

*Press Statement*

**13<sup>th</sup> June, 2019**

**JCTR Demands Action on the 2018 FIC Report**

In 2013, the Patriotic Government decided to enact the Financial Intelligence Centre Bill which was drafted in 2010 by the previous Government and establish the Financial Intelligence Centre. This was a progressive move in a bid to augment Government's existing efforts to address public resource leakages and fight financial crimes. Given the enormous socio-economic developmental challenges that Zambia faces, it is crucial that national resources are safe-guarded and applied in accordance with the Government's plans and priorities of poverty eradication and sustainable development. The role of FIC reports is therefore indispensable to economic and social development of the country.

Given the importance of this role of the Centre, the FIC reports should not be viewed as an end in themselves, corrective actions needs to be taken on highlighted potential criminal activities if the intended benefits for which this institution was created are to be realized. Huge sums of money are being spent in investigating financial crimes, which resources could have been used on other developmental needs. This is why everything must be done to act on the reported cases and reverse the continued wastage of public resources.

The increase in the reported suspicious transaction from K4.5 billion in 2017 to K6.1 billion in 2018 is worrying. This money could have addressed many economic and social challenges if it had been earned or spent in a transparent manner. K6.1 billion is almost three times the budgetary allocation of K2.2 billion to social protection in the 2018 national budget. The increase in the abuse of resources is also reflective of the entrenching culture of corruption and impunity in the country. Of the 176 suspicious transactions analysed, 80 of them were forwarded to law enforcement agencies for action and corruption was top on the list of offences followed by tax evasion and theft at K1 billion and K110 million respectively according to the FIC report.

It is safe to conclude from these statistics that 46 of every 100 financial transactions we make in the country are suspicious of corruption, fraud, theft and other crimes and the trend seems to be going up. This is not good for sustainable development nor the security of the country. How can we allow a situation where individuals are amassing wealth at the expense of the poor majority Zambians? How could one individual in their rightful mind illegally acquire 49 properties when the majority Zambians are wallowing in poverty? Why should we allow a few Zambians to circumvent the public procurement process to favour only a few?

What is even more worrying is the indifference and sarcasm with which the 2018 FIC report has been received by Government. The country needs an action plan on how the highlighted crimes will be investigated to their logical conclusion. Investigative wings need to assure the nation that no case will be swept under the carpet. How can the Government spokesperson for instance regard the FIC report as a distraction not deserving Government attention instead wants to focus on addressing the current economic malaise? Isn't Government seeing a direct link between the reported crimes and the current economic malaise? How can an economy that has borrowed over US\$10 billion in 7 years be growing at a reduced rate if all the money was invested in key economic sectors as they claim? Zambians want to know what the law enforcement agencies are doing about the 80 cases that were submitted to them rather than baseless dismissive statements. Similarly, what

happened to the cases that were reported in the 2017 FIC report? Government's continued negative attitude on the reported suspected crimes is just making Government appear to be an accomplice in the crimes. This attitude is clearly militating against the national crusade against corruption and other financial crimes.

It is unfortunate that at the time Government is preaching national values such as honesty, integrity and transparency and has even gone to the length of creating a Ministry of National Guidance and Religious Affairs, solely for the purpose of promoting values that is when corruption and other crimes are increasing. In a country where the Head of State annually addresses the Parliament on national values, the ethical standards demand that Government must take progressive steps to address cases of moral decadence manifesting themselves through corruption and other financial crimes.

The Republican President is quoted in public media saying that the suspected cases of corruption must be reported to the law enforcement agencies. In instances where the enforcement agencies fail to adequately act on the suspected cases reported in the FIC reports, the back falls on the Republican President to crack the weep and bring sanity in the public sector. We call upon the Republican President and his Government to desist from the temptation of dismissing the FIC reports, but must instead endeavour to address their contents with the seriousness they deserve as letting the corruption trend to continue risks the peace and stability which this country needs to prosper. We appeal to the Republican President's good conscious to act in the interest of the majority of the Zambians who are suffering because national resources are being grossly abused by a few selfish individuals. You have the moral obligation Sir as Head of State to defend the Constitution and protect and safeguard the people and their resources.

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