

# nose week

R15.00 incl vat

## The whistle blowers

✦ **NICO ALANT** blows the whistle on the Reserve Bank's approval of a crooked scheme that led to murder

**MARK HESS** ✦ blows the whistle on H Mohamed and Associates, thieves-at-law, and opens a national can of worms

### BUMPER ISSUE!

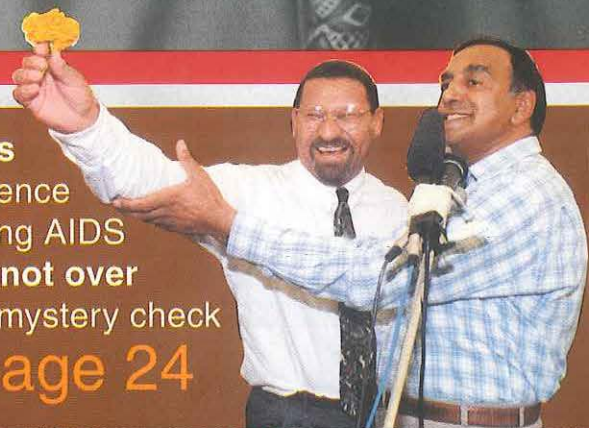
**Attornies and road accident claims: More damned lies**

An off shore murder: Reserve Bank rushes to court to silence its whistleblower **Finance Week: A title bout** Re-thinking AIDS

Hersch vs ABSA: More lies **Askin vs Absa: The fight's not over**

**WWF can't see the forest for the greed** Merrill Lynch: mystery check

### Sing the Election Blues – page 24





## FIRST AID FOR NOSEWEEK READERS – HOW TO SURVIVE A HEART ATTACK WHEN ALONE

Without help, the person whose heart stops beating, and who, as a result, begins to feel faint, has as little as 10 seconds left before losing consciousness (probably for ever!). Such victims can help themselves by:

- 1) coughing repeatedly and vigorously
- 2) breathing deeply before each cough.

Each cough should be as deep as possible and be repeated frequently at two-second intervals. The coughing should be as if attempting to expel sputum from deep inside the chest. The breathing and coughing should be continued until help arrives, or until the heart is felt to be beating normally. Deep breaths get oxygen into the lungs, and coughing movements squeeze the heart and keep the blood circulating. The squeezing pressure on the heart also helps it regain normal rhythm.

Following the above procedure can allow heart attack victims to get to a phone, or to someone nearby, to get help.

*Jim Phelps, Empangeni*

## JANI WHO?

*Oh dear,*

What is the world coming to? First we have the English au pair causing the death of a baby in Boston. Now we have a doggy au pair accused of causing the death of Jani's Toy Pom in Cape Town (nose25).

The big fuss made in the media about Miss Allan is a phenomenon of the modern age. The scribes are writing about themselves, and not about the rich and famous.

With readers having to read about nonentities, no wonder circulation figures keep falling.

*John Wadsworth, Durban*

*Are you suggesting scribes can't be rich and infamous? – Ed.*

## H MOHAMED & ASSOCIATES

*Hello*

Well done on the Mohamed exposé. My boyfriend is a lawyer and he says that it's people like that who give the legal profession a bad name.

When I had my gossip column in *Style*, Mr Mohamed tried to sue me on behalf of Dullah Ouma. I discovered that Omar had bought a house in Constantia, and wanted to move there because of the crime in his area. My headline: Paradise is closing down. My angle: I find it sad that our Minister of Justice has to flee his own constituency because of crime. We hope that the people who voted for him will sleep as safely at night. Well, the next thing was a summons: for *Style*

and me, as well as the editor. I was embarrassing our Minister of Justice, etc *ad infinitum*. From Mr Mohamed. Fucked prick. I hope that he rots in jail!

*Herman Lategan, journalist  
Green Point*

*Dear Sir*

Thank you for having enough guts to do a story against an attorney. Many attorneys are thieves and the Law Society is absolutely useless.

*S. Smith, Durban.*

*See page 5. – Ed.*

## SNOOPER DUPER NEDBANK

*Dear Sir*

I am very interested in the broader implications of your story/editorial about Nedbank cellphone-snooping on its customers (nose25). I am particularly interested in how, technically, it is done. As you may know, Nedcor has its own cellular service provider, Nedtel. The idea of movement-tracing via cellphone and the privacy implications of this remain controversial. A while back there was a scandal about the Swiss authorities' use of cellular technology to store details of people's movements in a massive database. This apparently allowed them to construct detailed movement patterns of all cellphone users in Switzerland. *What's new from the hoarders of Nazi gold?*

Any leads your readers can provide will be appreciated.

I need the information for a study of the erosion of privacy and anonymity by the planned use of technology in the digital age.

*Chris Moore, Pietermaritzburg*

*e-mail: cards@satweb.co.za*

*Telephone: (0331) 425262*

## GETTING WILY ON WILDLIFE

*Dear Sir*

I note that noseweek is sniffing around the affairs of WWF(International). It is only when the various coordinators of WWF(Int) projects in Africa and Madagascar, such as myself, exchange experiences that one begins to realise how inept, bureaucratic and ineffective this organisation has become.



The international operation in Gland, Switzerland, funded mainly by EU taxpayers, has become a comfortable warren for bureaucrats under the direction of a lame-duck director-general. They happily spend large amounts of money on PR for a project that has a high profile, then just as happily abandon it *and the leader who developed the project* in the face of pressure or political intrigue. They then seek other high-profile projects to earn Brownie points. WWF(Int) has dumped projects which were successfully sustaining rare and endangered species and their natural environments. Meanwhile salaries for head office staff in Switzerland are astronomical, added to which are "inconvenience" allowances when they periodically visit the field projects. Do we need this ineffective and money wasting "international" organisation, when most countries have their own effective WWF donor-funded agencies that could qualify for international funding through UNESCO or other UN bodies? Like the Olympics scandal, there is need for thorough investigation of WWF(Int)'s nefarious conduct.

*Paul Dutton, Environmental Consultant  
Ex Coordinator of WWF(Int)*

*funded project in Mozambique*

*Indeed. See page 20 for yet another WWF fiasco. – Ed.*

## ABRO-GATED

**(AN OPEN LETTER TO THE NSRI)**

*Dear Mr Weinburg*

Thank you for your letter of 23 Oct 1998 regarding my donation to the National Sea Rescue Institute. I have been making donations to the NSRI since the early 1980s. I note that the chairman is Mr D Abromowitz. I refer you to the article on Mr Abromowitz in nose24. I am disgusted that Mr Abromowitz chooses to remain on as [vice] chairman of the NSRI.

Reluctantly I wish to inform you that I will be making no further donations until such time as he resigns his position.

*M Brain, Constantia*

## TABLE MOUNTAIN

*Dear Sir*

We are very concerned about the recent appointment of Michael Louis as the Western Cape's MEC for Development and Planning. Louis is a director of the Louis Corporation and of Seeff Commercial Properties. How can a person linked to one of the biggest property and development agents in the country be given such a portfolio? This is of particular concern in view of the new Western Cape Planning and Development bill. The bill makes no provision for protection of the environment, nor does it require aesthetic or landscape considerations to be taken into account when development plans are approved. How can we expect Louis to oppose the

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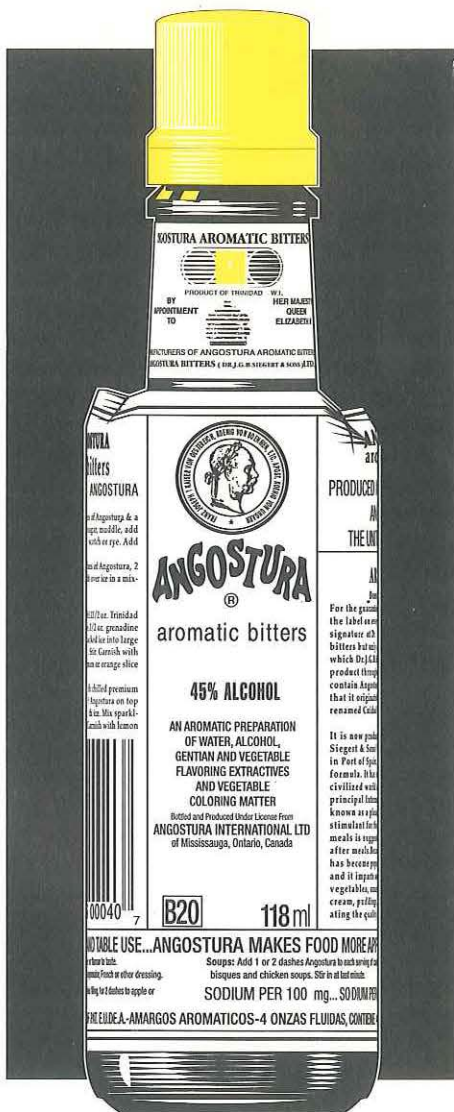
development of Oudekraal and other portions of land on the slopes of Table Mountain when his company stands to make fortunes out of flogging both our heritage and the future of Cape Town as a world-renowned beauty spot?  
**Cecelia Assad**  
*Save Table Mountain Campaign*

**PRIVATE WATER?**

*Dear Sir,*  
 The national executive committee of SAMWU has asked that members of the public send messages of protest to the Ministry for Constitutional Development against the recent signing of the Dolphin Coast water privatisation deal. International messages of protest over the past three years have helped build the SAMWU anti-privatisation campaign and keep the water transnationals at bay. Once again, we need assistance!  
 In December 1998, after months of negotiations, COSATU and SAMWU signed an agreement with the local government employer body, the SA Local Government Association (SALGA), on municipal service partnerships (MSP). It is in line with national legislation that the public sector is the preferred deliverer of services and that involvement of the private sector in service delivery should only be a last resort, i.e., if there is no public sector provider willing or able to provide the service.  
 The MSP agreement set up a sectoral forum which is supposed to discuss cases that fall outside the provisions of the agreement. It was agreed at the first meeting of the forum held on January 26 1999 that the proposed privatisation of water in Nelspruit to British Biwater, and at Dolphin Coast to French SAUR (which clearly is *not* taking place as a last resort) would be discussed at separately convened meetings and that no deals would be signed until then.  
 SAMWU was shocked and disappointed, therefore, by recent press reports that indicate that the Minister of Constitutional Development, Valli Moosa, has personally endorsed the deal. Senior officials of his department had been present at the first forum meeting where promises were made not to sign anything. This was followed by press reports quoting the Minister and other DCD officials as saying that the Dolphin Coast and Nelspruit deals were already in the pipeline and claiming that they did not fall under the MSP framework agreement. The NEC is seeking urgent legal advice to see if the agreement can be circumvented in this fashion.  
**S A Municipal Workers Union**  
 Send e-mail messages to Minister Valli Moosa at: [valli@dso.pwv.gov.za](mailto:valli@dso.pwv.gov.za) or Fax (021) 461-0430

To find out more about noseweek go to [www.noseweek.co.za](http://www.noseweek.co.za)

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# dear reader

We know that thousands of our readers have been waiting with growing impatience for this issue of noseweek to appear. We know because most of them – or so it seemed – have in recent weeks called us to enquire and to express concern for our wellbeing.

Those calls were, of course, in addition to the hundreds of calls we received from all over the country from road accident victims who have reason to believe that they, like so many rape victims, have become victims a second time: victims of those the law has supposedly appointed to assist them. That, as you will learn shortly, has a lot to do with our delayed appearance.

We are safe and well, all the more so thanks to your support. As a token of our appreciation for your patience and concern we have produced a bumper, double issue. We hope you are as pleased with it as we are.

Four readers, who have been particularly anxiously awaiting the appearance of this issue, deserve a special mention. They are the trustees of the Roy Beamish Family Trust who so ably set out to prove the Dennis Davis theory of family trusts – and then spoil it all by gratuitously slandering us (see nose25).

So anxious have Roy Beamish, his tame accountant Dick Came, his faithful attorney Hedley Salmon and his “stooge” from Syfrets, Dudley Cloete-Hopkins, been about what might appear in this issue about their further activities, that they have made our silence a condition of a R4 million-or-so settlement offer!

Regrettably, the offer was not made to us, or it might not have been so rudely rejected.

Here we need to remind our readers of the story about Hymie’s will. Hymie was aware of his brother Issy’s anxiety that he would be forgotten in his will, so included a special paragraph in the solemn document: “To my beloved brother, who feared I would forget him: hello, Issy.”

In this issue we do not have the space needed to deal with all the recent developments involving the Beamish Trust. (We are, for instance, planning a lie detector test party, to which only a select few such as the former president of the Public Accountants and Auditors Board, Dick Came, will be invited.)

So, for now, in case the trustees think they have been forgotten, just this: hello!

We are often asked if we do not find it depressing doing one expose after the other of the wrongdoing of people who fill important positions in our society. Yes, of course, we share the rage and disappointment of all decent citizens. But there is, at least, the reward of publication. The wrongdoers at least know that we know and that you know. Sometimes they care.

Experience has shown that in every bad situation there is at least one good person to be found. Each story invariably means that someone has had the courage to complain; that, when morally confronted, people will more often than not opt to do the right thing.

Seen that way, our expose of H Mohamed and Associates, thieves-at-law, is about good people. Firstly about our courageous whistle-blower Mark Hess. When he read

our earlier piece by Maureen Barnes about a street cripple who was fleeced by his employers, Mark decided that *that* was not the sort of firm he wished to be associated with. And that, before he left, he would find out more – and do something about it. Next, thanks to the support of our readers, there was noseweek to take up the baton. Then there were our lawyers – attorney Michael Murphy, advocates Steve Kirk Cohen and Iain Bremridge – who, without the support of legal precedent, decided to try what had never been tried before. Next, we were able to demonstrate that if morally challenged, yes, the law, too, can find for right. Judges Brand and Van Reenen of the Cape High Court carefully challenged every proposition that was put to them – and then produced a unique and courageous judgement. Finally, our colleagues in the media took the message to the masses, in the hope that the ignorant, downtrodden victims might learn that help was at hand.

There is still a long way to go in that case. All those we have named may have been mistaken – we are all human. But they will not be found morally wanting. All were prepared to put their reputations on the line in an effort to do the right thing.

We are as optimistic about the outcome of our second whistle-blower’s truly dramatic story – although its beginnings are more ominous. Nico Alant was the best qualified investigator the S A Reserve Bank has ever had. A qualified attorney, he has a BA LIB, a B.Com, a Masters degree in Administrative Law from the University of London, and a higher diploma in corporate law. He was hounded out of his job at the bank because he knew and understood too much.

When, in March, the Reserve Bank’s team of black-robed lawyers rose to interrupt his evidence in the Cape High Court and demanded that his evidence should be struck from the record, to this observer at least, it brought to mind the scene where jack-booted Gestapo troopers storm into a cabaret performance in Berlin in 1936. The audience, powerless for fear, stare without expression as the white-faced performer is bundled off. He was about to sing a quirky song about the truth. In that scene the cabaret star will be described in clipped speech as “decadent”, “irresponsible” and “disrespectful of the Fuhrer”. He will not be heard from again.

But, of course, this is not Berlin. This is not 1936.

Nico Alant therefore becomes the second brave whistle-blower that we celebrate in this unique issue of noseweek. He will be needing all the support he can get in the weeks to come.

Nothing so epitomised the weaknesses of the Mandela government, and nothing as clearly demonstrated where true power still lay, as the continued reign of Dr Chris Stals at the Reserve Bank. Nothing has encouraged us more to hope for better in the era of Thabo Mbeki than Stals’s departure and the appointment of Gill Marcus as new deputy governor of the bank. By all accounts she is committed, honest, intelligent and hard-working. We could not ask for more.

