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'Real people drawing fraudulent salaries' — crackdown looms on public sector ghost employees

Real people drawing fraudulent salaries' - crackdown looms on public sector ghost employees

Illustrative image | Sources: Ghost employee. (Photo: iStock) | Office block. (Photo: Waldo Swiegers / Bloomberg via Getty Images) | South African banknotes. (Photo: Waldo Swiegers / Bloomberg via Getty Images)

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It's time to end this 'orchestrated form of systemic corruption' draining state resources, says the chairperson of Parliament's Portfolio Committee on Public Service and Administration.

Parliament's Portfolio Committee on Public Service and Administration says public sector workers should report in person to prove they're not ghost employees.

"A data audit alone is not enough. We are calling on this process to begin with physical in-person human verification audits for all government employees underpinned by biometric identification. Every person drawing a public salary must appear in person and be verified," said committee chairperson Jan de Villiers (Democratic Alliance) in a governance cluster press conference in Parliament on Monday.

"The public has the right to know the names on the payroll correspond to individuals who really exist and who serve the public."

Jan de Villiers. (Photo: Supplied)

Read more: Ghost employees who haunt payrolls are a major occupational fraud hazard (https://www.dailymaverick.co.za/opinionista/2023-07-20-ghost-employees-on-payrolls-a-major-occupational-fraud-hazard/)

Finance Minister Enoch Godongwana, in his Budget tabled last month, announced sweeping <u>expenditure</u> <u>reviews (https://www.dailymaverick.co.za/article/2025-05-21-investing-in-the-future-south-africas-budget-focuses-on-infrastructure-and-social-welfare/?</u>

dm_source=dm_block_grid&dm_medium=card_link&dm_campaign=main) of more than R300-billion in government spending since 2013, "with the aim of identifying duplications, waste and inefficiencies". Godongwana said the data-driven initiative would cross-reference administrative datasets to "identify ghost workers and other anomalies across government departments".

De Villiers said the portfolio committee, following Godongwana's announcement in his Budget, had convened on 28 May to interrogate the "persistent and deeply corrosive problem" of ghost workers in the public sector. He said the National Treasury could not tackle this challenge alone — it required a joint, coordinated strategy, which was now under way between the Treasury and the Department of Public Service and Administration (DPSA).

"We will reconvene with the Department of Public Service and Administration and the National Treasury in the third quarter of 2025 to receive a full progress report on the implementation of the joint ghost worker audit strategy. This should include details on the scope of these audits, preliminary findings and proposed enforcement measures," said De Villiers.

Read more: <u>Labour Appeal Court ruling a significant step in fighting ghost employee fraud</u> (https://www.dailymaverick.co.za/opinionista/2025-02-12-labour-appeal-court-ruling-a-significant-step-in-fighting-ghost-employee-fraud/).

'Orchestrated form of systemic corruption'

Ghost employee fraud is among South Africa's most persistent public sector challenges. However, the total number of ghost workers — individuals who are fraudulently added to an organisation's payroll but do not actually work there — is unclear.

In 2021, the government launched <u>Project Ziveze (https://www.dailymaverick.co.za/article/2022-03-29-prasa-on-the-hook-at-scopa-over-3000-ghost-employees-and-many-other-disasters/)</u> to investigate and verify all Passenger Rail Agency of South Africa (Prasa) employees after material irregularities were uncovered within Prasa's ICT and payroll systems, indicating that there could be about 3,000 phantom workers.

A preliminary report in November 2022 revealed that 1,480 employees could not be verified, while 1,000 others had resigned, Daily Maverick's Suné Payne reported (https://www.dailymaverick.co.za/article/2022-11-14-fikile-mbalula-hints-at-army-deployment-on-

<u>cape-towns-central-line-and-goes-after-prasa-ghost-workers/</u>). The agency is estimated to have saved about R200-million through the verification project.

Last year, the Auditor-General of South Africa uncovered R6.4-million being paid to "deceased and terminated" employees. The Public Servants Association (PSA) <u>described</u> (<a href="https://www.psa.co.za/docs/default-source/psa-documents/media-statements/psa-demands-immediate-arrests-in-r6-million-ghost-employee-scandal-at-mpumalanga-department-of-education.pdf?sfvrsn=c98faca_2) this as a "shocking misuse of public funds" and a "gross violation of financial accountability".

