

FILE ON 4

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ACTUALITY OF NELSON MANDELA, TRAFALGAR SQUARE, 29/4/01

MANDELA: I am happy to be in Trafalgar Square. This is the place where the anti apartheid movement was born here (APPLAUSE).

O'HALLORAN: While Nelson Mandela and thousands of his British admirers have been celebrating seven years of multi racial democracy in South Africa, the ANC government and its leader, President Thabo Mbeki, are bogged down in a damaging scandal which has been growing for the last eighteen months and shows no signs of going away. It's over a massive procurement programme for new ships, submarines and air force jets – the cost, around £4.5 billion. Military spending on a scale incomprehensible to many desperately poor South Africans. Critics allege the size of the weapons deals makes sense only when viewed as an opportunity for kickbacks, and three official agencies are investigating a trail of alleged bribes, commissions and conflicts of interest. So how well does the arms programme match South Africa's real needs? And how does the ANC leadership answer the charges of overspending and corruption?

SIGNATURE TUNE

ACTUALITY IN DOCKYARD

KNOX: We are now lying in the inner basin of the Simonstown dockyard, the home of the South African Navy. Here's one of the Navy strike craft, one of the nine strike craft operation in the fleet, of which five are still in operation. Although they are fairly small vessels, as you can see, they are heavily armed, but they are very limited in their roles at sea these days, mainly because of the age and trying to keep the vessels at sea, maintenance-wise.

O'HALLORAN: At the Simonstown base, near Capetown, Captain Glen Knox shows us the frontline fighting ships of the South African Navy – a small and ageing fleet of gun boats. But the next generation of officers have something altogether better to look forward to – four much bigger corvettes, similar to frigates. The Navy is also to get new submarines. It's all part of a major defence procurement package announced in September 1999. The programme may have left the government deep in allegations of corruption, but it's delighted the armed forces and senior officers like Captain Knox.

KNOX: The South African Navy and the officers are extremely happy to acquire these new vessels. As you've been round this morning, you have seen the vessels are very old. We need new vessels, we need to be able to get out to sea again and to stay at sea for longer periods to enforce our authority out in the oceans.

O'HALLORAN: Even in the twenty months since it was first announced, the projected cost of the arms programme has risen dramatically. The current price in South African Rand is around 50%

more than the original figure. And outside military circles, more and more people are asking could the money – equivalent to £4.5 billion – be better spent elsewhere? Among the most sceptical are the millions of South Africans who exist without even the most basic infrastructure or services.

ACTUALITY IN GUGULETU

O'HALLORAN: I'm in Guguletu, which is about ten minutes' drive from the centre of Capetown, and I'm standing right in the middle of a shantytown where people live in shacks and have no services. They have no running water, they have no electricity, they have no toilets in their own houses. I can see one toilet over there, ten yards away, which I'm told is for thirty or forty families. There are three or four men next to it, reconstructing a shack out of wood and corrugated iron with some polythene sheeting on the roof. I'm told about three quarters of a million people in the outlying regions of Capetown live in conditions like this. With me is Stanley Yisaka.

YISAKA: I tell you what we need here in this area where we are living, we need proper services, we need toileting, we need sanitation, we need proper roads, we need housing, we need jobs. We need all those things that were promised to us and then we don't get those things at the present moment. I think that they must spend less in terms of when it comes to defence. They must spend more when it comes to the services that they need to provide to the poor people. Modern spending to buy more arms, more sophisticated arms, more jets and all those things, they must spend more when it comes to the poor people.

O'HALLORAN: Stanley himself is luckier than most here. He lives in a brick house and has a job. His fourteen year old daughter, Nolonwabo Yisaka, goes to high school, whereas many of the children in the shacks get no education because all schools charge fees. Fortunate as Nolonwabo is, she's surrounded by misery and danger.

NOLONWABO YISAKA: There's a lot of crime happening around and there's a lot of killing happening because people don't get out in their houses. They stay in the houses and, like, there's a lot of rape.

O'HALLORAN: So when you see a lot of money being spent on defence spending

NOLONWABO YISAKA: No, that's not good.

O'HALLORAN: New planes and new ships for the Navy, what do you think?

NOLONWABO YISAKA: Jeez. We don't need new ships, new planes and all that. We all need proper housing. They need proper housing for people to grow up in a safe environment. We don't need defence ships. We have a lot of those, but all we need now is proper housing for children to grow up in a safer environment than they're living in now.

