



**REPUBLIC OF MALAWI**

**NATIONAL ADDRESS**

**BY**

**HIS EXCELLENCY**

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**PRESIDENT OF THE REPUBLIC OF MALAWI**

**ON THE ANTI-CORRUPTION BUREAU'S INVESTIGATION  
OF ALLEGATIONS OF BRIBERY AGAINST PUBLIC OFFICERS**

**KAMUZU PALACE**

**LILONGWE, MALAWI**

**TUESDAY, 21<sup>ST</sup> JUNE 2022**

**Fellow Malawians,**

**On the final day of last month, I addressed you on matters related to allegations that a British National and Businessman named Zuneth Sattar had been bribing public officers in the Malawi Government in exchange for Government contracts. As you may recall, on that day, I appealed to the Anti-Corruption Bureau to submit a report to my office within 21 days in order to inform Malawians of the full extent of the matter and enable me to make informed decisions that honour the Constitution, respect the rules of natural justice, and protect the independence of our institutions.**

**Now that the 21 days have elapsed, I have come to address you again on the key findings of the Anti-Corruption Bureau as contained in the report the Bureau has submitted to me. I have isolated ten key findings that I believe are worth highlighting as pointers to the factors that drive and fuel corruption in this country.**

- 1. The Bureau has found that in the four years between 2017 and 2021, the Malawi Police Service and the Malawi Defence Force awarded 16 contracts worth over 150 million US dollars to five companies belonging to Mr. Sattar. This means that one driver of corruption in Malawi is the country's procurement laws allowing contracts to be awarded to companies without regard for the beneficial ownership of those companies, which allows businesspersons to capture the State through unknown contract monopolies. **As such, I have directed the Minister of Justice to fast track the legislation we have been working on to change this.****
- 2. The Bureau has found that in some contracts, the Malawi Government is defrauded through unfairly high and inflated prices. One example the report cited involved a truck available on the market for 200 thousand dollars being sold to the Malawi Government for over 1.7 million dollars. This means that another driver of corruption in our country is the country's procurement laws allowing evaluators to accept prices that are clearly unfair to Malawians.**

**As such, the amendments we are making to the procurement regulations will also aim to fix this.**

- 3. The Bureau has found that some officials in the public procurement system who are not under investigation or suspected of corruption have nonetheless had challenges in following procurement procedures as laid down in the law. This means that a third driver of corruption in our country is a dysfunctional procurement system that is the result of procedures that are too cumbersome to follow and which public procurement officials lack the capacity to enforce. As such, the amendments we are making to the procurement regulations will also streamline and simplify the procedures, and in the months that follow, controlling officers of all Government Ministries, Departments, and Agencies will be oriented to the new approach.**
  
- 4. The Bureau has found that some public officers allegedly abused their offices either by intentionally flouting procurement procedures or by usurping**

procurement functions outside their mandate. This means that a fourth factor driving corruption is the unchecked abuse of public office in the public sector, which weakens controls designed to protect public resources. **As such, I call on the Office of the Ombudsman to attend to incidents of abuse of public office that arise from this investigation and take appropriate action according to law.**

5. **The Bureau has found that some public officers mandated to do due diligence and provide checks and balances allegedly neglected or failed to do so, including two former Attorneys General who issued letters clearing Mr. Sattar's companies of any wrongdoing. This means that a fifth factor driving corruption is negligence of duty by some who are entrusted with protecting the public's interest. As such, I have tasked the Secretary to the President and Cabinet to work with controlling officers of the MDAs where these acts of negligence are said to have taken place and take appropriate action to discipline wrongdoers and strengthen oversight mechanisms.**

**6. The Bureau has found that a total of 53 public officers and former public officers allegedly received money from Mr. Sattar in the eight months between March 2021 and October 2021. These public officers were specifically from Malawi Defence Force, Malawi Police Service, Malawi Broadcasting Corporation, Malawi Revenue Authority, Public Procurement and Disposal of Assets Authority, Office of the President and Cabinet, Office of the Vice-President, Judiciary, Ministry of Justice, Ministry of Finance, Ministry of Information, Ministry of Homeland Security, Ministry of Lands, Ministry of Tourism, State House, Reserve Bank of Malawi, Financial Intelligence Authority, and even the Anti-Corruption Bureau itself. Additionally, the Bureau has found that another set of 31 individuals from the private sector, the media, civil society, and the legal fraternity also received money from Mr. Sattar during those eight months, bringing the total of those on the Bureau's list to 84.**

