li> <li>• Forged trip sheet by completing it with other officials particulars</li> <li>• Fraudulent utilization of other officials pin code</li> <li>• Fraudulent entry on registers</li> <li>• Fraudulent utilization of petrol card</li> <li>• Claimed for kilometers not traveled</li> <li>• Claimed for overtime not worked for</li> <li>• Authorized fraudulent payment</li> <li>• Fraudulent utilization of other officials login password</li> </ul>

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	<ul style="list-style-type: none"> <li>• Fraudulent receipt of danger allowance</li> <li>• Submitted fraudulent sick certificate</li> <li>• Processed fraudulent payment</li> <li>• Forged another official's signature</li> </ul>
<p>3. Theft = 18</p>	<ul style="list-style-type: none"> <li>• Theft of perishables ( 3x chickens boxes )</li> <li>• Theft of club money</li> <li>• Theft of inmates' belongings ( blankets, radios, clothes, toiletries, and money)</li> <li>• Theft of parts from state vehicle and machine</li> <li>• Theft of state properties</li> <li>• Theft of bail money</li> </ul>
<p>4. Maladministration = 34</p>	<ul style="list-style-type: none"> <li>• Failed to take actions against officials and inmates</li> <li>• Failed to report inmate's complaints</li> <li>• Failed to submit applicant's curriculum vitae</li> <li>• Failed to take inmates to court on time</li> <li>• Failed to perform duties by not handcuffing/foot cuffing inmates</li> <li>• Failed to utilize registers</li> <li>• Neglected to process confidential</li> </ul>

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	<p>documents, warrants and task assigned for</p> <ul style="list-style-type: none"><li>• Failed to comply with policy directives by knocking off early</li><li>• Reporting late at work and knocking off early</li><li>• Failed to comply with policy directives where official's money was deducted as leave without pay without being contacted, reported on duty and worked for 2-3 hours , took inmates out for a long time, suspended officials and controlled registers without following policy, an inmate received calls on officials cellphone, failed to protect whistle blowers and negligence that led to an escape of an inmate while on transit</li><li>• Failed to register stock received from logistics</li><li>• Failed to report accident</li><li>• Officials not working 45 hours</li><li>• Fruitless and irregular expenditure</li><li>• Failed to take steps transgressors</li><li>• Failed to appoint officials after he was recommended for the post</li><li>• Failed to provide foods to inmates</li><li>• Unlawful release of parolees and probationers</li></ul>
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	<ul style="list-style-type: none"> <li>Failed to supervise inmates during visiting hours</li> <li>Unauthorized expenditure</li> <li>Erroneous/Negligent release of an inmate</li> <li>Fruitless expenditure</li> <li>Negligent release of an inmate</li> </ul>
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5.1.3 CASES HANDLED BY REGIONS

