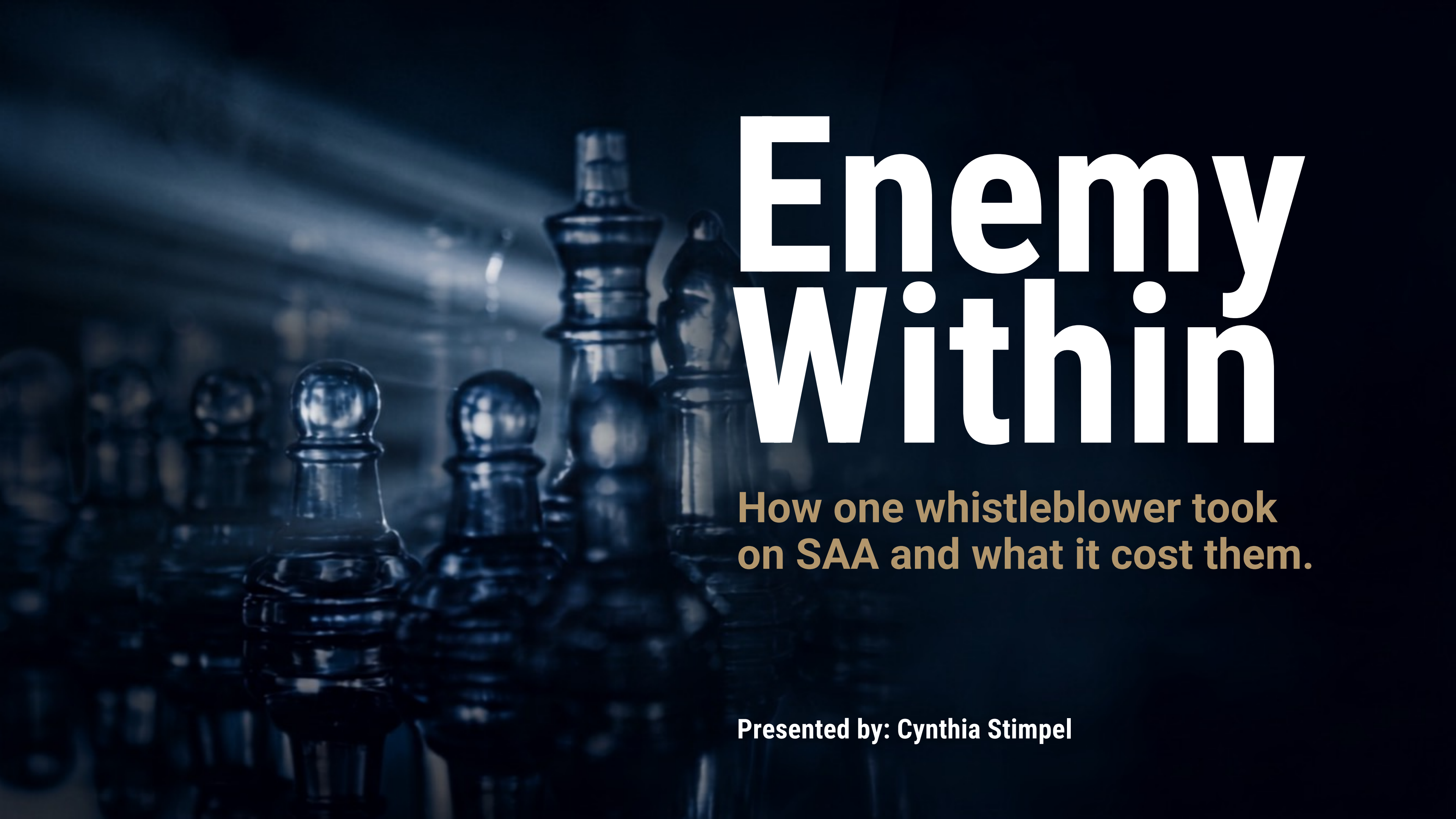




Enemy Within

How one whistleblower took on SAA and what it cost them.

Presented by: Cynthia Stimpel

Quote - State Captutre

“Corruption is a crime against the South African people and robs our people of resources that should have been used to improve the lives of the poorest and most vulnerable in our society...”

