

Health corruption busters reveal the monster in our midst



Dr Siva Pillay, Director-General of Health for the Eastern Cape.

Picture: Chris Bateman

Provincial health departments are beginning to show modest success in meeting President Jacob Zuma's exhortation to root out fraud and corruption, but their efforts have revealed a national pandemic of looting, conservatively costing hundreds of millions, much of it deeply systemic.

While the crime-busting efforts are contributing significantly to reducing many

provinces' billion rand budget deficits, poor management, ineffective financial systems and lack of skills continue to aggravate matters – and to provide rich and easy pickings for syndicates. Added to this a lack of direct line management, for example with vital infrastructural budgets at national level, has also left additional millions unspent, one example being the

return of R813 million to Treasury at the end of the past financial year. A deeply embarrassed national health minister, Dr Aaron Motsoaledi, admitted that the money was to have revived collapsed and unfinished infrastructure, but said his officials had no control because the function belonged to the Department of Public Works. He vowed to correct the 'tragedy' by speedily introducing a new unit in his department dedicated to building and monitoring infrastructure at all levels. Several teaching hospitals fall within the embrace of infrastructure development plans, including Chris Hani Baragwanath in Soweto, Dr George Mukhari in Pretoria, King Edward VIII in Durban and Nelson Mandela in Mthatha, as well as a new tertiary hospital for Limpopo.

'Nothing less than syndicated fraud' – new Eastern Cape MEC

A brief *Izindaba* review of some of the provinces worst affected by endemic corruption revealed a pattern of crooked service providers with links to key health department officials responsible for the bulk of the looting via ghost and multiple payments loaded onto payment systems. However, various health department officials and hospital employees also joined in a freelance feeding frenzy, many stealing and selling free medicines and nutritional supplements destined for the poorest and the sickest. In the Eastern Cape alone a comprehensive external audit of 'anomalies' in four health department supplier databases revealed R35 million in duplicate or multiple payments last year. No less than 107 suppliers had the same bank account number, and 165 suppliers had the same telephone number, while 4 496 had the same physical address and 934 the same postal address. New Eastern Cape Director-General of Health, Dr Siva Pillay, told *Izindaba* that 'this is nothing less than syndicated fraud. We've now redesigned the entire delivery system.' He gave an example of less sophisticated crookery as the bribing of district ambulance service directors to transport private patients. Another was the theft of R120 000 worth of infant formula destined for malnourished babies or infants of HIV-positive mothers earlier last year for which three foreign national businessmen and four health department officials were arrested. A hospital-wide

crackdown on medicine theft also followed the arrest of eight nurses at Mthatha's Nelson Mandela Academic Hospital for allegedly stealing R200 000 worth of medicines. The thievery is aggravating existing blockages in that province's medicine supply chain management.

Gauteng can't pay its debts

In Gauteng, medical suppliers are owed more than half a billion rand by the Auckland Park Medical Supplies Depot, the pivot from which medicines are distributed to State hospitals and clinics. The largest amounts owed by the Depot are R80 million to Aspen Pharmacare and R50 million to Adcock Ingram. Gauteng's health leadership has also initiated a major police crackdown, focusing on hospital supply management, some of which is in tatters or is being used by syndicates to redirect food and medicines to shady redistribution depots in nearby townships. Mpumalanga, home to a devoted acolyte of former national government AIDS denialists, the controversial Health MEC, Sibongile Manana, saw 10 health department officials, including its chief financial officer, appear before a disciplinary tribunal in Nelspruit on charges of corruption. Three separate probes uncovered massive fraud and corruption in the department, including the spending of about a third of the

provincial R19 million HIV/AIDS budget on soccer matches, plays, prayer days and the unregistered charity of a local chief, plus irregularities with tender procedures and the buying of unnecessary hospital equipment. Manana, the Health MEC, was removed from her post by Mpumalanga Premier, Ndaweni Mahlangu, and given the Sports, Recreation, Arts and Culture portfolio. Mahlangu said the reshuffle of his executive council was to rectify 'instances of mismanagement and wrongdoing' uncovered by a series of forensic audits. Reina Charles, the health department chief, was made deputy director in Mahlangu's office.

KwaZulu-Natal: rot started at the top

In KwaZulu-Natal, a report to the finance portfolio committee revealed 24 'high priority' cases involving irregularities, supply chain and human resource mismanagement, overtime fraud, corruption, nepotism, misconduct and negligence, amounting to nearly R1 billion. Several of the cases involve multi-million rand transactions. The province has been battling to turn around a R2 billion budget deficit from previous years and is on a major anti-fraud management audit and cost-containment drive. Departmental head Sibongile Zungu, whose former MEC, Peggy Nkonyeni (another AIDS denialist acolyte),

faced charges of irregular tender awards amounting to several million, said 'rigorous preventive measures' were quickly being put in place. 'Corruption has a devastating effect on poor people – especially corruption in the health service. Where resources are scarce and many people need those resources, corruption can often set in. We hope to make significant strides in reducing fraud and corruption risks,' she added. She was speaking as Sibongiseni Gcwensa, of Gcinisa Construction and Cleaning Services, was handed a six-year suspended sentence for fraud and theft of her department amounting to R650 000, which he was ordered by the Durban Commercial Crimes Court to repay. Mr Gcwensa was reportedly paid about R20 million over a four-year period for fraudulent claims he allegedly made in connection with cleaning and security services he provided to various hospitals. A police probe continues. Said Zungu, 'Our recovery account is swelling rapidly as we solve these cases one by one. We want to quickly reallocate those resources back to service delivery and return some to the KZN treasury where necessary.'

Aluta continua! (The struggle goes on!)

Chris Bateman