

REVIEW ARTICLE

Research Articles

Fraud and corruption in emergency grant funding: lessons from South Africa's COVID-19 relief and an agenda for research

Fraude y corrupción en la financiación de emergencia mediante subvenciones: lecciones de las ayudas COVID-19 de Sudáfrica y una agenda de investigación

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RESUMEN

Las ayudas de emergencia son especialmente vulnerables al fraude y a la corrupción, porque deben desembolsarse con rapidez y a menudo sin mecanismos suficientes para verificar la legitimidad de los beneficiarios. Este artículo de revisión examina ese riesgo a partir de la respuesta de Sudáfrica a la COVID-19, cuyo paquete de apoyo se estimó en 500.000 millones de rands. Mediante una revisión narrativa de literatura académica, informes oficiales y casos documentados, el artículo no aporta datos empíricos primarios. Primero se expone un marco conceptual que combina la teoría de la disuasión, el riesgo moral propio de la financiación mediante subvenciones, la debilidad de los controles en organizaciones sin ánimo de lucro con pocos recursos y la tensión entre rapidez y control en las emergencias. Después se sintetiza la evidencia publicada sobre el caso sudafricano: el subsidio especial de alivio social (SRD), gestionado por SASSA; el fraude relacionado con salarios y documentos de identidad; los abusos del esquema TERS del Fondo de Seguro de Desempleo, y la exclusión de trabajadores informales. A continuación se analizan los efectos sociales y económicos sobre los beneficiarios descritos en la literatura. El artículo formula recomendaciones de gobernanza antifraude organizadas en prevención, detección y respuesta, y propone una agenda de investigación con un estudio de caso cualitativo basado en entrevistas reales a beneficiarios, funcionarios y expertos. Concluye que el fraude solo se reducirá de forma duradera si financiadores y entidades ejecutoras construyen juntos una cultura antifraude visible en el trabajo diario.

Palabras clave: fraude y corrupción; ayudas de emergencia; financiación mediante subvenciones; organizaciones sin ánimo de lucro; COVID-19; Sudáfrica

Keywords: fraud and corruption; emergency relief; grant funding; non-profit organisations; COVID-19; South Africa

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LICENCE

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Abstract

Emergency relief is particularly exposed to fraud and corruption because funds must be disbursed quickly, often without adequate mechanisms to verify the legitimacy of intended beneficiaries. This review article examines that risk through South Africa's response to the COVID-19 pandemic, whose support package was estimated at R500 billion. Based on a narrative review of academic literature, official sources and documented cases, the article does not report primary empirical data. It first sets out a conceptual framework that brings together deterrence theory, the moral hazard inherent in grant funding, the weak controls typical of under-resourced non-profit organisations and the tension between speed and control in emergencies. It then synthesises the published evidence on the South African case: the special COVID-19 Social Relief of Distress (SRD) grant administered by the South African Social Security Agency (SASSA), salary-related and identity-related fraud, abuses of the Unemployment Insurance Fund's Temporary Employer-Employee Relief Scheme (TERS), and the exclusion of informal workers. Next, it examines the social and economic consequences for beneficiaries described in the literature. The article offers anti-fraud governance recommendations organised around prevention, detection and response, and proposes a research agenda built on a qualitative case study with real interviews of beneficiaries, officials and experts. It concludes that fraud will only be durably reduced if grant providers and implementing organisations jointly build an anti-fraud culture that is visible in day-to-day work.

Frases clave para citar / Key Quotes for Citation

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Key Quotes / Frases clave:

- **Emergency relief and weak controls / Ayudas de emergencia y controles débiles:**

"Emergency relief programmes, such as South Africa's COVID-19 support package estimated at R500 billion, are especially vulnerable to fraud and corruption because funds must be disbursed quickly, often without adequate controls to verify the legitimacy of beneficiaries." — Mvabaza (2026), *Conscious Management Journal*, 4(1).

«Los programas de ayuda de emergencia, como el paquete de apoyo COVID-19 de Sudáfrica, estimado en 500.000 millones de rand, son especialmente vulnerables al fraude y la corrupción porque los fondos deben desembolsarse con rapidez, a menudo sin controles adecuados para verificar a los beneficiarios.»

