

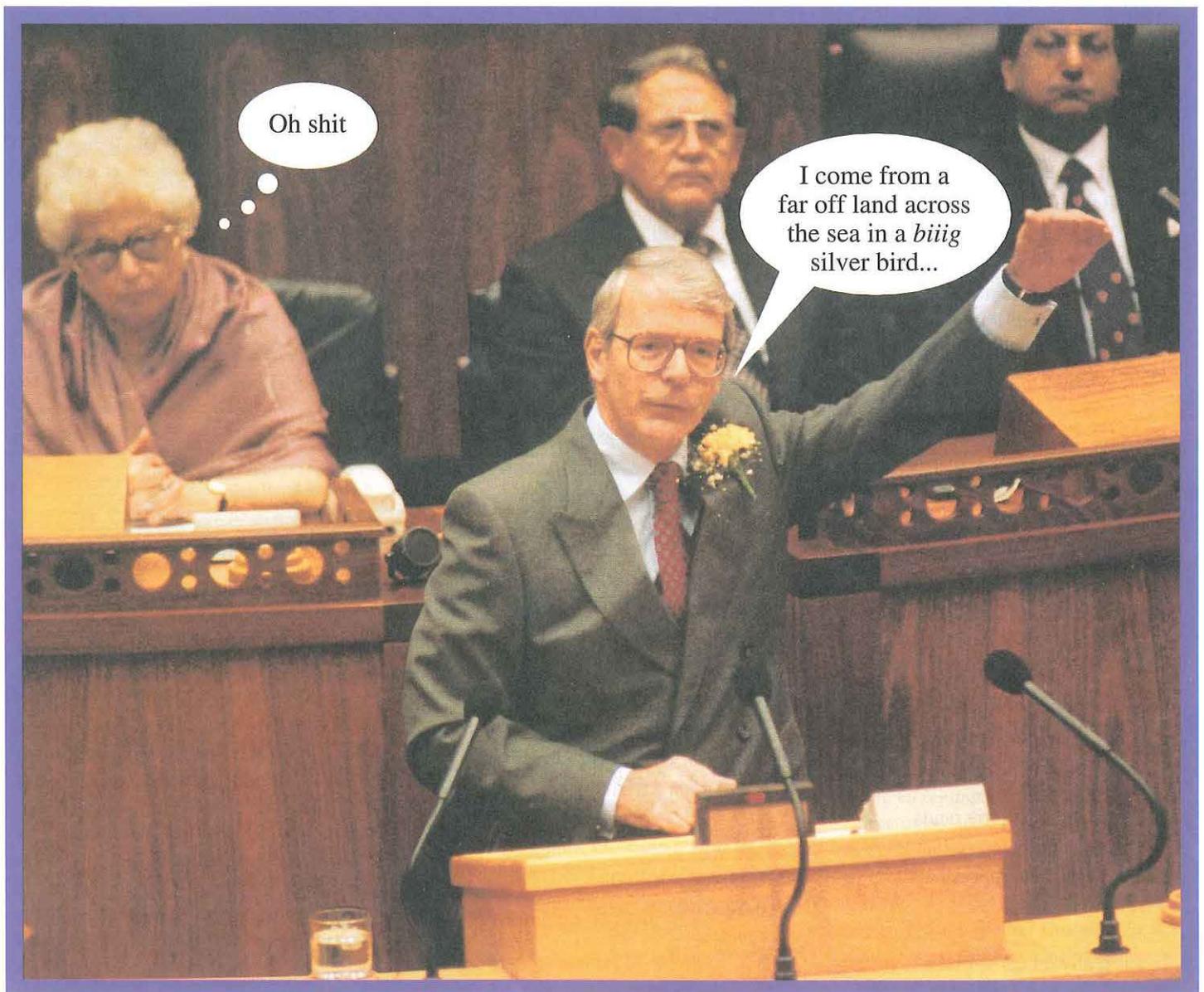
news you're not supposed to know...

# nose WEEK

PUBLISHED MONTHLY COVER PRICE R9,80

ISSUE NO. 10

## MAJOR'S BIG TRIP



*Inside:* **BOB ALDWORTH ON ABSA**

**CRULIFE:** *The Silence of the Lambs*

## nose WEEK

PUBLISHED MONTHLY November 1994 ISSUE NO. 10

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## Welcome Dear Reader,

Where has all the money gone? That is The Question. It needs to be answered before we are able to carry out a major Reconstruction and Development Programme. The question might even be usefully asked by a Truth and Reconciliation Commission. After all, one of the first questions a good detective asks when called upon to solve a murder is: Why? What was the probable motive? The experience of ages leads us to expect one of two possibilities: love (or some such madness) – or money.

Call us old-fashioned, but our bet is on the money. Find the money and you'll find the murderer or his master; find the money and you'll find reconciliation; find the money and you'll have development.

So: Why? Why the secrecy of all the major corporate and banking enquiries – Tollgate, Crusader Life, CIB? Why the Bar Council's obsession with secrecy in its disciplinary proceedings? Then follow the money. To begin our show and tell, ladies and gentlemen, we give you Ja-Boet's

### *Per Ardua ad ABSA*

There'll be piles of loot to lend  
 From Beit Bridge to Riviersonderend  
 There'll never be an end,  
 We'll call it ABSA.

We'll have grey men with grey books  
 Writing grey words with grey looks  
 Trying not to look like crooks  
 They're called *die Mensa*.

We started off at farming  
 So there's nothing much alarming  
 About our penchant for disarming  
 All our boets.

There'll be Uitlanders with loans  
 We can skin down to their bones –  
 who cares about their moans –  
 Voets Toets.

Man, there's nothing much like banking  
 Sommer like financial wanking  
 Hell, you even get to do some spanking  
 Great *groot* deals.

You just add up blerrie rands  
 If you can with both two hands  
 Then, er, grab the rubber bands  
 And show a pair of heels.

It was really lekker at first  
 Us were lending fit to burst  
 Yes, there's no end to the thirst  
 We had for lending.

If there was a chance of trouble  
 We'd hide our tracks in muddle  
 As we rushed about to double  
 Rules that needed bending.

The rub with this ambition  
 Is the need of a condition  
 Of which we, sadly, lack cognition –  
 It's called Trust.

So lending big in expectation  
 Of causing venal sequestration  
 There was every expectation  
 We'd go bust.

But, if amongst this gloria  
 There comes an end to such euphoria  
 There is, of course, Pretoria  
 And the chequebook of The Bank.  
 For the fact of this great cock-up  
 Is – we'll not end up in the lock-up.  
 'Cause all we Broeders have to do  
 Is call upon a friend or two – *God dank!*

And now there's old Mandela  
 Mmm . . . a different sort of fella  
 Whose idea of an umbrella  
 Just might not suit.

But, surely, even he must fear the stink  
 Were he to open up this sink  
 At which we banking Broers still drink  
 And wash our loot, to boot?



## DR HALL AND REMBRANDT

### *More Interesting Facts*

*Dear Sir*

In your article on Dr Robert Hall (nose9), you omitted to mention some very interesting facts about how Rembrandt ended up picking up the R40 million tab for that extraordinary fleet of surveillance aircraft that Dr Cornelius "Neelsie" de Villiers once hoped would make him very rich.

While you did note that Neelsie is a son of the late, more famous, Dr Wim de Villiers, you missed the other, more current, family connection: Neelsie's sister is married to Jan Dreyer, senior partner at Hofmeyr, Van der Merwe & Botha (for decades legal advisors, by appointment, to the Broederbond on the Reef). Dreyer is also Johann Rupert's lawyer, which makes him an advisor to the chief executive of the Rembrandt Group. With the De Villiers family fortune – including his wife's share of it – circling the plughole, Dreyer was able to persuade Rupert to come to the rescue – using Rembrandt shareholders' money, of course. I wonder how they had planned to enter this curious aircraft purchase in Rembrandt's books ... before noseWEEK blew the story. Maybe now they'll donate them to the (Rupert dominated) SA Nature Foundation, or use their old Hapsburg and Conservative Club connections to sell them on to the World Wildlife Fund – as a handy means of keeping the natives and other African wildlife under surveillance. In the meantime we eagerly await Rembrandt's next annual report to shareholders.

*A Friend of the Family*  
 Johannesburg

P.S. Johann Rupert has also been a frequent guest at parties thrown by "I've always been right-wing" Dr Hall.

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# MASTERBOND : Hello Allan – from Don

Dear Sir

I sent the following letter to attorney Allan Levin of Johannesburg on 5 July. He either cannot or will not reply, leaving me to guess what his motives were when he acted on our behalf as he did.

Don MacKenzie  
Masterbond Victims Association  
Blanco

P.S. All the news media appear scared to publish anything which he doesn't OK first.

Masterbond Victims Ass.  
PO Box 7092  
Blanco  
6531  
July 5th 1994

Allan Levin, Attorney,  
Johannesburg

Hello Allan,

As I am catching all the lack, I need to go public and put an end to all the speculation. For this to happen, I need your answers to certain questions.

Ever since you volunteered your services free & gratis, you have always professed to be acting in the best interests of the victims. To assist me in establishing the authenticity of this, please explain – for publication:

1. What your reasons were for trying to liquidate the company, rather than seeking to enforce the legal obligations in terms of the Debenture Trust Deed.
2. Why you never ever discussed these rights of the Debenture Holders with me, or even mentioned them in our correspondence or when you addressed our meetings. (The references in the court affidavits were, as far as I was concerned, mere legal rhetoric and meant nothing to me – I blindly followed your guidance.)
3. Why, when you – as a competent attorney – were fully aware that, by registering a trust I could protect myself as an individual from being held responsible for the opposition's costs, you never so advised me.
4. Why you at no stage bothered to advise me that all the opposition's costs would be for my account – until I asked for indemnity.
5. Why you gave indemnity to the lady whose investment you used in your attempt to liquidate Martinique, but never did the same for me with Mykonos Weskus.