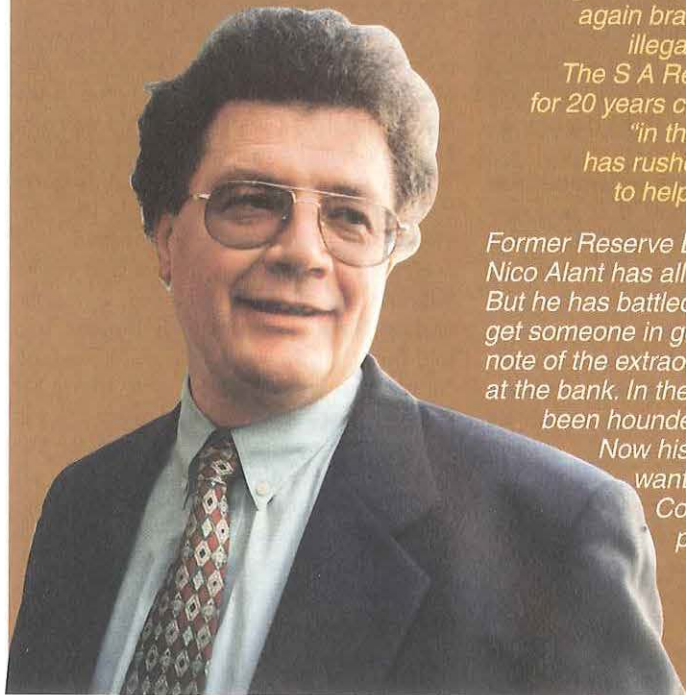
In conclusion we record with sadness the death, on April 7 in London, of our UK representative, Lorana Sullivan. We will honour her memory in our next issue.

– The Editor



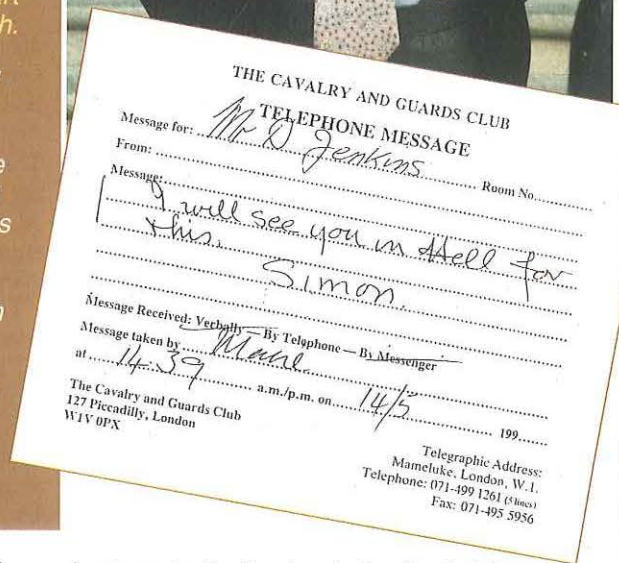
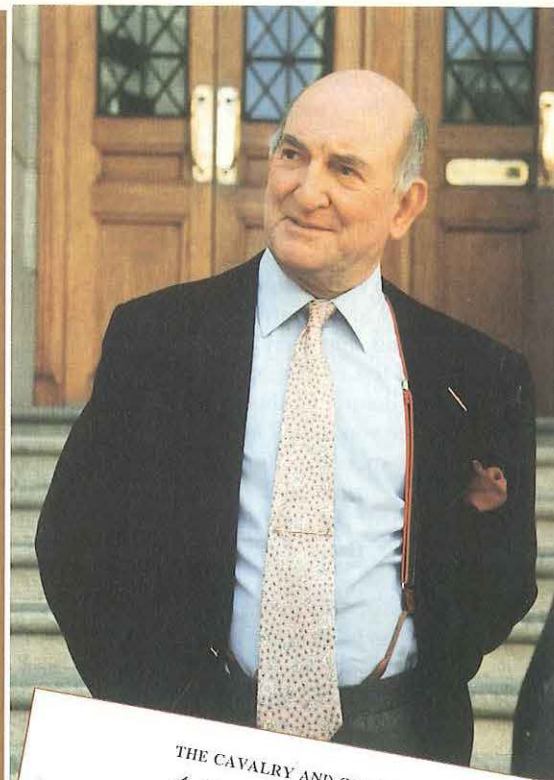
# Reserve Bank rushes to silence its whistle-blower

Documents that talk of fraud, offshore intrigue and murder are removed from court file



*Millionaire businessman David Jenkins at the Cape High Court, where he has once again brazenly lied about his illegal offshore interests. The S A Reserve Bank, which for 20 years condoned his frauds "in the national interest", has rushed to the high court to help him hide the truth.*

*Former Reserve Bank investigator Nico Alant has all the evidence. But he has battled for five years to get someone in government to take note of the extraordinary goings on at the bank. In the meantime he has been hounded out of his job. Now his former bosses want the Pretoria High Court to order his perpetual silence.*



ON 1 MARCH THIS YEAR, UNNOTICED by the media, the South African Reserve Bank in Pretoria sent a team of lawyers rushing to intervene in a civil trial in the Cape High Court.

They wanted to stop former Reserve Bank official Nico Alant from testifying and from handing a bundle of extremely compromising documents in to court.

They were a week too late. But days later they succeeded in having the documents removed from the court file and Alant's evidence deleted from the trial record.

The Reserve Bank has since applied to the Pretoria High Court to order Alant's perpetual silence about what he knows, and to surrender all his documents to the bank. He is opposing the application.

In the Cape, the SA Forestry Company (SAFCOL) had summoned Alant to give evidence in a case against Johannesburg millionaire David Jenkins. They were claiming R2.3m for damage caused by a

forest fire in the Franschhoek mountains.

Alant's evidence had nothing to do with forest fires. His evidence was set to blow the lid off Jenkins's involvement in the world of illegal offshore finance – a matter Jenkins had lied about earlier in the trial. [See below.]

The documents handed in to court also detail how for 20 years the Reserve Bank has condoned an extraordinary illegal scheme, devised in the apartheid era with the assistance of two senior Nationalist cabinet ministers.

It allows South Africans to buy valuable shipping containers from Jenkins's company, Multistar, and then send them off shore. The scheme, which has secretly cost the taxpayer tens of millions of rands, is today at the centre of an international murder investigation.

Ten years ago, in 1989, a dispute arose between Jenkins and Simon Law, the man who ran his container leasing

business in England and also fronted for various of his illegal offshore holdings.

Jenkins wanted to replace his British frontman with his own son, who had just qualified as an accountant in England.

Law reacted angrily to the prospect of losing the business he had helped establish.

In April 1991, two days after Law refused to sign a secrecy agreement (drafted by leading Johannesburg attorneys Edward Nathan Inc.), which, in effect, offered him a financial incentive to keep silent about the illegal scheme, he was abducted from his country home in Kent and is believed to have been murdered.

Days later Interpol warrants were issued for the arrest of two South Africans who the Kent police have reason to believe were hired to carry out the "hit". (See the first installment of our story "An offshore murder" in nose25.)

The documents handed in to court by Alant reveal how, in 1993, top Reserve



Bank officials effectively sabotaged a criminal case that would have revealed the probable motive for Law's murder.

For a brief moment as Alant approached the witness stand in March this year, it seemed as if the voice of the murdered man echoed around the courtroom. On 14 May 1990, after one of their many meetings to discuss his dismissal, Law left an angry message for Jenkins at the Cavalry and Guards Club in London. The note the club secretary made that day to record the message now forms part of the police dossier on the murder case. It reads: "I'll see you in hell for this. Simon."

But then the Reserve Bank's lawyers rose to argue that Alant's evidence contravened the secrecy provisions of the Reserve Bank Act. In addition, as Jenkins was a "client" of the Bank, it was their duty to ensure that his dealings with the bank were kept "private".

After several days of argument and faced with the prospect of a protracted and extremely costly court battle with the bank, SAFCOL agreed to the withdrawal of Alant's testimony.

Earlier this year British detectives tracked down one of the South African murder suspects – in the United States. Body-builder Neville van der Merwe was living the life of a gigolo near Hollywood. He had been living there under an assumed identity since shortly after the murder of Law eight years ago.

By coincidence, in the same week that the Reserve Bank rushed to court to silence its whistle-blower, Van der Merwe was extradited to England. A date has still to be set for his trial.

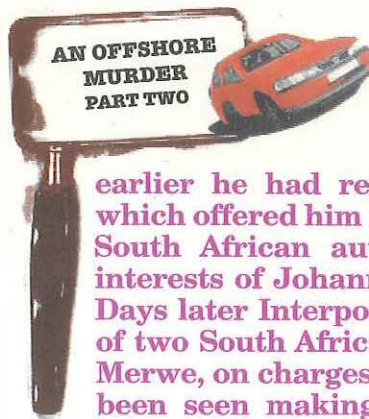
### WHAT THE RESERVE BANK IS DESPERATE TO HIDE

Surrounded by criminal intrigue from its inception in 1979, the scheme permitted scores of wealthy South Africans to buy shipping containers worth hundreds of millions of rands and then ship them off shore.

Others planning to leave the country could invest an unlimited amount in containers which they could ship off shore in advance of their own departure. In this way they could circumvent the currency restrictions that apply to emigrants.

The scheme, originally devised with the approval of the then minister of trade and industry, Dr Dawie de Villiers, amounted to a huge fraud on his own department. In the following ten years it paid out tens of millions of rands in export incentives for fictitious exports. The then minister of finance, Barend du Plessis – now resident in Switzerland –

*continued on page 8*



**The story so far:** in nose 25 we told how, in April 1991, English accountant Simon Law disappeared from his country home in Kent. Two days earlier he had refused to sign a secrecy agreement, which offered him a financial incentive not to inform the South African authorities about the illegal offshore interests of Johannesburg businessman David Jenkins. Days later Interpol warrants were issued for the arrest of two South Africans, Glenn Chait and Neville van der Merwe, on charges of kidnapping and murder. They had been seen making several visits to Law's house in a borrowed car with false number plates. The Kent police believe they were hired "hitmen". **Now read on:**

TEN DAYS AFTER SIMON LAW WAS abducted from his home in Kent, English businessman Chris Pollard received a surprise phone call from an acquaintance in South Africa, Philip Joseph. Two things struck Pollard as curious about the conversation that followed.

First, Joseph, a business acquaintance in Johannesburg, told Pollard that he knew Glenn Chait, the young South African that had recently borrowed his red Vauxhall Astra while on a short visit to England. That much might have been merely one of life's little coincidences. But then he followed with a really strange remark: "I understand there have been some naughties going on over there," Joseph said.

Did Joseph know that Chait and his friend Neville van der Merwe had borrowed Pollard's car to do more than a bit of local touring? Only days earlier the Kent police had told Pollard that they suspected that his car had been used to abduct a young accountant, Simon Law, from his house in Kent – and that the man had probably then been murdered. Did his surprise caller from South Africa know something about that? Troubled by the call, Pollard immediately telephoned the Kent police and told them about it.

Some days later, early in May 1991, a team of detectives from the Kent County Constabulary flew to South Africa. They had previously asked the SA Police to assist them in tracing the two South Africans who, they believed, had returned to South Africa shortly after the disappearance of Law. On their arrival in Johannesburg the British policemen proceeded to the addresses they had obtained for Chait and Van der Merwe. At each, they found that their suspect had left for an unknown destination only shortly before. Had the men been tipped off?

The woman who answered the door at Chait's home in 3rd Road, Chartwell, north of Johannesburg, stated that he had gone away on a business trip to another part of the Transvaal. He had not said

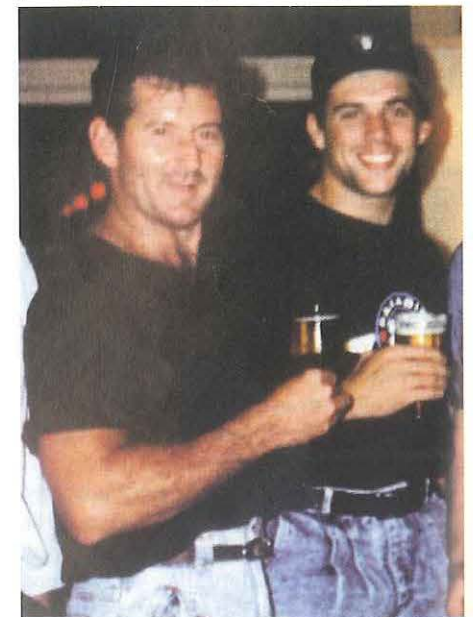
where, exactly, he would be staying, or when he would return, she told them.

On May 14, 1991 Sgt Roberts of the Kent police called on Mr Willem Barend van der Merwe, Neville's father, at his home in the nearby suburb of Fourways. This was also Neville's last known residential address. Willem van der Merwe told Sgt Roberts that his son had left home only the previous week – on another trip abroad.

He told the British detective that his 21 year-old son was unemployed. A month earlier, Neville, a keen body builder, had told him that he wanted to go to England "to set up a body building gym" there. Mr Van der Merwe said he had given his son the air fare and spending money for the trip. (The police already knew that the air tickets for Glenn Chait and Neville van der Merwe's trip to "see" Simon Law were bought in Johannesburg on April 10.)

He claimed to be unaware that Neville had travelled to England with a companion, but, when the detective showed him a photograph of Neville with Chait

*Glenn Chait and Neville van der Merwe photographed at a pub in Surrey, April 1991*





taken in a pub in Frimley Green, Surrey, he recognised Chait as "a friend who might have visited Neville occasionally".

Sgt Roberts later learnt that Neville was a regular at the Sunningdale gym run by Chait – and that 39 year-old Chait was a former policeman who also did occasional jobs as a "debt enforcer".

Mr Van der Merwe said that when Neville returned from the UK after two weeks, he had no money left. He said he had spent it all on expensive hotels.

Neville had hardly been home a week, Mr Van der Merwe said, when he once again asked for money, saying he wished to return to England. "I gave him another six or seven thousand rand," Mr Van der Merwe earnestly told the detective. He said that Neville had left on his second trip to England on May 3 or 4, 1991.

He added that he did not know exactly where his son was and did not know how to contact him, nor did he know when he was due to return. "I have not heard from him or seen him since," Mr Van der Merwe declared solemnly.

But when his statement was typed up, he refused to sign it.

An international alert went out through Interpol for Neville van der Merwe to be apprehended wherever he might be found. UK immigration authorities were asked to check whether Neville van der Merwe had, indeed, again entered the country, as claimed by his father. He had not.

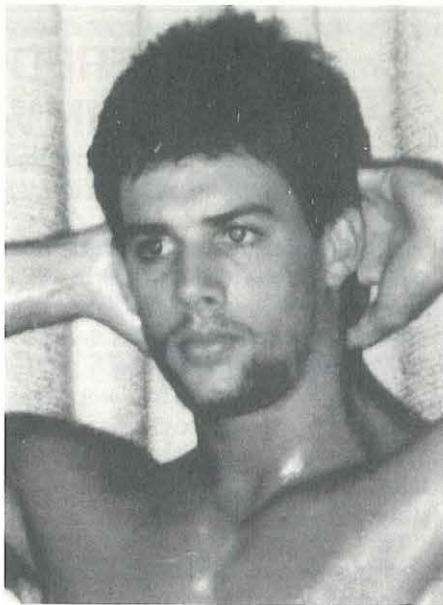
In that same week, the British detectives did manage to track Philip Joseph down in nearby Lombardy East. Curiously, while Joseph confirmed that he knew Chris Pollard in England and that he had known Glenn Chait since their days at school together, he denied having made the phonecall reported to them by Pollard.