- Chief Justice Zondo

Agenda

1. Have you read these?
2. What major events happened in SA?
3. Importance of speaking out
4. My Story as a Whistleblower
5. Cost of Corruption
6. Whistleblowers Journey of loss
7. Recommendations
8. Conclusion

Have You Read These?

- Shadow State – Jeff Wicks
- The Dark Prince – Pieter du Toit
- Eight Days in July – Jeff Wicks et al.
- Blessed by Bosasa – Adriaan Basson
- Zondo at Your Fingertips – Paul Holden
- Hijackers on Board – Cynthia Stimpel

**Major events have happened in South
Africa the last 6 years: Backdrop**



2020 – Covid – loss of lives, PPE fraud

2021 – July riots – R50 billion

2022 – Fire in Parliament, Enyobeni Tavern disaster (East London), KZN floods, Phala Phala

2023 – Greylisted by FATF (Feb), Usindiso Building fire – 77 deaths (Aug), cholera

2024 – Stillfontein mine, GNU, Esidimeni judgement

2025 – Madlanga Commission, Ad Hoc

2026 – Nkabinda Commission, wars

IMAGINE!

What could have been done with all the funds which were diverted to corruption, fraud, malfeasance:

- High Quality Education – schools, colleges, universities
- Health – high quality hospitals, clinics, medical equipment, training
- Road Infrastructure - Transport – Efficient
- Quality of Life – for all
- Employment - for all



My Story and Life After Whistleblowing



My Story...

- How did this happen? – Borrowing Programme for SAA
- Where did this happen? – SAA Treasury
- Who was involved? – SAA Board, Acting CEO, Acting CFO, Procurement. Governance transgressions.
- When did all this happen? – 2016, 2016, 2017
- What were the issues at stake? – SAA paying R256 Million to an unknown company, R49 Million - Cancel
- Why did I stand up? – My principles and personal values, and to stop the payment.



Life After Whistleblowing

- Life after Whistleblowing - Faith, Values, Principles
- May 2017 – Closed matter with SAA
- July to Aug 2017 – Did a walk for forgiveness - Camino
- 2018 – Studied further
- 2019 - Gave evidence at the Zondo Commission
- 2020 – Covid – Wrote Hijackers on Board
- 2021 – Published the book.



Quote - State Captutre

On SAA whistle-blower Cynthia Stimpel:

“Whistle-blowers like Ms Stimpel are the final defence against corruption and state capture taking hold in SOEs. Without people like her, who are willing to resist the pressures being applied on them to bend the rules, the chance that these illegal activities at SOEs will be exposed reduces considerably.”

- Chief Justice Zondo

Cost of Corruption in South Africa

corruption /kə'ɹʌpʃən/ *behaviour: (esp in high corruption in high corruption. 2 [U] the process of being to corruption the*

- *“Those costs do not just lie in the millions of rands that are lost to the tax payer. They also lie in the broken careers of people who tried to resist its stranglehold ...*
- *They lie in the services which were never rendered in our country*
- *Finally the costs lie in Cabinet decision-making that was motivated not by what was in the best interest of a state-owned entity but by the personal preferences of a President and those participating in corruption.” - Chief Justice Zondo*

The Cost of Corruption in Health

Babita Deokaran identified corruption in the Gauteng Health Department. The value of the corruption that she identified was R850 million

R850 million could have bought:



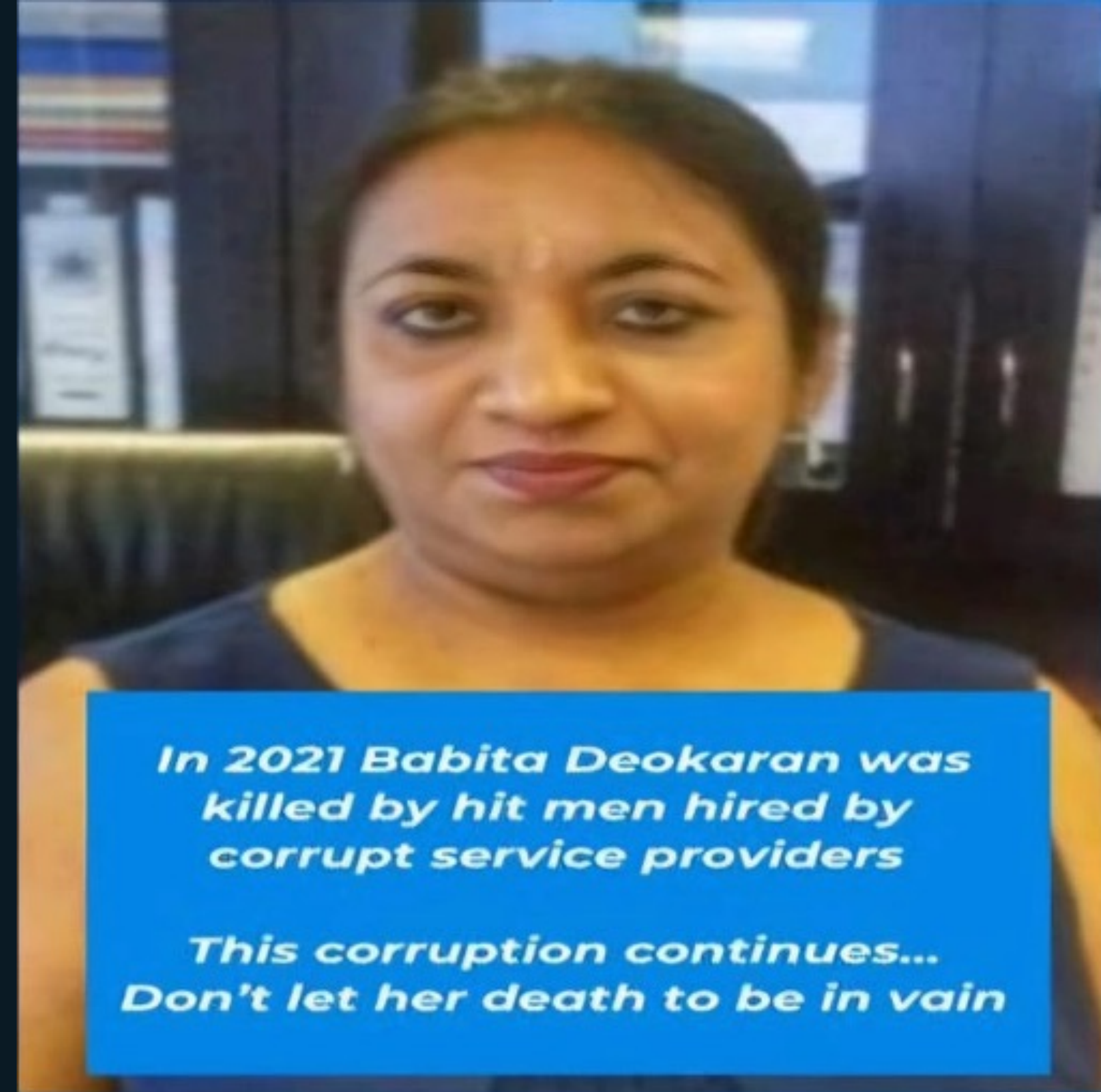
7737 Electrical Beds



Maintain **10** Hospitals



Buy **10** MRI Scanners



Active
Citizens Movement

Why it is IMPORTANT to SPEAK OUT and have Ethical Values

- Zondo Commission – Cost estimated at R 1,5 to R3 Trillion
- Funds recouped – Eskom – R1,6 billion recouped / Regiments / Trillian
- PRASA: Swifambo/Vossloh – R65 Million/ VBS R1 Bn
- SAA – stopped R256 /R125 /R49 Million
- 2023/4 - NSFAS – R700 Million recouped
- Gupta Leaks – stopped further corruption – resulted in the closure of the Gupta Accounts.
- SARS – recouped funds from Bain, McKinsey -R2 bn, KPMG, ABB - R1 bn
- Total Cost R1 Bn of SCC – Total Recouped R20 Bn – Frozen Assets – further R10 Bn in the pipeline.