- **Moral hazard in grant funding / Riesgo moral en las subvenciones:**

"The literature reviewed indicates that grant funding is exposed to fraud because it rests on trust-based, loosely monitored grantmaker–recipient relationships, seeks social rather than financial returns, and often flows to understaffed organisations with limited financial controls." — Mvabaza (2026), *Conscious Management Journal*, 4(1).

«Según la literatura revisada, las subvenciones están expuestas al fraude porque descansan en relaciones de confianza poco supervisadas entre financiador y receptor, buscan retornos sociales y no financieros, y suelen destinarse a organizaciones con escaso personal y controles financieros limitados.»

- **Shared anti-fraud culture / Cultura antifraude compartida:**

"The paper argues that internal controls and donor monitoring help prevent grant fraud, but its eradication requires grantmakers and implementing organisations to jointly build an anti-fraud culture, underpinned by a layered, preventive rather than corrective approach." — Mvabaza (2026), *Conscious Management Journal*, 4(1).

«El trabajo sostiene que los controles internos y la supervisión del donante ayudan a prevenir el fraude en subvenciones, pero su erradicación exige que financiador y entidad ejecutora construyan juntos una cultura antifraude, con un enfoque preventivo por capas antes que correctivo.»

I. Introduction

The COVID-19 pandemic confronted governments throughout the world with a crisis of exceptional scale. More than seven million people lost their lives globally, and in South Africa over four million cases and more than 100,000 deaths had been reported by 2024 (Worldometer, 2024). Like many other countries, South Africa declared a state of disaster and introduced lockdown regulations to curb the spread of the virus. In a country that already had high unemployment, many individuals and small businesses suffered as a result of the lockdown and other pandemic-related measures (Mkansi, 2023).

The South African government responded with a support package estimated at R500 billion, described at the time as one of the largest economic response packages in the developing world (Parliament of the Republic of South Africa, 2020). Part of this response took the form of relief grants intended to assist vulnerable groups — including the poor, the elderly, people with disabilities and those who had lost their source of income — with food, shelter, healthcare and other basic needs. Yet the effectiveness of the relief effort was compromised by fraud and corruption, which undermined the integrity of the programme and its ability to serve those in need (Quinot, 2024).

This outcome was not entirely unexpected. It is widely acknowledged that funds intended for social assistance are vulnerable to fraud and corruption (Nakitende et al., 2024; Uygun & Napier, 2024), and the risk becomes more acute during emergencies, when relief measures must be implemented fast and often without adequate controls to verify the legitimacy of the intended beneficiaries (Makgetla, 2021). The consequences are not merely financial. Unethical behaviour deprives the intended beneficiaries of the expected benefits and damages the reputation of both the recipient organisation and the donor (Uygun & Napier, 2024). If not prevented or detected, grant fraud can significantly affect the programmes it targets and, ultimately, the communities those programmes were designed to help (Wibowo et al., 2024).

Fraud and corruption in relief funding do not occur only within government. They also involve non-governmental and non-profit organisations that act as implementing agents, and the private businesses with which both contract. This article therefore treats the problem as one that runs across a triangle of actors — the state, the non-profit sector and private contractors — all of whom can be implicated in, and all of whom share responsibility for preventing, the diversion of relief funds. A further concern is the frequent absence, in organisations that handle relief grants, of basic ethics infrastructure such as codes of ethics, ethics committees and ethical audits, together with effective prevention measures. Without these, the outcomes of relief projects can be undermined through ignorance, incompetence or deliberate allowances for fraud.

Against this background, the article pursues three aims. First, it reviews the literature on why grant-funded relief is vulnerable to fraud and corruption and how such misconduct affects projects and beneficiaries. Second, it synthesises what published sources document about fraud in South Africa's COVID-19 relief. Third, it translates these insights into practical recommendations for anti-fraud governance and into a research agenda capable of generating the primary evidence that is still needed, particularly on the lived experience of beneficiaries. The guiding questions are those that motivated the author's original thesis: what impact fraud and corruption have on the distribution and effectiveness of relief funds; what experiences and challenges beneficiaries face as a result; and what socio-economic effects follow for them.

2. Methodology

This article is a narrative review. It draws on academic journal articles, book chapters, working papers, theses and official communications on three topics: grant funding and its governance in the non-profit sector; theories and frameworks that explain fraud and corruption; and the South African experience of COVID-19 relief. The sources were identified by the author during her master's research and are the same body of literature on which the original thesis was built. No new sources have been added in this revision.