Your replies will obviously show if I, having done all the menial work, am really to blame for the fact that 11 000 hours and R87 000 have been wasted on attempts to liquidate, instead of devoting our efforts to getting the trustees dismissed – which would have effectively disposed of the Curatorship and been to the benefit of destitute victims.

Anticipating your prompt, clarifying reply.  
With kind regards,  
Don MacKenzie.

bankers etc. The feeding frenzy has turned scavengers into predators.

Why should Allan Levin bother to sacrifice hundreds of hours and many thousands in fees for you and the other Masterbond "victims"? Victims who – considering the large sums they had been willing recklessly to invest in Masterbond and its quick money schemes – should between them have been able to raise enough money to hire competent legal advisors without squealing for charity. It would not surprise us if, with that attitude (hoping to get free legal advice, just as they had hoped to get unreasonable dividends from Masterbond), the victims should, once again, have been taken for a ride.

We do not, of course, wish to make light of alleged misconduct on the part of the professions and institutions that seem to be collapsing all around us for lack of competence and morality. But can you complain if they aspire to big payoffs in return for no proper service, when you, yourself, hoped to get something for nothing?

Consider: you set yourself up as a financial advisor and took fees or commissions for your advice. Yet you were not competent to give that advice: you handed their money to Masterbond without checking it out. A simple check would have revealed that it was not a registered deposit-taking institution. And now, having set yourself up again as advisor and chairman of the victims association, you appear to have done a miserable job of protecting investors' interests – again having promised a lot for very little.

Perhaps it is time for you and the other victims to move on and start planning Life After Masterbond. (Subscribing to nose-WEEK was a good start – for which we thank you.)

For us, on the other hand, Masterbond has only just peeped over the horizon. It is coming increasingly into focus as the costly days, weeks and months of the Nel Commission pass luxuriously by – without budget constraints and without any apparent urgency or need to produce results. In fact, the Nel Commission has come to represent that contemplative, enquiring, whimsical, unstructured lifestyle-at-the-Cape to which even we aspire.

Watch This Space. - Ed.

P.S. Meanwhile, we eagerly await Mr Levin's reply to the above letter.

Thanks for the copy of the letter you sent to Allan. But what do you expect us to do about it? The uninformed are not likely to understand what you are on about, and we have not, until recently, felt inclined to undertake the costly and onerous investigation

required to unravel the sprawling mess that Masterbond had been allowed to become.

But we do know, as you surely do, too, that liquidations are an extremely lucrative – indecently lucrative – business for liquidators, trustees ... and their legal advisors,



**FOREX: A FREUDIAN SLIP?**

Dear Sir

I read with interest your references to that mysterious off-shore entity called Stonehage (Forex Folies, noses8 & 9). Coincidentally, Basil Hersov's Hermanus holiday house is called ... Stonehage!

"Jones"

London

*You talk coincidence! Read the following extract from Private Eye: -Ed*

[Rupert Agnew, Consolidated Goldfields chairman, testifying to US enquiry into Minorco's takeover bid:] "Mr Ogilvie Thompson told me that there was a company – he referred to it as Central Holdings – which had been established by the Oppenheimer family in Luxembourg [and which] would from time to time take the initiative in new investments, some of which were later followed by investments by Anglo American and/or De Beers ... he did indicate that key Oppenheimer executives ... derived benefit from the family company."

[Private Eye comments:] But the Central Holdings trail in fact begins 20 years ago when it was set up to receive a \$40 million portfolio of unidentified investments from Hagstone Investments, a South African company whose address was given as the Joburg Stock Exchange. Hagstone owned all the Luxembourg company's shares. Who, in turn, owned Hagstone and what was in that portfolio is hard to discover as the company was dissolved and its records seem to have been misplaced.

One suggestion is that this transaction may have been related to a wish to create a vehicle outside the grip of South Africa's tight currency/taxation regulations.

**THABO'S GRAVY STAIN**

Dear Sir

I have, in the past, always been a defender of Deputy President Thabo Mbeki (even when he no-shows for diplomatic appointments), believing that he has certain qualities not often found in politicians – sincerity, true diplomacy and a sense of humour – so it saddens me that he, too, now appears to have run for the whistle of the gravy train.

At a recent OAU conference of Information Ministers held at Sun City, he resided (you don't merely "stay" in such accommodation) in a suite costing R10 000 per night. Assuming that they kept the accommodation for his exclusive use for the duration of the conference (one week), that cost R70 000, excluding "extras" (a hamburger costs R27 up there).

Two questions: (1) How can R10 000 per

room be justified – even if it comes with "dedicated" staff, jacuzzi etc.? And, more important, (2) how does Thabo Mbeki justify the cost while millions in our country do not have even the most basic shelter?

And then there is the question of holding such conferences at Sun City in the first place. Some of the African ministers attending the conference had not, apparently, been told of the "reigning" prices at Sun City, came unprepared and impecunious – and had to leave on the next available aircraft. One or two were so poor they had no suitcases and came with their belongings in plastic bags. What kind of example are our politicians setting – or is it just one-upmanship? For the sake of the new South Africa, I hope that Mr Mbeki and his lesser colleagues rediscover their true values very soon, and abandon the palaces of the hated apartheid regime.

Linda Drake

Cape Town

**MELVYN LOVES PORN**

Dear Sir

Shame, poor Marm Maureen. Having had her nose in one of those fundamentalist feminist publications, she is all fired up to spot pornography wherever there's a bulge or a hastened breath. Wake up, dear. Our modern millennium has just about run its course, and this is the new South Africa, you know! Who cares about the doings of the porn merchants?

Anyway, before you cover celluloid and print with "Danger – Pornography" stickers, let me take the chance with your blood temperature and remind you that sexologist Alex Comfort defined pornography as "all sexual reading/viewing matter which someone yearns to ban".

Melvyn Minnaar

Roggebaai

*Hold on to your bulge... and read nose9 again. Maureen Barnes' piece did not express any view on, or even refer to, the banning of porn. She took a humorous look at how the Weekly Mail had presented its Out in Africa film week as liberating and culturally avante garde, whereas it was, for the most part, pathetically gauche, or crudely exploitative, old-style sleaze. Maybe this is all to*

*your taste. Who, indeed, cares ... about bad taste, pollution, fraud, rape, child abuse ... when someone out there is sure to find it lekker, self-fulfilling – or profitable?*

*Our second porn piece by an eminent social scientist – demonstrated that even in science, things are not always what they have long seemed to be. The Danes, so we had previously been led to believe, had "scientifically proved" that legalising porn reduces "sexual" crime. (Some even went on to theorise that if people that way inclined could indulge a violent sexual fantasy by looking at pictures of such activities, maybe they did not need to actually rape and sexually molest belle, boy and beast – in which case, Let them have porn!)*

*But now Diana Ross has shown the Danish research to be seriously flawed, and its conclusions completely unjustified. If exposure of an obvious fallacy is to be condemned as "fundamental feminist", we stand condemned. When porn is up for debate, it is only fair that it should be known that arguments for liberalising porn laws are at least as unscientific as those for restricting porn. -Ed.*

**PICK 'N PAY STRIKE**

Dear Sir

On behalf of the Pick 'n Pay workers who are members of the SA Commercial Catering and Allied Workers Union, I wish to thank you for Maureen Barnes' objective analytical essay on the recent strike – especially with regard to the so-called anti-Semitic allegations of the Pick 'n Pay bosses.

We look forward to future editions.

Tommy Bangani

Regional Secretary, SACCAWU

Cape Town

**TOLLGATE'S UNDIES OUT TO DRY**



Dear Sir, Look what I discovered! Tollgate's relocated to Pater Noster on The West Coast. I thought you ought to know

– J. Smith



## Nouveau Riche —very, very Riche

*Question:* What does it cost to turn a socialist leader of the Pan African Congress into a Joburg capitalist?

*Answer:* R9,1 million, or thereabouts.

That's the fortune that has been handed to **Advocate Dikgang Moseneke**, radical PAC leader from Pretoria (and until quite recently a serious candidate for appointment to the Constitutional Court), to turn him into a well-suited, capitalist, gentleman of African origin.

To get **Dr Franklin Sonn** — our new ambassador to Washington and such a charming man — into good financial shape, and the right frame of mind, before sending him off to the land of porkbarrel politics, costs only marginally less: Sonn is the happy recipient of shares on the JSE worth R8,9 million.

Of course more experienced black capitalists who already have a million of their own, require — and deserve — a bit more to ensure that they don't feel unjustly treated when they see all the handouts being given to these Johnny-come-latelies. **Dr Ntato Motlana**, Soweto's favourite GP whose slogan is "It's glorious to be rich", has been properly rewarded with a bundle of shares worth — when we last looked — R49 428 686,00.

And for good old **Sam Motsuenyane**, doyen of black capital and chairman of the African Bank, there was a little parcel worth R17,9 million.

Besides the above-named gentlemen — according to the pre-listing statement which **New Africa Investments Limited** (NAIL) was obliged to publish at the end of August — the following persons also received pre-listing shares (which were promptly quoted at R2 each on the Stock Exchange):

**Dr N J Mabuza** (ex Kangwane Methodist) — R9,1 million-worth.

**Mr Archie S Nkonyeni** (of Nafcoc-fame) — R9,07 million-worth.

**Mr D D B Mkhwanazi** (Black Management Forum) — R840 000-worth.

[We suggest, Sir, that you fire your lobbyist - Ed]

And just to show that the donors still have their priorities right, one of the biggest awards went to **Jonty Sandler** ("THE MAN FROM SHAREWORLD"), the white man who organised it all. Mr Sandler got R49,2 million-worth.

