

MUNICIPAL CORRUPTION, AN AUDITOR'S REPORT AND THE KILLING OF A FLY: ONE EASY WAY ON HOW NOT TO INVESTIGATE CORRUPTION

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ABSTRACT

This paper attempts to examine the massive corruption that occurred in the EtheKwini Municipality, in respect of essential delivery of services, housing, tender fraud and a host of other issues. This has occurred in the coastal City of Durban, KwaZulu (KZN) Natal Province, amidst national condemnation and a major embarrassment to the integrity of the City and, to the ruling African National Congress led government in the province. An audit was commissioned some two years ago by government in 2011, by the KZN Member of the Executive Council (MEC) for Corporate Governance and Traditional Affairs (COGTA) Nomuse Dube and, was compiled and prepared by independent auditors, Manase and Associates. The probe was initiated after the Auditor General of the Republic of South Africa categorically stated in his 2009 / 2010 report that the municipality had irregularly spent R532 million (R = Rands). The paper does not pretend to capture every subtle nuance and all of the corruption issues raised in the exhaustive 700 page report, on the basis that the report is more relevant to wider governance, social, political, economic, development and integrity issues that permeate corruption as a whole. It is now almost five years since the Auditor General tabled the findings to government and, nothing tangible has been done nor undertaken by the municipal government of Durban to deal with the findings of the Manase Report and, bring the culprits to book or for that matter press criminal charges against those that violated public trust, compromised the city of Durban, and have tarnished the reputation of the city and, further compromised the inhabitants and residents of the city of Durban. It can be categorically stated that the ruling party, the ANC pays lip service to sound governance. It pays lip service by insincere rhetoric that, it will deal with corruption decisively. On the contrary corruption is increasing within the city municipality and the ruling party is protecting its own members, as local government elections are only 18 months away, and it dare not upset the status quo for obvious reasons. It is against this background that an attempt will be made to unpack some salient issues that encompass the Manase Report. It is therefore, apt that the title of the paper describes the Manase report as the killing of a fly and how not to investigate corruption. In reality it is the negation of democratic governance, a whitewash, a damn squib, by the ruling party, to wipe the report under the carpet, in order to pursue its own agenda, and basically in a disguised manner, accept the reality of corruption by its members within the municipality, rather than consolidate sound governance, public accountability, invoke the rule of law in terms of public administration and, invoke management principles and techniques, in a quest not to erode constitutional democracy.

INTRODUCTION

The Manase Report belongs to the people and two years after refusing to make public the results of an investigation paid for by the taxpayer, Jovial Rantao states (2013: 18) “that the provincial political fathers failed miserably on many counts:

- That a staggering R15 million was paid for the investigation to determine and find out the way the city of eThekweni (new name of Durban municipality) was being governed or misgoverned.
- The intention was to uproot unethical and criminal practices.
- Two years ago the provincial government failed to make public a report that rightfully, legally and morally belonged to the people of the city and the nation as a whole.
- The provincial government released a sanitized version of the report, with no names and no action to be taken.
- Access to the report had to be sought by the public by the use of the Promotion for Access and Information act. This was a cumbersome process and smacks of a political cover – up and of arrogance.
- The government has no right to withhold the report from citizens.
- The former city manager Mike Sutcliffe said that (Sutcliffe in Rantao, 2013) “the Manase investigators make allegations, which they did not put to those against whom the allegations are made.” If Sutcliffe is right, it means that the city spent R15 million on an administrative and not a forensic report. The investigation was therefore incomplete, and it was not conducted in terms of the generally accepted auditing practices.
- The manner in which the investigation and outcomes have been handled is a huge black mark on the ANC in KwaZulu Natal.

It therefore appears that the matter could have been handled with ease and not used to settle political scores and not necessarily to fight and stop corruption. In the third week of July, 2013 the Manase Report was released after public representation by the media, to the law courts of the land, in terms of the Promotion of Access to Information Act.

The article will therefore pursue the following research methodologies to analyze only some issues contained in the report, on the basis that it is not possible to deliberate upon the entire report, in an article of this nature. In this regard some of these methods are enumerated and discussed briefly hereunder.

