

How to prepare for the construction extortion epidemic

Construction projects across South Africa are falling victim to a relentless wave of extortion, causing delays, massive cost overruns, and threatening the industry's viability. Extortionists, often masquerading as local business forums, demand exorbitant payments or a share of contracts in exchange for not sabotaging or violently disrupting work at building sites.



South Africa's construction mafia problem is making national headlines and slowing down the economy. Source: DALL-E3

Roelof Viljoen, national project manager at Business Against Crime South Africa (BACSA), warns that firms must proactively prepare for extortion attempts.

"Some of these syndicates are highly organised and linked to legitimate businesses or even highly connected individuals in the community," he warns, hinting at potential corruption that hampers law enforcement responses.

With billions of rands worth of projects at risk, Viljoen advises companies that paying off extortionists is a dangerous short-term solution. "Giving in... implies the company is guilty," he cautions.



FSCA, B-BBEE Commission partner to transform financial sector

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MBA North executive director Mohau Mphomela condemns the situation. "This form of crime increases the costs of doing business for our members and puts businesses and jobs at risk."

Mphomela added his concern that extortion has become so commonplace in the construction industry that firms view it as just another routine challenge.

“We commend Business Against Crime for coming up with these guidelines, and we urge all members to consider them when preparing to deal with construction extortion,” he said.

How to fight back

BACSA has developed detailed guidelines to help construction firms prepare for and counter extortion attempts. Viljoen outlines key strategies:

Be aware: Train staff on extortion tactics and reporting procedures. Designate a responsible individual to manage threats.

Proactive defense: Consider appointing legal representatives to proactively work with local police.

Document everything: Create a safe space on-site, install CCTV, and diligently record any extortion incident with police and BACSA.

The situation is another symptom of the growing scourge of organised crime in South Africa and its corrosive impact on the economy.

Mphomela's comments highlight the seriousness of the extortion problem, not only for the financial losses it causes, but also for the chilling effect it has on the construction industry as a whole.

By working together to implement BACSA's guidelines, construction firms can help to fight back against extortion and protect their businesses.

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