And you thought you knew what 'Cash on the Nail' meant!

These awards of shares are another "initiative" — part of the **Metropolitan Life** package, compliments of SANLAM — launched in the name of "black economic empowerment". It remains to be seen how the black community will benefit from these men having been so generously empowered. Which is not to deny the benefits of having an ambassador in Washington that keeps an anxious eye on the JSE every time he opens his mouth.

## The Rembrandt Flying Club

A correspondent (see letters page 3) has prompted us to take a closer look at some of the other personalities — besides **Drs Robert Hall** and **Neels de Villiers** — involved in the deal that has resulted in **Rembrandt** becoming the not-so-proud owner of at least 7 Ayres Surveillance planes at a cost of \$1 million a piece (noses8&9). As our correspondent has pointed out, Neels's brother-in-law, attorney **Jan Dreyer**, was a useful connection to **Johann Rupert**. But that was not Dreyer's only significant connection. Dreyer is also in partnership with one **Michael Jordaan** in a Pretoria restaurant and bakery — which is a testimonial to both men's versatility, since Jordaan's main business has always been military supplies. Guns 'n Buns Inc.??

Jordaan was once the son-in-law of the father of Afrikaner finance and secret offshore projects, **Dr Nico Diederichs**. Despite his parents divorce, Jordaan's son appears to be keeping up all the Old Family connections: he is a bright young recruit at Rupert's **Rand Merchant Bank**.

Until recently, when he sold his shares for R8 million, Michael Jordaan was also a director of that shining star of Afrikaner industry and influence, **Martin Jonker Motors**. There he also acted as local representative of the **Von Rantzau family** (of **Trans Ocean Liners** fame and among apartheid South Africa's most important friends in Germany).

Finally, Michael Jordaan was one of **Armcor's** big commission earners in those great arms embargo days — and he still knows a thing or two about the trade. For instance, one of his better connections is **Helmar Stellner**, owner of a German company

called **Ibcol**, which is heavily into the "security business". Ibcol also has an Israeli partner, **Inframatrix**.

The Ayres planes brought to SA by Hall and De Villiers — and which were then lent to the IEC for election surveillance — just happen to come equipped with Inframatrix surveillance cameras.

**Anton Rupert** is "not amused" by the flying circus acquired by his empire, according to sources on The Braak. One of its less-amusing features: the R22 million hurriedly paid to Ayres to clinch the deal last year, was drawn on a Swiss account belonging to Rembrandt's offshore giant, **Richmont** — without prior arrangement with the Reserve Bank. Or is it not only Dr Hall that has a very special thing going with the Reserve Bank?

In an attempt to retrieve the situation, Michael Jordaan is hoping to be able to persuade the newly elected government of Mozambique to spend some of their expected foreign aid funds on some good American surveillance planes (only slightly used for demonstration purposes).

## Armcor Loves Modise

Unfortunately arms salesman and cookie baker Michael Jordaan is unable to give the marketing of Rembrandt's surveillance planes his undivided attention right now. He's too busy negotiating to sell Armcor's **Rooivalk** helicopter to the **Indian Airforce**. *Question:* As an extra incentive to the Indians to buy the Rooivalk, might **Defence Minister Modise** be willing to pay India large sums for retraining the new South African Defence Force? You scratch our back and we'll scratch yours ... and then we all scratch ... Armcor's!

## Latin for Lawyers

A gentleman who wanted to send his son to Eton received the fees list which stated that it would cost him £12 000 per anum.

He informed them that he would prefer to pay through the nose.

## Forex Fellows

Remember **Miller, Brener & Co**, that London firm of accountants who specialised in discreet help for South African businessmen planning exotic holiday trips to Jersey, The Cayman Islands, Bermuda, the Netherlands Antilles, Liechtenstein and Zug? Well, after years of excitement and raids by UK Inland Revenue inspectors, **Leon Brener** and **Martin Miller** have decided to flee persecution and further unwelcome enquiries

by these henchmen of the repressive British regime. The West Rand boytjies – now older and wiser – have returned to free SA.

We do hope they're not immediately going to be pestered by inspectors from the **Reserve Bank** wanting to rake up old matters such as the over-invoicing service that used to be run by **Southern Mercantile Trading Co. Ltd** – directors L. Brener and M. Miller – of 3 St Paul's Churchyard, London. Southern Mercantile (cable address: Lonjob) used to buy in goods destined for customers in SA and then up the price by an agreed amount before shipping them on to SA under their own invoice. For a small percentage, Miller, Brener & Co would arrange for the difference to be transferred to the offshore account of their client's choice. [We suspect they might have had some difficulty explaining to Inland Revenue that Southern Mercantile's profits were often not profits, but merely forex-in-transit.]

No doubt Miller and Brener will spend at least one of their evenings of reminiscence with Jo'burg friend **Archie Nankin** (struck off SA register of CAs, March 89) about some of his customers they assisted in those years ... [Also see Letters, page 4]

## Charity Disparity

### Anthula ain't Teresa

"When the ladies of Calcutta meet to organise the annual Christmas Party for the Children's home, they are only allowed a glass of water. This is because working for the poor should never turn into a social engagement for the rich" – *Mother Teresa of Calcutta*.

In case you didn't know it, **Anthula**

**Markowitz**, fashion designer and former mayoress of Cape Town ain't no Mother Teresa.

For her, support for the poor is an incidental excuse for holding the ultimate in social engagements for the rich: she collects donations for Peninsula School Feeding in aid of her Radio Good Hope Fashion Show! And her friends at Radio Good Hope and Peninsula School Feeding think it's just fine.

Says Nico de Kock, the SABC's Radio Manager in the Cape: "The amount donated to Peninsula School Feeding is a predetermined target, accepted beforehand by all parties concerned. The total cost of the show and what percentage of it, ultimately, the R60 000 contribution to School Feeding will be, will only be known once we receive the audited statements." This year the public gave around R600 000, which means about R540 000 was promptly used by Anthula for her fun show for the rich.

Asked to explain the SABC's donation of free radio time, De Kock says: "We have done many similar promotions without any contribution going to welfare. Ever since our involvement we have regarded it as a highlight on the South African Fashion Calendar."

"We are particularly proud that the generous contributions from so many public spirited individuals and organisations have enabled us to alleviate the plight of the less fortunate," says School Feeding Chairman Brem Jackson in his introduction to the fashion show programme. Then he has the cheek to add: "Well over 90 cents in every Rand we receive is spent directly on food, so you may rest assured..."

At least one of the donors who read our report on last year's fashion show, insisted that they were not making a donation to fashion,

but to School Feeding. So when Warner Lambert, whose headquarters is in Morris Plains, New Jersey, again received a begging letter from Anthula in April, they took the precaution of sending their cheque for R5000 directly to Mr Jackson at Peninsula School Feeding.

"We checked with Brem Jackson, who assured us our money had gone direct to School Feeding," Warner Lambert's Public Affairs Manager, Alison Cyprianos told us. It hadn't. When Jackson received their cheque, he immediately sent it on to Mrs Markowitz, who deposited it in her fashion show kitty. "I don't know who is lying, and prefer to believe Mr Jackson," Ms Cyprianos told noseWEEK.

It's hard to believe the chairman of a major charity will lie.

\* Cape Town's new Mayoress, Di Berrill, has just raised R60 000 for her charity fund with a single charity performance of Mame! ALL the proceeds from ticket sales went to charity.

## Anthea's Secret Revealed

Royal-watching readers of the **Sunday Times** colour magazine were in for a disappointment recently when the front cover promised that, if they turned to page 9, they would find "Princess Diana's closely guarded beauty secrets revealed".

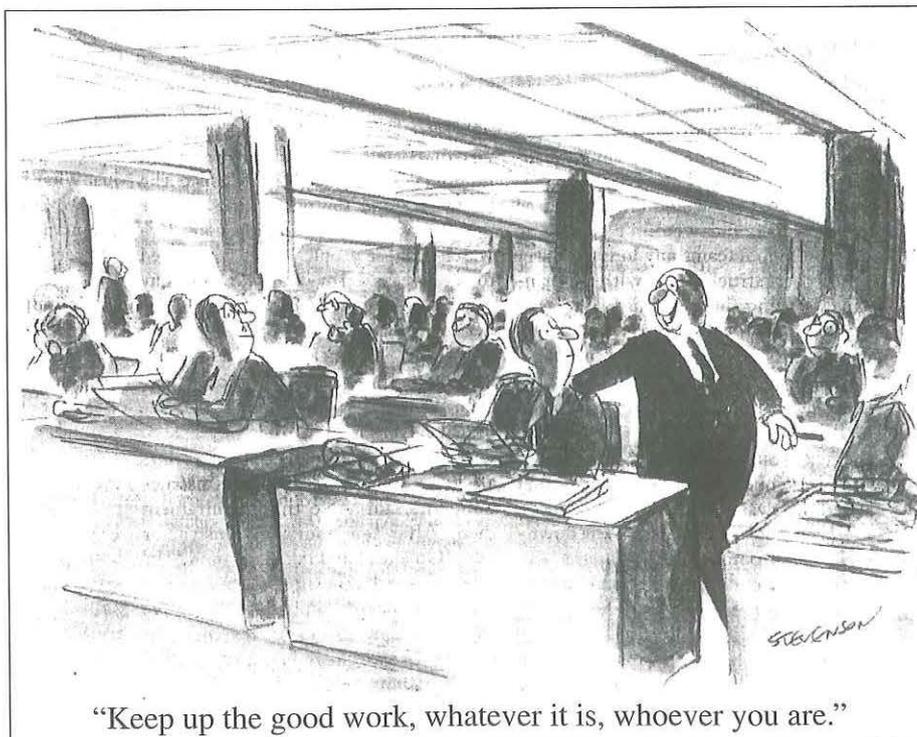
What they found was a full-page advertisement for "a revolutionary new facelift technique", which insinuated an endorsement by HRH – in fact, just another in that mag's range of tacky ads that are guaranteed to make the gullible become thin, bigger busted, rich and cellulite-free, and even – if you can believe it – help you to "grow taller in the privacy of your own home."