O'HALLORAN: The defence procurement programme, which causes such disgust among the poor, sprang out of a Defence Review and a White Paper. The White Paper, approved by Cabinet in 1996, pinpointed the greatest security risk to South Africa as coming not from outside its borders, but from exactly what we saw in Guguletu – poverty, unemployment and lack of services. Social scientist Laurie Nathan of Capetown University drafted the White Paper. Nathan is a former pro ANC activist who often broke the law in the fight to bring down apartheid. But, he says, he's frustrated and disappointed by the way the arms programme has departed from the vision of the early Mandela years.

NATHAN: The current arms procurement package is a very serious disservice to the people of our country, whose needs are many, basic and fundamental, and whose needs will not be met insofar as the 43 billion Rand spent on weapons could have been spent on meeting their needs. Further, the procurement package is a significant deviation from the White Paper on defence, which includes a commitment to disarmament and the reallocation of state resources away from the military to socio-economic areas. The procurement package is a deviation from commitments that are stated in the Defence Review, namely that the forced design in the Defence Review is a vision which Parliament is being asked to approve, not a procurement package.

O'HALLORAN: So the vision means that we could look towards having this in the future ...

NATHAN: Correct.

O'HALLORAN: ... in stages ...

NATHAN: Correct.

O'HALLORAN: ... but we don't have to buy it all, all this kit now?

NATHAN: Correct. It's a vision in the sense that this is what we would like in an ideal world, says the military. But what we regard as most desirable, we recognise that we can't afford.

O'HALLORAN: Some opponents of the arms programme argue that since external military threats to South Africa are rated minimal to non-existent, the size and cost of the package only makes sense when seen as an opportunity for corruption. That's certainly the view of opposition MP Patricia de Lille of the Pan Africanist Congress. When the programme was finalised in September 1999, she was handed a dossier of corruption allegations relating to the arms deals. She says they came from within the ANC. At first the claims were largely ignored, despite their gravity.

DE LILLE: They're serious allegations in that they refer to quite senior profile, high profile people within the ruling party, and also there were quite a number of groups named in the original document which none of us were aware of existed before.

O'HALLORAN: What was really being alleged against these people?

DE LILLE: Well, the most serious allegation, of course, was the procurement package, the arms deal, just how people positioned themselves to influence the deal. Members of Parliament were involved. We have to try and expose the bad apples within government, because this fight is not against government. This fight is to help government to get rid of the bad apples within government. And I hope government will come around and begin to sacrifice those people who are responsible for the corruption and not sacrifice the country.

O'HALLORAN: Although the major arms contracts were with big defence companies in Europe, some South African companies also won valuable work, and some also helped the European defence giants to win their deals. One such was African Defence Systems, the brainchild of a Durban business figure and former ANC intelligence man. He formed a strategic alliance with the French defence giant, Thompson -

CSF. His business empire faces onto the warm waters of the Indian Ocean. But some of his business rivals believe it enjoys an overly warm relationship with government.

ACTUALITY AT OFFICE BLOCK

O'HALLORAN: We've come to a modern office block, overlooking Durban's smart yacht marina, to meet a man who's pulled off one of the biggest business coups related to the weapons procurement programme. Now a few years ago, Schabir Shaik was virtually unknown in South Africa, but the contract his business empire has won to equip new naval ships - worth getting on for a quarter of a billion pounds – has put him firmly on the map. Schabir Shaik insists this huge success is totally unrelated to the fact that his brother Chippy Shaik is procurement chief at the Ministry of Defence.

SCHABIR SHAIK: There's a new process unfolding in South Africa. Some of white South Africans – and there are many white South Africans who cannot accept that there are new kids on the block – that this government has taken a position and will continue to do so, insofar as empowering disadvantaged businesses like ourselves, and there are going to be losers and winners.

O'HALLORAN: And Schabir Shaik is, unquestionably, a winner. He says he had set up in business long before his younger brother, Chippy, became the procurement chief at the Defence Department about five years ago. Schabir also points out that his group has won a number of other contracts with government quite unrelated to defence. Nevertheless the potential conflict of interest for his brother Chippy was noted by an early inquiry into the arms programme by the Auditor General last year. It was also aired before the Public Accounts Committee of Parliament. Its chairman, Gavin Woods, of the Inkatha Freedom Party, says MPs wanted to be sure that Chippy Shaik had entirely excluded or 'recused' himself, as they put it in South Africa, from the selection of bidders when his brother Schabir's interests came up.