He also denied knowing Van der Merwe, or David Jenkins, Simon Law's South African business associate, or Jenkins's friend and neighbour in Buccleugh, Ian Shepherd. He could not explain how his friend Shepherd came to arrange for Chait to stay with his friend Pollard's relatives during his recent visit to England.

Next the detectives went to see David Jenkins. He told them he had had a disagreement with Simon Law, but played down any suggestion of severe animosity between them. He denied knowing Chait and Van der Merwe, or that he was in any way involved in Law's disappearance.

At a hearing in Kent in October 1991, Judge Artro Morris ruled that Simon Law was presumed dead. His body had still not been found.

In January 1992 Sgt Roberts once more travelled to South Africa. Once again he called on Willem van der Merwe. His son



*Neville van der Merwe, body builder, Hollywood gigolo – and suspected hitman*

had still not been found, but the detective did have some fresh information with which to confront Mr Van der Merwe – evidence which cast serious doubt on the truthfulness of his May statement.

On January 31 1992, Willem van der Merwe decided to change his story.

He had, he now admitted, not paid for his son's fateful trip to England. His son had told him that Chait paid for it.

He now told Sgt Roberts that on the day Neville left South Africa for the second time – in May 1991 – he had driven into the driveway of the family house with screeching brakes. When Willem asked his son what the matter was, Neville had replied: "Someone has gone missing."

To his father's following anxious questions – "Have you had an accident? Have you robbed a bank? Have you killed somebody?" – Neville had replied:

"You will find out soon. People will be coming to see you."

"Did something go wrong when you were in England?" Willem van der Merwe finally asked his son.

"Someone has gone missing," Neville said again – and then added breathlessly "I am going to get the blame for it and I've got no alibi. I will be traced here so easily I have got to leave the country! They will take my passport away!"

Mr Van der Merwe said he had then observed his son collect his clothes, pack them in a bag and leave on foot.

He did not see or hear from Neville again until three months later, when a friend called to tell him that Neville was staying in "a city" in the United States. She told Willem that his son was "almost suicidal" and had no money.

Mr Van der Merwe refused to disclose the friend's name to the detective, or to identify the city, but told Sgt Roberts that he had immediately flown to the USA to see his son.

When they met at a hotel in this nameless city in August 1991, Willem van der Merwe had many questions for his son arising from the earlier visit he had had from the Kent police. The first: had he in fact been to Simon Law's house in England? Yes, on three occasions, in a car they had borrowed, Neville told his father. He had himself, however, never gone into the house or done Law any harm. Glenn Chait had told him "the less you know the better".

Then, said Mr Van der Merwe, Neville asked him: "Is Glenn Chait still alive?"

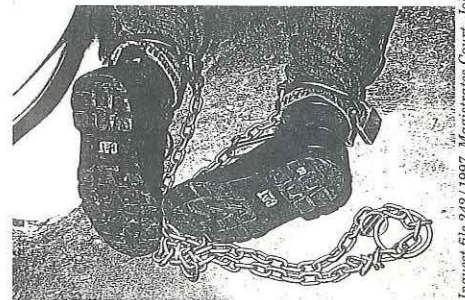
A curious question. He was alive then.



*Four years later, on 31 October 1996, Glenn Chait was found dead in a Johannesburg police cell. He was in custody, pending his extradition to England to stand trial for the abduction and murder of Simon Law.*

*A strap tied to the bars of the cell window ended in a noose drawn tight around his neck. He was on his knees, with his feet still in shackles. After a perfunctory inquest at which no witnesses were called to testify, the inquest magistrate ruled that the "cause, or likely cause" of death was "consistent with hanging – suicide".*

*[See Part Three in our next issue.]*



*Inquest file 242/1997, Magistrates Court, Johannesburg*



continued from first column on page 6

also approved the scheme, allowing participants the added bonus of being able to write off the entire cost of the containers against tax.

For more than a decade the Reserve Bank made no attempt to monitor the scheme. A tip-off from a British company director, Sir Benjamin Slade, that the South African operators were illegally accumulating millions in undisclosed profits offshore and then secretly using the money to profit from financial discounts which by law were only available to bona fide foreign investors, was ignored for nearly two years.

The scheme was supposed to earn the foreign currency apartheid South Africa so desperately needed. These frauds and questionable subsidies and tax concessions, however, resulted in the South African taxpayer paying for the thousands of South African-made containers now being used abroad.

The single Reserve Bank official who eventually did launch an investigation was Nico Alant. He found sufficient evidence to warrant closing down the scheme and prosecuting the perpetrators.

Alant's investigation was conducted in collaboration with the SAP Commercial Branch and the British policemen investigating the murder of Simon Law. The documents reveal how he not only unearthed the various illegal features of the scheme and obtained a warrant for Jenkins's arrest; he also exposed the Reserve Bank's poor controls.

Alant reported to his bank bosses that the Transvaal attorney general, Baron Klaus von Lieres, was reluctant to prosecute cases brought to him by the bank. The gross negligence of the bank's exchange control department was frequently tantamount to connivance in the frauds. He quoted Von Lieres as saying that if he prosecuted offenders, he would have the embarrassment of having to "put the Reserve Bank in the dock as co-accused".

The Reserve Bank's response was to accuse Alant of disloyalty for talking to an "outsider", and of "not understanding the culture of the Reserve Bank".

Only weeks before his three-year investigation was to culminate in Jenkins being put on trial for exchange control contraventions and fraud, Alant's seniors intervened, and implicitly condoned the contraventions by formally approving Jenkins's application to continue operating the scheme.

This step effectively sabotaged the criminal case and, in August 1993, the charges against Jenkins were withdrawn by the attorney general.

## MURDERED MAN'S LOVER APPEALED IN VAIN FOR JUSTICE

**In June 1992 Simon Law's widow, Tarn Phillips, wrote to two top South African officials about the case against Jo'burg millionaire David Jenkins.**

### **To Dr Chris Stals at the Reserve Bank she wrote:**

Simon was abducted from our house on 23 April 1991 and murdered. He had been working with David Jenkins but, at the time of his death, was trying to sever this relationship. One of the conditions Jenkins was trying to impose for this separation was a total secrecy clause; Simon would not sign, so, I believe, Jenkins arranged for his silence to be guaranteed by other means.

I was heartened to think that at least Jenkins would not profit from his frauds. He has defrauded the South African taxpayer and, because of his bravado and "influential friends" appears to be getting away with it.

If people like him can succeed, how can anybody have confidence in the whole infrastructure of the South African state?

### **A bank official replied:**

We have noted your concerns. The necessary assistance is being provided to the investigation team to enable them to finalise the matter.

**They simply closed it down and hounded investigator Nico Alant out of his job.**

### **To attorney general Klaus von Lieres she wrote:**

I was, naturally, delighted when I heard of Jenkins's arrest in January. I now learn, to my horror, that the case is not going as well as expected. The Reserve Bank has granted Multistar a new Exchange Control approval, effectively legalising Jenkins's activities while at the same time it is attempting to prosecute him; Nico Alant appears to have been moved from his investigation role and sounds to me like a threatened man. What is happening?

It is becoming obvious that Jenkins has managed to unduly influence someone of importance at the Reserve Bank.

We have all been particularly concerned by the apparent ease with which Jenkins first got bail, then recovered his passport and has now obtained the new approval.

He is very well connected and no doubt has many favours he can call in from influential acquaintances, but surely justice can prevail?

**A year later advocate Von Lieres withdrew all charges against David Jenkins.**

The murder victim's widow, Tarn Phillips, wrote to the governor of the Reserve Bank, Dr Chris Stals, urging him to support the investigation [see box]. A junior official replied with a false assurance. Instead Alant was hounded out of his job at the bank.

Senior officials, including Dr Stals, are still allowing the scheme to operate, supposedly on the basis that it is "in the national interest".

### **IN THE CAPE HIGH COURT**

In the Cape high court case, the S A Forestry Company Ltd (SAFCOL) is suing Islanmore Estates (Pty) Ltd and David Jenkins for damages resulting from a forest fire in the Franschoek valley three years ago. Islanmore owns the farm where the fire is alleged to have started, while Jenkins is said to have been in effective control of the farm at the time.

In his defence, Jenkins claims that Islanmore is owned and controlled by an offshore trust, and he is merely a regular guest on the farm.

SAFCOL aimed to prove that the trust is a front for Jenkins's offshore interests, and that he was, thus, in control of the

farm at the time of the fire.

The trial had already begun when SAFCOL's lawyers were alerted – by our report on the murder of Simon Law in nose25 – to the fact that Alant could testify to Jenkins's control of Islanmore.

SAFCOL's lawyers traced Alant and summonsed him to appear at the Cape High Court with all the files relating to the police and Reserve Bank investigations into Jenkins's affairs at the time of the murder. Most of the documents were hurriedly retrieved from the office of the attorney general in Pretoria. They form part of the official dossier of the criminal case against Jenkins that was abandoned six years ago.

Alant spent his first day on the witness stand identifying one document after the other. Barely three metres away Jenkins, a tall, nattily dressed and forceful-looking man – witnesses in the British investigation described him as frightening – stared fixedly at the surprise witness. As the hours passed, he did not once shift his gaze. When Alant concluded his evidence, Jenkins asked for an adjournment – and rushed to Pretoria to summon the help of his friends at the Reserve Bank. n



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A R A N D M E R C H A N T B A N K D I V I S I O N



# FINANCE WEEK

## TITLE BOUT LOOMS

LAST YEAR BUSINESSMEN WERE invited by the Wits Business School to hear David Gleason, then still deputy editor and publisher of *Finance Week*, speak at an "upcoming" breakfast (sic) on the subject: Do You Really Want To Be Rich?

The blurb quoted Gleason explaining: "This was the title of a book written by a man called Bernie Cornfeld. At more or less the same time as it came out (he was already famous) he was involved in a monumental scam which earned him a fortune along with a long spell in a Swiss jail. Not that I want to be incarcerated, but I do want to be rich and it has always eluded me. So, and since I have spent so much of my working life following this Holy Grail, I am well equipped to comment on the pitfalls which await the unwary and, more especially, those which litter the field of publishing."

It went on to reveal that Gleason had tried his hand at banking, corporate finance, marketing and journalism – "where he is now stuck" – and added that he keeps a Burmese cat, reads avidly, plays tennis and manages a garden.

Now rumour has it that Gleason may since have found his own personal route to a small fortune. And, while even the most ambitious would find it hard to match the legendary Bernie Cornfeld, our Dave, too, has managed to leave the odd question mark floating in his wake.

Another journalist in pursuit of that Holy Grail – but with rather more success – is Dave's close colleague, Nigel Bruce. Publishers have paid millions to hire him – and even more millions to get rid of him.

In late 1996, our Nige, editor of the *Financial Mail*, and Dave, its most controversial columnist, resigned. Dave had acquired control of Finance Week Holdings Ltd (FW Holdings) and became MD of *Finance Week*. Nigel is a humourless reactionary who manages to take himself seriously dressed in a pinstripe suit with silk tie and matching silk hanky – all the while desperately

clutching a pipe in order not to look effeminate. He accepted Times Media's eagerly offered R2m golden handshake – and immediately concluded a Hollywood-style multi-million rand contract with old pal Dave, to become editor of *Finance Week*.

In August last year Naspers, eager to shed their grey-shoe image, persuaded Dave to sell them the *Finance Week* title for about R10 million, and attached it to their own existing business magazine, *F&T*. To give their publication that extra bit of "English class and polish" – as the men at Sanlam with memories of Major Piet van der Bijl and Japie Basson understand it – they were persuaded to buy Nige as well – by taking over the generous contract Gleason had signed with him.

A month later Finance Week (Pty) Ltd was quietly put into liquidation. That should have been the end of it. Unfortunately, however, the financial shortfalls in the old company were just too spectacular to escape notice. Where had all the money gone?

To make matters worse, Nigel was quickly as hated at *Finance Week / F&T* as he had ever been at the *FM*. Staff – and readers – resigned and rebelled. Last month Naspers was driven to pay Nigel still more millions to quietly pack his bags once more. (All the hellos and goodbyes are said to have netted him R7m in two years.)

Worst of all, now questions are being asked about the validity of Naspers's claim to the *FW* title. There is even talk of invoking the Companies Act, which determines that when the business of a company has been carried on recklessly, or with intent to defraud creditors, a court may declare anyone who was a party to such reckless trading to be personally liable for the resulting debts.

In fact, section 424 (3) makes reckless trading a criminal offence, punishable with a fine or imprisonment.

*F&T* journalist Deon Basson wrote a story on the liquidation, apparently for

consumption on the internet. It hasn't got there yet, but copies have been floating around the corridors of the *Financial Mail* (where Gleason is once again a "special writer") for the past month. Neither the *FM* nor *FW/F&T* are apparently prepared to tell the story. Once more, noseweek steps into the breach.

As with all good stories, we need to go back to the beginning. At the end of 1994, Allan Greenblo, then editor and MD of Finance Week (Pty) Ltd had to relinquish control of the then still lively journal, following a lengthy court battle with fugitive millionaire Oliver Hill. Hill's wife, Lynne, became the controlling shareholder; Greenblo's earlier colleague and *FW* co-founder, Stuart Murray, became the new editor and MD.

Readers will recall that, immediately thereafter, rumours abounded that Greenblo would start a new magazine, also called *Finance Week*. While obviously absurd, the rumours nevertheless prompted the Hill camp to hire patent attorneys D M Kisch Inc to register *Finance Week* as a trademark. This was done on July 25, 1995. The owner of the trademark is still reflected in the records of the Registrar of Trade Marks as Finance Week (Pty) Ltd. Registration plays a pivotal role when auditors are called upon to verify ownership of such titles and, according to Van Seidel's standard legal text on the subject, *Intellectual Property*, registration is central to securing property rights to a trademark.

The new *Finance Week* was arse-lickin' good. Most readers missed cheeky, guerrilla-fighting editor Greenblo. *FW* went into decline and, before long, the owners were in search of a new investor

David Gleason





and new stars to lighten *FW's* horizon.

On November 6, 1996 the name Gleason Publications was reserved by the Registrar of Companies for former *FM* columnist (and consultant to Cape Investment Bank, dare we mention it), Dave. A few days later, backed with R15 million-odd from his new young friend, Brett Kebble, Gleason Publications became the controlling shareholder of Finance Week Holdings Ltd, an unlisted public company. *FW Holdings* promptly acquired all the shares in Finance Week (Pty) Ltd. Gleason, no doubt inspired by young Kebble, had ambitious plans, among them to list Finance Week Holdings on the JSE.

The R15 million was immediately put to good use: first to appoint Gleason himself as MD and deputy editor – with a financial package that properly reflected his new status and ambitions; then to greet old friend Nigel in the editor's chair with a golden hello equal to the celebratory golden goodbye he'd just got from his old bosses at the *FM*. Tongues wagged as new media mogul Gleason took to the road in a flash BMW that looked remarkably like Kebble's most recent hand-me-down.

Except, perhaps, for their unique personal arrogance, Dave and Nige brought nothing new to *Finance Week*. The "team's" worn ideological approach, that old colleagues and readers at the *FM* had come to find so tiresome, proved as tiresome to their new ones. Old slogans like "the market will rule" did nothing to pay trade creditors – or Kebble.