We know newly appointed editor of the magazine, **Anthea Bristowe**, doesn't yet have much of a journalistic background, so perhaps she should not be expected to know the sacred distinction between advert and editorial – but in the meantime, she could do worse than merely apply ethical standards to what she promises her readers on the cover.

## Give us a Ring, Sweetie

While on the subject of bad taste, the manically upwardly mobile phone ladies (The Mumpets) of Cape Town's ultra-smart **President 100 Club** have had to be asked not to take or make calls on their new cellular phones during club lunches, especially while the guest speaker is talking.

Instead of going out to lunch attached to their phones, the Mumpets might try growing taller in the privacy of their own homes.



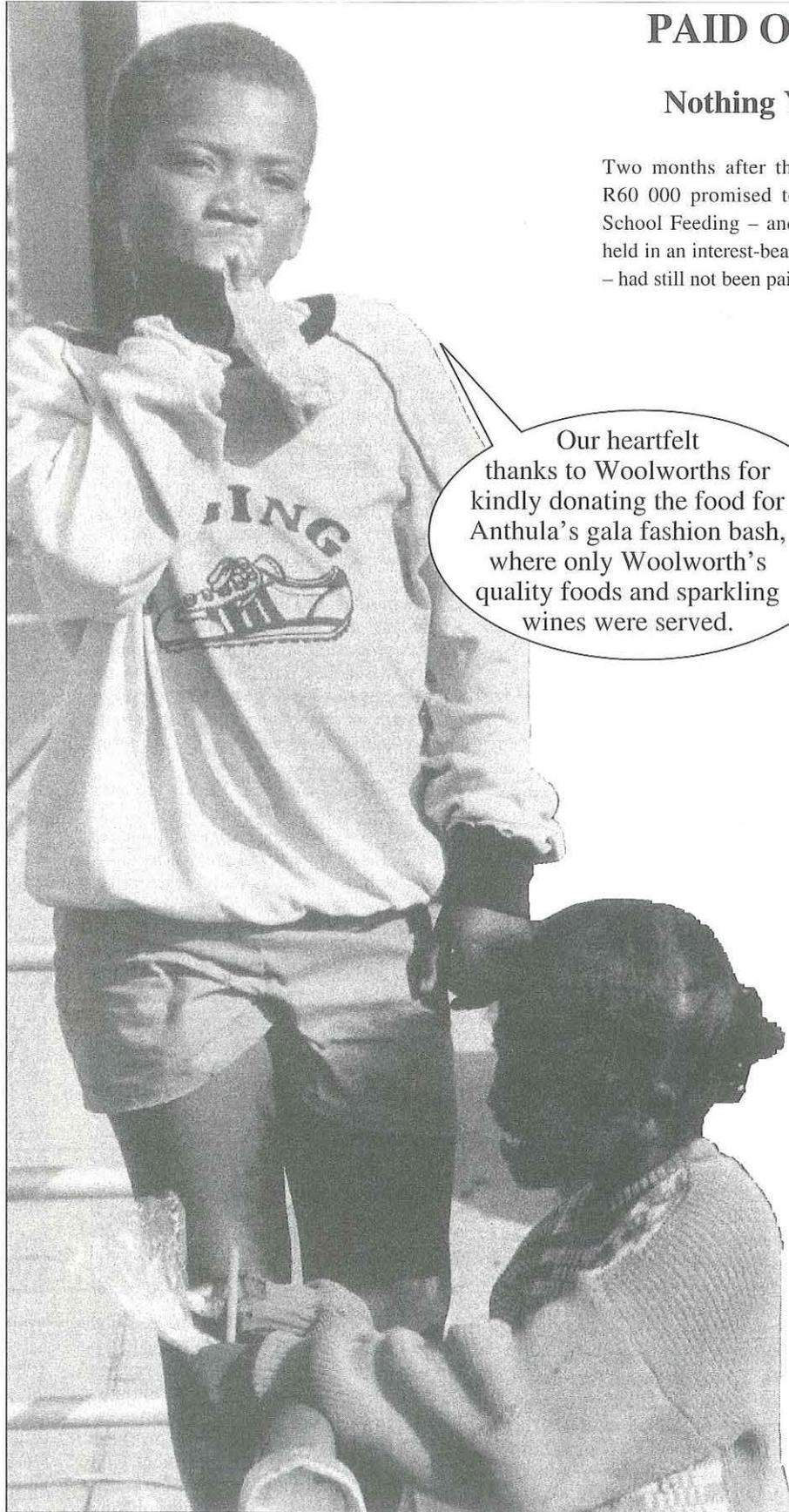
"Keep up the good work, whatever it is, whoever you are."

# DO YOU FEEL BAD BECAUSE I'M HUNGRY?

## PAID IN

### Up to R600 000 in cash and kind

- Cheques totalling over **R70 000**, sent as donations to School Feeding in response to a **letter appeal** in April, were re-directed to the Fashion Show bank account. In addition the programme acknowledges 15 patrons who, to qualify for that status, had to make a donation of at least **R5000** "to feed hungry children" – also credited to fashion show account.
- **Airtime** on Radio Good Hope, worth tens of thousands, **given free** to promote the fashion show.
- On Gala Night **600 people paid R150 each** to attend the fashion bash = **R90 000,00**
- At six further shows they paid **R50 each** = **R270 000,00**
- 16 companies donated **luxury foods** worth thousands to feed the fashion guests.
- 8 companies donated **champagne** and other great wines and beverages for 3600 guests.  
Donated as prizes with which to reward those who attended "in support of Peninsula School Feeding"
- Jewellery worth **R11 000**
- Holiday accommodation for **R10 000**
- Weekend at a health farm for the rich to **slim in style**, worth **R2000**
- Airtickets to London
- A cellular phone.



## PAID OUT

### Nothing Yet

Two months after the show the R60 000 promised to Peninsula School Feeding – and said to be held in an interest-bearing account – had still not been paid over.

Our heartfelt thanks to Woolworths for kindly donating the food for Anthula's gala fashion bash, where only Woolworth's quality foods and sparkling wines were served.

**Buy an outfit from one of SA's top fashion designers and you'll feel much, much better.**

# CRULIFE:

## *The Silence of the Lambs*

The partners of Deneys Reitz, Johannesburg's second largest firm of attorneys, had some secret - and very profitable - business dealings with their client, Crusader Life, that they took the precaution of hiding behind a maze of corporate trusts and entities. So frantic are they to keep the lid on these delicate matters, that they are prepared to go as far as the Constitutional Court to prevent Crusader's creditors - and especially its policyholders - from finding out about them. Read on.

Founded by the famous Boer War commander after whom it is named, Deneys Reitz (DR) was once one of the city's most distinguished law firms, with Lloyds of London amongst its oldest clients. Earlier this year DR were negotiating to amalgamate with Anglo's attorneys, Webber Wentzel - a good match, we would have thought, considering that Webber Wentzel have been known to devise some pretty nifty off shore schemes for currency smuggling and tax evasion (see nose1). But it seems neither is keen on the game of double jeopardy, so the amalgamation talks fell through.

DR's fortunes, it now transpires, are not built on fees alone ...Even if the Transvaal Law Society isn't interested in the bad news about its favourite sons, the distraught policy holders of Crusader Life might be. You only have to have observed that, while the profit-sharing partners of Deneys Reitz have always been well-off (as attorneys go), when, in the late 1980s, they became attorneys to Crusader Life, they became, well, seriously rich. Just when Crusader's policy holders and shareholders were about to become seriously poorer.

The Curatorship of Crusader Life, the investigation into the causes of its collapse, and negotiations for a possible "rescue" operation, are all clothed in secrecy. Which any right-minded person should regard as downright suspicious.

The professionals involved range from Billy van der Merwe, senior attorney, senior member of the Broederbond and former President of the Association of Law Societies, to Kevin Cron, a senior partner at Deneys Reitz (DR), to eminent members of the Riverside Club, such as Mr Basil Hersov. Hersov is not only chairman of First National Bank and Anglovaal, but also the president of the Institute of Directors, whose mission it is to promote - wait for it - sound, ethical corporate governance in South Africa. All have opted for secrecy and non-disclosure. Why?

Curator Van der Merwe has obtained scores of files from Anglovaal (Crusader's parent company), and from DR, relating to their past dealings with Crusader and its directors.

Assuming DR produced all the files, the Curator must have discovered documents which strongly suggest that his eminent colleagues at Deneys Reitz had joined their clients, the Rowand brothers, with their snouts in the Crusader trough. And devised schemes both to cover their tracks and to defraud the tax man.

If Mr Van der Merwe has seen what we have glimpsed, he quite understandably wishes to ask them a few questions at the secret enquiry he is conducting before Mr Justice Oscar Galgut in terms of the Companies Act.

The partners of DR - and the directors of Anglovaal - are great believers in the benefits and protection afforded by the Companies Act. But they don't go along with the quid pro quo demanded by the Act of those who claim its protection - such as having to answer questions at enquiries held in terms of Section 417.

Deneys Reitz and Basil Hersov are great believers in secrecy, although they prefer to call it privacy. In June, Anglovaal applied to Court for an interdict to prevent its directors, who had served as its representatives on the Crusader board, from having to appear at the enquiry for questioning.