WOODS: So when we had Mr Chippy Shaik, the procurement official, senior procurement official before the committee, we did ask him about these potential conflicts of interest. He was very glib in explaining them away and ...

O'HALLORAN: He was glib, you say?

WOODS: Yes, that he said whenever there was a meeting that took place, he would reclude himself from the meeting, he said, and we later found out that wasn't altogether correct. Often he just gave up the chair. I don't know whether that's true, but again it's something we are anticipating the investigators will look into.

O'HALLORAN: Schabir Shaik, the businessman, is emphatic that he had no need of help from his brother, Chippy, and got none.

SCHABIR SHAIK: I am not prepared to be involved in any kind of business activity, be it with my family, friends or foe, in which our family value system, the contribution we have made to the ANC, to the liberation of this country, to exchange that for a few pennies and pounds. In so far as Chippy is therefore concerned, it was centrally my responsibility to ensure that that dialogue between Chippy and I on our defence interests was not discussed.

O'HALLORAN: So you did have a dialogue with him about defence contracts before he became director of acquisition at the Defence Ministry, but then it ended, you're saying?

SCHABIR SHAIK: I am saying that I established a relationship with him on the basis of that I am in the defence sector and I will be for a long time to come. He has just been appointed as a defence procurement director and therefore he must understand his obligations to the state and the responsibilities that he must discharge must in no way be in conflict of the responsibilities of the state.

O'HALLORAN: So if people go on saying there is a whiff of corruption, even a stench of corruption here, how do you answer them?

SCHABIR SHAIK: Sour grapes, different political agendas to discredit the government, basket of private agendas and vendettas.

O'HALLORAN: There's a further complication. The wife of Chippy Shaik, the procurement chief, is an employee of African Defence Systems, co-owned by Schabir Shaik's holding company and Thompson- CSF of France. Schabir says Chippy's wife is assistant to a marketing director dealing with international business, not work in South Africa. Chippy Shaik himself has in the past insisted he has behaved properly throughout. But his department has ruled that he should not give interviews while an official government inquiry – a so-called forensic audit – is going on. However, the Defence Minister, Terror Lekota, who took over the job only towards the end of the procurement process in mid 1999, gave File on 4 an exclusive interview.

So are you satisfied in your own mind that your director of acquisition or head of procurement, Mr Chippy Shaik, did wholly and utterly withdraw himself, absent himself from the decision making process about the bids whenever a family conflict of interest came up?

LEKOTA: Until this complaint and allegations were raised, the subcommittee of cabinet were satisfied that that was the case. We have nevertheless said, look, insofar as there are complaints, we open up, let the forensic audit establish once and for all what the correct position is. And that's why therefore we have allowed for this investigation.

O'HALLORAN: Is there a case for Mr Chippy Shaik stepping aside from his role for the time being while those allegations are investigated?

LEKOTA: No, no. I mean, look, we have finished now with the whole strategic arms package. We are now in business with implementation, so there's no need to make him step aside, there's nothing that he could do to interfere with what has already been done. It has already been done now.

O'HALLORAN: How sanguine are you about the fact that your head of procurement, Chippy Shaik's wife remains an employee of African Defence Systems, a successful subcontractor in the bids, even up to this day?

LEKOTA: Well, as I say, that again, you see, is part of the investigation there, and it would be remiss of me to express an opinion at this stage.

O'HALLORAN: Many of the companies which have fallen under suspicion over the arms deals are, like African Defence Systems, so-called black empowerment enterprises. Foreign companies hoping to do business in South Africa tend to need such firms as local partners. The idea is to help undo some of the

economic deprivation inflicted on non-whites during the apartheid years. However Martin Welz of Noseweek magazine, one of South Africa's most notable investigative journalists, says those who have been empowered are only a privileged and well-connected few.

WELZ: Something which really complicates this matter and predisposes it in a sense to what in other countries would be immediately perceived as corrupt practice is that these black empowerment companies are generally, I think it's fair to say, created for the purpose of becoming partners to bigger, existing business participants. They generally don't have the capital to buy shares, so they tend to be gifted with shares, just simply so that the major company can fulfil the requirements of black empowerment. Secondly, they don't have any particular business or – in this case – defence expertise. Some do, a few do, but most of them are simply opportunistically there because of their political connections. And I think it can be fairly said that simply there are a certain number of people who constitute a black elite, who have their influence for sale.