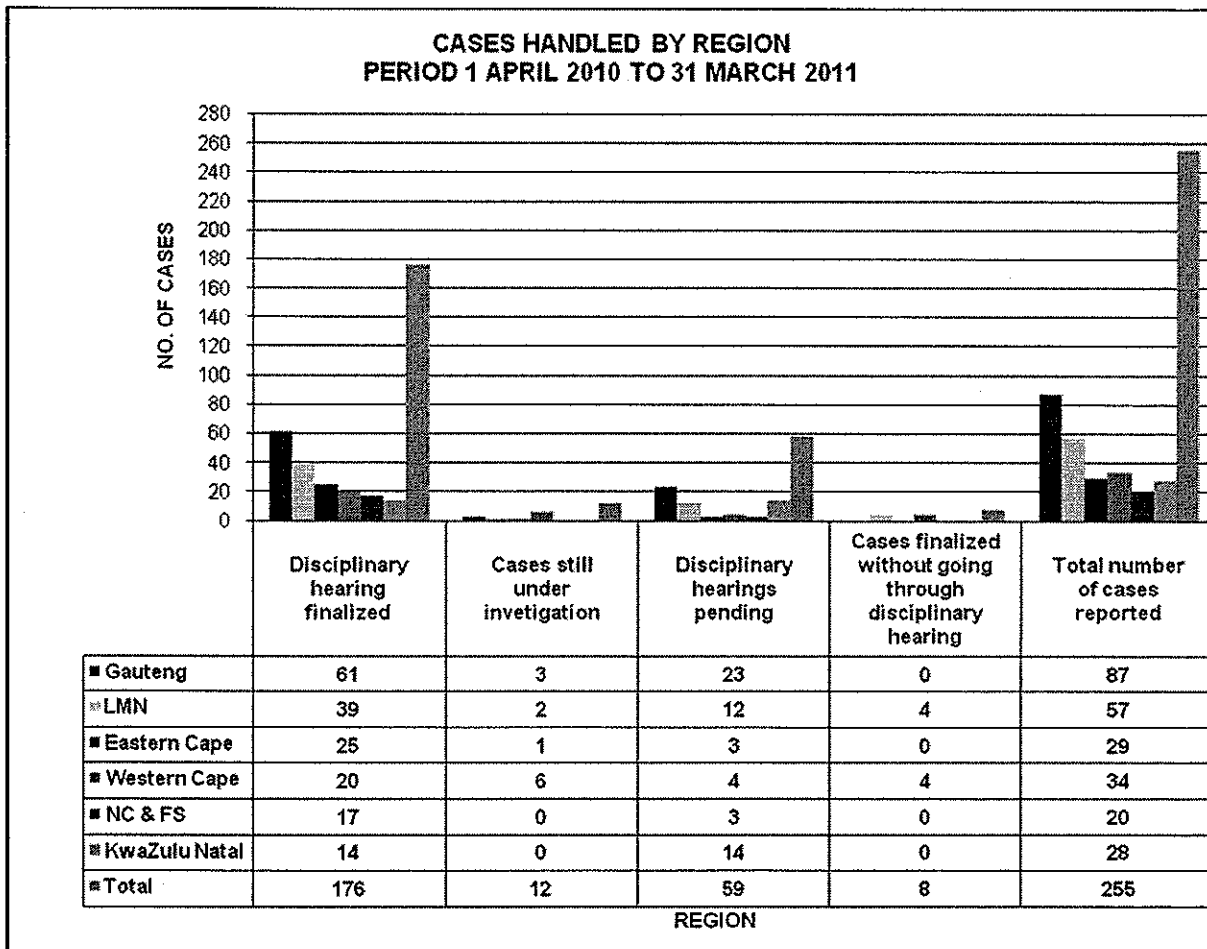


Figure 5.4 : Analysis of cases reported to regions

From the above figure it shows that 255 cases were reported to regions

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- i. Gauteng recorded 87 incidents of which the listed/grouped per category :

### **Corruption**

- Smuggled dagga and into the centers;
- Providing prohibited items to inmates i.e. cellphones, recording device, grocery, Television, money and alcohol;
- Misuse of state vehicle and properties
- Solicited bribes from inmates family
- Received money from inmate's family
- Utilized inmates irregularly by polishing officials shoes

### **Fraud**

- Faked injury on duty
- Furnished false information to DCS( false statement, reports and UNISA documents)
- Submitted fraudulent sick certificate
- Utilized DCS name to defraud members of the public
- Fraudulent receipt of housing allowance
- Fraudulent utilization of other officials pin code

### **Theft**

- Theft of club and inmate's money
- Theft of state properties

### **Maladministration**

- Negligence that led to an escape
- Failed to comply with policy directives by allowing unauthorized visits and followed incorrect procedure while conducting an investigation

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- Erroneous release of an inmate
- Failed to submit monthly returns
- Officials left the centre before balancing the registers
- Failed to confiscated unauthorized from an inmate
- Failed to take donated PC to IT for clearance
- Worked overtime without permission

ii. LMN recorded 57 incidents of which the most common were :

### **Corruption**

- Withdrawn inmates money
- Intimate relationship with an inmate
- Received money from the supplier
- Misused state vehicle by transporting stolen fodder

### **Fraud**

- Falsification of records
- Furnished false information to DCS

### **Maladministration**

- Failed to register money as requested
- Negligence that led to an escape

iii. Eastern Cape recorded 29 incidents of which the most common were:

### **Corruption**

- Received money from inmate and inmate's family
- Aided an escape
- Smuggled dagga into the centre
- Provided prohibited items to an inmate
- Intimate relationship with an inmate

**Fraud**

- Furnished false information to DCS( false statement and evidence)
- Furnished false information to DCS
- Failed to disclose criminal record

**Maladministration**

- Failed to perform checking and control in the kitchen
- Failed to comply with policy directives by borrowing money from an inmate
- Wasteful and irregular expenditure

iv. Western Cape recorded 34 incidents of which the most common were :

**Corruption**

- Received money from inmate and inmate's family
- Provided prohibited items to inmates
- Withdrawal of inmate's money
- Smuggling of dagga and drugs into the centre
- Aiding an escape
- Misuse of state vehicle

**Fraud**

- Fraudulent receipt of social grants
- Fraudulent claims for services not rendered
- Furnished false information to DCS

**Theft**

- Theft of state perishables(2 chickens)

v. NC & FS recorded 20 incidents of which the most common were:

**Corruption**



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- Received money from inmate's family
- Inflation of prices ( cost of goods was R500-00 and an official requested R8000-00 from the supplier)
- Manipulation of parole system
- Provided prohibited items to inmates

### **Fraud**

- Submitted fraudulent sick certificate
- Made false entry on the register

### **Theft**

- Theft of state perishables ( 300kg chicken)

### **Maladministration**

- Failed to comply with policy directives by borrowing money from inmate's family

vi. KwaZulu Natal recorded 28 incidents of which the most common were:

### **Corruption**

- Failed to declare business interest
- Misuse of state vehicle
- Procurement irregularities where tender of R1.2 million was awarded to non existing company
- Smuggled dagga into the centre
- Solicited bribes from inmate's family
- Received money from inmate's family
- Recruitment irregularities
- Procurement irregularities where an amount of R662 723 was paid to DCS employee's company

**Fraud**

- Furnished false information to DCS
- Failed to disclose criminal record
- Fraudulent receipt of housing allowance
- Claimed for overtime not worked for
- Fraudulent utilization of DCS name to defraud members of the public
- Submitted fraudulent sick certificate

**Theft**

- Theft of state perishables (2x chickens)
- Theft of club money
- Theft of money donated to the centre

**Maladministration**

- Failed to comply with policy directives by borrowing money from inmate

## **6. OUTCOME OF DISCIPLINARY HEARINGS IN THE DCS**

### **6.1 Sanction implemented by CEU**

The graph below shows the outcome of the disciplinary hearings of which 94 guilty and 9 were not found guilty.

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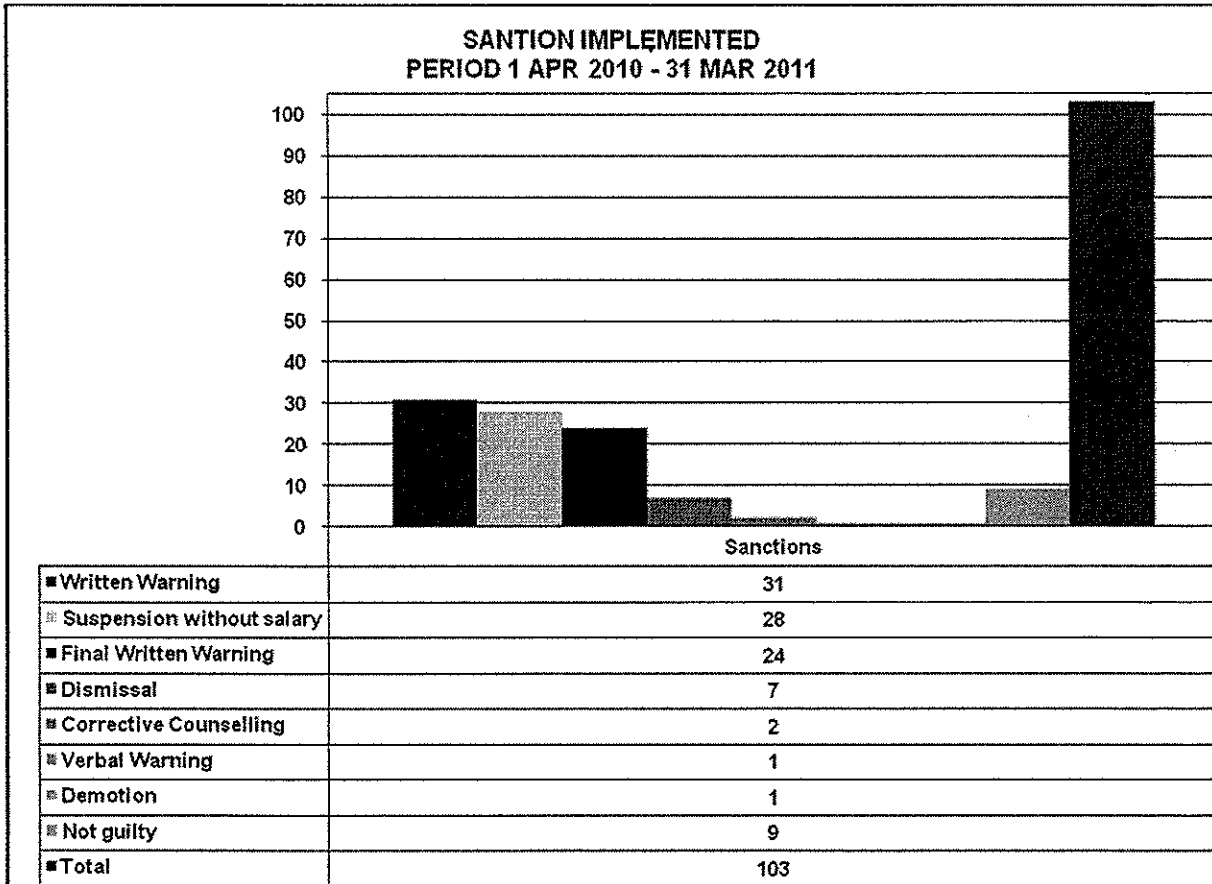