Hersov (remember KPL-Etsa?), has repeatedly declared himself all in favour of a Crusader enquiry. That, it now transpires, was on the assumption that no attempt would be made to trace Anglovaal's fingerprints at the scene of the crime. As soon as the curators summoned Anglovaal's directors to produce documents and answer questions, Mr Hersov brazenly declared that the curators were "now making an unreasonable meal out of it". This, he said, was ridiculous; this was "infringing the constitutional right to privacy" of the Anglovaal directors on the Crulife board, Dave de Beer and Dave Barber - and of their attorney, Mr Cron ...

Because insurance provides an essential form of social security - for the sick, the elderly or the very young - laws and agencies exist to ensure that the industry is administered with the highest degree of probity.

The public at large who rely on these laws, and who fund law enforcement with their taxes, are entitled, by normal conventions of accountability, to all the information necessary to judge whether the system is .

Now look at the history of Crulife and judge for yourself.

Early on already the relationship between Crusader and its attorneys, DR, was very close. DR occupied half of Crusader House in Johannesburg.

In 1986 Crusader sold DR a 50% interest in Crusader House for R2 million, but no cash was actually exchanged. Instead of rent, DR simply paid the monthly interest on various cheap loans that Crusader had arranged to finance 100% of the purchase price.

Follow the paper chain: Crusader House was owned by Dorel Properties (Pty) Ltd. which, in turn, was wholly owned by Tiffany (Pty) Ltd, which was 50% owned by Staunch (Pty) Ltd., which was controlled by the Crusader House Trust - of which all the beneficiaries were the profit-sharing partners in Deneys Reitz!

Then, on June 1 1987, DR sold its "interest" in Crusader House back to Crusader Life - this time for a real cash payout of R2 million, all of it tax-free profit to the DR partners. Why Crusader should have sold its building to its attorneys - and then, not long after, bought it back paying them a R2 million for the privilege is not clear.

The DR partnership had earlier paid R350 000-odd for having the building refurbished to suit their requirements. In DR's books it was treated as an advance to the property owning company, Dorel. This claim against Dorel passed to Crusader as part of the R2 million buy-back, so "technically speaking", Mr Peter Simkins advised his partners in DR, R350 000 of the R2 million payout was supposed to go through DR's books.

This was Bad for tax, so Mr Simkins devised a nifty, shifty scheme - with the approval, according to Simkins, of tax adviser E B Broomberg.

He set it all out in an internal memo circulated to all his partners:

"The Crusader House Trust should be substituted for Dorel as the debtor to DR for R350 000.

"The amount of R500 000 [an installment on the R2 million paid out by Crusader Life] when received on 1 December 1988[can then] be distributed by the Trust to the participants [the DR partners], as in the case of the first instalment." In other words, instead of going into DR where the Receiver would see it, it would go straight into the partners' pockets.

"Eventually, Simkins continued,"and after a respectable period of time, DR writes

Deneys Reitz quietly split

off its claim against the Crusader House Trust. With any luck we might even get it allowed as a tax deduction."

But defrauding the Receiver twice with the same amount was not enough. Simkins continued:

"Although this will, technically speaking, result in DR losing an asset of R350 000 (possibly on a tax efficient basis), at the same time the Staunch/Dorel structure has achieved a considerable tax saving because, so far, the Revenue has not queried the write off for tax purposes of the entire cost of the refurbishment [of the offices] which it would undoubtedly have done had it been undertaken by DR itself.

Eighteen DR partners approved the scheme, and shared in the spoils. Manley Kapelus, presently managing partner, took the lions share.

In August 87 Crusader Life leaped to centre stage on the Johannesburg Stock Exchange. They were to be launched as a pyramid company! There was to be a rights issue. In six months premium income had grown to over R24 million. The company accounts reflected a dramatic increase in the value of investments from R12,9 million to R20,9 million "as a result of valuing these at market value over the past six months"! [Auditors Coopers Theron Du Toit certified the annual accounts, as they always did.]

In June 90 there was more excitement, when Anglovaal bought a major stake in Crulife. Crusader was expanding offshore by taking over UK insurer, Pegasus.

With all the hype, between Oct 90 and Sept 91 the price of Crusader shares rose from R1,70 to R2,50.

It was at about that time that the senior partners of DR bought an assetless shell-company, called AVLTF for R200, and changed its name to DRLTF (Deneys Reitz Long Term Finance). DRLTF, now headed by the secretive Mr Cron, promptly borrowed R15m from Prima Bank (apparently without security) to, in turn, lend on to Crulife for "a marketing campaign". [Which we can't place.- Ed] In return for the loan, premiums paid by Crulife policyholders and subsequently derived from this "campaign" were to be paid to DRLTF. Today the senior partners in Deneys Reitz who were directors and shareholders of DRLTF claim that they were only nominees acting for "various parties". Directors, of course, don't act as nominees.

The business magazine *Finansies en Tegniek* speculates that Anglovaal Insurance [or maybe, some of its directors and their friends? - Ed] wished to invest in Crusader's marketing programme, in return for a percentage of the premium income that would be generated. But, if so, why not go the conventional route? And why not in their own name, one wonders ...?

In March 92 Discount House Merchant Bank were persuaded to take over the R15m Prima Bank debt. This suggests that DRLTF's major creditor (Prima), desperate to save itself and get its money back, had

enough leverage over the rich and famous of Johannesburg to be able to "persuade" Discount House MB (an associate company of First National Bank - Hello Mr Hersov! - and of Anglo, De Beers and Old Mutual) to refinance the R15 million loan.

As security for its loan to DRLTF, Discount House MB got a Letter of Comfort from Anglovaal Insurance (AVINS) - which is no comfort at all - and a guarantee from Prima which could ruin Prima if it were called up, although, of course, the guarantee was not disclosed in Prima's accounts.

Why had Prima advanced such a large sum to a shell company, run by "nominees" and without security? Could it have been influence on the Prima Bank board? A A Life (Anglovaal's latest insurance subsidiary) owned a 15% controlling share in Prima Bank. Clever Mr Hersov! - in May this year, just two weeks before Prima was about to go to the wall, A A Life managed to sell its Prima Bank shares to a bunch of black investors - Bophuthatswana's Selefane Employee Benefits Fund. Ah, the Blacks - she'll learn ... but hopefully not too fast. But let's not jump ahead with our story.

In March 92, Discount House MB not only got a guarantee from Prima, it also got a session of all DRLTF's rights to the pre-

## *18 Deneys Reitz partners approved the fraudulent scheme*

mium income on certain policies issued by Crusador. Just how legal this session was, will no doubt be investigated.

In June 92 Crulife did a further rights issue, backed by Anglovaal and UAL. In April 93 David de Beer, Group Chief Executive of Anglovaal Insurance Holdings was appointed chief executive of Crulife. There was no explanation for Don Rowand's departure. But brother Bob did speak to the press: "It allows me more time to spend with Pegasus, which is expected to make in excess of R1 million profit for 1993." Two months later, he, too, had left Crulife.

Secrets will out, and on 18 July 1993 the Crusador Life Board met to "formulate a strategy to crush speculation about its health". Crulife's share price had plummeted from R3,20 to R1,90. "It's all due to rumours," said CEO De Beer. Heavy insider trading was the more likely explanation.

Instead of a dividend, Crusador was forced to make provision for losses incurred by Pegasus. The profit that had earlier been indicated, had been based on "a mis-stated determination of embedded value".

On 30 July 93 Crusador was suspended on the JSE and within weeks the Financial Services Board had Crusader under Curatorship. Angry minority shareholders believed they did it in order to frustrate the legal action they had intended to launch. They want-

ed provisional liquidation - and to hold an enquiry. Among the matters that required investigation: Why was crucial information withheld from shareholders at the time of the rights share issue in June 92? Why were dividends declared when there were repeated (undisclosed) shortfalls in the Life Fund? (At the time of the rights issue the shortfall amounted to R38,7 million. Later, what was reflected as a surplus of R30 million in the published accounts, should, in fact have been reflected as a deficit of R58 million.)

Adding insult to injury, minority shareholders had also found out that the Rowand brothers had managed quietly to dispose of all their own shares in Crusador - at top prices - in the three months before they left.

And then there is the strange and delicate matter of the R15 million DRLF loan.

In December last year Anglovaal and UAL were reportedly prepared to make a R30 million "rescue" offer for Crusador. While the more naive might have interpreted this as an offer to rescue unfortunate policyholders, knowing Mr Hersov's Anglovaal, it is safer to assume that what they have in mind is to "rescue" Anglovaal and UAL from having to cough up what they really owe Crusader policyholders and minority shareholders - a great deal more than R30 million - if the truth were to become known in a full and proper enquiry.

Last December the curators were investigating "other alternatives" which could also not be disclosed. Meanwhile, another year has passed, and still not a word.

Policyholders have no vote, there's no money to be made protecting their interests, and reactionary judges of the Transvaal Supreme Court can always be relied upon to help send ordinary members of the public packing when they claim the right to information that the court thinks only the rich and powerful ought to have...

Surely the Financial Services Board is in there battling away for justice? Forget it - they're too busy doing what they've been too busy doing for the past 20 years - or Crusader wouldn't have been allowed to get into such a mess in the first place.

And the auditors who approved the fraudulent accounts? Surely Mr Van der Merwe, former President of the Association of Law Societies, has ensured that those lawyers helped devise the tricky schemes have been reported to the Law Society ...? Just joking!

The ones really asking the questions at the secret enquiry are the minority shareholders. They aim to drive Anglovaal and UAL into a position where they are forced to strike a deal and pay off - not the unfortunate policyholders, but the minority shareholders - in return for a settlement which buries all the dirt.

Then there's Mr Hersov's appeal to the Constitutional Court. Settling to save legal costs seems such an honourable thing to do.