Exactly two years later, on November 6, 1998, Dave's signature on a statutory document called a "Statement of Affairs" sealed the voluntary liquidation of

Nigel Bruce



Finance Week (Pty) Ltd. In it there was no trace of the R15m. With assets worth less than R1m, *FW's* liabilities exceeded its assets by a whopping R18.3m.

Running through their cash and into so much debt in such short order must have taken – as they say – real talent.

The "Statement of Affairs" filed by Gleason is worth a closer look. Liabilities: Receiver of Revenue, R4.3m; loan from *FW Holdings*, R11.9m; other creditors, R3m. (Foolishly, they even left their printer unpaid ...) Total R19.2m. (Talking of the taxman, since there can't have been much income, that must mean that someone omitted to pay VAT and PAYE for a year or so.) Big creditors are the SA Post Office, R282492; Price Waterhouse, R245 889 (OK, fuck them, they signed the accounts); Secola Triweb, R234 289; and Business Week, R165 836.

Now the assets: cash, R404 349; office furniture, R47 363; debtors, R497 545. Total: R949 757.

If the liquidator takes Dave's (and Nigel's) word for the state of affairs, that means the tax man, always a bit of a pig when it comes to liquidations, takes everything – the whole R949 757 – and even he will then get only about 20 cents in the rand. The other creditors get nothing.

With liabilities 20 times its assets, that company must have been operating under horribly bankrupt conditions for a good long while. And that, dear reader, smacks of reckless trading.

One of many curiosities is the question of how Price Waterhouse, the auditors of Finance Week (Pty) Ltd, dealt with the "going concern" issue in their annual report. The consolidated financial statements of *FW Holdings* should tell us more about this in due course.

Another curiosity is that Gleason starts out reflecting *FW Holdings'* full claim of R11.9m as a secured loan. But, in the small print, he splits it between concurrent (R9.4m) and secured (R2.5m). The latter seems more realistic, although the total assets of Finance Week (Pty) Ltd still do not cover a liability of R2.5m: according to Gleason, remember, *FW's* assets were worth less than R1m.

Here it is also worth noting that an offer of security which exceeds the value of the offered assets is an act of insolvency and renders the contract null and void.

It now emerges that only two months before the liquidation of Finance Week (Pty) Ltd, *FW Holdings* sold the *Finance Week* title and distribution list – the prime assets of a long-established magazine – to Naspers (the Afrikaner publishing conglomerate and publishers of titles such as *Huisgenoot* etc) for

R10m. How this was possible we do not know, since Finance Week (Pty) Ltd was still the registered owner. And, if the latter is true, the R10m Naspers paid should have been available to pay the creditors of the insolvent company – all of them. If *FW Holdings* had previously bought the title from its subsidiary, when, how, and for how much did it do so?

The R11.9m owed by the insolvent company to *FW Holdings* should, logically, be reflected in the latter's balance sheet as an asset. It seems equally logical that this loan is based on the funding to Gleason and *FW Holdings* provided by the Kebbles, or one of their companies. (Recently the Kebbles' flagship, Consolidated African Mining, became the controlling shareholder of *FW Holdings*.)

But none of this can be definitely established, since *FW Holdings* has, since 1995, failed to submit copies of its annual accounts to the Registrar of Companies, as required by law. (It would also be interesting to see what fees the directors paid themselves, and to calculate director's fees as a percentage of turnover ... )

The chairman of *FW Holdings* is the Kebbles' favourite stockbroker, Paul Ferguson. Apparently no one has bothered to tell Mr Ferguson, who is also a director of Consolidated African Mining, that he could go to jail for six months for failing to submit these accounts.

One possible answer to the question of what happened to the R10m is that it was used to repay at least part of the loan to *FW Holdings* that was funded by the Kebbles. While that might be a logical assumption, it would raise still more questions about reckless trading, personal liability of directors and jail terms.

How, why, when and for how much *FW Holdings* acquired the title and subscription list from Finance Week (Pty) Ltd remains the crux of the matter.

"The market will rule," high capitalist Nige is wont to declare. Meanwhile, dear Dave and Nige, your creditors are confronted by the rude face of capitalism which, in your hands, is an ideology with no rules of decency. Level playing fields? Why, that's cricket we're talking about – a game Dave and Nigel haven't played for a long, long time.

Will the liquidator – nominated by Gleason – be asking any questions? We wonder. Meanwhile creditors, like the natives of old, are getting restless. After the recent secret settlement with the printers, the cry is: "Pay one, pay all!"

P.S. Nigel successfully canvassed for inclusion on the DP's list of top candidates for the election.





# THIEVES AT LAW

Law societies plot to cover up frauds on road accident victims

IT HAS LONG BEEN KNOWN IN legal circles that road accident cases provide easy pickings for sharp attorneys. But when whistle-blower Mark Hess walked into noseweek's offices earlier this year, he would for the first time present the outside world with the proof.

Hess had details relating to 19 accident victims whose claims against the Road Accident Fund (RAF) had been dealt with by his former employers, well-known Cape attorneys H Mohamed and Associates.

Once we had interviewed a dozen of them, we were satisfied that Hess's contention that the firm had for years been operating a scheme of theft and fraud on ignorant, mostly illiterate victims, was correct.

It was also apparent to us that, if we published what we knew about the few cases, the probabilities were that a dishonest attorney might dispose of the documentary proof which his many other victims would need to prove their claims against him. The damage to already severely disadvantaged victims could be immense. noseweek therefore sought legal advice on how we might secure the evidence on their behalf before publication.

South African common law provides for the prior seizure of documents to secure them should they later be needed to prove a case, by way of what is known as an "Anton Pillar" order. But the order is only granted



BY THE TIME 29-YEAR-OLD GRASSY Park attorney Mark Hess walked out of the offices of law firm H Mohamed and Associates for the last time last November, he had gathered all the material he needed.

For months the University of Western Cape LLB graduate had been quietly ferreting for information – speaking to staff members during the day and wading through the firm's MVA files at night.

The warning signals were there when he joined the firm in April 1994 as an honest attorney who wanted to serve his community as well as he could.

Hess never could fathom why the "big boys" in the firm drove such smart cars and had such exotic lifestyles.

Mohamed himself drives a metallic green BMW 740i and a burgundy BMW 328i. His 19-year-old law student son drives a metallic green Golf VR6. All are paid for by the firm. Twice or more times a year the entire Mohamed family goes on a five-star trip abroad. Dubai, Swit-

to someone who will immediately issue summons in respect of a claim.

Amongst the problems that immediately presented themselves were that we did not even know the names of the large number of people we had reason to believe had been defrauded, and we, ourselves, have no claim against the firm.

The Cape High Court was persuaded to grant the application under these unique circumstances by the nature and circumstances of the victims. Our counsel had argued the case based on our new constitution and a judgement handed down by Supreme Court of India in 1981. In that case, judge Bhagwati declared: "If a legal wrong is caused to a person or class of persons who, by reason of poverty, helplessness or disability, or social or economic disadvantage, is unable to

zerland, London and Disney World in the USA are regular stops. His assets include the double-storey family mansion with swimming pool, secured by a two-metre-high wall surmounted by electrified fencing, and a large parcel of shares in the medical centre under construction in Eerste Rivier.

Second senior partner Ahmed Chohan drives a white Mercedes 200e and an older white BMW 320i which he was about to trade in for a new shape 1999 model when the crisis broke and the order was cancelled. He lives in posh Chaanti Crescent, in a house built by his eminent in-law, Ebrahim Borat ("Uncle Borat"), millionaire former owner of Melotronics and currently MD of the Mitchells Plain Medical Centre.

Hess could also not make sense of how much money was spent on the September 1994 grand opening of the firm's ostentatious new offices that were decorated with marble cladding and original modern art. A vast marquee was erected in the park across the road for the spectacular dinner for hundreds of eminent guests who included the Minister of Justice, several judges, senior members of the Bar and Side Bar, and others of Cape Town's rich and famous. All had come to celebrate H Mohamed's obvious success.

Hess had heard rumblings. "Many innocent staff members were suspicious that the firm was engaged in underhand dealings. They would talk among themselves and say this must be exposed, but they weren't certain of how the scam worked." Those staff members who did know how the system worked, were silenced with a share of the spoils.

The staff talked, Hess listened and asked questions. "There were several different groups in the firm but I just got



approach the court for relief, any member of the public, acting *bona fide* with a view to vindicating the cause of justice, can apply for an appropriate order or writ in the High Court."

The Indian court found it needed to "innovate new methods for the purpose of providing access to justice to large masses of people who are denied their basic human rights and to whom freedom and liberty have no meaning".

Subsequent to the Anton Piller application having been granted, noseweek was committed to issuing summons against H Mohamed and Associates on behalf of all victims of their scheme. This entailed another legal innovation: a so-called "class action" on behalf of a defined class of victims - all members of a disadvantaged community who were deliberately targeted to be

victims of the same fraudulent scheme.

H Mohamed and Associates have given notice that they intend defending the action. In the meantime well over one hundred victims have come forward to identify themselves and declare their support for the action. Their claims could total many millions of rands.

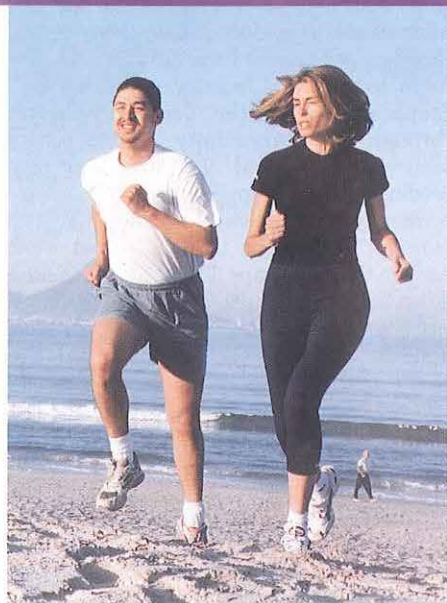
The case was particularly embarrassing to the organized legal profession, who last year launched a powerful and well-funded campaign to sink legislation that was proposed by the minister of transport, Mac Maharaj, to reform the system for compensating road accident victims.

noseweek has obtained copies of the minutes of various meetings of the law societies from which it is clear that the motive for their resistance was fear of losing those easy pickings. For social and histor-

ical reasons, many of the guilty attorneys happen to be black. Judging by the reaction of the law societies, abuses such as those exposed in the Mohamed case are widespread in the profession - to the extent that some attorneys see it as their right to exploit accident victims.

They are particularly agrieved by the road accident fund's attempts to interview accident victims in an effort to establish how much of the compensation paid out by the fund to attorneys actually reaches their clients. This is obviously the only way to establish conclusively whether a fraud has taken place.

The lawyers shamelessly argue that the fund (and noseweek) are "provoking" clients that have, until now, through ignorance or helplessness, appeared to be satisfied with what they got from their attorneys. The



*noseweek* writer Susan Seegar meets Mark Hess for an early morning interview on the run

one for them and one for myself. Later when I went through it, it became apparent that the claimant's signature had been forged and dates on the document were changed."

From that day onwards, Hess became ever more vigilant.

What really got to him was the victims themselves. "It was like a surgery, some days," says Hess describing the firm's reception area. "Accident victims - often still with plaster casts on their limbs - would sit for hours every day, just waiting to hear news of their claims. It was not uncommon to see 10-15 people sitting there."

Nor was it rare to witness a scene in which a desperate victim would refuse to leave the premises until he or she had seen Mohamed himself.

"It was unpredictable ... sometimes, apparently if they had a good claim, the firm would pay their taxi fare or lend them money. Others were not treated that well."

Hess kept his file going and agonised.

"It was just me and this file. The rich were getting richer and the poor were getting poorer. I couldn't stand it. I didn't know whether I should resign before telling someone, or do it while I was still at the firm."

In November last year, he handed in his notice and was asked to leave the premises immediately. He joined Edgar Tamboer and Associates in Wynberg, where he is now an associate. "He knows my story and he supports me."

Hess ruled out going to the Law Society, feeling they might not be able to take the drastic action needed. He knew of a case where the society had passed one of Chohan's costs bills that had been challenged by a client - without picking up the obviously faked work notes. He

was uncomfortable speaking to the attorney-general's office, "because the big boys have contacts there".

"I had seen a short story on an MVA victim in a previous copy of noseweek and considered contacting Martin Welz. I remembered that Mr Mohamed and Mr Chohan were furious about the article and made a big commotion about it outside my office.

"Every day I would sit in my office and say: should I phone Martin? I was sitting weighing up everything. I had a lot of friends in the firm and had to consider their futures. But then I thought these people are getting more and more greedy. I had to do something, but I knew I had to act as soon as possible."

He studied at least 30 cases thoroughly before making contact with Welz.

"Just looking at the addresses of some of the claimants made me realise I had to act. I could tell that these were addresses of shacks. I also used to live in a shack. It kept going through my mind that some of these people had lost arms and legs and were getting only a small part of the money they were entitled to."

Earlier this year, Hess sat down with Welz and told him his story. "Afterwards he looked at me and just said you've done well."

Hess is a private person from a very close family, and lives with his sister. In his spare time he practises martial arts and enjoys running.

Since telling his story to noseweek, he has had moments of deep anxiety. "Sometimes I go home at night and think what is going to happen to me. I look in my rearview mirror and think to myself someone could take me out for this.

"But then I think OK, if it should happen, at least I have done something for society." - SUSAN SEGAR

along with everyone. I gathered my information, made notes and kept them in a cupboard at home."

Secretaries wondered out loud why they were typing out two cheques for MVA clients. Mohamed's more naive "touts" spoke a little too freely when Hess indicated that some day he might need their professional assistance.

On one occasion, a man from a "big white law firm" arrived at H Mohamed and Associates and it emerged that he was alleging a claimant's signature had been forged. Hess recalls that the "big boys" were "extremely nervous that day ... marching up and down".

"I was asked to make a copy of a document which the visiting lawyer had brought. It turned out to be from a handwriting expert. I made two copies,



RAF is accused in worthy tones of "meddling in the sacred attorney-client relationship".

The chairman of the Natal Law Society, Julian von Klemperer actually suggested to his colleagues at a closed meeting that the law societies should investigate complaints, have hearings - and then dismiss "illegitimate complaints where the so-called complainants did not really want to complain."

Compromised by their racist conduct in the past, the white "elite" who still dominate the law societies are now easily held to ransom by those of their new black members who see the golden goose taking flight.

As one black member of the Association of Law Societies put it to his white colleagues: "They are targeting black practitioners who only have a small client base, namely third party work. What are the councils doing about the white attorneys touting for conveyancing work?"

### THE RAID

Shortly after 4pm on February 11 the sheriff of the high court, Gerald Timoney, arrived at the front door of attorneys H Mohamed and Associates in Athlone. Only an hour earlier the Cape High Court had ordered him to seize all the firm's files involving road accident claims that had been settled in the previous four years. He was to place the files in safekeeping, pending a court action in which they might be needed as evidence.

The sheriff was accompanied by two court-appointed attorneys, Godfrey Norman and Bruce Stephens, and by noseweek's attorney, Michael Murphy. In the hallway the sheriff's team were met by Mr Hoosain Mohamed's junior partner, Jerome Rameses, who informed them that the firm wished to have their own legal advisor, a "Mr Jacobs", present before the search could commence, and that he was "on his way".

After the sheriff had waited for two hours for Mr Jacobs, Rameses announced that he would not be coming after all. Instead the senior partners, Mr Mohamed and Mr Ahmed Chohan, arrived and announced that they believed the raid contravened their constitutional rights. They had therefore decided that they would not allow the search to proceed. If the sheriff and his party "so wished", they could go to court to get the firm held in contempt.