**However, in its report, the Bureau has forbidden the publication of the full list by my office or the Bureau, saying that “due to the extremely complex nature of this investigation, the ACB is not in a position to release to the general public the whole list of the persons who allegedly received the bribes to allow for proper and full investigations to determine their culpability if any and to avoid prejudicing people who may otherwise be innocent.” I will tell you my view on the publication of the report shortly, but for now, I believe it is important for me to inform you that apart from the Vice-President, whose alleged involvement was already made public three weeks ago, no member of my Cabinet appears on the Bureau’s list of 84, nor does anyone currently working in the Office of the President and Cabinet.**

**As for the list, the fact that the Bureau believes that it is possible that some people on its list may be innocent means that a sixth factor that drives corruption in Malawi is the accepted and common practice among Malawians of innocently asking for**

**or accepting monetary assistance from affluent people whose source of wealth is obscure. As such, I have directed the Minister of Justice to work with my office in reviewing the Malawi Public Service Regulations and ensure that they are amended accordingly to require all public servants without exception to declare any gifts they receive above a certain value from businesspersons. My office will also work with the Office of Public Officers' Declaration to enable that office to enforce this standard across all MDAs and remove any emerging conflicts of interests.**

- 7. The Bureau has found that among the 84 individuals who allegedly received money from Mr. Sattar in 2021, there are 13 that the Bureau says have been extensively investigated to the point of concluding that they conducted themselves corruptly in dealing with the businessman. And 4 of the 13 hold offices over which I have some constitutional powers, namely the Vice President, the Inspector General of the Malawi Police Service, the Chief of Staff for State Residences, and the Chairperson of the Public**

**Procurement and Disposal of Assets Authority. Let me address my decision regarding these four.**

**First, the Bureau's report states that it has recordings of telephone conversations between the Inspector General and Mr. Sattar, allegedly discussing procurement deals and kickbacks. The description of how the IG seems compromised is clear in the report, and so I have decided to remove him from office on that basis.** Strangely, unlike its detailing of the IG's apparent compromised conduct, the Bureau's report contains no information or description of any kind regarding what exactly the Chief of Staff for State Residences and the Board Chairperson of the PPDA did in relation to the five contracts the Bureau has been investigating.

**The same applies to the Vice President. The report states that the Bureau has concluded that he is among the 13 who conducted themselves corruptly in dealing with Mr. Sattar, and despite my appeal for the Bureau to produce a report of its findings about**

what these individuals did, the Bureau's report provides no single piece of information about that, nor has the Bureau interviewed them or given an explanation for the omission of those critical details, which leaves me no more informed about their involvement today than I was three weeks ago. But, because the mentioning of their names in this report raises public suspicion, it is necessary for me to take measures to protect public trust in those offices. I have therefore decided to do so as follows: **The Chief of Staff for State Residences is hereby suspended to pave way for the investigations without his interference; the Chairperson of the PPDA will similarly be excused from his official duties, and I have already instructed the Secretary to the President and Cabinet to do so using the appropriate legal instruments related to statutory bodies; and I have also directed her to work with the relevant service commissions to effect similar measures with respect to the other implicated public servants who do not report to me.**

**As for the Vice President, his office is unique in that the Constitution does not provide for his suspension or removal from it by the President, because he holds that office by the will of Malawian voters, which I respect. As such, the best I can do for now, which is what I have decided to do, is to withhold from his office any delegated duties while waiting for the Bureau to substantiate its allegations against him and to make known its course of action in relation to such.**

**I have taken these measures to address a seventh factor that drives corruption, namely the continuation of official public duties by those accused of wrongdoing by an independent institution like the Bureau. But I must say that while I remain confident that the Bureau is critical to this fight, because of the glaring information gaps in its report, including the absence of any information about what the Bureau's plan of action is, I consider the report to be an example of substandard work. And on a matter as serious and sensitive as this, Malawians deserve better.**