What of the creditors and policyholders? From them expect only The Silence of the Lambs.

their share of the spoils

# Bob's your Charlie!

*Bob Aldworth continues his personal account – given exclusively to noseWEEK – of his year on the ABSA board.*

On the up, or on the down, Bob Aldworth has always been a celebrity in South African banking circles. He first achieved renown as MD of Barclays Bank, and even greater renown when he was fired (it was the late Seventies) for allowing business-woman of the year Sandra van der Merwe to inveigle him into becoming her very personal banker – a sin which today most Joburg businessmen could easily find it in their hearts to forgive; then it meant years in the wilderness of business consultancy.

In 1990, Bob's your Charlie, Aldworth was back – brought in from the cold to act as diplomat and trouble-shooter for an amal-

gamation of Afrikaner banks-in-trouble. As Afrikaner political power faded, these banks saw their prospects rapidly on the decline. To cope with the crisis they were desperately amalgamating – and, so it appeared, seeking the friendship and business of their erstwhile English-speaking foes.

Aldworth was first appointed MD of the group's newly acquired subsidiary, Allied Bank, whose image, it was hoped, would be more amenable to English-speaking South Africans. But his talents were obviously needed on a wider front, because within weeks he was also appointed to the main board of Amalgamated Banks of Southern Africa (ABSA).

Ah, the irony: on the ABSA board, one of his senior co-directors was only just coming to appreciate the personal attention – and business favours – that an ambitious woman can require of her banker. Fortunately for the gentleman concerned, the ABSA board – all men of the Nineties – were more into decor than decorum.

But poor Bob Aldworth, he'd hardly settled down, when he was summoned before his fellow directors and their legal advisors to be interrogated about his personal involvement in a bank loan that had gone sour. The loan was of little consequence in the overall rotten state of things, but within days his doctor and a friend "well-connected in Broeder circles" suggested to a shaken Bob that it would be better for his health if he left the country without delay.

Unwittingly, his overnight departure for the UK – in February 1993 – added to the drama. His former employers and their friends in high places, protesting outrage, declared him a fugitive from justice. They had discovered, they said (in various press releases), that he had used his position at the bank to protect his own financial interests. Shock, horror. Unheard of.

But how genuine could their outrage be, considering the scale of the fraud and the rampant dis-

honesty at all levels of these banks – in their dealings with government, their own shareholders and with the public? What, for instance, of their old colleague Hennie Diedericks? At about the same time that the Aldworth furore was brewing, it had been reported to Badenhorst and Cronje that their colleague Mr Diedericks had stolen tens of millions. They did not even reprimand – let alone fire – him. Broer Diedericks they kept on as chief executive in charge of Volkskas and Trustbank for another year, without a hint of anything the matter. Then, instead of recommending that he flee the country, his Broeder friends recommended him for a plum retirement job – as MD of the Post Office.

Odd. So odd, in fact, that many are asking: were the Broeders, contrary to their nature, genuinely seeking friends amongst their ancient "English" foes – or were they merely setting up vulnerable non-Afrikaner scapegoats as the day of reckoning for these banks appeared more and more inevitable and less and less avoidable?

In nose8 Aldworth told how, just prior to his promotion to the main board, he had been instructed to investigate why Allied Bank's profits were nothing like what had been projected when ABSA was persuaded to buy Allied. He found the former owners had inflated the last year's profit figures by appropriating thousands of the less-active savings accounts at the bank (they were hastily classified "dormant" for that purpose), plus the R2 million reserve of the staff medical aid scheme, to company income – and hence to profits. Not only was this a damning reflection of how they viewed their clients and their staff, it gave a misleading impression of the bank's earning capacity and hence of the value of its shares. Worse still: as at least some of the clients later discovered that their savings accounts had mysteriously been emptied, they had later – after the take-over by ABSA – to be refunded at the rate of about R300 000 per month – out of legitimately earned profits.

And no auditor or Reserve Bank inspector objected. Apparently, that is all regarded as acceptable banking and accounting practice in Christian Nationalist circles.

*Now read on...*



“Whilst there were problems in Allied, there were more serious problems in Volkskas. Bad debts were out of control (Bester Homes and HAUM amongst the more prominent contributors with debts totalling tens of millions), credit card debt management and administration were weak and costs were way over budget; despite receiving preferential foreign exchange business from government and quasi-government institutions, earnings from this source were below that of competitors; the technology used at Volkskas was far behind the other banks. Finally – and most important – Volkskas had run out of client base and, because of its attitude to non-white people, there was no chance of growth in that area.

United was probably in the best shape, but even they were amateurs in their approach to banking, compared to their competitors, Standard, FNB and Nedbank.

Volkskas was the bank most urgently in need of attention, but, because senior executives, such as Dr Danie Cronje (now Chief Executive of ABSA) had strong ties to Volkskas, they preferred to cast a blind eye on these problems. Instead, they singled out Allied – the only bank in the group with an English-speaking culture – for priority attention. There is no doubt that ABSA’s senior management blamed Kevin de Villiers and his top managers for pushing up the price they’d had to pay for Allied, and it was as if they needed to get even by taking it out on the remaining Allied staff. The effect on morale was devastating. There were redundancies at every level, and none of Allied’s senior management, barring Angus Prentice, survived the immediate purge.

Prentice went out of his way to be part of

ABSA: he enrolled for Afrikaans classes at Rand Afrikaans University and tried to communicate in Afrikaans at management meetings. But Prentice is also a very direct person and – not good for anyone who wished to remain close to Piet Badenhorst – did not hesitate to voice his views. He survived 18 months longer – then he, too, was declared redundant. Badenhorst had finally achieved his objective to rid the Group of all senior Allied management. So much for making friends with the English.

Volkskas emerged as dominant at all levels, but most obviously at senior management level, where the majority of positions were filled from Volkskas. How will these same officials manage and direct a substantially enlarged and more complex ABSA? [*Why, with help from their friends at the Reserve Bank, of course. - Ed.*].

There is no doubt that there was opposition (and jealousy) from several members of ABSA’s senior management to the position I held and the favourable attention I initially received from Badenhorst. Nothing was ever said directly, but I sensed the hostility from Dr Cronje – and I was never at ease with Mike de Blanch. Perhaps it was because I am English-speaking. I have no doubt that I was used as the hired hatchetman and, ultimately, the fall guy at Allied. I took the brunt of the adverse publicity in the case that arose from the dismissal of Patrick Ronan (who had been Kevin de Villiers’s personal assistant). As MD of Allied I was obliged to sign his letter of dismissal, with the result that the case was brought against me and not against ABSA. I was seen by the staff at Allied as the person responsible for the redundancies and for the special investigations into senior management. I was the

one that dealt with the never-ending press enquiries – and great tact and patience were required to counter the wild rumours that came across my desk daily.

## *Volkskas emerged as dominant at all levels*

It was during the period June to October 1991 that Badenhorst arranged for the phones of De Villiers, Ronan and Peter Mancer to be tapped. I met briefly with Badenhorst and ‘Mr Green’ (the tapping contractor – I know he owned an audio-visual business in Sandown) in ABSA Towers, when Badenhorst was making the arrangements. Even Mancer’s car phone was tapped. The tapes were delivered on a regular basis and Badenhorst handed them out to Alwyn Noeth, myself and Alwyn Burger to listen to. They were also played by Roy Simpson, who was in charge of Internal Investigations and probably received them in the first place.

Badenhorst had a radio and tape deck in his office and spent some time each day listening to the tapes. Dr Cronje and Mike de Blanch (now deputy Chief Executive of ABSA) would regularly join him for these sessions. Alwyn Noeth used to listen to the tapes in his car in the mornings on the way to the office.

No one objected or attempted to discourage Badenhorst from having telephones tapped. On the contrary, when senior management met in the little room off Badenhorst’s office, Cronje used to make jokes about titbits he had gleaned from the tape sessions. It was Cronje who related the conversation between De Villiers’s wife and her mother where they referred to Badenhorst as ‘the little runt’.

When one morning I arrived for an early meeting with Badenhorst – it was at the time of the Ronan case – Simpson came out of his office to show me the cheque that had been drawn to pay for the telephone tapping.

The phone tapping enabled Badenhorst to have prior knowledge of every move made by De Villiers, Ronan and Mancer. While De Villiers’s exit package had precluded him from talking to the press, the tapes clearly illustrated that Ronan and Mancer passed on to the media any information De Villiers wished to have published.

Ronan’s wife was very protective of her husband and from the tapes it was evident that she was under a lot of pressure. To illustrate to what lengths they were prepared



As noseWEEK prepared to publish Bob Aldworth's story, Alec Hogg of ABSA Corporate Communications called to ask if we knew that a warrant was out for Aldworth's arrest – we did – and to offer us his assistance, which we did not require. He nevertheless faxed us a "Brief Chronological Fact Sheet" on "The Aldworth Affair". Some extracts [followed by Aldworth's comments]:

## THE FACTS, ACCORDING TO ABSA

**JUNE 91:** Aldworth appointed director of Allied. He enters into a three year contract to serve as MD.

*I had no contract with Allied, only with ABSA Bank.*

**AUG 91:** While MD, Aldworth "highly recommends" that the bank grant a R400 000 facility to Derwent Coal cc. He signs personal surety for the facility. Although legally obliged to do so, he does not disclose to the board that he owns 30 per cent of Derwent's shares. He later claims to have offered to give his stake to the other shareholders, but no change of shareholding is recorded with the Registrar of Close Corporations.