O'HALLORAN: One of the more prominent figures involved in such black empowerment companies is the former Minister of Defence, Joe Modise, who stepped down in mid 1999. Martin Welz says that while Joe Modise was the minister, he headed several committees involved in shaping the size and content of the defence procurement programme.

WELZ: He did what is known in American politics, I understand, as the swing door, insofar as he approved the first technical stage of the contract, signed the initial phase – there were later phases – but that part of the procurement programme for which the Department of Defence itself was responsible, he signed off some of those, the more critical and perhaps the more absurd deals. A prime example that we focused on was the purchase of German submarines, which conceivably have a very small role to play and yet are very costly and also technically very demanding to manage. He approved those, that contract, and then three days later resigned his position, and within the week had acquired a major shareholding in one of the South African companies that will co-ordinate the whole procurement programme. Not only himself, but two of his relatives by marriage – a brother-in-law and a son-in-law are similarly involved in similar companies or the same company, and would presumably similarly stand to benefit.

O'HALLORAN: Joe Modise denies any wrongdoing. His two relatives are shareholders and directors of a company called Futuristic Business Solutions. This company owns a 20% stake in African Defence Systems, part of the Schabir Shaik business empire. An executive of a North American company, Bell Helicopters, has alleged that when it was bidding to supply aircraft for the arms programme, a strong suggestion was made by defence procurement chief, Chippy Shaik, that Bell Helicopters should team up with Futuristic Business Solutions. In an interview broadcast in South Africa, the executive, Dane Prank, said it would have involved consultancy fees and a large one-off payment. He says he refused. Bell Helicopters lost the deal. The winning bidder was Agusta of Italy. It had formed an alliance with Futuristic Business Solutions. Defence Minister Terror Lekota says ministers have never sanctioned any recommendation of specific local business partners.

LEKOTA: This allegation also I have heard it made.

O'HALLORAN: It's a worrying allegation, isn't it? A very worrying allegation.

LEKOTA: It is also before the forensic audit. They are investigating that. Everybody who is involved will have to have an answer for themselves there, and ... table the evidence there.

O'HALLORAN: Do you accept that it is a disturbing allegation, coming from a very well known company in the United States?

LEKOTA: Yes. Whether it is authentic, whether it is authentic or not, I do not know.

O'HALLORAN: Bell Helicopters say these suggestions were made to them by a senior official in the whole defence setup here in government.

LEKOTA: I don't know, but let me just say to you that whether it was made by a senior official or a junior official, no one was ever mandated by the Ministry of Defence, by subcommittee of Cabinet or by Cabinet to do that. So the matter, such a thing would have to be placed at the door of the relevant individual, or individuals, if it happened.

O'HALLORAN: And the suggestion is, of course, from the Bell Helicopters executive concerned that this involved Mr Chippy Shaik.

LEKOTA: Well, if Mr Chippy Shaik, if this allegation is made with all its accompanying evidence before the forensic audit, and Mr Chippy Shaik is unable to answer that allegation there, then of course, you know, it will be at his door.

O'HALLORAN: Chippy Shaik's brother, Schabir, has told us that Ministry of Defence minutes of the meeting the Bell Helicopters' executive attended record that Chippy Shaik mentioned an association of black defence contractors, not Futuristic Business Solutions. Another American businessman has alleged wrongdoing high up in the Defence Ministry and its arms agency, ARMSCOR. Captain Roy Seegers wasn't trying to sell arms to South Africa. He wanted to buy and refurbish some C160 air force transport planes, then sell them overseas for non military use. And, of course, he wanted to make a healthy profit in the process. He says over several months in 1998, his company, Quantum International Services, invested hundreds of thousands of dollars in laying the groundwork for the deal, and everything looked good as it came close to fruition.

SEEGERS: On the day that we signed the offer to purchase, ARMSCOR gave us a little party in their boardroom. It was very joyous. ARMSCOR had tried twice before to sell these aircraft. Both winners of the tender had been unable to come up with the monies to pay for the aircraft. Everyone was happy. After the signature we had a celebration, and then approximately two weeks after the celebration we received a phone call from ARMSCOR assigning us a contract number for the acquisition.

O'HALLORAN: So was the deal ever completed?

SEEGERS: The deal was not completed. A few days before we were to consummate the actual purchase by transferring monies, we were told that the Minister of Defence, Mr Joe Modise, had taken the aircraft off the market.

