

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 423**

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**Mr M S F de Freitas (DA) to ask the Minister of Finance:**

- (1) Whether any investigations have been conducted into the allegations or requests for bribes to incoming tourists and travellers by custom officials at international airports; if not, why not; if so, (a) what was the result of such investigations, (b) who conducted them, (c) how were they conducted, (d)(i) when and (ii) where were they conducted and (e) what new measures were instituted in this regard;
- (2) whether a cost analysis has been done in this regard; if not, why not; if so, what (a) was the result o and (b) new measures have been put in place in this regard?

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**REPLY:**

- (1) (a) From 1 April 2009 to 28 February 2010, the investigated 7 cases of alleged bribery involving Customs officials at South African international airports. Of these, 5 are still active investigations, 1 case is in a disciplinary prosecution stage (the customs official accused is currently suspended pending the Disciplinary process) and 1 case has been finalised (the Customs official was dismissed).
- (b) The Anti Corruption and Security Unit (ACAS) is a dedicated unit within SARS that investigates all corruption and bribery allegations.
- (c) ACAS employs traditional investigative practices including the collecting of evidence in the form of statements of witnesses, camera footage and other evidence as well as the use of tactics such as sting operations to uncover corrupt activities. Preventive and detection measures include the use of cameras and physical security surveillance and ensuring that all customs operations are conducted in accordance with strict rules and Standard Operating Procedures (SOPS). Procedures are constantly reassessed to identify controls that require enhancement.

- (d) (i) The 7 cases referred to occurred between 1 April 2009 to 28 February 2010
- (ii) The investigations were conducted at ACAS Head Office and on site (OR Tambo International Airport and Cape Town International Airport)
- (e) SARS recognises that motives and values of people play a key role in influencing their behaviour. For this reason, promoting a culture based on the highest standards of professionalism and integrity is an ongoing priority for SARS. This is reinforced by a theme that runs across all our internal communications and campaigns. In enhancing integrity, SARS promotes its values of integrity, honesty and transparency throughout the organisation and a clear Code of Conduct to raise employee's awareness of the standards of personal and professional behaviour required of them to maintain public confidence in the integrity of SARS. Areas covered by this code include:
- Relationship with the Legislature and the Executive
  - Relationship with the public
  - Employer/Employee Relationship
  - Relationship among employees
  - Performance of duties
  - Personal conduct and private interests

**In addition, the following practices are also employed:**

- Managers are assessed and recruited for their commitment to the SARS values
- Ethical conduct is promoted at all levels.
- Staff who report corrupt activities are rewarded and celebrated at the annual awards ceremony and in many instances, take the top awards.
- Compulsory declaration of private interests by staff that is audited by internal ethics office.
- Vetting of all new employees and all promoted employees prior to appointment in new position.

- (2) A specific analysis of the cost of preventing and investigating corruption has not been undertaken by SARS. The total budget for Anti-Corruption and Security for the previous two years amounted to R352.2m. The 2008/09 budget amounted to R152.5m and R199.7m for 2009/10, which included R43.6m for the roll out of the national security system during the same year. The total budget for 2010/11 is R198.4m which includes an amount of R34.0m for the national roll out of the security system. All investments made to protect SARS from corruption and to enhance its integrity span a wide range of functional areas including security and investigations, communications and change management, ethics and integrity promotion, human resources, pre-employment vetting and on-going performance management to name only a few. The perception of SARS as having the highest levels of integrity, fairness and honesty are an essential element of compliance with tax and customs legislation and thus directly impacts on the ability of SARS to collect revenue and widen the tax base.