The review proceeds in three steps. First, it extracts the conceptual arguments that explain why grant-funded relief is vulnerable to fraud (Section 3). Second, it collects the facts and figures that published sources report about South Africa's relief programmes, attributing each to its source (Section 4). Third, it brings together what the literature says about the consequences of fraud and corruption for beneficiaries and communities (Section 5). The recommendations in Section 6 are derived from this synthesis and from the author's analysis of governance practice in grant-funded projects.

It is important to state clearly what this article is not. It does not report primary empirical data. No interviews, surveys or fieldwork findings are presented, and none of the statements in the article should be read as the result of an empirical investigation conducted by the author. Where the literature is silent or inconclusive — most notably on how beneficiaries themselves experienced fraud in the relief process — the article identifies the gap and proposes, in Section 7, how it could be investigated.

As with any narrative review, the approach has limitations. The selection of sources is not systematic and is shaped by the author's research question, so the review cannot claim to be exhaustive. Several sources are working papers, theses or practitioner-oriented chapters, and some draw on international evidence that must be applied to South Africa with care. The review's value lies in assembling a coherent account of the problem and an agenda for empirical work, not in definitive estimates of the scale or effects of fraud.

3. Fraud and corruption in emergency grant funding

3.1 Grant funding and the non-profit sector

Grant funding lies at the core of non-profit organisations' financial sustainability and of their ability to fulfil their social purpose (Ayinkamiye & Spencer, 2021). Grants are usually provided by governments, foundations, individuals and other donor institutions to support projects that address the grant maker's objectives for the benefit of a community or of society more broadly (Dadu et al., 2024). They are typically awarded for specific project activities and, unlike loans, do not have to be repaid unless the funds are misappropriated. Non-profit organisations are entrusted to use the funds for the activities stipulated in the grant proposal, with the expectation that the project will achieve its intended outcomes and impact.

Government and other funders frequently rely on non-profit organisations as implementing agents that serve communities on their behalf in pursuit of shared objectives, and these intermediaries play an important role in shaping how poor people access government-funded resources (Siliunas et al., 2019). This arrangement creates a chain of accountability with several links. Non-profit organisations are often accountable to more than one stakeholder for their funding, including grant makers, beneficiaries, volunteers and members (Neely et al., 2023). Each link is a point at which funds can be diverted and oversight can fail. For this reason, grant funding processes are subject to specific risks that require control measures to mitigate them (Dadu et al., 2024).

Grant funding, whether large or small, has long been associated with risks of fraud and corruption (Helmer & Deming, 2023). These risks are especially pronounced where adequate systems of control and governance are absent, and they materialise when grant funds are appropriated for personal gain instead of being used for the activities and objectives of the project (Helmer & Deming, 2023). Fraud and corruption are thus recognised as considerable obstacles to the effective use of grant funds in the charitable and development sector.

3.2 Why grant funding invites fraud: moral hazard and weak controls

Various authors have highlighted the particular opportunities that grant funding presents for fraud and corruption (Helmer & Deming, 2023; Uygun & Napier, 2024). Four features of the grant relationship help to explain this vulnerability.

The first is the looseness of controls. Grant funding is characterised by relatively loose controls compared with other forms of finance such as loans (Schätzlein et al., 2023). Compliance controls are costly, and the trust that underpins the relationship between grant maker and grant recipient means that, in practice, much grant funding goes largely unmonitored.

The second is moral hazard. Grant funding can be understood as a form of investment that seeks social rather than financial returns (Oehmke & Opp, 2024). Because the recipient has no direct financial stake in the use of the funds — there is no capital to repay and no return to earn — the alignment of incentives that disciplines commercial finance is weakened. This absence of direct financial self-interest creates a moral hazard that increases the risk of fraud.

The third is organisational capacity. Grant funding is often provided to organisations that are understaffed and lack the resources needed to implement comprehensive financial controls (Uygur & Napier, 2024). Even well-intentioned organisations may therefore be unable to detect or prevent misconduct by staff, agents or contractors.

The fourth is the weakness of oversight. The lack of supervision by knowledgeable and responsible officials increases the risk that funds will be misappropriated. Large-scale misappropriation is not a new phenomenon, and a substantial body of research has examined the impact of fraud and corruption on both economies and societies (Kulmie et al., 2023; Remeikienė & Gasparyniene, 2023). A recurrent feature of this literature is that resources are diverted at the expense of intended beneficiaries who, in most cases, are unaware of the crime and are unlawfully deprived of upliftment or relief.