**8. The Bureau has found that beyond the 84 individuals who allegedly received money from Mr. Sattar in 2021, his associate also kept a record of all the persons who allegedly received money from Mr. Sattar from 2008 to 2020. But curiously, the Bureau's report does not include any of the names of those found in the 14 ledgers that contain this information. This, in my view, points to another factor that drives corruption in this country, namely the selective pursuit of justice by the Bureau in its enforcement of the law. If the Bureau has evidence that Mr. Sattar has been corrupting Government officials since 2008, and if I requested a report that would enable me to tell Malawians the full extent of the matter, I find it bizarre for the Bureau to leave out the names of those from the first 12 of the 13 years in which the corruption allegedly happened. That kind of selective justice is a clear signal to those who practiced corruption in the past that the seriousness of their crimes against Malawians are based not on the laws they broke or the harm they caused to this country, but on the whims of the Bureau, and that has to change.**

9. **The Bureau has found that the information recorded in the 14 ledger books confiscated from Mr. Sattar’s associate includes donations to politicians from all major political parties in the country. This means that Ms. Chizuma was right when she recently said that another major factor that fuels corruption in the country is the advance capturing of political parties before they get into power, done by businesspersons whose donations may not have been declared to the Registrar of Parties in accordance with the Political Parties Act. **As such, my office will give the Registrar’s office any support it needs to investigate the political donations found in those ledger books, and to take appropriate action against the affected political parties for any undeclared donations.****
10. **Lastly, there is the question of whether this report should be made public. When I appealed to the ACB to furnish me with this report within three weeks, it was based on Section 4 of the Corrupt Practices Act, which states that the Bureau’s “Director shall submit reports to the President and to the Minister**

**regarding the general conduct of the affairs of the Bureau.” However, upon reading the report, I learnt from the Bureau that they had also shared the report with the Chief Justice and the Speaker of Parliament.**

**I find this decision by the Bureau irregular for four reasons. Firstly, because it dishonours the principle of separating the powers of the Executive Branch, to which the Bureau reports, from the powers of the Judiciary and the Legislature, which exist for different functions. Secondly, I find it irregular because I know of no law that authorizes the Bureau to submit reports to the heads of the Legislature or of the Judiciary for private use. Thirdly, I find it irregular because the Bureau already stated in the report that it cannot release the list of individuals implicated by the report to the public to avoid prejudicing people who may otherwise be innocent, and yet the same Bureau has already gone ahead to release the report to two other public offices that are not bound by law to keep it confidential. Fourthly, since the Bureau has said that it fears that**

**reading the report may lead to prejudice, it should have avoided potentially prejudicing the Chief Justice most of all, considering that the cases under investigation will be tried before the Courts and may very well end up before the Chief Justice and the Supreme Court for independent appeals.**

**Now, the ACB has said in the report that the reason it has released the report to the Chief Justice and the Speaker is to be accountable to the public and sustain its trust. But I fail to see how giving the report to two people for their private reading sustains public trust. If the Bureau is serious about sustaining public trust without prejudicing anyone against the individuals under investigation, the best would be to release a version of the report without the list of the names of those the Bureau has not finished investigating. If the Chief Justice and Speaker have the right to read the report without prejudice, then so do all Malawians. That is my view. But in the end, it is the Bureau's decision.**

**What I must decide, as President, is what's best for the country as you all expect me to and to demand of myself the highest standard to accomplish it, and I believe the measures I have outlined meet that standard. And since Section 88 of the Constitution places on me the ultimate responsibility for the observance of the Constitution by the entire Executive Branch, it is right for me to demand higher standards of the Anti-Corruption Bureau as well. An investigation of this scope, of this seriousness, and of this sensitivity requires skilful hands and a cool head, to avoid rookie procedural and strategic mistakes that risk giving the corrupt cartels in our land a footing to obstruct and oppose every move we make to defeat them. The stakes are way too high for that. What Malawians deserve from the Bureau is substance that makes a difference in pursuit of justice, not just suspicion that makes the headlines. And towards that end, you can count on me to continue doing my part until this long battle is won.**

**Thank you for your attention.**

**God bless you and God bless Malawi.**