O'HALLORAN: Roy Seegers says that though puzzled and upset, he didn't make a big issue of it at the time, believing the planes would come back on the market. But he says he was amazed to learn, around nine months later, that senior people from the defence establishment were seeking funds to

implement the same deal he had planned in relation to the C160 transport planes. The planes he had been told had been taken off the market. He's now threatening a claim for damages of over \$300 million.

SEEGERS: There's a lot of money to be made in certain packages, and certain people found out that this package could make a lot of money, and they took it away from us. But fortunately for us they haven't been able to put it together for themselves.

O'HALLORAN: Why has all this happened?

SEEGERS: I think the one word is greed. I've spent over 25 years in Central and South America, and I guess one can say that corruption in that part of the world is about as bad as most any place, but it's reasonable corruption – reasonable being ¼%, ½%, a consulting contract worth a few thousand dollars, which is all expected to be part of the deal. But in this country, corruption is one of the major areas of discussion, how much you have to pay just to join the game, how much you have to pay to play the game, and at the end of the day how much it's going to cost you to stay in the game.

O'HALLORAN: Although the government has backed the major inquiry into arms corruption, its critics say it's doing less than it could. Late last year, the Public Accounts Committee called for a renowned anti fraud and corruption squad, known as the Special Investigation Unit, to be involved. It has exceptional powers, but it can only act in response to a presidential proclamation. As the arms scandal became a crisis for President Mbeki, he went on television on the 19th January this year to rule out the Unit from the inquiry. He did so on constitutional grounds which are still hotly debated. At the same time, some of those who'd been demanding the Unit's involvement, including the MP Patricia de Lille, were subjected to an ugly campaign of threats.

DE LILLE: On the 17th January this year I received the first two death threats on my cellphone, telling me to leave the arms deal alone, otherwise we will kill you, and then the person will drop the phone. On the day that the President made the announcement, on the 19th, I received a further three calls, one very late on the Friday night, and that's now after I've been on national television responding and countering the President.

O'HALLORAN: And what did those calls say?

DE LILLE: Also the same. Leave the arms deal, otherwise we will kill you. Same message every time. It's terrifying because you know you are torn between having to make a decision to listen to the death threat or continue with what you are doing.

O'HALLORAN: So you still don't know who made these threats or what even the telephone number they were made from.

DE LILLE: I still don't know, I still don't. In fact, after I went public on the matter, it all stopped.

O'HALLORAN: But the flow of allegations didn't stop. In the last two months, the Sunday Times of South Africa has printed a succession of reports about the supply of luxury cars. Notably a Mercedes driven by the ANC Chief Whip in Parliament, Tony Yengeni. Terry Crawford-Browne, a passionate campaigner against the arms programme, has followed the saga closely.

CRAWFORD-BROWNE: Tony Yengeni was an Umkhonto We Sizwe guerrilla who became the chairperson of the joint standing committee on defence during the whole defence review, and has subsequently become the Chief Whip of the ANC in Parliament. He was the recipient in October 98, I think it was, of a Mercedes Benz 4x4, a luxury four-wheel drive vehicle, and it was discussed in Parliament how could he possibly afford this on an MP's salary, so there was a lot of gossip about it at the time. And he was questioned by journalists and others why he had this 4x4, which he simply dismissed and he said he was paying for it, etc.

O'HALLORAN: However the Sunday Times alleged no payments had been made on the car during the first seven months Mr Yengeni had it. It was also reported that the car had been initially ordered as a staff vehicle by Daimler Aerospace South Africa, which had played a key role in German bids for work under the defence procurement programme. A company listed in official records as providing finance for the car denied it was doing so. At the end of March, the ANC Chief Whip, Tony Yengeni, made a statement to Parliament. He said he wouldn't answer media innuendo, but would co-operate fully with the official inquiry. He denied any wrongdoing.

EXTRACT FROM STATEMENT BY TONY YENGENI TO NATIONAL ASSEMBLY, 28/3/01

YENGENI: I would like to reiterate that the motor vehicle in question has been legitimately purchased by myself. Its acquisition does not in any way amount to a gift or a donation. More importantly the acquisition of the vehicle did not in any way whatsoever influence the award and/or is related with the award of any contract in the arms procurement which is under investigation.