3.3 Deterrence and the dimensions of fraud risk

Deterrence theory proposes that an individual's decision to engage in illegal activity can be prevented by the fear of punishment or other negative consequences (Guan & Lo, 2023): the greater the negative consequences, the less likely an individual is to offend. Deterrence has two dimensions. The first is the objective risk of being caught, associated primarily with the probability of formal sanction or legal punishment. The second is subjective and concerns the perceived risk that negative consequences will follow from one's actions (Zhou, 2023).

Applied to grant funding, the theory has a direct implication. Where controls are loose, monitoring is sparse and sanctions are rarely imposed, both the objective and the subjective risk of detection are low, and the deterrent effect is correspondingly weak. Where corruption and fraud come to be seen as an easy way of benefiting oneself, they can become normalised. Governments have a responsibility to protect citizens against crime that threatens peaceful co-existence, and the private sector has also become increasingly aware of the need to protect organisations from internal and external criminal activity. In the grant context, deterrence is a shared responsibility of the funder, the implementing organisation and the state.

Deterrence is only one part of the picture. The literature has developed several frameworks to understand the many dimensions that influence fraud and corruption. These include the importance of deterrence, the vulnerability of organisations and their exposure to risk, the opportunities available to would-be perpetrators, and the pressure, rationalisation and individual characteristics that shape behaviour (Guan & Lo, 2023). This body of work comprises conceptual and empirical studies, surveys, reports and guidelines from a variety of sources. For grant-funded relief, the most important lesson of these frameworks is that fraud results from the combination of individual motivation and organisational opportunity: reducing it requires action on both.

3.4 Speed versus control: the emergency dimension

Emergencies sharpen every one of these vulnerabilities. Relief must be delivered fast, and the controls that would ordinarily verify eligibility, check documentation and monitor use are often inadequate or bypassed (Makgetla, 2021). The response to a pandemic is counted in days rather than years, and the funds provided to implement relief projects are similarly meant to be used quickly, with immediate or near-immediate results. This compression of time has two consequences. It enlarges the opportunity for fraud, because verification is curtailed; and it raises the cost of fraud, because short-term relief loses most of its value if it is delayed or diverted. A relief payment that arrives months late, or not at all, cannot fulfil its purpose of helping a household through an acute crisis.

3.5 A diagnostic lens: symptoms of failing grant projects

Grant funding is intended to support projects that deliver outputs and outcomes in areas with recognised problems. When those outputs and outcomes are not achieved or maintained, this is symptomatic of a project that is not operating as planned. The author proposes reading such failures through a "disease model" of grant funding: non-delivery, abandoned projects and unexplained shortfalls are treated as symptoms that may point to deeper problems in the affected area or within the implementing organisation itself, including fraud and corruption. The value of this lens is diagnostic rather than accusatory. It encourages funders to investigate unexplained underperformance systematically instead of attributing it to chance, and to intervene early, when prevention is still possible.

4. South Africa's COVID-19 relief: what the documented evidence shows

4.1 The architecture of the relief response

South Africa's relief effort combined several instruments. The overall support package was estimated at R500 billion (Parliament of the Republic of South Africa, 2020). A special transversal task team was established to coordinate relief efforts across government. The South African Social Security Agency (SASSA) facilitated the distribution of the special COVID-19 Social Relief of Distress (SRD) grant to qualifying citizens who were not already receiving another SASSA grant (Triegaardt, 2023). Other members of the task team were responsible for monitoring job creation through relief initiatives, including the Expanded Public Works Programme (EPWP), the employment of beneficiaries through Community Work Services (CWS), the National Youth Development Agency (NYDA), and Municipal Planning, Performance Monitoring and Evaluation (MPM) (Mkansi, 2023; Triegaardt, 2023).

Alongside these, relief was channelled through the Unemployment Insurance Fund (UIF) via the Temporary Employer-Employee Relief Scheme (TERS), as well as through other instruments such as the National Disaster Benefit and the Small Business Emergency Programme (Wesso, 2022). Non-profit organisations also received grant funding from government and other funders as implementing agents, extending the delivery chain beyond the state.