And in May 2025, the <u>Sunday Times (https://www.timeslive.co.za/sunday-times/news/2025-05-18-ghostbusters-freeze-salaries-of-230-unverified-gauteng-health-employees/)</u> reported that the Gauteng Department of Health had frozen the salaries of 230 employees who could not be verified.

These are a handful of the reported cases of ghost employees.

"These are not invisible names on paper. Real people are drawing fraudulent salaries, and fraudulent money is being siphoned into the pockets of corrupt criminals," said De Villiers.

He said the department had disclosed that inserting a ghost employee into the payroll system "requires collusion because at least three officials need to work together to create a ghost worker. This means that we are dealing not with random lapses in judgment, but with embedded criminal syndicates operating in our public institutions."

Read more: Prasa on the hook at Scopa over 3,000 'ghost' employees and many other disasters (https://www.dailymaverick.co.za/article/2022-03-29-prasa-on-the-hook-at-scopa-over-3000-ghost-employees-and-many-other-disasters/).

He added that the issue of ghost workers was "not merely a payroll anomaly. It is a deliberate and orchestrated form of systemic corruption. It is organised crime within the state. And as a portfolio committee, tasked with oversight in the public service, the time for half-measures and talk shops is over.

"Let us be clear, the phenomenon of ghost workers is not an issue of administrative error. There are real people creating these ghost workers, reaping the benefits of siphoning taxpayer money into their coffers.

"Every ghost worker represents a post that could've been filled by a qualified graduate, a dedicated nurse, a teacher at a rural school or a social worker supporting the vulnerable. Every fraudulent salary paid is a step backwards in the fight for a professional, ethical and responsive state."

Widespread phenomenon

De Villiers did not know how many ghost workers there were in the public service, but suggested, when looking at the known instances of ghost employees, "that there are thousands".

He said the DPSA had confirmed before Parliament that ghost workers were present across all three spheres of government, including national, provincial and local governments, as well as government agencies and state-owned enterprises.

"The reality is every single department, state agency, level of government and state-owned enterprise that we have, probably has ghost workers on their payroll."

Read more: South Africa state institutions have been captured, looted, and left to absolute ruin (https://www.dailymaverick.co.za/opinionista/2024-03-13-south-africa-state-institutions-have-been-captured-looted-and-left-to-absolute-ruin/)

PSA spokesperson Reuben Maleka told Daily Maverick on Monday that the organisation supported a physical audit of ghost workers who "rob" the public sector of its capacity to provide services to the public.

"The problem is widespread throughout the public sector — government departments, municipalities [and] government entities. The cleaning must happen across the sector," said Maleka.

In addition to calling for a physical audit, De Villiers said the committee would "push for disciplinary and criminal action to follow every detection of ghost workers.

"We don't know how many ghost workers there are, we don't know who's involved, and not enough people have been arrested so far, to be quite frank.

"I am not aware, as committee chairperson, of a single person who has been arrested thus far in terms of the creation of ghost workers," he said.

De Villiers added that South Africa's ghost worker phenomenon was not only made possible by fraud, but by "outdated and fragmented administrative processes and systems".

Daily Maverick contacted the National Treasury and the DPSA with queries. Comment will be added once received. **DM**

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<u>Jan Pierewit</u> 10 June 2025 at 00:11 (https://www.dailymaverick.co.za/article/2025-06-09-real-people-drawing-fraudulent-salaries-crackdown-looms-on-ghost-employees-in-public-sector/#comment-14914474)

Good. Root this out. Our country seems to be in a state of anarchy within the actual branches of governance. You know how to vote in 2026 and 2029. I am heartily sick of the billions lost, taxpayers' money. Our money.

<u>Geoff Krige</u> 10 June 2025 at 07:05 (https://www.dailymaverick.co.za/article/2025-06-09-real-people-drawing-fraudulent-salaries-crackdown-looms-on-ghost-employees-in-public-sector/#comment-14915195)

The time to act is not now, it was 20 years ago. This is not a new phenomenon. Any good government would have rooted it out long, long ago. Trouble is that with the ANC in power we have not had good governance. Thankfully the GNU is starting to make some difference.

<u>Francois Smith</u> 10 June 2025 at 07:52 (https://www.dailymaverick.co.za/article/2025-06-09-real-people-drawing-fraudulent-salaries-crackdown-looms-on-ghost-employees-in-public-sector/#comment-14915542)

Please, if you catch the orchestrators, do not let them resign with no punishment like Eskom culprits. Have them arrested and sent to jail for a minimum of their remaining working life.

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