*John Davis (director of Derwent Coal) negotiated the loan with Allied manager Alan Upham during April and May 1991, before I became a director of Allied and before Allied was taken over by ABSA. I had agreed at that time that I would sign as co-surety with Davis for the facility. I resigned from Derwent on 12 June 1992, because I had become a director of Allied. I did not "highly recommend" the loan – in fact I did not see any documentation until the formal loan agreement was signed on July 1. The loan was sanctioned by Upham, under his lending authority as Regional Manager. While the agreement was only signed on that date, I believe Allied had in fact paid out the loan in May or June, before the documentation was completed. As I had resigned from Derwent when I was appointed a director of Allied, I had nothing to report. There was, in any case, no committee to review such loans – and in terms of Allied's regulations, only loans above R5 million had to be reported to the Board.*

**FEB 92:** Aldworth informs Allied manager Allan Upham that Derwent has been forced, as a result of flooding, to stop mining. He instructs Upham to close Derwent's account, and to transfer the debt to Allied Bank Property Trust Account. Authorised by Aldworth, Allied Bank Property Trust issues a cheque for R414 353 to Allied Bank, settling Derwent's overdraft in full. Aldworth is one of the signatories of the cheque.

*Upham established that Davis was unable to meet his guarantee, and that I would therefore have to be called upon to pay the full amount. To do so, I would have to sell my 150 000 ABSA share options, but as the price on the market was bad at the time, I would not be able to raise enough just then. I told Upham that I did not think I could approach Badenhorst, and that I needed time. Alan Upham then suggested he would "warehouse" the loan by transferring it to Allied Bank Property Trust, and that I could repay it later, when the market had improved sufficiently.*

**JUNE 1 92:** Aldworth signs an instruction renouncing all Allied's rights in Allied Property Trust. He has no mandate or authority from ABSA to do this. A company called K&H Projects becomes the new sole beneficiary of the trust, and therefore the entity entitled to claim payment from Derwent Coal. ABSA receives no payment for its rights that have been relinquished.

*Nothing in my authority, I believed, precluded me from renouncing Allied's rights – my lending authority was R20 million.*

**JULY 92:** The name of K & H Projects is changed to

Amberfield Property & Investment. Commission totalling R354 000 earned by ABSA had also been paid into this trust, so that, with the claim against Derwent Coal, it had a theoretical value of R768 000.

*[Aldworth offers no comment or explanation.]*

**FEB 93:** When confronted, Aldworth signs an affidavit confirming his actions. He accepts personal liability to ABSA for the R414 000 plus interest, but adds that he has no assets with which to pay the debt. He is fired and, a few days later, leaves South Africa. In the meantime ABSA had reported the matter to the police.

Aldworth claims that he was misled by attorney Canny, acting for ABSA, into signing a document they had drafted. He had understood that it would only be used by ABSA as an "internal record". In response, Canny claims he made it clear to Aldworth that he was acting for ABSA; that Aldworth had been under no pressure to sign the document, and that Aldworth had personally made changes to it before signing it.

*My meeting with Canny was an extremely one-sided affair. I was under extreme pressure and totally misled. Canny had acted for me and had previously come to my home when the documents for the transfer of our house had to be signed. He and his wife were guests at a party at our home. He should have declared his conflict of interest, and should at least have warned me to seek legal assistance before requesting me to sign the document. He, more than anyone, was aware of the legal implications of what he was asking me to do, and he was well aware of the emotional pressure I was suffering. The claim that I requested "changes" is absolute rubbish – I asked for a spelling mistake to be corrected.*

**FEB 94:** Aldworth suggests in a press interview that he might be willing to return to SA to "face the music". ABSA immediately responds with a public reminder that he had "admitted to stealing almost R500 000"; that he was regarded as a fugitive; and that, while he might now regard the incident as merely "an error of judgement", others who had admitted to similar errors of judgement "are today in prison". ABSA's press statement concludes by welcoming his promised return "so that justice can take its course". [But many interpret ABSA's response as a warning to Aldworth to stay away -Ed.]

*I do not believe that justice will take its course under the circumstances which prevail, particularly in regard to the smear campaign which ABSA have maintained, such as their totally unsubstantiated claim that I had "removed millions from SA". The police raided my wife's house on February 13 without a search warrant. They refuse to clarify if, in the event of my return to SA, I will be granted bail. Earlier this year my attorney met with the assistant AG and members of the Fraud Squad, and asked for clarification on what the charges against me were – as I have not been charged. None was forthcoming. This was six months after I had met ABSA's attorney in London and answered all the questions they wished to ask me. In February this year I made an offer to ABSA to settle the Derwent Coal loan. The offer was declined by Dr Cronje. According to Finance Week a group of Johannesburg businessmen were prepared to settle the debt, but their offer was rejected by Badenhorst.*

to go, Simpson at one stage suggested sending Ronan's wife an anonymous note in which it would be suggested to her that her husband was having an affair. He believed this would 'push her over the top'. When everyone had finished listening to the tapes, it was Roy Simpson who kept them. He also had an interview room equipped with a hidden camera which he used to secretly film people he interviewed.

I was later to have occasion to recall these details when I myself became the victim of such 'dirty tricks' ...

When I had served my purpose at Allied, and voiced my view that it would be wrong to close all the checking accounts and turn Allied into a specialist mortgage bank, Badenhorst bowed to the pressure and moved me to Corporate Banking. Here, all the difficulties of co-ordinating and rationalising the various banks' operations became very obvious. One of the most serious problems was how to establish the Group's exposure at any given time, either to any one client who might have accounts at more than one of the banks in the group, or in any one sector of the market. (Rusfurn's R400m debt was spread between four banks). There was no central record of clients. There was also no system to report ABSA's exposure to any one sector of the market. This had to be done manually, which meant that it could only be done once a quarter.

Two sectors of obvious concern were the public sector and the farming co-operatives, where particularly Volkskas's exposure was so out of line with its share capital and reserves that desperate measures were necessary. The situation had been allowed to get out-of-hand because Volkskas, in particular, had been protected and favoured by the Nat government. This was unlikely to continue under a new, predominantly black government.

The bank's high level of exposure to the public sector could also make it a very attractive target for nationalisation. Similar considerations applied to the co-ops, whose huge accumulated debt – and the new government's threat to take over farms – had to make this sector very suspect. The facilities granted by Volkskas to the co-ops were in most cases not supported by any form of collateral – and farmers easily walk away from their obligations.

A great deal of publicity was given to the launch of ABSA Corporate, headed by Piet Liebenberg, but the division with so much potential never really got off the ground because of the never-ending disputes as to which business belonged to the retail operation under Dr Cronje, and which to Corpo-

rate under Liebenberg. Cronje, with Badenhorst's support, usually got his way and it was only a matter of time before Liebenberg got the boot. When I asked Badenhorst about it, he told me that Liebenberg would

### *The final showdown came over the handling of the Rusfurn affair*

remain until the merger was complete, but not much longer – Sanlam had already set aside R1 million for an exit package.

The final showdown came over the handling of the Rusfurn affair. Badenhorst was not satisfied with the way Korsten was running the business. The internal bank control of this account had, at that stage, been taken away from Liebenberg and the Corporate division, and had been placed under the control of Brits. One only had to be in the same room with Badenhorst and Korsten and the body language told the rest – no way could the two work together. When the decision was taken to fire Korsten and sell Rusfurn to Joshua Doore, Liebenberg expressed his strong opposition and, a few days later, he too was gone. I believe he was delighted to go. Liebenberg was, in my view, a gentleman and a good merchant banker.

I still wonder about all the debt that was Shunted into W&A with the help of the man at ABSA. While at Corporate Banking I received the first clear indication that a campaign was being conducted against me. Poison pen letters referring to my past relationship with Sandra were sent to Jean Brown, Piet Liebenberg and my wife – letters which I am convinced emanated from within ABSA.

On 1 February 1993 I was confronted with the findings of an investigation by ABSA into my involvement in various matters concerning a R400 000 loan that had been made to Derwent Coal cc by Allied Bank in 1991. Without due warning I was persuaded by ABSA's attorney – who I had regarded as a personal friend and who had previously also acted as my attorney – to sign an affidavit which was both incomplete and seriously prejudicial to me [see box]. On 9 February my services with the bank were terminated. Next day a friend drove me to Swaziland, from where I flew to London.

I left South Africa on the advice of my doctor and friends as my health and men-

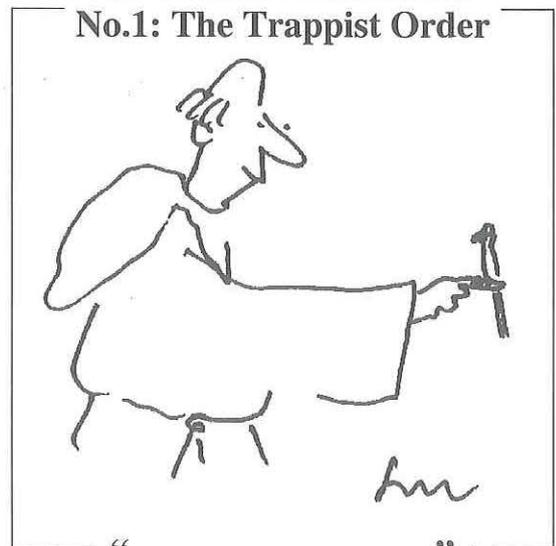
tal state was such that I could not cope with the press and the emotional trauma that was to follow. [Aldworth has Parkinson's disease, and in London was also treated for throat cancer.] A warrant for my arrest was only issued five days later in Johannesburg.