Whistleblowers Journey of Loss - Human Rights Violation

Whistleblowers lose several personal freedoms and are “harmed” in many ways incl:

- Mental Health, Physical health, family health
- Loss of livelihood – lose current job, can cannot find future work
- Isolated, ostracized, bad reputation, words like “impimpi and snitch”
- Pay own legal fees / have huge debt / cannot work if you are blacklisted
- No safety of the physical person / Witness Protection Act has no “whistleblower” reference
- Ultimate sacrifice of human life through assassinations – Babita Deokaran, Moss Phokoe, Frans Mathipa, Mpho Mafelo, Pamela Mabini, Philemon Ngwenya.
- Recent - Martha Mani Rantsofu

Lessons Learnt

Personal

- **Values and Principles matter!**
- **Family, Personal health routine and my faith in God.**
- **The legislation does not protect any whistleblower.**
- **The long lonely journey for any one speaking out.**

For The Future

- **Challenging to encourage people to speak out**
- **Crime and corruption is endemic in SA**
- **The courts systems take long and are dysfunctional**
- **Citizens must take action**
- **Cannot keep our heads in the sand.**

Courage Hub SA

- SUPPORTING WHISTLEBLOWERS
- ADVOCATE FOR BETTER LEGISLATION
- ADVOCATE FOR EMPLOYMENT OF WB
- SHOWCASE WHISTLEBLOWER STORIES
- TRAINING IN ETHICS – SCHOOLS AND CORPORATES



RECOMMENDATIONS – WHISTLEBLOWER TRUST FUND



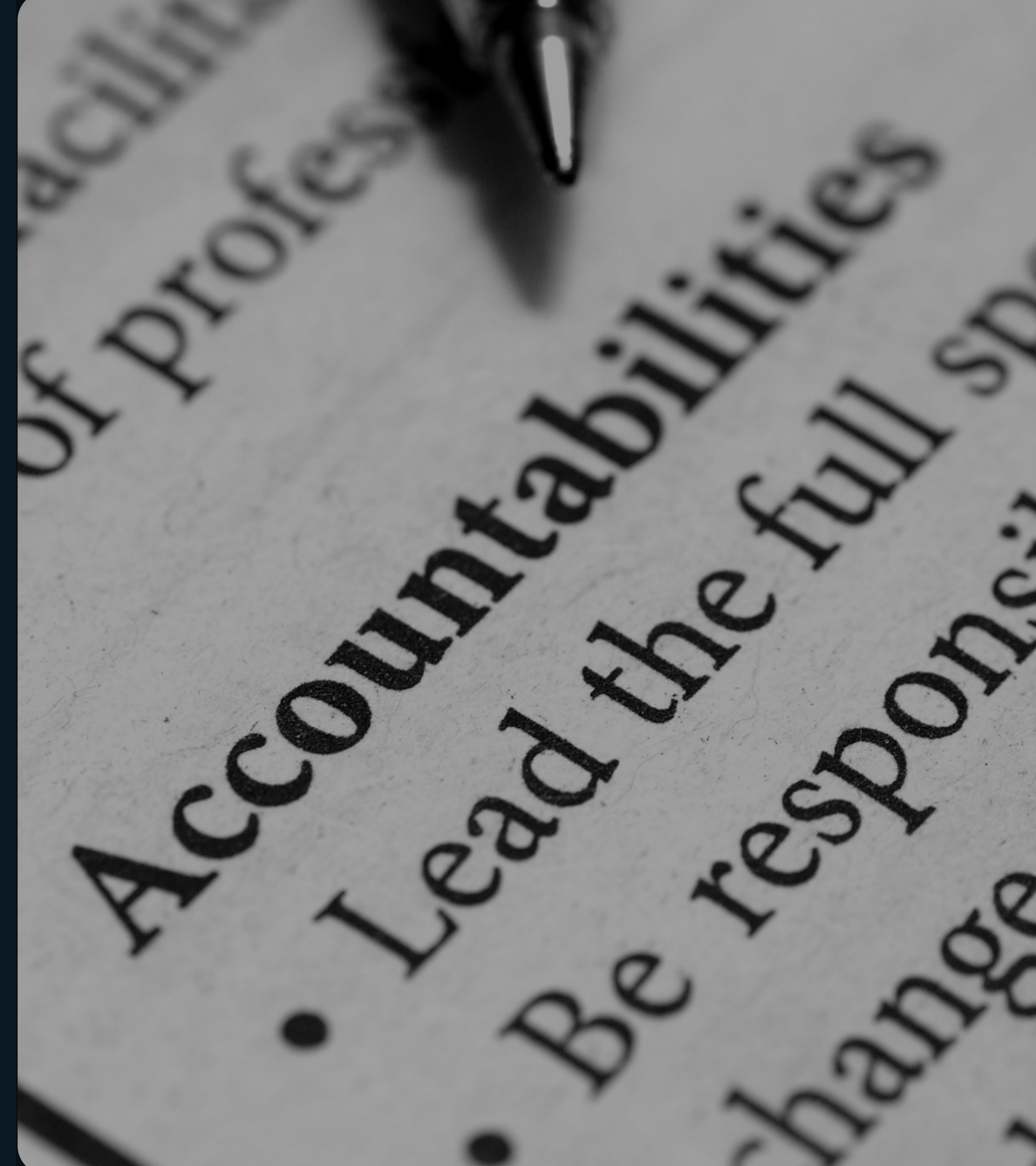
- Whistleblower Trust Fund: Funding from government institutions as well as private corporations and civil society organisations. Should not be from the existing taxpayer base. To assist with legal, psychosocial, security and financial reparations.
- Employment / creating of learning new skills to create employment
- Reparations must be made by organisations who are/were complicit and enables and participated. Form of public apology/ repayment of ill-gotten/ funds - should be paid to WB who have lost everything, or to the Whistleblower Fund to distribute.