At this point Stephens announced that the search was beginning "forthwith". He gave the partners two more minutes to discuss their position. After two minutes, they agreed to the search proceeding.

The sheriff began by asking Rameses and Chohan where to find the 19 client files actually named in the court order. Chohan said he had none of the files on the list in his possession, except that he was aware that the files relating to Dora Davids and Florence Bekizulu, which had been closed,

were "with a costs consultant".

noseweek has copies of documents in the Bekizulu file which show that the firm tampered with medical accounts it submitted to the RAF, inflating the fees. The firm pocketed the difference which amounted to many thousands of rands.

In terms of the court order, the sheriff was also required to obtain computer print-outs of the firm's accounts for the named clients and for all settled road accident cases. When Mohamed was asked for these, he said he was unable to access the accounts computer. Only his office manager, Mukhtar Hamid, was aware of the password - and he would only be back in the office at eight in the morning. Mohamed refused to telephone Hamid to summon him to the office, but suggested that the sheriff could do so himself. At 10pm Stephens called Hamid on his cell phone number - which was answered by Mrs Hamid, who said her husband was not home. Stephens then left a message asking him to call urgently. He did not return the call.

The search proceeded from office to office. Every cupboard, drawer and filing cabinet was opened and searched.

The first file with a name that matched one on the court list was found on the desk of Mohamed's assistant, Mike Mulligan. Twelve names appeared on the file cover, including the name of Bernard Nondabula, who was brain damaged in a road accident. But inside the file cover there were only 11 files. The Nondabula file was not there. Mulligan told the sheriff that he "believed" it was with a cost consultant.

They found a further file in Mulligan's office for a client on the court list: that for Sweetness Fundiswa Klaas, a child who will be institutionalised for the rest of her life as a result of a road accident. The correspondence file was missing. Stephens asked Mulligan, in the presence of Chohan, where the correspondence file was and insisted on an answer. They responded by pointing out that the court order only entitled the sheriff to search. It did not entitle him to interrogate members of the firm about the whereabouts of files.

Later that night one of the team approached Mohamed and asked him for details of the cost consultants to whom files had been sent. Mohamed said that he was "not quite sure", but his secretary would know. He was not in a position to say, off hand, who the cost consultant was, as he was "semi-retired".

They found a safe in the corner of Mohamed's own large office and asked him to open it. He said he could not do so as he did not know the combination. Only the office manager, Mr Hamid knew it - and he would not be in until 8a.m.

Stephens observed to Mohamed that if Hamid was the only person in their entire operation who had access to the computer and to the walk-in safe, there would certainly be a disaster if he passed away unexpectedly. Mohamed agreed.

At 11pm news came through that judges Brand and Van Reenen had convened a late night court session to hear an urgent complaint from H Mohamed and Associates' counsel concerning alleged abuses of the raid order.

Representing the firm was Advocate Anwar Albertus SC, who appeared fully robed in court, thereby signifying that it was an open hearing (the prior application had been behind closed doors). The judges expressed astonishment when he did not complain of abuses of the order, but instead asked the judges to review the decision they had made some ten hours earlier. "You mean that could not have waited for the morning?" judge Brand exclaimed. Two hours later the judges confirmed their previous decision to order the raid.

Back in Athlone the search continued. After searching several offices, the sheriff's team came to a closed door. They asked Rameses what was behind it and he told them that it was "merely a fire escape". Stephens opened the door and looked through it at an empty landing on a stairway. He closed the door and proceeding with the search elsewhere.

Shortly before two in the morning Norman paused for thought - and went back to the fire escape. This time he walked down the stairs - and came upon nine large rice bags and several boxes containing road accident claim files. He summoned the sheriff and Rameses. Most of the files discovered on the fire escape were seized and removed by the sheriff.

At 4am the sheriff loaded two trucks with files and drove them to his premises for safekeeping.

The search continued till 5am, when the sheriff and his team went home for a shower and a one-hour rest. Shortly after 7am they were back to await Hamid's arrival. When he had not arrived by 8h30, noseweek editor Martin Welz told listeners to a Cape Flats radio talk show that if Hamid was not there to open the safe within 15 minutes, he would be applying to court for authority to have the safe door blasted off. Two things happened immediately: the clerical staff at H Mohamed and Associates hastily prepared to evacuate the building, and a safe breaker telephoned the radio station to offer his services. Neither was necessary. At 8h45 Hamid arrived, out of breath, at the offices to open the safe and activate the accounts computer.

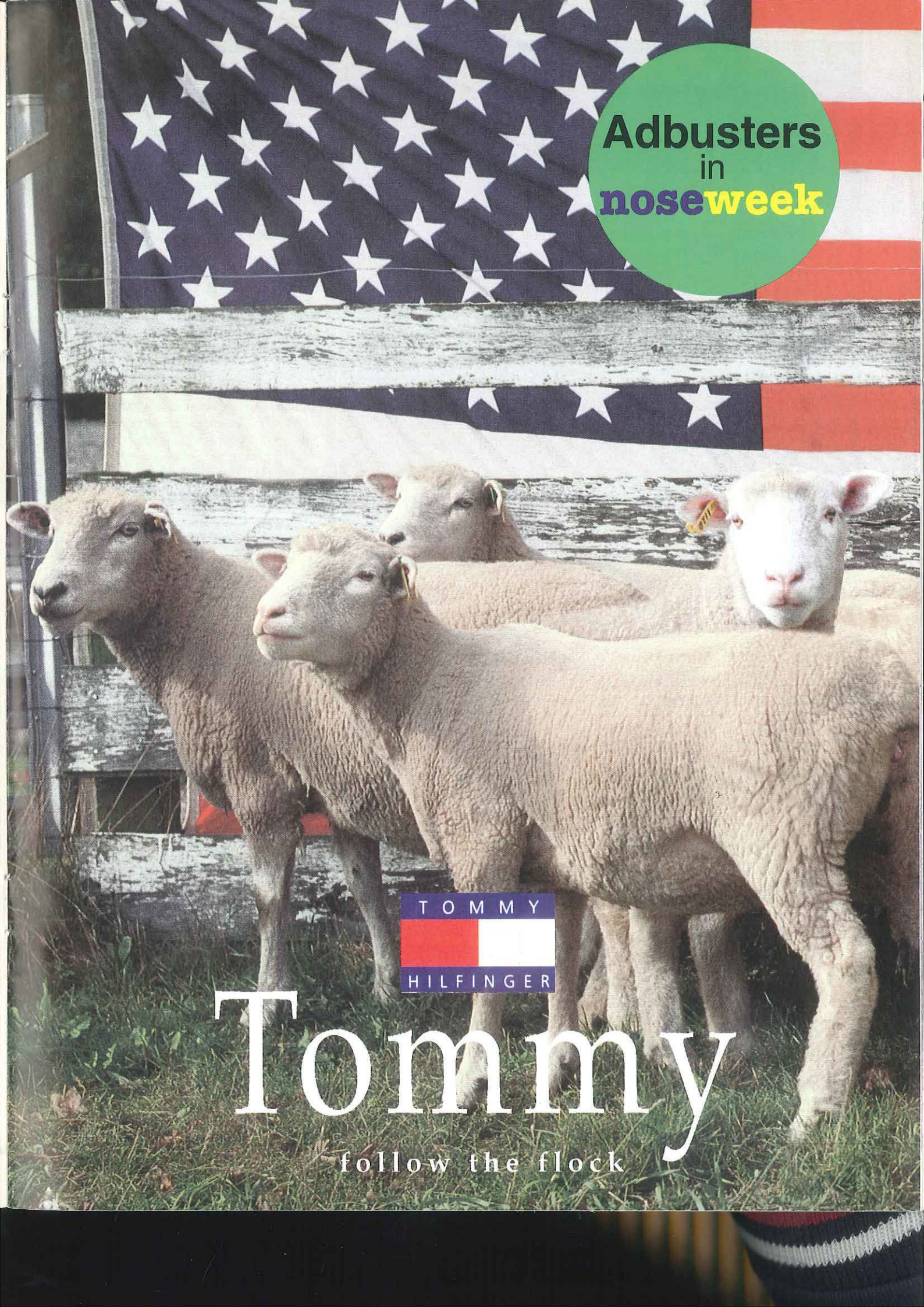
Through the day the sheriff and the attorneys sifted through bundles of account print-outs and paid cheques, to seize those that conformed with the terms of the court order. A further truckload of documents was driven off by the sheriff.

The team had not completed their task by 6pm when, in terms of the court order, the search had to end.

Without having seen the documents, we are confident that enough was found to justify the dramatic exercise.

[to be continued]





Adbusters  
in  
noseweek

TOMMY  
HILFINGER

Tommy

follow the flock



Dr Charles Thomas, molecular biologist, former Harvard and Johns Hopkins professor:

“The HIV-causes-AIDS dogma represents the most destructive fraud ever perpetrated on young men and women of the Western world.”

Dr Gordon Stewart, professor of epidemiology, University of Glasgow:

“Nobody wants to look at the facts. This whole heterosexual AIDS thing is a hoax. ... AIDS is a behavioural disease. It is multifactorial, brought on by several simultaneous strains on the immune system – drugs (both pharmaceutical and recreational), sexually transmitted diseases, multiple viral infections.”

Dr Beverly Griffin, professor of virology, Royal Postgrad. Medical School, London:

“I do not believe HIV, in and of itself, can cause AIDS.”

Dr Richard Beltz, co-creator of AZT (azidothymidine):

“AZT was shelved for two reasons: My studies showed that it caused cancer at any dose and it was too toxic even for short-term use.”

Dr Bernard Forscher, former editor, *Proceedings of the National Academy of Sciences*:

“The HIV hypothesis ranks with the ‘bad air’ theory for malaria and the ‘bacterial infection’ theory of beriberi and pellagra. It is a hoax that became a scam.”

Dr Phillip Johnson, senior professor of law, University of California:

“The establishment continues to doctor statistics to keep the public convinced that a major viral pandemic is under way. The facts are otherwise.”

Dr Walter Gilbert, professor in molecular biology, 1980 Nobel Prize for Chemistry:

“I’d not be surprised if there were another cause of AIDS and even that HIV is not involved.”

Dr Steven Jonas, professor of preventive medicine, State University of New York:

“Evidence is rapidly accumulating that the original theory of HIV is not correct.”

Dr Harvey Bialy, editor of the science journal *Bio/Technology*:

I can find absolutely no believable, persuasive evidence that Africa is in the midst of a new epidemic of infectious immunodeficiency.”

Dr Ralph Moss, author of *The Cancer Industry*:

“The paradigm that was laid down for how to milk the cancer problem is basically the same paradigm which is being followed in milking the AIDS problem.”



**DURING THE LATE 1970s** THERE were a few new developments in big-city America that would place huge stress on the health of individuals within certain readily identifiable groups. One of these was the bathhouses where urban homosexual men – many of them recently liberated from the constraints of small-town America – congregated to indulge in incredibly promiscuous sex; another was the appearance of new, dangerous varieties of street drugs. Often the two went together.

When, in the early 1980s, men involved in these groups began getting unusual diseases in unprecedented numbers, many in the medical community felt that their lifestyle explained their vulnerability to these diseases. The immune system is delicate; like a Japanese salary man it can be overworked and collapse. In the case of the first AIDS victims, an early study by the US government-sponsored, Centers for Disease Control (CDC) found that the first 100 men diagnosed as having AIDS had had a median number of 1,120 sex partners. Along with this went frequent bouts of venereal diseases and excessive use of antibiotics to treat them. Rational attempts to analyse and deal with the problem were, however, quickly complicated by right-wing railings about the wrath of God being called down on homosexuals and drug users.

Twenty years later, AIDS in the West is still confined to these original high-risk groups. A 1994 survey by The US National Research Council concluded that AIDS had not, and probably would never, move beyond its original risk groups. At the same time there has been no slowing in the incidence of sexually transmitted diseases among heterosexuals – so the failure of AIDS to spread to the population at large cannot be ascribed to safe sex. It has become clear that, while there are many harmful consequences to unsafe sex, AIDS is not one of them.

Numerous studies of prostitutes who do not habitually use condoms show that they are at risk for testing positive to an HIV test only when they are also intravenous drug-users.

Many studies, including one by the man who claimed to have discovered HIV, Robert Gallo, and a definitive study published in the British Medical Journal in 1989 by the European Study Group on AIDS, have demonstrated that the only sexual practice leading to an increased risk of testing positive on the HIV test is receptive anal intercourse – and that it is the “receiving” partner who is likely to develop AIDS.

While the sheer weight of heterosexual

**Rethinking**  
**AIDS**  
**Part II**

**Read the astounding quotes on the opposite page. The men and women speaking are all eminent, serious-minded scientists. Why have we not heard what they have to say on this terrible subject before?**

vs homosexual numbers means that there are more heterosexuals engaging in anal sex than homosexuals, it is the frequency of anal sex that was found to be most significant in the development of AIDS in homosexuals.

According to a group of Australian researchers, known as The Perth Group, prominent dissenters from the orthodox view of HIV and AIDS, anal sex is risky not because of the transmission of a virus but because of a process of oxidation that takes place in the cells of those exposed to *inter alia* semen and illicit drugs. Oxidation gradually poisons the cells of the body and makes it susceptible to diseases.

Dr Eleni Papadopoulos, the leader of the Perth Group, first suggested a role for oxidation in causing AIDS in 1984 – after developing a general theory of cellular functioning when researching the causes of cancer in the 1970s.

The phenomenon of oxidative stress is well established by hundreds of scientific papers and is familiar to many

people who take anti-oxidant vitamin supplements as a health precaution. Last year the co-discoverer of HIV, Dr Luc Montagnier, was the principal editor of a book devoted to oxidative stress in cancer, ageing and AIDS.

The Perth Group point out that the origination of what would come to be called AIDS coincided with the invention of technology to count immune system cells, or so-called t-cells. They suggest that this prompted a premature identification of the problem as one of immune deficiency and that what is known as AIDS is, in many cases, not a problem with the immune system at all.

Most people who will shortly develop a disease have a healthy immune system – they are deemed “immune competent”. In First World patients reduced t-cell counts frequently *follow* the onset of disease which results from oxidation-induced vulnerability rather than precede it.

The way that AIDS has spread – or not spread – in the West indicates that it is not



infectious and not caused by a virus from outside the body, but arises from easily identifiable causes in the victim's life.

There is no need for an HI virus to explain why certain people are getting AIDS. Whether the vulnerability to disease is caused by oxidation or immune suppression – or by one or the other, depending on the situation – is a moot point. Its resolution is not helped by the fact that funding for all other avenues of investigation dried up after the purported discovery of HIV.

In the West 90% of AIDS sufferers are men. In Africa AIDS is said to be spread equally between men and women. This anomaly has never been explained. An obvious answer is that men and women in Africa are equally exposed to malnutrition, repeated bouts of tropical diseases, the stress of social dislocation, inadequate health care and poverty – and that these are the true causes of AIDS. In Africa the World Health Organisation defines AIDS on the basis of symptoms – diarrhoea, fever, weight loss and coughing – that are found equally among men and

women. But these symptoms have long been prevalent in Africa. In 1985 Western researchers suddenly gave them a new name, AIDS, and decided they were caused by a sexually transmitted virus.

