

Corruption busting: a real health threat



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

Picture: Chris Bateman

A corruption cleanout by Eastern Cape Health Director-General, Dr Siva Pillay, has so far landed eight of his top health care administrators in court and could eventually restore nearly R1 billion to his budget, but has endangered his life and that of his family.

Angry syndicates are believed to be behind a shadowy car park confrontation where several men in a green BMW blocked Pillay's exit, one of them approaching his *bakkie* on foot, hand on a holstered weapon. Pillay

happened to have two trained Alsatians in his *bakkie* awaiting a routine evening walk and ordered them to attack. They put the panicked would-be assailants to flight. The incident happened about 21h00 on 25 January this year in the deserted car park below the health department's head office in Bisho. Pillay said it was followed by a verbal threat in front of witnesses by the husband of his sacked chief financial officer at the provincial legislature this April. 'Basically he said I must not forget that this is Bisho and

some of what I sow, I shall reap. He said the pit was getting deeper and deeper that they were digging for me and when they buried me nobody would ever get me out.'

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Late last year he received a phone call saying 'we know your wife is here at Brands Supermarket buying beds'. Pillay's wife received a similar call, telling her she was being 'watched' at the supermarket. 'She told them that regardless of anything they might do to her, I would carry on. I'm not worried; it's a sign of desperation on their part. In any case I'm a Buddhist and a veteran soldier. I'm not going to live my life thinking about them all the time,' he said, adding that the incidents appeared to be part of a wider pattern of intimidation. Pillay's Education counterpart, Advocate Modidima Manny, uses full-time police body guards after receiving several similar threats, although these have more to do with public outrage at failures to provide textbooks and stationery and suspension of the scholar transport and school nutrition programmes. Unlike Health, the Eastern Cape's Education Department is returning to National Treasury hundreds of millions of rand earmarked for infrastructure development.

Multi-agency corruption busting unit

Pillay is the driving force behind a new multi-agency corruption busting unit in his department and has sworn to continue the crackdown and overhaul his historically corrupt and ineffective health care administration. Already he has reversed more than 1 000 irregular staff promotions and payments worth about R600 million and now faces union court challenges. His sacked chief financial officer, Mrs Phumla Vazi, has appeared in the regional court in Zwelitsha (King William's Town) with seven other senior health care and procurement administrators, all facing one charge of fraud and another of corruption. They allegedly flouted tender procedures, paying out R200 000 for work that was 'never done'. All have pleaded not guilty in a trial that began last year and has seen ten state witnesses testify so far, according to police.

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The latest crime bust by the corruption task team involves at least eight – and possibly many more – private dispensing doctors who allegedly bought discounted drugs, estimated at being worth several million rand, from a theft syndicate at the Mthatha Medicines Depot. When Pillay ordered a stocktaking audit at the depot, it was petrol-bombed and badly damaged with an estimated quarter of its R13 million drug stocks damaged or destroyed. It is one of only two in the province (the other is in Port Elizabeth) supplying all public sector health care facilities. Pillay ordered the audit after repeated complaints of drug stock-outs by clinics and hospitals and unsuccessfully tried to change the security guards there a day or two before the torching.

Back at Bisho head office, a director in the Eastern Cape's Infrastructure department was also sacked after a lengthy internal hearing involving a R11.5 million tender for the revitalisation of Cecilia Makiwane Hospital in Mdantsane near East London. The man, who may not yet be named as the Hawks are probing criminal charges against him, also took Pillay to court in a failed attempt to try and overturn an internal finding that he irregularly increased his own employment contract from three to five years.

Hawks swoops begin

Major General D Badi, the Eastern Cape's Deputy Provincial Commissioner for Priority Crime Investigation (the Hawks), told *Izindaba* that a forensic audit by PricewaterhouseCoopers (PWC) involved four cases of tendering for work at Cecilia Makiwane Hospital and at various district health clinics in 2009. The first case involved the sacked official and was now at 'an advanced stage as a criminal matter; we're doing it with a prosecutor from Pretoria and National Treasury, but as the others come up and get passed onto us by PWC, we'll investigate charges,' he said. Asked what the other tenders were for, he said that 'they were supposed to have delivered goods or to

have made renovations at a number of clinics around the province.'

The private auditors have been working on the four cases for nearly a year now. Both Badi and one of the Hawks investigating officers spoken to confirmed that there were other corruption and fraud cases being probed at the health department, but that these were at 'an early and sensitive stage'.

Pillay, who took over the hot-seat last February, told *Izindaba* that he 'came into the job, with my eyes wide open ... I knew what was going to happen ... I didn't come in expecting a bed of roses'. The lucrative discount drug wholesaling scam emerged after several stings where Hawks members posed as buyers and one suspect (who received an undertaking of indemnity for future testimony against his co-accused) sold drugs to various dispensing doctors.

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'We had intelligence that there was a large consignment due to go out so we asked to do an audit. They told us to come back later when they were ready, but we said, no, we're doing it now. I asked for the security guards to be changed over that weekend, but they didn't and the place got firebombed,' Pillay said.

He said he was securing the permission of national health minister, Dr Aaron Motsoaledi, to conduct surprise inspections at the premises of 'certain dispensing doctors' in terms of the Medicines and Controlled Substances Act to check if their stocks were legitimate. Pillay hopes this will speed up the process, using the offices of the Health Professions Council (HPCSA) and the Pharmacy Council. The doctors involved, at the very least, stand to lose their dispensing licences, but it is likely the HPCSA will eventually refer the matters on for criminal investigation.

Cleaner administration saves millions

Other efficiency and clean-up measures include cancelling and re-advertising tenders for the Cecilia Makiwane Hospital revamp (the ones now accepted are R120 million cheaper than previously), building dams and

digging wells (not the Health Department's core function and usually done by Public Works) wherever health facilities need them, doing a province-wide gap analysis (23 of the 1 000-plus health care facilities have no electricity and seven do not have water, electricity or telephones), actively head-hunting doctors (120 found and placed) and specialists (48 found and placed) last year, revitalising primary health care by increasing support services (ambulance fleet increased from 58 to 460 vehicles and 25 more patient transport and nine more mortuary vehicles bought in over the last 12 months, plus speeding up blood and pathology services).

Skills upgrading programmes meant that, for example, in emergency medical services, 312 ambulance staff who were not 'fully compliant' for their jobs were now properly trained, another 200 had been employed while posts for another 150 were being advertised. 'This means that where we had only one driver per vehicle (meaning patients lay unattended in the speeding ambulance), every vehicle now has two people,' Pillay added.

He stressed that his province was 'not just about fraud and corruption. I honestly believe there are enough good people who want to make a change and make things work better'.

For the first time in eight years the Eastern Cape will not be returning money to National Treasury allocated to it in the guise of the infrastructure grant – spending R1.9 billion to renovate seven key hospitals and building an eighth (to be called St Elizabeth's at Lusikisiki).

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