1. Literature Review: The paper will provide a short literature review in order to encompass the thrust of certain issues pertinent to the discourse of corruption.
2. The aims and objectives will be very briefly outlined.
3. The methodology will be discussed in terms of gathering applicable information.
4. Limitations of the study.
5. Some empirical evidence will be provided that emanates from the Manase Report. The evidence will not be comprehensive in nature. It will touch on a few salient features of

corruption as identified by the report, in order to underscore the issue of corruption in the eThekwini municipality.

6. Some conclusions will be provided.

7. Finally, a few recommendations will be made to conclude the study.

Literature Review

For this discussion, it is necessary to outline some forms of corruption. Corruption can be explained in various forms. It can also be defined as legal and moral corruption, political or grand corruption. For the purposes of this paper, the definitions of corruption as stated above will be delineated in order to give meaning and context to the corruption that occurred in the eThekwini municipality and as captured by the Manase Report. In addition the meaning of a Commission of Enquiry will be briefly discussed.

- Legal and moral corruption: Corruption is derived from the Latin verb *rumpere*, to break. In this sense corruption according to Gardiner, 1993 is where the law is clearly broken and, this requires that all laws must be precisely stated, leaving no doubt about the meaning and no discretion to the public officials. In other words an official's act is prohibited by laws established by the government; it is corrupt, if it is not prohibited, and it is not corrupt even if it is abusive or unethical" (as interpreted by government).
- The legal approach provides a neutral and static method of adjudicating potentially emotive and perception determined concepts of corruption. It serves to underline a deterioration of self – regulated behavior and a dependence on the legal approach to determine right from wrong. The complexities of modern governance and a proliferation of corruption scandals have corresponded with a proliferation of complex corruption legislation. Corruption takes place outside moral boundaries. A corrupt act can be camouflaged by lawful justification, at times 'legal corruption may be more prevalent than illegal forms (Kaufmann, 2006). From this perspective corruption encompasses undue influence over public policies, institutions, laws and regulations by vested private interests at the expense of public interest, as has been seen within the government of South Africa in recent times by means of direct manipulation by politicians and bureaucrats.
- From this perspective cultural change, rather than legal change, may be necessary to impede corrupt behavior. The legal role and approach diminishes the role of moral discretion and is constrained by clearly defined edicts (Byrne, 2007).
- Political Corruption: It is any transaction by private and public sector actors through which collective goods are illegitimately converted into private – regarding payoffs. Political corruption is often used synonymously with 'grand' or high level corruption, distinguished from bureaucratic or petty corruption because it involves political decision – makers. It takes place at the high levels of the political system, by using authority to sustain power, status and wealth. It leads to misallocation of resources and interferes with decisions. (<http://www.u4.no/document/faqs5>).

The issues of corruption discussed above have been the feature of the Manase Report and is a matter of serious concern, because it subverts the very essence of government, defies the rule of law, defaces public accountability and erodes constitutional democracy. It not only brings the eThekweni municipality into disrepute but compromises the city and tarnishes the reputation of the country in terms of integrity and its international standing. Corruption occurs in many ways. Some of these are as follows, as reported by the Anti Corruption Resource Center (2011):

- The use of both positive and negative inducements to encourage the misuse of power.
- The favouring of friends, relatives and cronies as a means of corruption.
- In systemic and grand corruption, multiple methods of corruption are used concurrently with similar aims.
- Systemic or endemic corruption is due to the weaknesses of an organization or process. Individuals that act corruptly within the system.

The issues raised above have been a feature within the Manase Report and is a feature in South Africa's bureaucracy and political landscape under the so – called democratic government. In reality no department and generally government institutions and many politicians in all three spheres of government – local, provincial and national have not been implicated or for that matter tainted with all forms of corruption. What then are the factors which encourage systemic corruption? These are as follows:

- According to Lorena Alcazar and Raul Andrade (2001) these factors include conflicting incentives, discretionary powers, monopolistic powers, lack of transparency, low pay, and a culture of impunity.
- The above include bribery, extortion, and embezzlement in a system where corruption becomes the rule rather than the exception. “
- Scholars distinguish between centralized and decentralized systemic corruption, depending on which level of state or government corruption takes place.” (Heinzpeter, 2009). Alcazar and Andrade (2001) including Heinzpeter identify the following in respect of corruption:
 - Bribery as the improper use of gifts and favours in exchange for personal gain and is the most common form of corruption. This may include money, gifts, sexual favours, company shares, entertainment, employment and political benefits
 - It can be used for extortion and blackmail and the use of threats in the form of violence, as well as exposure of an individual's secrets or prior crimes.

