



MEDIA STATEMENT / 19 SEPTEMBER 2017

## **SaveSA calls for intensification of campaign against corrupt multinationals**

The Save South Africa campaign calls on all corporates that have been involved in state capture projects – or have any business dealings with the Gupta enterprise – to come clean, before it's too late.

In particular, we demand that:

- Auditing firm **KPMG** must provide a full review of its involvement with SARS and the Guptas to the financial authorities, including the SA Institute of Chartered Accountants (SAICA) and the Independent Regulatory Board for Auditors (IRBA). The company should also, if it is genuinely interested in helping South Africa, report the Guptas to the Hawks, the Financial Intelligence Centre and the South African Reserve Bank for offences under the Prevention and Combating of Corrupt Activities Act.
- Consulting firm **McKinsey** must provide full disclosure about its dealings with Eskom and Gupta front company Trillian, and stop trying to pretend that there was no wrongdoing in their R1.6-billion consulting contract with the two entities. It must provide details of its collusion and prosecute and punish those responsible.
- A concerted effort must be made to prosecute **Duduzane Zuma and the Gupta family**, who stand at the centre of the multinational scandals that have been exposed to date. Business must also be unequivocal about cutting all ties with the corrupt Gupta network.

**The public storm is not over, and we will accept nothing less than full disclosure and criminal charges against all who were involved in these multinational conspiracies.**

The last few days have shown that South Africans are increasingly angry at the activities of multinationals such as McKinsey, SAP and KPMG, and in particular their attempts to sidestep responsibility.

South African outrage has already put an end to Bell Pottinger's global dark arts, and dealt a body blow to KPMG's reputation.

KPMG cannot honestly expect to walk away from this situation. The havoc it has caused, and the economic and other consequences of its work at SARS, will be felt for years to come – and we have to know the truth.

Investors, pension funds, risk analysts and others rely on reports by the likes of KPMG to make decisions. But who can possibly rely on KPMG reports in these circumstances? The SARS report, for example, contains sections dictated by SARS' own lawyers.

**This isn't "work of a poor standard", as KPMG tries to portray it – it is fraud.**

McKinsey has even more questions to answer. There is documentary evidence of its plotting with Eskom and Trillian, where partners colluded to build a wish-list of looting that ran close to R9-billion.

McKinsey maintains that there was nothing wrong about its plan and seems to believe it can get by with elusive denials -- despite the fact that Eskom's own lawyers described the scheme as illegal, and McKinsey itself was warned that Trillian was not an acceptable BBBE partner.

**McKinsey's arguments are neither legally acceptable nor morally palatable.**

We therefore urge McKinsey to drop the façade of innocence. This approach did not work with Bell Pottinger or KPMG, and it will not work with McKinsey. It must tell the truth.

We demand that charges be instituted against all involved in the McKinsey scam -- in particular the head of Trillian, Eric Wood, the Eskom officials who helped to grease the wheels of this deal, and the McKinsey partners who collaborated with them.

We also firmly support the initiative by Corruption Watch to have these acts of collusion investigated by the US authorities, and we call on other civil society formations to do the same.

Above and beyond this, we believe it is time that business took an organized stand against KPMG, SAP and McKinsey, as an increasing number of individuals and companies are doing. Their own reputations are at risk if they continue to deal with these companies

**We therefore repeat our call on BLSA to expel KPMG from its ranks. BLSA cannot expect its current publicity campaign against corruption and state capture to have any credibility as long as KPMG is a member.**

The multinationals that involved themselves in collaborating with state capture should know that there is no honour among thieves. Slowly but surely, the details of their escapades in South Africa will come to light – and they will be left exposed.

Multinationals must realize that while South Africa is open for business, it is not open for business that tears apart our political and social fabric, loots our national assets and undermines the rule of law.