



**Title** Eye On The Money "One Man's Crusade Against Corruption"

**Author** Terry Crawford-Browne

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**Review By** Christelle Faul Marais (Founder and Director, Lucidum)



**Lessons For**

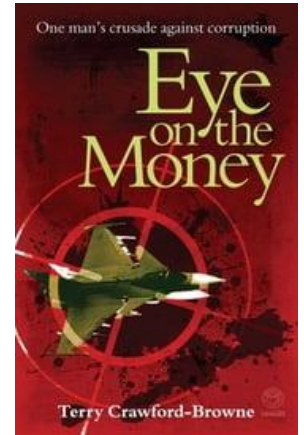
- Directors, Prescribed Officers, Executives
- Governance Officers, Company Secretaries
- Ethics Officers, Risk Managers, Compliance Managers
- Audit Professionals
- Strategy and Sustainability Professionals
- Line Managers

**Relevance**

- 10
- 8
- 10
- 8
- 6
- 7

**Overall Rating**

**8,2**



**Review Date** September 2024

**Synopsis**

This is the telling of the author's campaign against the post-apartheid Government's armaments deal in the 1990s that locked South Africa into twenty years of debt repayment. With no threatening foreign enemy, he questioned why such sophisticated weaponry was needed. The sad response was that in any arms deal the commissions are huge, while new Government representatives operated in a system that was already heavily corrupted during apartheid. The author took on the Government for its betrayal of the struggle against apartheid and the people of South Africa. He describes the ruling party's slide from moral high ground in the struggle years to the corrupted international platforms where weapons are traded at the expense of developmental agendas. The participation by local financial institutions and industrial giants is exposed together with international companies and foreign governments. A clear case is made that good intent is not enough when dealing with inherently corrupt global industries (the armaments industry accounts for about 45% of global corruption). Professional cynicism, together with an irresolute commitment to doing what is good for the people of South Africa, is non-negotiable in a country with high unemployment, poverty, public health crises, and other social needs – without this, the country's fragile transition to democracy was jeopardised by the arms deal. Disheartening is the fact that many within the then ruling party and Government tried to do the right thing however, they were not able to turn the tide. For risk managers specifically, there is a key takeaway: The characteristics of deals like these create a set of unique risks for organisations (the State, in this case): because the risk escalates significantly as expenditure increases, Government could be confronted by mounting economic, fiscal and financial challenges in future. The approval of spend decisions of such high amounts is in essence an expression of the Government's risk appetite.

**Key Concept: Rule of Law**

**Mechanism** to secure equality before the law and prevent arbitrary use of power. When broken, those at the apex of power can act outside the law when they wish to do so.

**Quotes:** "[Concerned operatives] ...trained in the Soviet Union...had seen the consequences when communist bureaucrats became supercapitalists overnight. Russia collapsed into a mobster society where contract killings replaced the rule of law." "The simultaneous collapse of the Soviet Union and apartheid...brought concepts of 'human security'...[to] replace old ideas of 'military security' in defence of...states." "Financing...the war business in Africa is no different from the crimes against humanity of the IG Farben executives in making Zyklon B for the Nazi gas chambers." "South Africa's relatively sophisticated banking system but poor policing makes it an ideal centre for criminal activities."

**Practical Tips**

- Consider how your organisation's risks are related to the lack of social security in South Africa. Promote a sustainable business strategy that is supported by robust risk responses, to improve the overall societal risk profile and contribute to a socio-economic environment where your organisation and people can thrive. When people can participate in the economy constructively and with dignity, there is less room for state dependency and intervention that may become fertile ground for wrongdoing.
- Consider how the risk management process fits into, supports, and benefits from the combined assurance process in your organisation. When information is unnecessarily withheld from decision-makers to allow them to discharge their legal and fiduciary duties, this is a failure of risk management in itself and expose people to civil and criminal action.

**Think About**

- Avoid viewing your organisation's risks in isolation of the national economy. All economic sectors (public, private, non-profit) must act together constructively to create a space where society can prosper.
- Understand your organisation's interconnectedness with its customers and service providers. Find ways to prevent and safely expose wrongful behaviors that take place under the cover of "so-called" legitimate business arrangements.
- Consider the quality and transparency of transactions, reported information, and oversight structures in your organisation as well as the quality of ethics call investigations. These together with an uncompromising commitment to the protection of whistleblowers must be upheld at any cost. The cost of not doing so, firstly in terms of human life, and secondly in terms of financial impact, is much higher.

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