South Africa and the eThekweni municipality are involved in almost every facet of corruption identified above. In reality corruption has become endemic within municipalities throughout South Africa and continues unabated and, has reached a state of almost no return in terms of a functioning democracy (Auditor General, 2010). The opposition Democratic Alliance (DA) had given eThekweni's Mayor until 17 February, 2013 to provide the full Manase Report into fraud, corruption and maladministration in the municipality. The matter went to court and the eThekweni municipality was forced to release the report by court order in the month of July, 2013. The DA was concerned that the Manase Report will have gone the same way as the

Ngubane Report, which is believed to have questioned R3.5 billion worth of eThekweni contracts over the last ten years but was never released publically after it was dismissed in 2011 by then municipal manager Mike Sutcliffe. It seems that this sort of heavy corruption is a trend within the eThekweni municipality and the same role players are involved. It appears that these senior municipal functionaries are being protected politically and have become a law unto themselves (<http://corruptionwatch.org.za/content/ethekweni-under-pressure-release-full-graft-report>) What then is a Commission of Enquiry? It is a formal group of experts (or even single expert) together on a regular or ad hoc basis to investigate or debate matters within that sphere of expertise, and with regulatory or quasi-judicial powers such as the ability to license activity in the sphere of activity or to subpoena witnesses. Commissions usually also have advisory powers to government. The organizational form of a commission is often resorted to by governments to exhaustively investigate a matter of national concern, and is often known as a “commission of enquiry.” (<http://www.duhaime.org/LegalDictionary/C/Commission.aspx>).

The Manase Commission was duly and legally constituted and given clout and credibility by the eThekweni municipality. It was a Commission that the inhabitants of the city looked forward to presenting a fair and professional report. The problem has been the eThekweni municipality that is papering over the cracks of the report and if needs will be swept under the carpet and no action taken against the culprits who have flouted the law and no criminal charges will be brought against them. This is the real danger. The Manase Report was finally released in abridged form, in reality a sanitized version was released on the 4th of June, 2013. The report pointed out that there was sufficient evidence that former Durban Mayor Obed Mlaba was involved in tender fraud because he held shares in a company that landed a R3 billion tender to convert the city’s waste to energy. The matter was closed because the council had no jurisdiction to discipline him. The tender was recommended to be cancelled because the integrity of the tender process was irreversibly compromised. It was also recommended that certain employees of the Executive Management should be investigated for collusion and negligence. Nathi Olifant and Amanda Khoza (2013: 8) report that “a whistle blower in the Manase Report says that the current mayor James Nxumalo failed to act against councilors and that he knew about the illegal sale of Reconstruction and Development Programme houses as far back as 2008. He was then the eThekweni council speaker. Comprehensive supporting evidence has been provided in this regard and the Sunday Tribune (2013: 8) states that “it has seen copies of the correspondence. In a host of other acts of corruption the Manase Report implicates a number of senior staff of the eThekweni municipality in fraud and corruption.

The above is testimony of the fact that although these are allegations contained in the report, that the rot begins from the top, and if true, it is an indictment to the top management of the municipality and does not bear well for the city and its integrity. On the other hand former municipal manager, Mike Sutcliffe, was accused of not reporting irregular expenditure and was also accused of contravening the Prevention and Combating of Corruption Act by not promptly reporting the irregular awarding of a tender for a housing project. It has also been reported that these senior municipal functionaries were not being pursued criminally or through a civil claim.

The fact that Sbu Sithole Sutcliffe's successor said that he would lay charges against Sutcliffe in an attempt to recover lost monies, it now turns out that Sutcliffe is now suing Sithole for damages (New Age, 2013). This seems to be the state of play, denials and counter allegations, wiping the sleaze away and not holding individuals accountable for their misdemeanors.