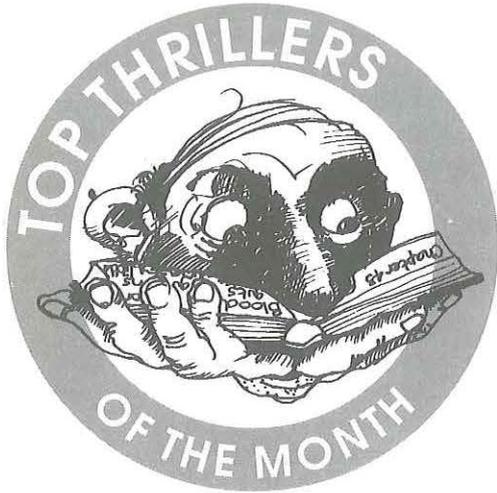
On my departure from South Africa there was much speculation and slanderous publicity. Some of it, attributed to 'spokesmen from ABSA', referred to 'millions' I had allegedly removed from South Africa, my alleged reputation for granting loans 'with the flick of a pen' and my so-called 'personal lifestyle'. This information, fed to the press by sources within ABSA, is untrue and without foundation.

I have since asked myself: why the sustained campaign against me – when no action has been taken against De Villiers for things that cost ABSA shareholders very dearly indeed? The investigation by Steve Ochse [*an accountant much favoured by senior echelons of the Broederbond - Ed.*] into De Villiers's stewardship of Allied took many months and produced a voluminous report for which he was paid nearly R300 000. The report was given to ABSA's attorneys, and Michael Katz was instructed to prepare the case against De Villiers. But curiously, nothing has happened.

The amounts involved – just in write-offs and write-backs from profit – make my admitted indebtedness to the bank as surety for a R400 000 loan, negotiated by a business associate, look like child's play in comparison. But then De Villiers had them over a barrel with the phone tapping and I understand Herc Hefer struck a deal not to proceed with further action against him in order to kill the phone tapping issue and so keep ABSA's senior management out of the witness box. Cross-examination could have proved most damaging. ”

### **BUDGIES IN RELIGION No.1: The Trappist Order**





★ BEST READ ★

## Cold Shoulder

by Lynda La Plante (Macmillan)

The name Lynda La Plante conjures up visions of strippers, B-movie starlets and ladies more friendly than they should be. And when you find that the woman in question is a RADA-trained actress turned author, you might still be inclined to put her in the Joan and Jackie Collins schlock bracket. Big Mistake. Ms La Plante is a very serious writer indeed, as anyone who watched the superb British TV productions of her three Prime Suspect stories knows. The series, starring Helen Mirren, has earned La Plante major writing awards.

The action starts on the first page of *Cold Shoulder*, when a Los Angeles police officer shoots a young boy fleeing up an alley. The police officer, a woman, is drunk, and clutched in the dead boy's hand is a Walkman, not a gun.

To cast an ex-cop female alcoholic as the lead in a thriller takes some doing if the reader is to retain any empathy with the character. Ms L P manages it and more as the hunt for a serial killer takes us into the polarised lives of LA's very rich, very poor and very kinky.

This is an excellent thriller, full of believable if bizarre characters, from the pen of a master storyteller. Look for it fresh in the bookshops during the next couple of weeks.

## Private Screening

by Richard North Patterson  
(Arrow)

Patterson, a trial lawyer in San Francisco, is another one of those legal lads who have successfully sidelined into crime writing. This, his latest book, is a winner and definitely cinematic material.

A US Senator is shot dead in the middle of his girlfriend's rock concert. Our hero, a bright attorney to whom ethics matter more than money ... no, it's not a fairy tale, read on ... defends the assassin.

Some months later, the action continues when a media magnate's wife, along with the aforementioned rock star's manager, are taken hostage by a violent and mysterious man called Phoenix. The villain then conducts hostage negotiations on public television.

A fast-paced, gripping novel which takes a far-fetched plot and makes it both topical and believable.

## Right on the Money

by Emma Lathen (Gollancz)

I've long been a fan of Lathen's financial thrillers featuring John Putnam Thatcher, VP of Wall Street's Sloane Guaranty Trust. But with reservations. They are what you might call clever, humorous boardroom puzzles, yet the characters, apart from Thatcher and his secretary, Miss Corsa, are curiously bloodless – and that includes even the corpses. Perhaps it's got something to do with the fact that Emma Lathen is the pen name of two people – a lawyer and an economist – who combine their creative efforts and, in the doing, lose the human touch.

Nonetheless, Lathen thrillers are elegant set-pieces with intricate plots involving financial finangling. And they are fun to read. This time a large water-fixture manufacturer is about to merge with a family-owned kitchen appliance company. There are those in both companies who do not welcome the move and rumours, squabbles and accusations of dishonesty are followed, firstly by arson, and then by murder. Whodunnit and why? Trust Thatcher to solve the puzzle.

## Principal Defence

by Gini Hartzmark  
(Arrow)

Hartzmark, a University of Chicago law and business graduate, has previously written only textbooks on economics. Fortunately, she has now turned her hand to thrillers.

The setting is one of Chicago's biggest law firms. Kate Millholland is both an heiress to "old money" and a brilliant lawyer. She starts out assisting an old friend to fend off a hostile takeover bid for his company (lots of boardroom babble here) and ends up trying to solve the murder of his niece (blood, gore and sex). As Kate fights (and it does come to fisticuffs, believe me) to solve the mystery, she comes up against the Mob and the mink and money set.

Great fun. Wonder how long it's going to take before we all have a gutful of the current plethora of legal writers. Meanwhile, this is a good weekend read for corporate murder fans.



# Pigging Out...



*Osteria Tre Nonni*  
9 Grafton Road, Craighall, 3270095

**T**re Nonni in Craighall is the newest, trendiest Italian restaurant in the north. It is constantly full. This is testimony not only to good food, service and decor but to the immense power of the food critic. They owe a lot to Linda Stafford's favourable review in the Financial Mail.

I immediately recognise this as a trendy restaurant. Porsches, Mercedes Sports and Ferraris are moored outside, their back windows ostentatiously labelled "House of Sports Cars", or "Executive Cars", or "Bloomsbury". Now this is great marketing, for in effect these vastly overpriced cars are lined up, all proudly labelled "second-hand".

Second-hand cars don't worry me. It's the jumped-up second-hand car dealers, their attitude and their prices which raises one's bile. Bile, of course, is not a good thing to have raised on the threshold of a restaurant from which wafts the fragrances of the finest Mediterranean cooking.

My brief visit to the House of Sports Cars was enlightening. A previously-owned Ferrari, with the cachet of inadequate service records and of indeterminable mileage, sells for the same as a house with four bedrooms and a pool in a nice suburb. A brief reference to the appropriate overseas sources reveals that the vehicle costs about three times as much here as it does there. How I long to kick the tyres. A second-hand car is, after all, a second-hand car. No won-

der the Grogors are such regular habitués of Johannesburg's social pages and the dealers of Jules Street are not.

But, walking into the restaurant, I smile at the recollection of the story of the mouse and the elephant. A mouse was walking along the pavement when he heard "help me, help me" coming from an open manhole. He looked down and there was an elephant. "Please, Mr. Mouse," said the elephant, "get me out of here." "Hang on," said the mouse, "I'll go and fetch my Porsche." The mouse duly returned with his Porsche, tied a rope to the rear bumper and threw the end to the elephant who hung on to it. The mouse

revved up the Porsche, eased forward and out popped the elephant. A few days later the same mouse was walking along the same pavement when he heard "help me, help me" coming from the same manhole. He looked down and there was the elephant. "Please, Mr. Mouse," said the elephant, "get me out of here." "Oh no," said the mouse, "My Porsche's at the garage." "But you've got to get me out," wailed the elephant. "OK," replied the mouse who unzipped his fly and unfurled his penis to the grateful elephant who grabbed the end. The moral of the story? If you've got a long enough penis, you don't need a Porsche.

We approach our table draped with a pretty, printed tablecloth. There are Doug and Sue Band, Dave and Anne Kovarski (not at the same table). Is Tre Nonni, one idly speculates, the Algonquin of South Africa's erstwhile Press Barons? There are the Rob Hewitts, the Rob'n Stubbsses. All quite social.

Who, one wonders, drives the Porsche?

Bare beams, a large fireplace. A languidly turning fan. The effect is quasi-rustic with bits of Art Deco and touches of Victoriana. The walls are hung with ancestral photographs - could they be Signori Ferrari, Bugatti and Maserati? All these Italian ancestors bring to mind the Pope's pronouncements at the World's Population Confer-

ence recently held in Cairo, where the Vatican sent eighteen men to oppose abortion and contraception in the developing world. I suppose we should be grateful that birth control is not practiced in Italy. It's always struck me as strange that it's kosher for Catholics to practice birth control by resorting to mathematics, but relying on chemistry or physics is strictly forbidden. Anyway, they had all their superfluous people to export and have thus given the western world a wealth of restaurants. Perhaps the Pope's a bit limited in his experience. Alternatively, he's been denied the joys of Somali or Ethiopian cuisine.

Tre Nonni is Johannesburg's best Italian restaurant. Using the Zagat Survey format (points for food, decor and service - each out of a maximum of 30), Tre Nonni scores a high 23:21:21. The Cozze Tarantino at R18.80 are delicious, the Gnocci Gorgonzola at R22.50 are not only made with real Gorgonzola but the gnocci don't stick to your teeth and the roof of your mouth. Our Penne all'Ortolana were perfection at R21.80, the Malfatti Napoli excellent at R23.70 and I enjoyed a real Cotoletta Milanese, bone and all, for R32.50.

The service is, perhaps, a little fast. Could this have anything to do with their practice of accommodating two sittings? The servers, however, are a perfect statement in our new rainbow nation: Indian, Coloured, Black and White. Even a Mexican, which suggests that their textbook on political correctness was imported from the USA.

A minor criticism is that Tre Nonni wins the Lupo floating trophy for noisy restaurant of the year. The food, however, is infinitely better. **LI**

*Jo-Tori*



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