4.2 Documented forms of fraud

The published literature documents several forms of fraud in the relief programmes. Mudau and Madzivhandila (2022) report that attempts to defraud relief grants were mostly salary-related — for example, claiming to be employed but not receiving a salary because of the lockdown — or identity-related, such as multiple applications using different identity numbers, or the same identity number with different mobile phone numbers.

More sophisticated, organised criminal activity was also identified. Modipa and Motseki (2022) describe the capture of cash-in-transit heist suspects in the Eastern Cape who were using an SRD grant card, and the exchange of SRD cards at a drug dealer's premises in the Western Cape. These cases indicate that relief instruments were not only exploited opportunistically by individuals but also absorbed into existing criminal

networks.

The pandemic was also associated with an increase in reported cases of fraud against the UIF through TERS and against other relief funds (Wesso, 2022). Many of these funds were misappropriated by individuals who did not meet the criteria for relief, who attempted to benefit multiple times, or who colluded with employers to appear to be employed by a company in order to qualify (Modipa & Motseki, 2022). The last of these patterns is significant because it shows that fraud did not depend solely on individual applicants: it could involve collusion with private businesses, illustrating the triangle of state, non-profit and private actors described in the introduction.

4.3 Enabling conditions

The literature points to a combination of enabling conditions. The most fundamental is the trade-off between speed and control: relief measures had to be implemented quickly, often with inadequate mechanisms to verify the legitimacy of intended beneficiaries (Makgetla, 2021). Procurement in the context of COVID-19 was likewise exposed to corruption risks that compromised the effectiveness of the relief effort (Quinot, 2024). The identity-related fraud patterns documented by Mudau and Madzivhandila (2022) suggest that verification relied on data that could be manipulated, such as identity numbers and mobile phone numbers.

4.4 The other side of verification: exclusion

The South African evidence also reveals a problem that is easily overlooked in discussions of fraud: exclusion. Megannon (2022) reports that a large group of potential beneficiaries could not readily access relief because they had little or no income and because the government had no income data links with them. This group consisted mostly of informal traders, waste pickers and other community-based workers.

The juxtaposition is instructive. Weak verification opened the door to fraudulent claims, while reliance on formal data made it difficult for some of the most vulnerable people to qualify. The goal of anti-fraud design cannot simply be to tighten verification; it must be to verify more intelligently, blocking illegitimate claims without excluding legitimate beneficiaries who lack formal records.

4.5 What remains unknown

The documented evidence reviewed here is largely descriptive. It establishes that fraud occurred, identifies its principal forms and points to the conditions that enabled it. It offers far less on two questions that matter greatly for policy: the scale of the losses attributable to fraud and corruption across the different instruments, and the way in which fraud was experienced by those who applied for and depended on relief. The sources reviewed do not provide a reliable aggregate estimate of losses, and this article does not attempt one. The second gap — the beneficiary perspective — is the main motivation for the research agenda proposed in Section 7.

5. Social impact on beneficiaries

5.1 Direct deprivation

The most immediate consequence of fraud in relief programmes is that intended beneficiaries do not receive the support meant for them. Grant fraud deprives hundreds of thousands of beneficiaries of money allocated to relieve their hardship and significantly increases the cost of programmes (Uygur & Napier, 2024). Fraud not only undermines the objectives of grant funding; it also harms honest beneficiaries, appointed service providers and the government (Helmer & Deming, 2023). When funds are misappropriated for personal gain, the intended beneficiaries are left without assistance and projects fail to achieve their stated objectives.

In emergencies, deprivation is compounded by timing: diversion or delay can leave households without food, shelter or healthcare precisely when they are most exposed. The communities and beneficiaries of relief projects tend to suffer most when service delivery is impeded or projects are abandoned for lack of

functioning support structures.

5.2 Micro and macro consequences

Fraud and corruption have both micro- and macro-level consequences. At the micro level, they entail the loss of the grant and of the earnings that depend on its correct use, as well as the loss of trust in, and the social capital of, the organisation concerned (Owusu, 2020). For beneficiaries of relief and upliftment grants, the negative consequences include the non-delivery of promised services and, where grants are intended for COVID-related activities, possible exposure to health risks. At the national level, a less effective response to the pandemic is likely to prolong the associated economic and social distress.

