

8608E EIGHT MILLION DOLLARS STOLEN FROM SOCIAL SECURITY

Maputo, 3 Jun (AIM) - The Labour Ministry puts at eight million US dollars the amount stolen by high ranking officials in the National Social Security Institute (INSS) between 2002 and 2008.

This was one of the findings of a commission of enquiry set up by Labour Minister Helena Taipo following denunciations of serious irregularities at the INSS.

During the investigations, the head of the commission, the National Director of Planning and Statistics in the Ministry, Paulino Muthombene, found that the former INSS directorate repeatedly breached norms concerning procurement and the awarding of contracts.

Giving the findings of his commission at a press conference on Monday, Muthombene said the fraudulent operation had been headed by the former INSS Director of Management and Assets, Dulcinio Loforte. In what Muthombene described as "smart corruption" Loforte and his accomplices used over-invoicing, double payments, the charging of illicit commissions, and manipulation of tenders.

They preferred directed tenders rather than public ones, sometimes faked tenders, or simply awarded contracts without any tender at all. The whole scheme, Muthombene said, benefited from a climate of "anarchy" and "nepotism" in the INSS, and a network of staff members regarded as "untouchable".

To illustrate what was going on, Muthombene gave the example of the contract to build the INSS delegation in the western province of Tete. Here there had been double payment to the same company, Dora Consultores. The first payment was made in May 2004, to the value of 281.300 meticaís (11,700 US dollars), and the second was on 26 September 2006 for 601,800 meticaís (22,900 US dollars).

"The first and the second payments are for the same invoice, with the same number, date and content, and the only difference is the amount. All leads one to think that this was intentional, and it is a real fraud", he said.

But the INSS also paid a second company Arcus Consultores over 387,000 meticaís for the same work, also in September 2006. "Why two payments in the space of thirteen days?", asked Muthombene. "How many INSS delegations are there in Tete?"

Similar fraudulent situations were found in payments for building INSS delegations in Gaza, Zambezia, and Nampula, and in the building of low cost housing schemes in Maputo, Beira and Nampula.

In the latter case, the work had been budgeted at 45,000 US dollars each, but each scheme ended up costing 100,000 dollars.

Muthombene noted that all these irregularities counted on the connivance of the contractors. It was found, for instance, that the company Arcus Consultores is the majority shareholder in Spagest (with 52 per cent), although it was supposed to be competing with Spagest for INSS contracts.

"Spagest was created in order to alternate with Arcus Consultores in winning contracts", said Muthombene. "They have been using the same technicians, and it is confirmed that

Spagest and Arcus employ the same staff, which leads one to believe that they are one and the same company”.

Taipo herself discovered a company called MOZ IT working in the bowels of the INSS, supposedly computerizing records. The commission of inquiry concluded that this was a company created by “people inside the INSS in order to siphon off public money”. MOZ IT had been paid around four million meticaïis “for doing absolutely nothing”.

According to Muthombene, these and other irregularities were well known among all INSS staff. They claim they did not blow the whistle on the frauds because they were afraid of reprisals.

The looting of the INSS, in Muthombene’s view, justified the direct intervention of Taipo, who sacked the INSS general director Abilio Mussane, after he flatly disobeyed her instructions to suspend Loforte while he was investigated. Both Mussane and the head of the INSS computer department are now under investigation by the Criminal Investigation Police.

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