

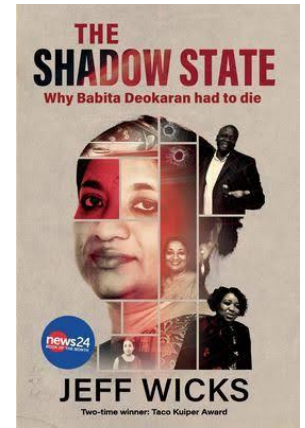


Title **The Shadow State – Why Babita Deokaran Had to Die**  
 Author **Jeff Wicks**  
 Published **2025 by NB Publishers**  
 Review By **Annalie Smith (Risk, Regulatory, and Internal Control Expert)**  
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**Lessons For**  
 Directors, Prescribed Officers, Executives  
 Governance Officers, Company Secretaries  
 Ethics Officers, Risk Managers, Compliance Managers  
 Audit Professionals  
 Strategy Professionals  
 Line Managers

<b>Relevance</b>	<b>Overall Rating</b>
9	<b>7.7</b>
9	
9	
7	
5	



## Synopsis

On 22 August 2021, Babita Deokaran was the chief accountant at the Gauteng Department of Health’s Tembisa Hospital. On 23 August 2021, she was dead: shot nine times as she drove home from the school run. For Jeff Wicks, what started as a news story and a promise to Babita’s brother, quickly moved to investigative journalism, exposing a complex web of transactions and the inner workings of procurement corruption on a national level. Babita did the right thing and alerted her CFO of substantiated irregularities in the payment runs tied to procurement at Tembisa Hospital. She tried to stop the payments and then told the CFO that “our lives could be in danger”. A week later she was assassinated. The author shows that the Shadow State operates from the people at the top *via* the back-office functions (like finance) to management and delivery staff. From inside the organisation to outside enablers, tentacles of the Shadow State reach the SAPS and Hawks to thwart the justice system - to the extent that this case was not investigated when handed over to the Hawks. However, Wicks’ investigation shows that there are more people who want to do the right thing (like Babita), but the Shadow State constructively and severely limits their resources, while bullets arrive in the mail. The Shadow State’s deliberate lack of appetite for automation facilitates the extortion of a predominantly paper-based procurement system. Its methods are not sophisticated at all; in fact, it preys on the simplicity of the processes and operations, and it has a vested interest in keeping it that way. Perhaps most shocking is the network of only a few (deadly) players who pull the strings of this web to facilitate corruption – connected up to the highest level of Government. These same players, in the words of Winston Churchill, did not let a “good crises go to waste”. They looted billions from PPE budgets during the COVID pandemic, chose Tembisa hospital as easiest target, and cost many good people’s lives.

## Key Concept: Tone at the Top

When the State is captured, the tone is set at the top. Internal controls, audit reports, automation, and good processes remain ineffective until the players are brought to justice from the top down.

## Quotes:

“He had discovered that donated PPE was passed off as purchases.” “It is astounding that in 2025, bid submissions...[are] entirely paper based.” “The only alteration is this: the threshold for hospital buying that can be approved by the CEO was raised from R500 000 to R1 million.” “The scheme of extraction was bigger than anyone could have imagined and signalled systematic procurement issues...” “The medical arm of Cat’s empire would need to be significant if they were to deliver. The recurring tender was previously held by insurer, Metropolitan. Now it had been awarded to a fledgling entity run from a shopping mall.” “....clearly revealing Cat’s reach in law enforcement”.

## Practical Tips

- Tone-at-the-top and entity-level-controls are key for enterprise risk management, internal control, and internal audit to add value.
- Practical control-related outcomes should be reflected in the key performance indicators of all levels of staff.
- Basic internal controls, like taking leave, rotating staff, not splitting purchase orders, invoices, or payments are the most effective defence, supported by strong internal audit, enforcement, and oversight.
- A substance-over-form-approach must prevent weaponisation of tick-box compliance that protect those involved in corruption.
- Zero-based budgeting must be utilised to prevent the factoring in of past cost stemming from corrupt practices.
- Thorough forensic investigations should follow up on every lead and trawl through detailed data to build a solid case to bring perpetrators to book.

## Think About

- Is risk management integrated with your organisation’s system of internal control and performance management processes for all staff at all levels?
- Are your risk management and internal control efforts sufficiently balanced between the big-picture and the detail; as well as top-down and bottom-up?
- Does your organisation spend enough energy and focus on entity level controls, tone-at-the-top, clear and consistent communication and effective whistleblower and investigations programmes?
- Are you moving decisively away from “ticking boxes’ to “substance-over-form”?

## Contact Us

www.lucidum.africa

**Christelle Marais**  
 Executive Director  
 +27 (0) 82 453 7948  
 christelle@lucidum.africa

**Annalie Smith**  
 Annalie1smith@gmail.com  
 +27 (0) 82 562 3547