**RECOMMENDATIONS –
FAST TRACK WHISTLEBLOWER
RECOMMENDATIONS**



- Fast-tracked strengthening of existing whistleblower protection legislation to address current gaps. It is evident that we cannot solely rely on the government alone to spearhead these reforms especially when they are the architects of state capture.
- As CSO and public – we need to become more involved from an advocacy perspective: holding people in office to account on a continuous basis.
- Behaviour change at all spheres is imperative – how whistleblowers are viewed and treated.

BUILDING A CULTURE OF TRANSPARENCY & ACCOUNTABILITY



Building an Ethical Framework

Legal & Institutional Foundations

- Robust Anti-Corruption Laws
- Codes of Conduct with real consequences
- Independent Oversight Bodies- Empower Chap 9 institutions to operate without political interference.

Transparency & Accountability Mechanisms

- Open Data Platforms – Publish Government contracts, budgets, forecasts, reports and policy decisions – real time.
- Whistleblower Protections – Legal safeguards for WB, Anonymous reporting channels. Reprisal protection for WB and their families.
- Employees must feel empowered and safe to speak up and do the right thing.
- Insider Risk is very real!

FICA Directive 8 - Requirements

- Screen prospective employees and current employees for competence and integrity
- Conduct screening periodically and in a risk-based manner, rather than as a once-off onboarding exercise
- Scrutinise employee information against applicable targeted financial sanctions lists when required under the FIC Act framework
- Document how screening and sanctions scrutiny will be performed
- Keep records of screening outcomes and make those records available to the FIC or the relevant supervisory body when requested

FICA Directive 8 - Why it Matters for Insider Risk

Directive 8 recognises that financial crime risk can arise from inside the organisation.

- Employees may have access to customer data, payment systems, onboarding processes, reporting channels and sensitive decision-making points.**
- Where an employee lacks competence, has undisclosed conflicts, has integrity concerns, or is connected to sanctions exposure, the institution's controls may be weakened from within.**
- Examples – clearly from the Zondo and Madlanga Commissions**

FICA Directive 8 - Governance Checklist

- Board or senior management approval of the screening approach
- Clear ownership between compliance, human resources, legal and risk management
- Documented screening procedures and escalation criteria
- Evidence that screening is risk-based, periodic and consistently applied
- Secure retention of screening records and outcomes
- Regular review of the process to reflect changes in roles, systems, sanctions requirements and financial crime typologies.