More broadly, fraud and corruption cause considerable economic harm at all levels of society by distorting investment decisions and inhibiting growth (Remeikienė & Gasparyniene, 2023), with effects on sustainable development, poverty and social inequality. Kulm et al. (2023) similarly examine the socio-economic consequences of corruption and financial crime. In the context of grant funding, fraud and corruption prevent grant makers from achieving their objectives, whether those objectives concern community upliftment, the relief of distress or progress towards the Sustainable Development Goals.

5.3 Organisational and economic costs

The consequences extend to the organisations involved. Karpoff (2021) highlights the loss of assets, revenue and earnings, as well as the loss of reputation and investor confidence, as consequences of fraud that should concern management, boards of directors and audit committees. For non-profit organisations, whose funding depends on the confidence of grant makers, reputational damage can threaten their ability to continue serving communities at all. Nakitende et al. (2024) argue that the fear of fraud reduces the gains that individuals expect from entering transactions and thus increases the cost of doing business; to obtain the benefits of specialisation, individuals require security against opportunistic behaviour. Applied to relief funding, this suggests that pervasive fraud raises the cost of delivering assistance, since more resources must be devoted to control and verification and less reaches beneficiaries.

5.4 Trust and legitimacy

Finally, fraud and corruption erode trust. When fraud is detected, it provokes public outrage and a loss of trust in government (Levi & Smith, 2022). This loss of trust has practical consequences. Relief programmes depend on the willingness of eligible people to apply, of communities to cooperate and of honest organisations to participate. If the process is perceived as corrupt, those who most need help may be discouraged from seeking it, and the legitimacy of future relief efforts is weakened.

5.5 A gap in the evidence

The literature reviewed describes the consequences of fraud for beneficiaries mainly in general or aggregate terms. It says comparatively little, for the South African COVID-19 case, about how beneficiaries themselves experienced the application process: whether and how they encountered requests for bribes, how delays affected their households, how small business owners and informal workers coped with documentation requirements, and how these experiences shaped their trust in public institutions. These are empirical questions that can only be answered with primary data collected from beneficiaries, officials and other informed actors. The research agenda in Section 7 sets out how such a study could be designed.

6. Recommendations for anti-fraud governance

The literature reviewed suggests that fraud and corruption act as negative enablers throughout the disaster risk management cycle, both before and after a disaster occurs. Prevention, detection and response must therefore be designed into relief programmes from the outset rather than added after problems emerge. The recommendations below are organised in those three groups and are addressed to governments, grant makers and implementing organisations.

6.1 Prevention

- **Build an ethics infrastructure.** Organisations that handle relief funds should adopt codes of ethics, establish ethics committees and conduct ethical audits. These instruments signal that integrity is an organisational priority and provide reference points for staff decisions under pressure.
- **Train everyone involved.** All stakeholders involved in administering disaster relief funds should be trained to understand their roles and responsibilities and the relevant best practices, with regular capacity-building provided by experienced professionals in the field.
- **Apply layered due diligence before awarding grants.** At a minimum, a grant maker should satisfy itself that a prospective recipient has a public record and a reputation for good works in the community, with no adverse reports or negative social media comment. As a second step, it should verify that the charity or non-profit organisation can meet the reporting, accounting and auditing requirements of the grant and of its other operations.
- **Strengthen internal controls in implementing organisations.** Internal controls by the service provider, combined with monitoring by the donor, are the first line of defence. Because many recipient organisations are understaffed (Uygur & Napier, 2024), funders should consider supporting the cost of basic financial controls as part of the grant.
- **Integrate and validate data.** Verification systems should integrate and cross-validate data sources to detect duplicate or inconsistent applications, given the documented use of multiple identity numbers and mobile phone numbers (Mudau & Madzivhandila, 2022). At the same time, verification should be designed so that it does not exclude eligible people who lack formal income records, such as the informal workers described by Megannon (2022).
- **Use digital platforms with transparency in mind.** Improving the digital platforms used to apply for and distribute relief can both speed up delivery and make transactions traceable. Transparency about eligibility criteria, decisions and payment status reduces the room for intermediaries to demand payment for access.