The view that AIDS is not one disease, with a single cause worldwide, does not suit the AIDS establishment. The US Centre for Disease Control defines AIDS

AIDS research has already revealed:

The announcement by Dr Robert Gallo, at a press conference in April 1984, that he had discovered the probable cause of AIDS subverted normal scientific procedure. At the time of his announcement, Gallo had published nothing about his new theory. Published work is the foundation of science: research must be detailed in every

**Dr Frank Buianouckas, professor of mathematics, New York:**  
**“I suspect everything involved in this AIDS  
 causes fund-raisers. It sells stocks.  
 And it keeps the AIDS**

as any one of more than 30 diseases, accompanied by a positive result on a standard HIV test. There is no AIDS-defining disease that occurs exclusively in those who test positive. None of these diseases are new, all can be found in people who test HIV negative and all have causes and treatments unrelated to HIV. If an HIV-positive woman develops cervical cancer, for example, she is considered to have AIDS. If she is not HIV-positive, she simply has cervical cancer. An HIV-positive man with tuber-culosis has AIDS; if he tests negative he simply has tuberculosis.

The CDC regularly expands the list of AIDS-defining diseases: in 1984 there were eight, today there are more than 30, including tuberculosis, pneumonia, diarrhoea and leukaemia. In terms of the original defining diseases, AIDS in the US would have affected only 8,000 people in the last 15 years.

There are many cases of severe immune suppression where the victims do *not* test HIV positive. In addition the latest CDC definition makes it possible under certain circumstances to be diagnosed with AIDS where there is no evidence of immune suppression, where no HIV test has been done or, even, when tests are negative.

Local health authorities in the US are paid a subsidy of \$2,500 per annum for each reported AIDS case – yet another incentive to expand the definition in order to catch more patients in the AIDS net.

In fact many critics suggest that the number of patients diagnosed as having AIDS is constantly growing only because the definition of the disease is constantly being widened – and not because of an actual epidemic.

These anomalies certainly justify – demand – a re-examination of the original theory. Look, for instance, at what a critical re-evaluation of the history of

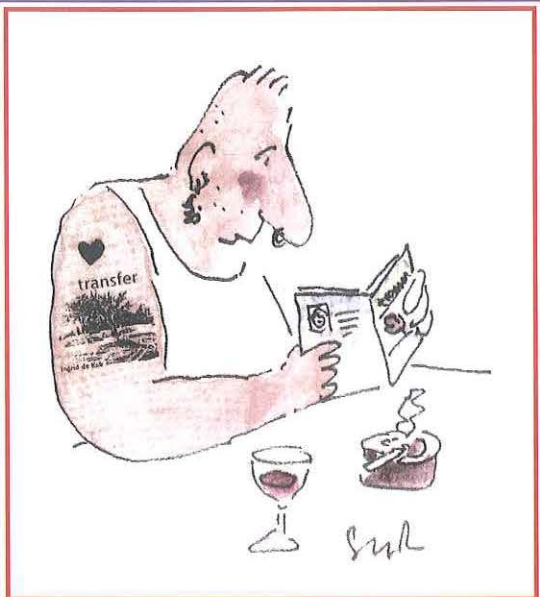
move, or be referenced, so that another can replicate exactly what was done and find out whether the results are the same. Published research on an important breakthrough such as HIV is always subject to rigorous review by the scientist's peers as a test of its validity.

Gallo sidestepped the issue of peer review and presented the world with a fait accompli that was immediately established in the public consciousness by dramatic media coverage.

His announcement and the public reaction to it heralded the virological equivalent of a gold strike and his peers, rather than asking awkward questions, joined in the gold rush. Thousands of virologists had been involved in the long and futile search for virological causes of cancer. To them the HIV theory represented a fantastic new basis for virological research and, most importantly, funding. In fact, when a prominent retrovirologist of the highest repute, Dr Peter Duesberg of the University of California, became the first to question the HIV hypothesis in 1987, he had all his research funding cut off by a university committee. His colleagues, many of whom were themselves heavily involved in HIV research, feared his criticism would imperil their funding. [See nose25.]

In one way Gallo's research did cause controversy. The first paper on the isolation of HIV was published in 1983 by Dr Luc Montagnier of the Pasteur Institute in Paris. Montagnier claimed to have identified a new human retrovirus – which he called LAV – *but did not claim it was the cause of AIDS.*

In the interests of scientific cooperation, and in view of the power and influence of the US in the field of scientific and medical research, Montagnier sent samples of the tissue culture in which he claimed to have found the new retrovirus to Gallo.



*Here too: riddle, spiral, ruse,  
 a ridge of words that look like acts.  
 On a suspension bridge,  
 we tightrope into talk:  
 silver, dancing alphabets  
 strung with loops and hoops,  
 arabesques of words on a swaying net.*

*Thus are we cured of touch  
 and the imagined mobility of love,  
 where my tongue would move  
 in the centre of your mouth.*

from 'transfer' by Ingrid de Kok



Shortly thereafter Gallo claimed to have himself identified a new retrovirus – and went a giant leap further in declaring that it was the probable cause of AIDS. The Pasteur Institute immediately alleged that Gallo had misappropriated their virus and it was eventually agreed – in a compromise brokered by presidents Reagan and Chirac – that the credit for

he was also prepared to take a few short cuts by making bold and dangerous assumptions.

Critics point out that tissue cultures are replete with microscopic viral-like particles which makes the identification of a new virus fraught with pitfalls. For this reason the Pasteur Institute laid down definite step-by-step procedures for the

documents which demonstrate that fact, at least with a high probability. There is no such document. “If you ask for it, you don’t get an answer, you get fury.”

Both Montagnier and Gallo now concede that HIV alone *may not* be sufficient to cause AIDS and that it may require the presence of “co-factors” to trigger the onset of actual AIDS. Montagnier has gone so far as to say HIV *is not* a sufficient cause of AIDS. One of his colleagues at the Pasteur Institute, immunologist Simon Wain-Hobson, was quoted in *Nature* in January 1995 as saying “... an intrinsic cytopathic (t-cell killing) effect of the virus [HIV] is no longer credible ...”

The scientific community should have been on guard when presented with claims by Gallo. In the 1970s he had announced he had discovered the world’s “first” human retrovirus (HL23V) and presented it as the breakthrough in the quest to find the cause of leukaemia. But after five exciting years HL23V bit the dust when it was discovered that it was not a virus at all, but a product of laboratory conditions, and that antibodies to HL23V were produced in humans by commonplace, not even unhealthy, stimuli which had nothing to do with retroviruses.

The four papers Gallo published in *Science* in May 1994 are still the basis for the HIV theory of AIDS causation. Subsequent attempts to provide electron micrographs of HIV have been dismissed by Professor Ettiene De Harven, professor of pathology at the University of Toronto and a renowned expert in electron microscopy, as “disastrous”. The Perth Group points out that, after 15 years of massively funded research, molecular biologists have been unable to obtain a complete “HIV” genome or even to agree on how many genes HIV possesses – estimates varying between four and 10.

Chimpanzees are man’s closest physiological relative and, when infected, develop diseases caused by human viruses such as flu and hepatitis. In 1984, 150 chimps were injected with “HIV-positive” blood and subsequently they, too, tested HIV positive. A couple of the chimps have now died – of old age – the rest are living in blissful retirement in Canada. None of them has ever shown any sign of developing AIDS. ■

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next edition: Part III  
*The HIV test and AZT*

Part I, which appeared in *nose25*,  
may be found on our website:  
[www.noseweek.co.za](http://www.noseweek.co.za)

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## epidemic. If HIV causes anything, it certainly It supports dances. It sells condoms. establishment going.”

the supposed discovery of HIV would be shared by Gallo and Montagnier.

For many years Gallo lied about the origin of the tissue culture on which he had based his findings, claiming not to have used Montagnier’s samples. It was later proved by genetic comparison of the supposed viruses that Gallo had simply stolen, used and renamed the French sample. The significance of this would become immense in the light of comments about isolation later made by Montagnier [see below].

American investigative journalist John Crewdson was intrigued by the controversy and launched an investigation. In 1989 he published an article in the *Chicago Tribune* about Gallo which forced an internal National Institutes of Health (a US government health body and Gallo’s employer) enquiry into the science behind the HIV theory. The report of the enquiry stated that Gallo, as laboratory chief, “created and fostered conditions that gave rise to falsified/fabricated data and falsified reports”.

In the Gallo papers, published in the journal *Science* two weeks after his original announcement, he claimed – falsely, we now know – to have isolated a new retrovirus among patients at risk of AIDS. At the time it was thought that retroviruses might destroy T4 immune cells. When T4 cells were found to be at low levels in AIDS sufferers, Gallo simply assumed that the “HIV” was killing the cells. This assumption is still the basis of HIV theory. But it has yet to be scientifically demonstrated.

There were tremendous political and budgetary pressures at the time – from highly organised gay activist groups and the Reagan administration – to quickly find the cause of, and a cure for, AIDS. Since Gallo was prepared to lie, steal and falsify his data, it’s hardly surprising that

isolation of retroviruses in the late 1970s – procedures that Gallo did not come close to satisfying.

A fundamental step in the Pasteur Institute process is that of obtaining electron micrographs (the equivalent of photographs) of the putative virus particles. In 1998, in an interview with French journalist Djamel Tah, Montagnier was asked why the French group had not published electron micrographs of the purified HIV particles they claimed to have isolated in 1983, but only of the unpurified culture material. Montagnier replied that his group could not find particles in the “purified virus” with the morphology typical of retroviruses, and then declared: “I repeat, we did not purify (isolate)”.

Gallo, of course, as is now known, used the same tissue cultures and he too, Montagnier said, had failed to isolate the virus. The Perth Group points out that that should have been the end of the HIV theory.

While Gallo did observe phenomena characteristic of retroviruses in cell cultures from AIDS sufferers, the characteristics he sets so much store by are not exclusive to retroviruses. For example, a mainstay of his evidence was the observation in his tissue cultures of a process known as reverse transcription – the means whereby a retrovirus replicates and what distinguishes it from an ordinary virus. But Gallo had himself discovered and written during the 1970s that reverse transcription is not specific to retroviruses but occurs in cells when chemically stimulated – an essential part of the process of attempting to isolate a virus.

The situation is summed up by Dr Kary Mullis, winner of the 1993 Nobel Prize for Chemistry: “If there is evidence that HIV causes AIDS, there should be scientific





*As our ongoing series by Kevin Dowling on the unnatural history of the World Wildlife Fund (now the Worldwide Fund for Nature) has shown, the WWF is a secretive organisation formed by spies and big businessmen with dubious histories, secret agendas and scant regard for democracy and accountability. The effect has, more often than not, been disastrous both for nature and for those ordinary people who have lived their lives closest to nature. We interrupt our historical series – to be continued in our next issue – to present Dowling's account of one such recent ecological scandal.*

# WWF can't see the forest for the greed

THOUSANDS OF LOW-PAID PLANTATION workers have been exposed to toxic chemicals as a result of the World Wide Fund for Nature's endorsement of speculative commercial teak plantations in South America. The WWF also ignored warnings from its own consultant that the get-rich-quick scheme might constitute a criminal fraud on environment-conscious investors.

WWF assured its 708,000 supporters in the Netherlands that no agrochemicals were used on the Flor y Fauna plantations in Costa Rica. These eventually covered 3,000 hectares and inspired dozens of copycat afforestation projects in the tropics.

Paraquat and Grammoxone – both deadly poisons – were in fact used extensively by forestry workers who were given no training in their use and not provided with protective clothing.

The world's largest environmental charity went into partnership with the Dutch-based company Flor y Fauna in 1993 to promote the scheme as an eco-friendly and ethical way to make money through unit-linked life assurance policies based on investments in teak.

OHRA, one of the largest insurance

and banking companies in the Netherlands, led investors and pensioners in a "green gold rush" which raked in 900m guilders in just two years.

The policies had to be withdrawn from the market when it was discovered that the projected timber yields they relied on had been falsified, exceeding any that have been recorded on commercial teak plantations in Asia, Africa and Latin America for more than a century.

The Green Fund investment scheme also came under heavy fire on German TV. But despite the scandal, the accreditation mechanisms that allowed WWF and its associates, the Rainforest Alliance and the Forest Stewardship Council (FSC), to mislead investors remain in place. The immense prestige of the environmental movement, its political clout and its skill in providing tactical "variations of truth" to meet any challenge have seen to that.

For example, last year the FSC, a key WWF ally, retroactively endorsed a certificate of good forest management which had been improperly issued to Flor y Fauna by the Rainforest Alliance in 1993.

WWF – which provides much of the





funding and many of the key personnel for the running of both the FSC and the Rainforest Alliance – had formed a global alliance for forest conservation and sustainable use with the World Bank.

Having campaigned to make the correct labelling of forest products by FSC a hot political issue worldwide, the two bodies aim to bring the management of more than 200 million hectares of the world's forests under FSC certification by 2005.

According to a joint press release by WWF and the World Bank, "Independent certification verifies that forest management practices are environmentally, socially and economically sound and allows consumers to purchase products from well-managed forests."

But a new book by Dutch tropical forestry expert Paul Romeijn shows how the FSC broke – and continues to break – its own rules. Flor y Fauna's Costa Rican plantations still do not comply with principles and criteria which WWF and the World Bank promote as benchmarks for conservation and sustainable use worldwide.

Romeijn's book, *Green Gold – On Variations of Truth in Plantation Forestry*, exposes in devastating detail the practiced manner in which the environmental establishment is able to collude with government and big business in issuing information to the public which is incomplete, inaccurate and misleading.

The study demonstrates that to place one's trust in unreferenced statements by self-appointed authorities is simply not enough. This is not only of concern to taxpayers who provide the charity with generous tax shelters. The study also demonstrates how the plantation company "compensated" WWF for promoting its interests by rewarding it with five percent of turnover on a 750-hectare section of badly-managed tropical forest.

Money appears to have been – and to remain – the prime motive for WWF's involvement.

The net financial return to WWF was estimated by Flor y Fauna at a minimum of US\$27million and a maximum of US\$64 million, tax-free.

As money poured in, not only from Dutch investors but from Germany and elsewhere, WWF rushed to endorse additional plantations across another 820 hectares, allegedly in return for "compensations" on a similar scale.

Under WWF rules, the bulk of the cash was "transferred without delay" from the Netherlands to WWF-International in Switzerland, whose president at the time was Prince Philip, Duke of Edinburgh.

Prince Bernard of the Netherlands, who was forced to resign as WWF-International's president in the wake of the Lockheed bribery scandal, remains honorary president of the Dutch chapter of WWF and was kept fully informed of developments by his officials.

Romeijn's work shows that Flor y Fauna's costs amounted to only \$5,000 a hectare, including the cost of the land over a 20-year period. But investors were

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## Facts and truth became variable, to be adjusted to the needs of those most seriously mired by the scandalous nature of the case

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required to pay Flor y Fauna \$65,750 for each hectare of developing trees – a huge disparity.

When scientists showed that these trees would have to grow bigger and faster than any other trees in recorded history, if they were to meet the 14% to 18% return on capital that investors were promised, the plantation partnership slashed its estimates of the timber yield. But then they simply increased the projected price to be paid for the logs, enabling them to assure investors that their incredible shrinking trees would in any case deliver the same rate of return.

"In consecutive attempts to justify the unjustifiable, Flor y Fauna, OHRA, WWF and the Rainforest Alliance modified their position and arguments each time the previous ones were shown to have been false," Romeijn says.

Facts, or "truth", became variable, to be adjusted to the needs or intentions of those most seriously mired by the scandalous nature of the case. But investments in the project quickly came to a halt once it was subjected to the scrutiny of courts of law.

Among those most seriously damaged by exposure of the speculative and

fraudulent nature of the case were the WWF, individual investors, the credibility of both the Forest Stewardship Council (FSC) and the Rainforest Alliance, and the reputation of the forestry profession in the Netherlands.