TRENDS – FICA AND AML

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1. AI-enabled financial crime:

Criminals are using artificial intelligence to create fake identities, forged documents, deepfakes, phishing messages, and automated fraud attacks.

2. Synthetic identity fraud:

Fraudsters combine real and fake information to create identities that can pass basic onboarding checks and later be used for laundering.

3. Money mule networks:

Criminal groups increasingly recruit individuals or businesses to receive and move illicit funds through legitimate-looking accounts.

4. Virtual assets and crypto laundering

Crypto, stablecoins, offshore exchanges, and digital wallets are being used to move value quickly across borders and obscure the source of funds.

5. Sanctions evasion and proliferation financing

Criminals use shell companies, intermediaries, complex trade routes, and opaque ownership structures to avoid detection.

6. Beneficial ownership abuse

Companies, trusts, nominees, and layered ownership structures are being used to hide who really owns or controls funds.

7. Trade-based money laundering:

Criminals manipulate invoices, overstate or understate goods, use phantom shipments, or exploit complex supply chains to disguise illicit value.

8. Cybercrime-linked laundering:

Ransomware, account takeover, business email compromise, and online scams are increasingly connected to laundering networks.

9. Regulatory focus on effectiveness:

Regulators are looking beyond policies and asking whether AML controls actually work in practice.

10. Data quality and technology risk:

Weak customer data, fragmented systems, and poor monitoring rules can prevent institutions from detecting suspicious activity

ANTI MONEY LAUNDERING - FOCUS

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“AML is moving from checklist compliance to intelligence-led, technology-enabled, risk-based detection”.

- Institutions that stay ahead will be those that: understand emerging typologies,
- strengthen customer due diligence,
- improve data quality, and
- continuously test whether their controls are effective.”

**CONCLUSION:
VALUES ARE IMPERATIVE**



“The only thing necessary for the triumph of evil is for good men (and women) to do nothing.” - Edmund Burke (1770)

“The time is always right to do what is right!” - Martin Luther King.

“When we are no longer able to change a situation – we are challenged to change ourselves.” - Viktor Frankl

WE ALL HAVE A DUTY AS LEADERS

- Uphold personal values and principles
- Create an Ethical Society
- Have a strong sense of what is right and wrong
- Follow a moral path and make moral decisions
- Leave a positive legacy for your family and fellow citizens
- Personal Mantra - It starts with me!

WHAT ACTION WILL YOU TAKE ?

1. Adopt a whistleblower cause
2. Be part of creating an Ethical Society
3. Stand up for the truth!
4. Do your own research and cross research to find the truth
5. Be neighbourly
6. Support CSO who do the right thing!

Q&A

PROTECTION FOR THOSE
DOING CORRUPTION



... AND FOR THOSE
EXPOSING IT.



R.I.P. Babita Deokaran and an
undetermined number of fellow-
whistleblowers who've paid with
their lives

28-8-21 DAILY MAVERICK **ZAPERO** ©

***“BE THE CHANGE YOU WISH TO SEE IN THE
WORLD.”***

- Mahatma Gandhi

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Overview Legal Context – Part 1

- Constitution of South Africa - Act 108 of 1996 - Sections 9,14,16, 23
- Protected Disclosures Act 26 of 2000 and Amended Act 5 of 2017 - PDA - Sections - All
- Labour Relations Act 66 of 1995 - LRA - Sections 185,186,187, 188A and 194
- Companies Act 71 of 2008 - Section 159
- Financial Intelligence Centre Act 38 of 2001 - Sections 28,29, 37, 38
- Pension Funds Act 24 of 1956 - Sections 9B, 13B, 37
- National Environmental Management Act 107 of 1998 - Section 31

Overview Legal Context – Part 2

- Municipal Finance Management Act 56 of 2003 - Sections 32(6), 32(7) 102 (2)
- Public Finance Management Act 29 of 1999 - Section 38 (1)g
- Prevention and Combatting of Corrupt Activities Act 12 of 2004 - Sections 18 and 34
- Protection from Harassment Act 17 of 2011 - Section 1 and 2
- Defense Act 42 of 2002 - Section 50
- Witness Protection Act 112 of 1998 - Section 7 and in general.
- PEPUDA – Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000.