6.2 Detection

- **Monitor in real time.** Leveraging digital technologies to track funds in real time allows anomalies to be identified while intervention is still possible, rather than after the funds have been spent.
- **Check progress directly and routinely.** Routine direct checks on the progress of funded projects help to ensure that funds are being used for their intended purposes. Following the diagnostic lens described in Section 3.5, unexplained underperformance should trigger investigation.
- **Provide anonymous reporting channels.** Anonymous tip-off mechanisms are a vital component of grant administration, enabling staff, beneficiaries and community members to report suspected misconduct without fear of reprisal.
- **Involve communities.** Increasing community involvement in the distribution of funds adds a layer of social oversight: those who are meant to benefit are often the first to notice when promised services do not arrive.
- **Strengthen audit and independent oversight.** More rigorous auditing processes and independent oversight bodies to monitor and evaluate relief processes are needed. However, the costs of audit and accounting requirements can be high and may overwhelm the institutions concerned, and even well-trained and experienced professional accountants and auditors can be, and have been, circumvented. Audit should therefore be one layer in a broader system rather than the only safeguard.

6.3 Response

- **Make sanctions credible.** Consistent with deterrence theory (Guan & Lo, 2023; Zhou, 2023), penalties for fraudulent activity should be strengthened and, above all, applied, so that both the objective and the

perceived risk of punishment rise. There are many opportunities for remediation, recovery and punishment of those who commit crimes involving publicly appealed or nationally and internationally identified grant money.

- **Learn from past mistakes and from other countries.** Relief programmes should incorporate mechanisms for continuous improvement, systematically reviewing what went wrong, and governments should learn from international practice.

6.4 An overarching principle: prevention and shared culture

Two principles cut across these recommendations. The first is that prevention is better than cure, for many reasons, many of them economic: it is better to spend public money on reinforcing and auditing the financial and other systems of charities and non-profit organisations than to set up corrective mechanisms after fraud and corruption have taken place. The second is that, as with any fraud and corruption prevention strategy, a layered approach is required, because no single control is sufficient. Ultimately, controls and monitoring can reduce grant fraud, but they will only come close to eliminating it if grant providers and service providers work together to develop an anti-fraud culture whose ethical values are visible and tangible in the organisation's day-to-day work.

7. A research agenda

The review has shown that the published evidence on fraud in South Africa's COVID-19 relief is predominantly descriptive and largely silent on the experience of beneficiaries. This section proposes a study that would address this gap with real primary data. It is presented as a proposal; no part of it has been carried out.

7.1 Research questions

The proposed study would address three research questions, derived from the original thesis:

- **RQ1.** What is the impact of fraud and corruption on the distribution and effectiveness of COVID-19 relief funds?
- **RQ2.** What experiences and challenges do beneficiaries face as a result of fraudulent activities in relief fund projects?
- **RQ3.** What are the socio-economic effects of fraud and corruption on the beneficiaries of COVID-19 relief funds?

A fourth question, suggested by the evidence on exclusion reviewed in Section 4.4, could usefully be added:

- **RQ4.** How do verification and anti-fraud controls affect access to relief for people without formal income records, such as informal traders and waste pickers?

7.2 Design

A qualitative, exploratory and descriptive single case study design would be appropriate. A case study is a research strategy focused on understanding the dynamics present in a single setting (Hunziker & Blankenagel, 2024), and a qualitative approach would allow in-depth exploration of evidence that a quantitative design could not capture (Dehalwar & Sharma, 2024). The case would be South Africa's COVID-19 relief, with the SRD grant and the TERS scheme as the most likely embedded units of analysis, given the documented fraud patterns associated with each.

7.3 Participants and sampling

The study would combine perspectives from three groups of key informants:

- **Applicants for relief.** Individuals who applied for COVID-19 relief funds, whether or not they ultimately received them. To capture the range of experiences, purposive sampling should seek variation in age, gender, employment status (for example, unemployed, employed, self-employed, students and retirees), province and access to the internet. Small business owners and informal workers should be deliberately included, in line with RQ4.
- **Officials.** Public officials involved in the management and distribution of relief, at different levels of responsibility, who can describe verification procedures, controls and the problems encountered.
- **Experts.** Academics or practitioners with recognised expertise in anti-corruption, public administration or public finance, who can place the findings in the wider context of fraud and governance in South Africa.

The original thesis envisaged fifteen interviews (ten applicants, three officials and two experts). This can serve as a minimum starting point; the final sample size should be determined by data saturation, and it would be advisable to increase the number of applicants to reflect the diversity of the population that applied for relief.