Romeijn claims his book is the first fruit of a new form of forensic investigation conducted over the World Web. Academics from all over the world got together on the Internet to challenge what was going on and to publish information that would otherwise have stayed secret. A web page was set up and the stream of e-mail messages from concerned professionals was at one stage running at 3,000 a month.

The release of the Internet circulars and the closure of the Teakwood programme ushered in a period of profound silence on the part of teak investment programmes.

The scandal first became public when the Dutch TV programme NOVA was able to show that WWF's Swiss-based "nature trust" had chosen to ignore the findings of a confidential report on the Teakwood project which it had itself commissioned in 1993 from Professor J C Centeno. Centeno had been called upon to clarify the business arrangement between WWF Netherlands, OHRA and Flor y Fauna. He had previously acted as forestry adviser to the Secretariat of the Earth Summit and directed the Latin-American Forestry Institute for a decade. Prince Bernhard awarded him the Order of the Golden Ark for his conservation work. Among the findings and recommendations in his report, which the WWF chose to ignore and suppress, were:

□ "WWF seems to be involved in a commercial operation with questionable technical, financial and ethical implications."

□ "Projected yields ... exceed by a factor of four what are considered high yields for teak on good soil."

□ "Investors are led to believe they will receive returns which are highly unlikely. This may be considered fraud."

□ "This poses technical, possibly legal and even ethical implications from which WWF should be shielded"

But WWF preferred the advice of another expert whom they then consulted without telling Centeno. Although he was employed by the Dutch Ministry of Agriculture, he was at the same time chairman of Flor y Fauna's scientific advisory panel.

"WWF has ascertained that, in ecological and financial terms, the Flor y



Fauna plantations set a world wide example," the company continued to boast.

Returns offered to investors were based on "scientifically sound" and "conservative" production estimates, it claimed. Flor y Fauna proceeded to produce a written statement, attributed to the Dutch Ministry of Agriculture but in fact written by its own scientific adviser, which said that its projections were so conservative that they might be surpassed by a factor of two.

The Dutch Advertising Standards Committee later ruled that these claims, when made in public advertisements, were "misleading".

Insurance company OHRA sold investments in "green gold" as a form of "modern development aid" by the private sector and as a means of enhancing forest conservation in Costa Rica.

It and other contract partners circulated an article, which appeared in the influential magazine *Money*, which defamed one of Teakwood's fiercest critics and reported the praises heaped on the project by the president of WWF-Netherlands and WWF officials.

The article carried a by-line indicating that a journalist who sat on the editorial board of the magazine had written it.

It later transpired that no such journalist was known to other members of the Dutch press. No other members of the editorial board had ever met him either.

The project began attracting international investors when it was certified by the Rainforest Alliance as "well managed" and as displaying "... an impressive combination of social responsibility and economic viability".

The Alliance has refused to provide or identify a single piece of evidence to justify its position.

The treasurer of the Forest Stewardship Council, Francis Sullivan of WWF-UK, is also director of WWF's Forests for Life Campaign.

Bruce Caberly, FSC's former director, is currently director of WWF's Global Forests Programme. - *Kevin Dowling*

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**Romeijn, P: *Green Gold – On Variations of Truth in Plantation Forestry*. (1999.) Treemail Publishers, Heelsum, The Netherlands.**

**e-mail: [info@treemail.nl](mailto:info@treemail.nl)**

**Two of the six installments that have appeared in noseweek of Kevin Dowling's *Unnatural History of the WWF* can be found on our website at: [www.noseweek.co.za](http://www.noseweek.co.za)**

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## notes and updates

### HAVING AN UNCLE IN THE BUSINESS

For democracy to flourish we need strong, non-partisan state institutions and diversity of opinion. Patronage – jobs in prominent positions for pals and family members of the governing ANC elite – weakens the safety net of democracy. It creates unprofessional bonds of loyalty between those in government and those outside it; undermines excellence by shutting out competent people who lack the 'right' connections; creates conflicts of interest, making it difficult for the government to act against corrupt practices in its ranks.

People on the ground also experience a clear language preference for the Nguni group when it comes to appointments within the ANC.

To illustrate the point: our new ambassador to Washington was previously an SABC board member; her one brother-in-law was the CEO of the SABC, while the other is the new deputy CEO of State-owned arms manufacturer, Denel, having been redeployed from his position as ANC chief whip in Parliament. The ambassador's sister-in-law is the deputy minister of Home Affairs.

The CEO of the Land Bank is the widow of Joe Slovo.

The ex-wife of Cyril Ramaphosa is the chairman of the Midi TV consortium which owns e.tv. His new wife is the sister of the wife of Jeff Radebe, minister of Public Works. Radebe's ex-wife is the newly appointed ambassador to Paris. Last year she was acting DG of Foreign Affairs. Her predecessor there was the husband of Lyndall Shope-Mafole who resigned from the Independent Broadcasting Authority over the credit card scandal and who was subsequently given a cushy job by the minister of Posts and Telecommunications. Her sister is the head of SABC 2. Her mother is a senior ANC MP.

The uncle of the CEO of Johannesburg was an ANC MP in 1994 but is now the deputy commissioner of Inland Revenue.

The wife of the national director of prosecutions is the deputy minister of Trade and Industry.

The head of Gauteng's Department of Agriculture is the wife of the minister of Agriculture.

The SANDF's first woman general is the wife of the minister of Defence.

The head of the ANC in the Gauteng Legislature is the son of an ANC MP. His brother is Safety & Security superintendent-general. His sister-in-law was the DG of Welfare & Population Development. His sister was the Safety & Security MEC in Gauteng.

The sister of the Speaker of Parliament is ambassador to Italy. Her nephew was the DG of Trade and Industry.

The wife of the head of the SACP is the chairman of the Gender Commission.

The deputy minister of Justice is the wife of Mendi Msimang, the ANC treasurer. As for justice minister, Dullah Omar, at last count 15 of his cronies have been appointed to the

judiciary and senior positions in the civil service and the National Prosecuting Authority.

- *Joe Seremane, DP MP designate*

### Dancing on Dullah's Eggs

#### 1. DINES GIHWALA STANDING BY THE STANDARD BANK

After minister of justice Dullah Omar's generous expressions of praise for all his friends who have been given jobs on the public payroll (*Cape Argus* 18/2/99), along comes another smelly one to pollute the already laden atmosphere.

One of Omar's cronies featured in our earlier story (What's going down with Dullah? – nose24) was Dines Gihwala, of attorneys Hofmeyr, Herbsteins Gihwala. Omar recently appointed Gihwala an acting judge on the Cape High Court. During his stint on the bench Gihwala heard the case of *Standard Bank vs Eileen Friedman*. The issue was one of widespread concern: whether or not a bank has the right to raise interest rates on existing home loans at will and at short notice. According to the law of contract, a contract where the price is not fixed or objectively determinable is void for vagueness. Such is the case when the agreement purports to allow one of the parties to unilaterally change the price – for example the interest rate on a loan. Another argument against banks having such a right is the fact that the borrower is at an unfair disadvantage. Encumbered with a mortgage bond over his home, it is near impossible for him to terminate the loan agreement and seek possibly cheaper finance elsewhere, each time his bank decides to up the interest rate. In reality the borrower is so defenceless that banks don't bother to ask for his agreement – they simply give notice of such increases.

Acting judge Gihwala gravely heard argument and promptly gave his judgement – in favour of Standard Bank. What he failed to divulge was that his firm is – and has for some time been – on a retainer from Standard Bank, making the bank one of his firm's biggest fee-paying clients. The fact that acting judge Gihwala did not have the sense to recuse himself from the case under these circumstances is scandalous. Go explain *that* to the *Cape Argus*, Mr Omar!

#### 2. NORMAN ARENDSE AN EDITED OPEN CORRESPONDENCE 25/11/98

*The Hon A M Omar,*

*Minister of Justice, Pretoria*

*Sir,* According to *noseweek*, Norman Arendse, a former clerk of yours who has twice been found guilty of drunken driving (and causing the death of other road users), has been appointed an acting judge of the Cape High Court. Kindly let me know how he came to be appointed.

*Terry Herbst, Port Elizabeth*

26/11/98

*Dear Mr Herbst*

Minister Omar acknowledges receipt of your letter. With regard to the appointment of Mr Arendse, please communicate with the Judge President on whose recommendation the appointment was made. Your further



comments are noted. They do not invite a response.

J N Labuschagne  
Head, Ministerial Services, Pretoria

1/12/98

Dear Mr Labuschagne

I am surprised you feel my comments about Mr Omar do not invite a response. I am aware that Mr Arendse's appointment was made on a recommendation of the Judge President.

What I seek is the thoughts on the Arendse issue of the Minister, under whose benevolent protection the post falls. You might remind him of the tenet that government administration "exists to service the people, and is answerable to the people".

These words are not mine. They were spoken by President Mandela.

Terry Herbst

11/12/98

Mr Justice Edwin King  
Judge President, Cape Town

Sir, I wrote to the Minister of Justice asking for confirmation of a media report about the appointment to your court of Mr Acting Justice N. Arendse. A copy of the reply I received herewith.

I await your response.

Terry Herbst

15/12/98

Mr Herbst, The acting appointment to the Cape High Court to which you refer was made prior to my assumption of office.  
Edwin King  
Judge President

15/12/99

Sir, As the appointment was made prior to your assuming office, I would be grateful if my correspondence could be referred to the relevant official for reply.

Terry Herbst.

13/1/99

Sir, Please extend to me the courtesy of responding fully to my faxes. I cannot understand why I am not being provided with information about a public appointment to which I am entitled in terms of the Bill of Rights.

Terry Herbst.

19/1/99

Mr Herbst, There is nothing I wish to add to my previous fax.  
Edwin King  
Judge President

### 3. ENVER DANIELS

A clue to why Judge President Sharky King does not wish to reveal the contents of his predecessor Judge Gerald Friedman's file on the appointment of acting judge Arendse might, perhaps, be contained in a letter recently found in the ministry for the public service's file on the appointment of Enver Daniels as chief government law adviser. It appears Mr Omar obviously fore-saw some problems in getting his pal appointed to this plum job, so he wrote to his cabinet colleague, Dr Zola Skweyiya, in July 1997, for advice on the shortest possible route around the rules.

In his reply, under the heading "Relaxation of Appointment Requirements", the Minister for the Public Service, immediately came up with some very nifty hints:

"In terms of Chapter G1 of the Public Service Code, such an appointment can be handled and finalised by your department.

"It is suggested that the post be advertised with the relaxed qualifications and with a short closing date. Mr Daniels should then apply for such post ...

"It is further suggested that the post be advertised as a representative post, which will ensure that your preference for the proposed candidate will materialise."

Now we ask ourselves: might the minister of justice perhaps have conducted a similarly embarrassing correspondence with Judge King's predecessor, Judge Friedman, about the appointment of acting judge Arendse?

### 4. AND THEN THERE'S ALLAN...

In March 1997, Minister Omar tangoed with his friend Allan Boesak at Cape Town airport on his arrival from America to stand trial for theft. It was alleged he had stolen funds that had been entrusted to him by various Scandinavian agencies to aid the poor. Omar declared to a stunned world: "We're all steadfastly behind Allan." He even offered, as a defence for Allan, the explanation that under the previous dispensation non-government organisations applied "unconventional bookkeeping to protect themselves from the government and the police". John Vass, ANC leader in Elsies River, was more explicit: "If Boesak took the Danes' money, then we say he deserved it."

Now the Cape High Court has found Boesak guilty of having stolen the money to enhance his own extravagant lifestyle.

And so another one bites the dust, Mr Omar. Who's next?

## Green for top secret

IN THE GENERAL ATMOSPHERE OF skulduggery that reigns at City Hall in Cape Town, the shared motto of politicians and trade unionists appears to be "We won't tell on you, if you don't tell on us".

As predicted by noseweek (*Green for Top Secret*, nose23 / *Thorne in the flesh*, nose24), a settlement has been reached between the city council and its sweetheart trade union, the Independent Municipal and Allied Trade Union, IMATU. It effectively buries a R2.85m fraud perpetrated by union leaders at the expense of the city council and the members of its employees' pension fund.

On February 17 this year the IMATU agreed to pay the City of Cape Town R500 000 in full settlement of a court action in which the Council had claimed the full R2.85 million fraudulently misappropriated by the union leadership.

By tendering payment, the union leaders effectively admitted that they had wrongfully misappropriated large sums of money that the council had paid over to them as administrators of the council employees' pension fund.

By accepting the low settlement amount, the council has, in turn, reneged on an undertaking given years ago to its employees to make every effort to recover the money that

was stolen from them.

Of the original claim, R950 000 was due to the council itself (the council had subsidised the pension fund contributions that were later misappropriated) and R1.9m was the amount the council had actually deducted from its employees' paypackets as their pension contributions (and which was similarly misappropriated).

In June 1994 the town clerk of Cape Town issued an official circular to all council employees, in which he declared: "It has been concluded that overcharging by [the union] on Group Life Assurance premiums constitutes a *prima facie* case of fraud and is therefore actionable for the recovery of both the council's and the members' share of the premiums overpaid. [...] The executive committee instructed council's attorneys to institute civil proceedings [against the union] for the recovery of all excessive amounts paid in respect of premiums. If the council is successful in its action, it will redistribute to the employees concerned the excessive deductions made from their salaries ..."

Soon thereafter the matter was transferred to the council's top secret "green paper" agenda, where it has remained. The reason: the council had no intention of keeping its promise - it simply wished to discourage its employees from taking their own action - until it was too late.

To cover its back the council has nevertheless secured an indemnity from the union as part of the settlement package - just in case employees might succeed in suing the Council for leading them up the garden path.

"It's not right," says DP councillor Brian Watkyns. "The settlement leaves the members high and dry. The money should be repaid in full. There are no extenuating circumstances."

Fred Hoffman, chairman of the union at the time of the fraud - when it was also a whites-only union, is now a South Peninsula councillor and a member of the Cape Metropolitan Council. He is, remarkably, also one of eight trustees of the R3.5 billion Cape Municipal Pension Fund. Jack Bondietti, secretary of the union at the time, has recently been nominated for election as a trustee of the fund. The election takes place in May. Ignorant members, it seems, are being set up yet again.

## HUDDLE BUBBLE TOIL AND TROUBLE?

IS ANOTHER FANCOURT DEBACLE in the making at Huddle Park in Johannesburg's north-eastern suburbs? It's a prime piece of real estate, 235 hectares, with two rather tatty golf courses. Developers have been casting covetous eyes on it for years. There was a casino licence bid last year, which was withdrawn; before that a development company called Needwood had failed to come up with the finance (and the putative Malaysian backing) to underpin grandiose plans.

This public park belongs to the Greater Johannesburg Transitional Council (GJTC), which is now hoping - in the teeth of residents' objections - to lease the ground go to the National Sports Council (NSC) for 99 years. In



Who put the poo in Mpumalanga?

Who put the silly into reconsil-i-hation?

Who put the tit into Restitution?



And who put the quit in the Equity Bill?

Dah da ti dah ti ti da ti da da

Some say it was the sports isolation

But we all know it was the Mugger of the Nation!

I blame it on the CIA station

Many Anglicans feel it was Tutu's oration

Who put the 'sies!' into Sibusiso Bhengu?

Who put the boetie into Buthelezi?

Who put the 'hol' into Holomisa?

And who put the zzz into Alfred Nzo?