The DA (2013) said that "no eThekweni councilors have ever been punished as a result of the findings of a forensic audit report. Neither has any councilor been brought before the councils ethics committee. Dean Macpherson, the spokesperson of the DA, said the fines on the councilors, were the result of findings in the Auditor General's (AG) 2009 /2010 on eThekweni, and not the Manase Report. Opposition parties have accused the government of wanting to keep the Manase Report under wraps, but the government and the ANC have argued that ongoing investigations could be jeopardized by making the full report available to the public. Senior representative of the Department of Public Works Nomuse Dube of the council has stated that "anyone who wants the report could make an application to her department under the Promotion of Access to Information Act." (SABC News, July, 2013). Until recently, councilors who have wanted to see the report have had to sign a confidentiality clause barring them from going public with any of its contents. This is the tragedy of a so – called democracy where access is denied by the ruling party. It smacks of a draconian approach to the truth. Such a situation has to be resisted by the public, if democracy has to be served and consolidated. However, the media's approach to the law courts in terms of the Promotion of Access to Information Act finally resulted in the report being released to the public in full. In this sense democracy has been served but as yet no action has been taken against those involved in corruption and fraud. This does not augur well for democracy.

THE AIMS AND OBJECTIVES OF THE STUDY

The primary aim of this piece of research is to unpack the Manase Report in the interests of democracy by allowing the processes of accountability, sound governance to prevail and to avoid the erosion of constitutional democracy. To highlight that ruling politicians have become a law unto themselves and in the main injure democracy. In addition, it is incumbent to document these issues for purposes of historical record, in an attempt to consolidate and give democracy its true meaning. The idea is to stimulate discussion in respect of corruption that has become endemic in South Africa, and to make a clarion call as to how to deal with the scourge of corruption that has developed its own momentum and life not only in the eThekweni municipality but almost throughout South Africa, in both the private and public sectors of the country.

METHODOLOGY OF THE STUDY

The methodology of the study does not follow the classical research techniques that are generally employed in conducting research. On the other hand, it is not possible in respect of the topic chosen to interview people to determine the nature of the corruption and fraud because these have been identified by the more than 700 page Manase Report. In gathering the information, articles that have appeared in the popular press will be reviewed and discussed within the research paper. In addition parts of the Manase Report itself will be reviewed and discussed. It will not be possible to encompass the findings presented in its entirety owing to the length of the

Report and the fact that the length of the paper will not permit to be more comprehensive in nature and articulation. In addition data from the internet will be used were applicable and necessary.

LIMITATIONS OF THE STUDY

In research of this nature, it is obvious that some limitations are easily identifiable. These are as follows:

- A study of this nature cannot make finite conclusions in respect of the actions that the municipal government has to take in respect of those allegedly involved in corruption and fraud. This is premised on the all embracing fact that no action has been auctioned against those involved.
- That because the research is basically a desktop exercise and owing to the length of the report that straddles over 700 pages, it would not be possible to exhaust a number of issues more comprehensively in an article of this nature.
- That the article does not follow the classical research methods as explained earlier in the narrative.
- A tangible limitation to research of this nature is that, it is possible that the subjective predilections of the researcher may intrude upon the work of others and, by the same token, it is possible that gross generalizations may occur in the analysis. However, it is felt that in the main this would not occur.
- The limitations identified above, it is felt will not compromise the thrust of the study and that the bounds of ethical conduct will not be compromised by the researcher.

FURTHER EMPIRICAL EVIDENCE ON CORRUPTION AND FRAUD AND ISSUES RAISED IN THE MANASE REPORT

Markandan (2013: 24) points out that “former Municipal Manager Sutcliffe’s chickens are coming home to roost and that the Manase Report confirmed that the city was run by an ANC cabal rotten to the core. Ratepayers had long suspected that corrupt underhand dealings were draining the city’s coffers, but they just did not know how bad it was.” It is further pointed out that there was a stink of the Remant Alton bus scandal, the sale of the Natal Command site for a song and the Mpisane housing scandal. Now that the Manase Report has lifted the lid, the stench is overwhelming. The culprits implicated in the Report were and are making merry, helping themselves freely to the taxpayers hard earned money. As we attempt to unpack and delve deeper into the Manase Report more accounts of an orgy that would shame the Romans is revealed: sex to pay for a house, selling RDP houses at bargain prices and pocketing the money, salaries for officials whose contracts had expired and the “scarce skills” bonanza (Manase Report, What you didn’t know. Sunday Tribune, 2013: 8). Much of this occurred under Sutcliffe’s watch as Municipal Manager and yet, he has the audacity or rather temerity to pay accolades to himself, in respect of his track record within eThekweni. He cries foul when the blame is placed at his feet. Sutcliffe does not have the capacity to apologize, nor the capacity to take criticism about his poor performance within the municipality and for having tarnished the reputation of the City of Durban. In reality, his integrity, and honesty are in tatters. He has done irreparable damage to