7.4 Data collection

Data would be collected through semi-structured interviews, conducted in person or virtually, using an interview guide with both closed and open-ended questions. The guide would ensure that the same core questions are asked of all informants in each category, while allowing follow-up questions based on their responses. Indicative topics for each group are:

- **Applicants:** how they learned about and applied for relief; documentation and access difficulties; the time between application and payment, or non-payment; any request for informal payments to speed up an application, whether experienced directly or reported by others; the effects of delays or non-payment on food, rent, education and health; for business owners, the consequences for their businesses and employees; and their trust in the relief system.
- **Officials:** the eligibility and verification procedures in place; the types of fraud and corruption encountered; the controls used (audits, reporting channels, data checks) and their perceived effectiveness; capacity constraints in staffing and technology; and the trade-off between speed and control.
- **Experts:** their assessment of the scale and nature of fraud in relief distribution; the institutional and regulatory weaknesses that enabled it; the socio-economic consequences for vulnerable groups; and lessons for the design of future emergency programmes.

Interview data would be complemented with secondary sources — official documents, audit and oversight reports, and records relating to the case — so that informant accounts can be triangulated with documentary evidence.

7.5 Analysis

The data would be analysed using thematic analysis, a flexible method that identifies, analyses and reports patterns and themes and is well suited to qualitative data such as interviews (Javali & Javali, 2024). An initial coding frame could be organised around the research questions: (1) the impact of fraud and corruption on distribution and effectiveness; (2) beneficiaries' experiences and challenges; (3) socio-economic effects; and (4) access and exclusion. The analysis should remain open to themes that emerge inductively from the data. Comparison across the three informant groups would be particularly valuable, as convergence or divergence between the accounts of applicants, officials and experts would itself be an important finding.

7.6 Ethics and rigour

Because the study concerns potential criminal conduct and vulnerable people, ethical safeguards would be essential. These should include approval from a research ethics committee before fieldwork begins; informed consent from all participants; anonymisation of transcripts and secure storage of data; care not to elicit information that could expose participants to legal or personal risk; and referral information for participants who report distress. Rigour would be strengthened by recording and transcribing interviews, keeping an audit trail of analytic decisions, double-coding a subset of transcripts and reporting the limitations of the sample transparently.

7.7 Further lines of research

Other avenues include quantitative estimation of losses across relief instruments using administrative and audit data; comparative studies of how other countries balanced speed and control; research on non-profit intermediaries and private contractors in the delivery chain; and evaluation of whether specific tools, such as data matching or anonymous reporting, reduce fraud without excluding eligible beneficiaries.

8. Conclusions

Emergency relief is designed to reach people at their most vulnerable moment, and that is precisely what makes its diversion so damaging. This review has argued that grant-funded relief is structurally exposed to fraud and corruption: controls are looser than in other forms of finance, the absence of direct financial self-interest creates moral hazard, recipient organisations are often too under-resourced to maintain comprehensive controls, and emergencies compress the time available for verification. Deterrence theory adds that, where the objective and perceived risks of being caught are low, these vulnerabilities are more likely to be exploited.

The South African experience of COVID-19 relief illustrates these dynamics. Published sources document salary-related and identity-related fraud, the absorption of SRD grant cards into organised crime, the misuse of TERS through ineligible claims, multiple claims and collusion with employers, and procurement-related corruption that compromised the effectiveness of the relief effort. They also document the opposite failure: the difficulty that informal workers without formal income records faced in accessing relief. The literature makes clear that the harm falls most heavily on intended beneficiaries — through direct deprivation, delays that defeat the purpose of short-term relief, and the erosion of trust in public institutions — and that it extends to organisations, the economy and progress towards sustainable development.

The recommendations of this article emphasise prevention over cure, layered controls rather than reliance on any single safeguard, and verification that blocks illegitimate claims without excluding those most in need. Above all, they point to culture: controls and monitoring can reduce fraud, but lasting change depends on grant providers and implementing organisations working together to make ethical values visible and tangible in their daily work.

Finally, the article has identified a clear gap in the evidence. Little is known, from primary data, about how South African beneficiaries experienced fraud and corruption in the relief process. The research agenda set out in Section 7 offers a design for closing that gap. Generating such evidence is a necessary step towards ensuring that, when the next emergency arrives, relief reaches those for whom it is intended.

Note on this version

This article is a revised version of the author's master's thesis. The original thesis included a methodological exercise based on simulated interviews; in line with the journal's research integrity policy, that material has been removed and the work is published as a review and research agenda. The revision was carried out by the editorial team and approved by the author.

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