O'HALLORAN: Tony Yengeni agreed to talk to File on 4, but cancelled the interview a couple of hours before we were due to meet him. Daimler Aerospace South Africa was two years ago incorporated into the European Aeronautic Defence and Space Company. It has revealed in recent weeks that it gave assistance to about thirty VIPs to obtain cars, including price discounts. EADS told us it was co-operating with the official inquiry and would not put up an interviewee. But Defence Minister Terror Lekota went further than any minister so far in acknowledging the gravity of these vehicle allegations.

LEKOTA: It's astounding. I don't, I don't know what the story behind it is, and so on, and the forensic audit is also looking into that. And it will be now up to Mr Yengeni to go before the forensic audit and provide answers there, and they, of course, in the forensic audit, in collecting info, all evidence and so on, will then make a finding.

O'HALLORAN: How long can the ANC soldier on in Parliament with a Chief Whip who is beset by all these allegations about Mercedes cars?

LEKOTA: I think that would be correctly asked of the Secretary General of the ANC. I must say that clearly it's a matter that the ANC looks at in a serious light.

O'HALLORAN: A serious light?

LEKOTA: Yes, of course.

O'HALLORAN: Because of the strength of evidence produced in terms of those allegations so far, in relation to those allegations?

LEKOTA: Well, so far we don't really have evidence, but the allegation seems to be backed up by quite a number of very solid facts, and worrying facts. The company will have to explain, and the individuals involved will have to explain.

O'HALLORAN: The level of concern expressed by the Defence Minister is a considerable vindication of the battle waged by opposition MP Patricia de Lille over the last twenty months. At the beginning she was isolated, but now she feels the tide has turned.

DE LILLE: It looked like a lonely battle, but now later down the line it's out in the open. There's a lot of support from ordinary South Africans. People want to know more, people want to know who took what and how are we going to get our money back. And the turnaround in the past two months is tremendous, and I've got the support of I can say closely more than 50% of the population of this country who are supporting that we should get to the bottom of the investigation. We have to clean up government. We must, in fact, learn from our mistakes now.

ACTUALITY OF COSATU RALLY, 1st May 2001, Cape Town

O'HALLORAN: When the pro ANC comrades go on the march, things on the surface seem much the same as in the last heady days of the collapse of apartheid. But some who sacrificed a lot in that struggle now feel their loyalty is being severely tested. At this trade union rally we met a full time Municipal Workers Union official, Majidie Abrahams, who in his youth took part in the 1976 uprising by schoolchildren, a sustained and groundbreaking public rebellion against apartheid. He's dismayed by the corruption scandal, and he sees the whole £4.5 billion arms programme as a betrayal of the values that his generation fought – and in many cases died for.

ABRAHAMS: The common document that bound us then is still binding many of us today. It's what was called the freedom charter. And in the freedom charter we said there shall be houses, security and comfort for everyone, there will be jobs for everyone. The arms deal doesn't represent that vision. The economic policy of the current government is not portraying that vision that we fought for. It's pointless having all this high tech equipment and your nation is sick and hungry and living in abject poverty.

O'HALLORAN: The government claims that reciprocal investment into South Africa, which has been promised by the European arms suppliers will produce 65,000 jobs and bring in huge investment. But such so-called offset deals have an unhappy history, and one committee of MPs has estimated the likely number of jobs at closer to 15,000. That debate will go on, but for now it's the alleged kickbacks that are hurting the ANC's image. Defence Minister Terror Lekota insists that the government will deal firmly with corruption.

LEKOTA: Well, look, where we find corruption we always feel that the promises of democracy, of good governance and of commitment to the wishes and of prioritisation of the needs of our people, we always feel that there is indeed a betrayal of the faith people have placed in the organisation, and that's why we are straining with all our muscles and our will to eliminate corruption wherever we find it.

O'HALLORAN: Because it could be damaging, couldn't it?

LEKOTA: It obviously would be damaging.

O'HALLORAN: Damaging among ordinary voters?

LEKOTA: It would be damaging among ordinary voters, but also it would deny the majority of our people the benefits of democracy for which they have sacrificed so much.

O'HALLORAN: The problem is that President Mbeki, by ruling out the use of South Africa's top anti fraud and anti corruption squad, the Special Investigation Unit, has tied one hand behind his back in the effort to search out those who've been lining their own pockets. A common perception among opposition MPs and investigative journalists is that when the forensic audit is completed in July, the odd head may roll, but that beyond the demise of some sacrificial victims, the bulk of the alleged fraud and corruption will remain undiscovered. It's now up to President Mbeki and the official investigators to prove the sceptics wrong.

SIGNATURE TUNE