his reputation and credentials as a so – called upright person that espoused moral integrity in the past. In other words, in respect of a host of administrative issues he has been treated with kid gloves and technically left off the hook, instead of accounting for his careless management and poor administration skills that, has overtly compromised the city of Durban and particularly the eThekweni municipality.

The ANC in KwaZulu Natal has vowed to root out corruption in the allocation of houses (New Age, 2013: 3). This is indeed laughable and smacks of arrogance and takes the city's inhabitants for granted. Govender, Pillay and Savides, (2013: 12) state as follows "Five Durban municipal electricians have earned more than R6 million in overtime over four years. The Manase report revealed how slack internal controls and the conduct of officials led to the municipality losing millions in irregular expenditure. The actual Manase Report making up some 7050 pages commissioned by the department of cooperative governance and traditional affairs MEC Nomsa Dube, detailed how:

- Medium voltage operator Naidu, who earned a monthly salary of R21 651, was getting an additional overtime amount of R30 500. His total overtime bill for the four years came to about R1.35 million.
- Switch Officer Christopher Tethoo's R18 133 monthly salary was a fraction of the R1.33 million (about R26 632 per month) he earned working additional shifts.
- Productivity Officer Anil Harripershads R15 735 salary was a pittance compared with his R1.27 million (about R28 449 a month) overtime windfall.
- Clerk of works Basdew Ramraj's R21 013 salary was eclipsed by his R1.27 million (about R28 375 a month for overtime).
- Clerk of works Morris Arumugam earned a monthly wage of R21 013 but received an extra R1.26 million (R28 153 a month) over the four years for the extra few hours he worked.
- Naidu who has worked for the municipality for 35 years said his overtime claims were legitimate.
- According to the report, the top twenty overtime earners in the department pocketed R21.6 million, excluding their salaries, over the four years. The investigations revealed that some employees in the department even claimed overtime while they were on annual leave.
- The report also revealed that: between July 2007 and March 2011, some of the city's 23 000 workers were paid R976. 6 million for overtime.
- Forty six contracts valued at R5.4 million were awarded to council officials and an additional 124 contracts, valued at R45.5 million, were given to companies owned by civil servants employed by other government departments.
- Ten councilors, including ANC chief whip and executive committee member Stanley Xulu, raked in more than R19 million from doing business with the municipality, Xulu has already been fined the equivalent of six months' net salary for landing contracts worth R8.5 million through Igagasi Lolwandle Trading."

From the depiction cited above, there is no doubt that there are serious problems within the eThekweni Municipality which has compromised the processes of accountability within the city of Durban. On the fourth of June, 2013 a statement was issued by Cooperative Governance and Traditional Affairs MEC, Nomusa Dube on the progress in respect of the implementation process of the recommendations of the Manase Report and the announcement of the release of the full report. She addressed the Honourable Mayor, Head of the Department of Cogta, the Municipal Manager and members of the media. She said “As we may all recall, the investigation was instituted by the Department of Cooperative Governance and Traditional Affairs in terms of Section 106 of the Municipal Systems Act No 32 of 2000, following a call from the ruling African National Congress for the investigation into allegations of fraud, corruption and maladministration. At the outset, we want to state it categorically that it was the ANC that called for this investigation to happen, owing to its long standing commitment to good and clean governance.” This is self explanatory and a great irony on the basis that the ruling party is bound to consolidate good and clean governance. In fact all democracies and governments are charged with this responsibility. She went on to outline the scope of the investigation as follows:

- Alleged irregular expenditure resulting from inadequate budgetary controls and controls over payment processes and weak checks and imbalances.
- Alleged abuse of the use of urgent and emergency procurement policy with appointing service providers.
- Alleged non – compliance with supply chain management policies and regulations in respect of the various infrastructure and housing related projects.
- Alleged unwarranted variation orders being approved by the management without following proper procedure.
- Alleged non – disclosure of interests by Councilors and Officials of the municipality.
- Alleged irregularities in the supply chain management process in the award of contracts/payments and performance management in respect of telecommunications.
- Alleged irregularities in human resources pertaining to recruitment, selection and appointment of staff within the municipality.
- Alleged irregularities pertaining to the abuse of overtime, locomotion allowance, subsistence and travel claims.
- Alleged fraudulent practices within the Durban Metro police and traffic police.
- Alleged irregularities in the development and planning offices and alleged non – compliance with Street Traders Bylaws; and
- Any other consequent matter/s that may arise during the investigation. “(Manase Report, Nomusa Dube: 2013: 1).

Of the eleven issues tabled above, it is now a categoric truth that all eleven investigation briefs were transgressed flagrantly and violently by municipal staff from top to the bottom of the employee chain within eThekweni Municipality as reported by the Manase Report. This is an indictment to her office, the ANC, the municipality, the city of Durban and the inhabitants of

KwaZulu Natal. Nomusa Dube (2013:2) “went on to castigate the media and stated as follows: “Before proceeding to the recommendations, we wish to place on record that the hallucinations that have been bandied about in the public space about the report being covered up or watered down are indeed devoid of truth or fact. We understand them when they are emanating from opposition parties, it deeply concerns us when the media, who are supposed to public watchdogs, choose to distort information and indirectly promote a propaganda narrative without any shred of evidence or any effort to establish the facts. As such the media has been found in a very compromising position on this matter, in that, they have sought to present the stories around the report only on the side of the opposition political parties, ignoring all the processes that have unfolded. The media need to check if they have not unwittingly become instruments of the opposition. We are cautioning against this trend because we believe that media have a duty to uphold democratic standards (This is also more the duty of a democratically elected government that has at every turn compromised the tenets of governance and democracy and is pontificating in respect of democratic values that itself has overtly compromised).

In reality the proof of the pudding is in its eating, and the diatribe by the MEC Nomusa Dube cannot be accepted, if the ideal is good governance and integrity in matters public. In short, she is scoring political points and such a stance does not assist the consolidation of financial management within the municipality and allows misdemeanors to become the order of the day. The MEC is unnecessarily scoring points by attacking the media and opposition parties. She is in actual fact defending the indefensible in respect of fraud and corruption. She is also defending comrades and members of the ruling party. The Manase Report is but one major case of overt corruption amidst a continuing phenomenon within the eThekweni municipality, other municipalities and the country as a whole. In actual fact her response is destroying the very tenets of democracy that she is charged to uphold. (The reader is referred to the actual Report and to the MEC’s briefing report tabled on the 4th June, 2013 for ease of reference. It would be an exercise in futility to further discuss the report in this paper because the evidence of corruption and fraud is overwhelming and in addition the report is too lengthy).

The reader is therefore referred to the following areas of the report:

- Councilors doing business with the municipality.
- Variation orders.
- Allegations that the supply chain management process in respect of landfill site was irregularly and unlawfully influenced by the former mayor.
- Marianridge and Chatsworth housing rehabilitation and redecoration projects.
- Contravention of Section 34 of the prevention and combating of corrupt activities Act, Act 12 of 2004.
- Officials conducting business with the municipality.
- Exception reports on payments from June 2008 to October 2011.
- Allegations of duplicate payment and irregular upfront payment being made to dimension data.
- Allegations against revenue management system.

- Alleged rental and sale of RDP housing.
- Alleged abuse of overtime in the electricity unit.
- Alleged recruitment irregularities.
- Payment of market allowances to posts designated as scarce skills and contravention of Section 57.
- Irregularities with Durban Metro Police.
- Traffic fines corruption and irregularities.
- Overtime fraud.
- Driver's license fraud.
- Nepotism.
- Abnormal load escorting.
- Metro Police "Taxi Operators".
- Other allegations against Metro Police.
- Warwick early morning market.
- Allegations against Isidingo Security.
- Irregular expenditure – The Westrich Housing Project.
- Irregular expenditure – Burbreeze Housing Project.
- Irregular expenditure – Hammonds Farm Housing Project.