Figure 6.1 : CEU Sanction implemented for the period 1 Apr 2010 - 31 Mar 2011

From figure 6.1 above, 103 sanction have been implemented where 31 officials have been issued with written warning , 28 received suspensions without salary ( varying from one to three months) , 24 received final written warning, 7 were dismissed, 2 received corrective counseling, 1 received a verbal warning, 1 was demoted and 9 were found not guilty.

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### 6.1.2 SANCTION IMPLEMENTED IN THE REGIONS FOR THE PERIOD 1 APRIL 2010 TO 31 MARCH 2011

Sanction	GP	LMN	Eastern Cape	Western Cape	NC & FS	KwaZulu Natal	Total
Dismissal	11	4	1	8	1	5	30
Demoted	0	1	1	0	0	0	2
Final Written Warning	9	8	4	4	7	3	35
Written Warning	8	5	1	2	4	0	20
Verbal Warning	11	1	1	0	0	0	13
Corrective Counseling	0	1	1	0	0	0	2
Suspension without salary	6	9	4	5	0	2	26
Acquitted	13	8	11	0	2	2	36
Withdrawn	3	2	0	0	1	2	13
Not guilty	0	0	1	0	2	0	3
Resigned	0	0	0	1	0	0	1
<b>Total</b>	<b>61</b>	<b>39</b>	<b>25</b>	<b>20</b>	<b>17</b>	<b>14</b>	<b>176</b>

Table 6.1

Table 6.1 above shows the sanction implemented in the region for the period 1 Apr – 31 Mar 2011. The regions issued from the 235 disciplinary hearings it handled, 176 sanctions and 59 disciplinary hearings still pending. 30 officials have been dismissed, 2 demoted, 35 received final written warning, 20 received written warning, 13 received verbal warning, 2 received corrective counseling, 26 received suspensions without salary (varying from one to three months), 36 acquitted, 13 cases withdrawn, 3 were found not guilty and 1 resigned.

### 6.1 REPORTING MECHANISM

6.1.1 During the period under review, 181 cases were DIU and registered by for DIU and were received from the following sources:

- The National Anti-Corruption Hotline(NACH) of the OPSC : 79
- Walk-in : 20
- DIU Telephone : 17
- SIU : 17
- Email : 3
- Fax : 34
- Letter : 3
- Presidency : 8

6.1.2 There was also one incident reported of failing to protect whistleblowers emanating from reporting wrongdoing brought to the attention of the DIU. The matter is still under investigation.

## 7. FINDINGS

7.1 The analysis of the trends in the department has revealed that corruption has continued to contribute a bigger share, refer to figure 5.1.

7.2 **The following areas of prevalence have been identified for the period under: for the cases reported to DIU:** procurement irregularities where tenders were awarded to friends, abuse of power, smuggling dagga and drugs into the centre, misuse of state vehicle, provided prohibited items to inmates, fraudulent receipt of social grants, dereliction of duty, dereliction of duty and failed to comply with policy directive (breaching of security arrangement at correctional centre).

7.3 **The following areas of prevalence have been identified for the period under review from the region:** where most of the officials borrowed money from the inmates, received money from inmate's family, aiding an escape, fraudulent receipt of housing allowance, furnished false information to DCS, falsification of documents, presented fraudulent medical certificate and provided prohibited items to inmate (cellphones, money, charger, simcard, envelopes from FNB, groceries and TV).

### 7.4 **Detection of corruption, fraud, theft and maladministration**

Most of the incidents of corrupt practices were detected through whistleblowing, and to a lesser extent through internal control.

#### **7.4.1 Departmental steps taken to reduce the risk of fraud**

The Fraud Prevention Committee is functional and the Chief Directorate Legal & Special Operation visited regions to conduct fraud prevention session. The sessions were attended by all Regional managers, SMS and MMS functioning at critical positions. The regions covered were Western Cape, LMN, and Eastern Cape, KwaZulu Natal, NC & FS and Gauteng.

## **8. RECOMMENDATIONS**

8.1. It is recommended that:

- Managers must lead by examples and ensure that compliance with policies and the Code of Conduct. To enforce this, it is recommended that managers must be held accountable for irregularities that occur in their sections as a result of disregard to policies and governmental directives.
- It must be ensured that the whistleblowers are protected.