The above is a litany of errors and encapsulates the collapse of municipal administration, ethics and service delivery. This is but the tip of the iceberg. It borders on dastardly crimes, involving a host of municipal functionaries including politicians and ordinary bureaucrats. The rule of law has been completely flouted and eroded without the necessary sanctions that have not been put in place. This is a travesty of justice. These are nefarious and unpardonable crimes. The time has come for swift action and very serious government action including action by the public, in order to deal with this cancer that has eroded constitutional democracy.

SOME CONCLUSIONS

- Governance and public administration have been seriously compromised.
- The integrity of the city of Durban has been overtly compromised and will surely affect its reputation as a tourist destination.
- The people of the city have been compromised to a point of no return.
- Fraud and corruption has become the feature of the ethekwini municipality.
- There seems to be justification by the politicians for such fraud and corruption and the transgression of the law.
- Accountability has collapsed and administrative systems, supervision and generally governance have also collapsed.
- Authority has been eroded and there seems to be no respect for the rule of law.
- The taxpayer has been completely hoodwinked and yet they pay rates and taxes.
- Incompetent individuals have been appointed to positions and cannot execute their duties diligently.

- Almost every aspect of applicable Acts has been flouted without individuals being held responsible.
- eThekweni municipality and by implication the City of Durban will most certainly lose its world class status as a city.
- The Gross Domestic Product (GDP) will be drastically affected in future.
- It's wrong to compare the city with other cities in Africa and state that it is the best city in Africa, when it is run by corrupt officials and politicians.
- It has compromised enforcement agencies including the Metro Police to a point of no return.
- The city of Durban has lost the confidence of business corporations locally, within the country and internationally. This is a very serious issue and has to be addressed.
- A host of other negative conclusions can be made, but this will not be possible in a paper of this nature.

RECOMMENDATIONS

It would not be possible to make a number of recommendations, but an attempt will be made to enumerate a few hereunder:

- The provincial and national government must step in and place the eThekweni municipality under administration in terms of the necessary provincial laws and in terms of the Constitution of the Republic of South Africa.
- All individuals involved in corruption including politicians and municipal managers and former mayors must be charged criminally. No one involved in corruption and fraud must be spared and no stone must be left unturned to get to the bottom of these shameful and nefarious acts that has compromised the city's taxpayers.
- The integrity of the city must be revived and its reputation restored
- Business modalities within the city and municipality must be redesigned to instill professionalism and integrity.
- Business confidence must be restored with immediate effect.
- Individuals criminally charged must not be allowed to render public service or gain employment again within the public sector.
- Politicians implicated must be criminally charged, discharged and expelled from their political parties, irrespective.
- Nepotism must be dealt with decisively and so must political patronage.

CONCLUSION

The paper attempted to show and describe the rot that has set in within the eThekweni municipality and by implication within the city of Durban in respect of overt fraud and corruption. It depicted the sorry state of public administration, municipal management, sleaze, fraud, corruption and the cover ups attempted by politicians to keep the report under wraps. The paper also showed that nothing tangible has been done to bring the culprits to book and charge them criminally. It posited that the reputation and integrity of the city is now in tatters. The idea of the paper was to highlight the fraud and corruption within a large municipality, which

indicates that fraud, has become endemic in almost all municipal departments and that the city of Durban will be affected drastically in the tears that lie ahead. It showed how the taxpayer has been compromised. In fact all facets of municipal and public administration have been compromised by the very people elected and hired to promote service delivery and promote the general welfare. Cry the beloved city of Durban. There is no doubt that the article proves how not to deal with corruption and that it was only the killing of a fly, rather than dealing with overt levels of corruption that has become endemic in the municipality of EtheKwini / Durban. It shows at best how not to investigate corruption. This is an indictment to the tenets of democracy and, therefore, does not augur well for South Africa's democracy that has been steeped in blood and tears of the heroic revolutionary struggle waged by the people and, led by the African National Congress.

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Tarisma Maharaj: Is a lecturer and academic at the Regent Business School, Durban. This is her first attempt at independent academic research. The topic chosen is a complex one and the article may be criticized from some quarters, but then academic freedom must prevail at all times.

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