Some give the credit to people's power

The Springboks say it was Hassan Howa

Cosatu reckons it was Sam Shilowa

But I suspect the Drakensberg Boys' Choir

Who put the bek into Thabo Mbeki? Who put the wally into Tkyo Sexwale? Who put the cow into Stella Sigau? En wie se sak geld is in Boesak se sak?

# noseweek sings the election time blues!



return for a guarantee of R18 million, the NSC will get the land, and 27 hectares rezoned as residential stands – enough room for over 200 luxury houses. There is glib talk of investing a total of R2 billion in upgrading the courses, as well as building a golf academy, a clubhouse, a hotel and an “entertainment complex.”

But the NSC lacks development clout and expertise; it will need a partner (once again an ectoplasmic Malaysian financier looms) – after the lease is a *fait accompli*. By that stage the city fathers, who seem determined to lease before they look, will have put the whole affair on the back burner for the next 99 years. And the inexperienced sports administrators will be dealing with a developer who has gained control of more than 200 serviced stands at a bargain-basement price.

Skulduggery, as in Mpumalanga's Dolphin affair, is not suspected. But there are other causes for anxiety – in the form of the droves of incompetent, opportunistic, undercapitalised property developers who wouldn't think twice about leaping on board the rudderless ship that is Huddle Park.

What could go wrong? Golf courses, hotels and entertainment complexes don't exactly generate a casino cashflow, so the residential stands are the core of the proposal. But the budget for the project has yet to undergo really close scrutiny, and the financing method is possibly illegal. Even if those hurdles are cleared, making money out of residential building is no easy task. What if costs rise and house prices sink – who's going to carry the can when the whole scheme goes pear-shaped? The city fathers? The NSC? The developer, assuming he's still in evidence?

That 99-year lease might well have expired before all the resultant litigation has been processed by the courts.

[See *Smalls* on page 32, under *Personal*.]

# ABSA

## Quote of the Year:

*“We don't wear grey shoes any more.”*

– Senior ABSA executive in an interview with a journalist from *Business Report* in November 1998.

**READERS WILL RECALL HOW THE GREY shoe shufflers at ABSA tried to shuffle their way out of a multi-million rand contract they had concluded with computer software specialist Compuquote simply by denying, under oath before the Johannesburg High Court, that any such contract had ever existed.**

A memorable feature of the case (see nose 21) was ABSA Brokers director John Lightfoot's alleged description of Compuquote MD David Hersch as a “too clever Jew”. The allegation was given added credibility when ABSA appointed a Pretoria firm of attorneys headed by Benito Hitler Niemann to represent them in the case.

Six months after our report, *Beeld* printed a similar report on the case in its “Behind the news” section, albeit omitting some of the more telling details. *Beeld's* headline: “Large Claim Against ABSA Brokers Could be on the Way”.

noseweek has now learned that, days later, *Beeld* received a letter from Daan Schoeman, Attorneys, who were at pains to point out that they were *not* acting for ABSA, but on the personal instructions of ABSA Brokers' senior manager, Biddy Biddulph.

At the outset the attorneys also informed *Beeld* that they had advised their client against taking any legal action against the newspaper. [*Which was wise, considering that he had no case. Also worth noting: Beeld and Biddulph's employer, ABSA, share the same parent – SANLAM. – Ed.*]

Instead, they had advised Biddulph to approach *Beeld* with the expectation of getting some “honest and objective” reporting and in the hope that the newspaper would place him “in a better perspective”.

What most perturbed the attorneys was that the *Beeld* report had “created the strong impression” that Biddulph had acted in bad faith and deceptively when he gave evidence in the Compuquote case. In the hope of persuading *Beeld* that he had not done so, the attorneys then proceeded to make the following deceptive claims of their own.

They claim Judge Sutherland used the following words in summing up Biddulph's evidence: “... the body of evidence points tellingly in the direction of the absence of an agreement as contended for [by Compuquote]”.

Messrs Schoeman, Attorneys, have shamelessly chosen to omit half the relevant paragraph and to distort the rest in order to convey exactly the opposite of what the judge said.

All the judge was pointing out was how shockingly effective the ABSA men's attempt at deception had been. He proceeds to find that there *was* a contract as contended by Compuquote – and that the evidence was to be found in documents ABSA withheld to the last.

ABSA's board and management minutes were only produced after a subpoena had been served on ABSA's managing director.

ABSA's advocates were at pains to point out that they were extremely embarrassed and that the minutes had not been brought to their attention by their witnesses at the time of preparation for trial. The minutes not only confirmed the existence of the agreement as alleged by Compuquote MD Hersch; they also recorded that on 10 November 1993 Biddulph had personally reported to the board on the existence of the contract.

True, the judge does note ABSA's “innocent” explanation for its nondisclosure: “that the defendants have moved office and this may have given rise to the problem.” But his scepticism is obvious when he proceeds to add: “What I, however, find astounding is that at least at a stage when preparation for trial was ongoing, neither Lightfoot nor Biddulph took the trouble to alert the defendant's legal team to the fact that these remarks existed in the minutes, reports and other documents.

“How could Biddulph, the author of the critical report which says that an agreement had been concluded, have forgotten? ... And why, after that, in a management committee discussion as to how the problem of Hersch could be made to go away, is there talk about ‘cancellation’ ... ?” [*He's forgotten again! – Ed.*]

“I am left with the distinct impression,” the judge concluded, “that those persons, who must reasonably have known the contents of these minutes, assiduously avoided alerting

those in charge of the litigation of their existence. The reasons are obvious.” Indeed.

Yet Daan Schoeman, Attorneys, find the mere suggestion in *Beeld's* report that their client was responsible for hiding the minutes “most unfortunate” and unacceptable.

Finally, the broken wing bit: their client, they say, has been “tremendously traumatised” by the court action. “You will understand,” they wrote to *Beeld*, “that news reports such as these only add further to the trauma of our client, making it difficult for him to function in his work environment.” Shame.

• A court date for the second leg of the trial of *Compuquote vs ABSA Brokers* has been set: on 2 August this year – four years after summons was issued – the Johannesburg High Court will finally proceed to hear evidence on the extent of the damages Hersch's company may have suffered as a consequence of ABSA Brokers' breach of contract.

Hampered by ABSA's dishonesty and obfuscation, the wheels of justice have ground particularly slowly. May they now grind finely.

## A Mystery Check for Merrill Lynch

**MR ROBERT ELVY, A SOUTH AFRICAN-born accountant – and noseweek reader – resident in Hendon, near London, was most surprised when, early in December last year, he found a cheque for \$3.5 million in his post box.**

Imagine his dismay when he found that the cheque was not made out to him, but to Smith and Borkhum Hare (Pty) Ltd of 80 St George's Mall, Cape Town.

Elvy had never dealt with those well-known stockbrokers – who more recently have become the South African branch of that (occasionally controversial) American giant of the financial world, Merrill Lynch.

Since there was no accompanying letter to explain the purpose of the cheque, he checked the handwritten address on the envelope: yes, it was addressed – in a clear handwriting – to Verulam Court Ltd. Elvy is the secretary/treasurer of that company.

The only clue to its origin was the franking mark of Barclays Bank in Croydon. He faxed them a copy of the cheque and envelope, but nobody at the bank recognised the handwriting or knew anything about it.

Next he called Merrill Lynch in Cape Town. Senior director Jonathan Bloch promised merely to “look into the matter”. Later that day Elvy received a call from David Wilks, a director of Merrill Lynch in Johannesburg, who asked to have details faxed to him.

As it happened, Elvy was on the point of flying to Cape Town to join his sister, world-renowned wine label designer Janice Ashby, in Kenilworth for Christmas. So next day he called Wilks to inquire if there had been any progress in solving the mystery and to offer to bring the cheque with him to Cape Town. No, there had been no response yet from their New York office, but, yes, fine, bring the cheque along to Cape Town, said Mr Wilks.

When, early on December 10 – two days after his arrival in Cape Town – Merrill Lynch had still not collected their cheque, Elvy phoned Bloch, only to find him still most



unenthusiastic about the matter. In fact he was too busy to discuss it on the telephone and suggested that Elvy should make an appointment if he wished to take the matter further.

To understand Elvy's surprise at this cool reception, we need only to remind readers that \$3.5m is worth R20 million. He phoned a secretary and was told he could see Bloch at 3pm that afternoon.

At the appointed time, he was ushered into an empty office where, after a 15 minute wait, he was joined by Mr Bloch. Instead of expressing gratitude, Bloch immediately subjected the bemused accountant to hostile cross-examination. Who was he? Why was he so determined to discuss the matter with Merrill Lynch and deliver the cheque to their offices? And then the punchline: by the most extraordinary coincidence, said Bloch, at that very moment there was another man sitting down the passage in another office with an identical cheque, claiming he wanted Merrill Lynch to invest the money in Cape Town real estate. What did Mr Elvy have to say about that?

Well, it was no doubt some scam, said the by now properly fed up accountant. Could he please just hand over the cheque and have a receipt for it? No, said a flustered Bloch, he would first have to discuss it with his Johannesburg office.

Bloch withdrew and, on his return, handed a cell phone to Elvy with Mr Wilks on the line. He was most reluctant to give a receipt, said Wilks, as it "might be construed as acceptance of something which might entitle you to a commission". No, said Elvy, all he wanted was some proof that he had handed a misposted document to its rightful owner.

Bloch reluctantly scrawled a note acknowledging receipt of a "draft of \$3.5 mil subject to investigation". Elvy went home – and called noseweek to relate his bizarre experience.

The cheque, drawn by Allstate, a large United States insurer, was dated 28 Nov. While it purports to be in settlement of various (numbered) claims by Bremen Distiller plc, London, for "various costs arising from factory fire", the – uncrossed – cheque is drawn on their California claims account. It is computer generated and shows no sign of tampering.

No company called Bremen Distiller/s has ever been registered in the United Kingdom.

We called Bloch, who told us that Merrill Lynch have since been told by Allstate that their cheque issued on those claim numbers was for only \$37.50. Both cheques presented in Cape Town were, therefore, forgeries.

Surely, we said, no serious fraudster could have thought that a financial institution such as Merrill Lynch would rush out and buy R20 million-worth of real estate for him without first having cleared the cheque?

True, said Bloch, but foreign cheques take up to six weeks to clear, and in the meantime the amount might have been available for investment on the short term money market.

When we asked for the name of the person who had presented him with the second, identical cheque, Bloch was less forthcoming: "I don't think it would be appropriate for me to give you his name."

With two men in his offices at the same time, at least one of whom was definitely attempting to present him with a forged cheque for value, had he locked the doors and called the police to

report a R20 million fraud-in-progress? we asked. "Not exactly," said Bloch, "but I believe the police were copied in the loop."

Copied in the loop? Had the forged cheques been handed to the police? Had anyone been arrested? Which police officer was investigating the case? Mr Bloch did not feel free to discuss the matter further with us. It had been dealt with by his Johannesburg office, where the manager, Mr Baker, was the man to ask.

We called him. No said Baker, Merrill Lynch had not reported the matter to the SA Police, as "past experience has shown that they're not interested". Pressed to identify the person with the second cheque, Baker said it was "a client known to us, who had set the deal up previously for someone off shore".

"These things always happen in December," he added.

Both drafts have been returned to America at Allstate's request, Baker said. He believes the SA Police have "probably" since been informed of the matter by the Americans through Interpol. And that was all Mr Baker was prepared to say.

A thought. A merchant bank receives a cheque for \$3.5 million. Since it is drawn by a major insurance company definitely not short of funds, and since it is presented by a known client, the bank may immediately convert it to, say, R20 million, and reflect it as available cash on its books. Which can immediately be invested at call rates – about 19% in December – on the money market.

The cheque is posted, ordinary mail, to America for clearance. Six weeks later it is returned, "payment refused". Oops. The capital amount is reversed out of the account.

But not the R450 000 that has – in good faith – been earned in the meantime on the money market. That has already been paid out – in good faith – in cash. Someone drives off into the sunset in a brand new Mercedes.

That's if some arse-hole accountant from England doesn't come and stuff it all up.

A free subscription to the first reader who can identify the "client" and tell us what this story's really all about. Anonymity guaranteed.

## All that glitters ...

**WHAT DO YOU DO WHEN YOU'RE A** newly-divorced woman who has just received, together with the house and car, a R250 000 cash settlement in lieu of alimony to provide for your daily needs in the years to come?

That, roughly, was the picture when, two years ago, Blanche Pnematicatos called on her ABSA broker, George Holloway. How could she get the maximum monthly income without putting her capital at risk? she asked him.

As it happened George had just heard about a new product from Rand Merchant Bank Financial Services (RMB), which, judging by its name, Guaranteed Cashflow Investment, sounded just the ticket.

Mrs Pnematicatos, not a noseweek reader, had not heard of the case of *Mrs Durr vs ABSA* (see noses 16 and 19). Mr Holloway had, so he took the precaution of telling her that he didn't understand the ins and outs of the scheme. To play it safe he proposed they call in RMB's representative, Alma Slabbert, to explain it.

At a meeting in April 1997 Ms Slabbert duly

explained the Guaranteed Cashflow Investment to Mrs P and Holloway. In terms of the scheme the investor had to invest a lump sum of not less than R250 000 with RMB. Perfect. RMB would invest the money in its Top 40 Index Fund (their selection of shares on the JSE). RMB always declares record profits itself, so its Top 40 shares must be good, not so? Indeed, substantial growth was anticipated: so much so that the contract provided that if the capital invested grew to above R580 000, RMB got to keep the surplus. A deal!

If the worst came to the worst, at the end of the five-year investment period, at least her original capital amount would be refunded by RMB – which seemed to make sense, since that was the guarantee she was after.

But the really nifty part of the scheme was the monthly income bit.

The R250 000 investment served as security for a small monthly loan that RMB would arrange for her from its sister company, Momentum Life. So, while the payments would be contingent upon the investment of the lump sum and would be paid out in monthly installments – just like (taxable) interest payments – they would instead be part of a (tax-free) loan. (What is it that makes schemes that diddle the taxman so fatally irresistible?)

Back to that guarantee. As Holloway later reported to Mr R van der Berg of ABSA Insurance Brokers: "Mrs Pnematicatos's only stipulation was that her capital should be guaranteed ... Slabbert convinced us that her capital would never be at risk and that she would receive a monthly income."

Her ex-husband was present – in an advisory capacity – at one of the meetings with Slabbert. He, too, would later recollect: "Mrs Slabbert reassured you, on more than one occasion, that your investment of R250 000 was guaranteed and repayable in full after a period of five years."

She was further reassured when the *Star Business Report* in May 1997 said that the scheme ensured that "at least the lump sum will be returned at the end of the investment period."

Mrs P was in for a big shock. When she received a statement from RMB in July 98, the value of her investment had not grown – it had dropped to R206 713. Worse still: the statement specified that the sum of R250 000 was guaranteed before repayment of the loan from Momentum Life. Since the loan plus interest was scheduled to amount to R215 000 after five years, at this rate she would be getting only R35 000 of her capital back. In January this year, when she got her next statement, the value of her investment had dropped to R171 000! Obviously her capital was at great risk.

Mrs P complained to RMB – and received a reply from Johann van Zyl, Regional Manager of Momentum Life. He replied – correctly – that in terms of the contract she had signed, the R250 000 she had invested with RMB was indeed guaranteed. *But* the loan she had received from Momentum would, as surely, still have to be repaid with the money she got from RMB. Leaving, at the current rate of things, a dismally small amount over.

Had Mrs P gone the usual route and invested her money in a fixed deposit at a bank or, say, on the money market, she could have expected a monthly interest income, at 15%, of R3125 per

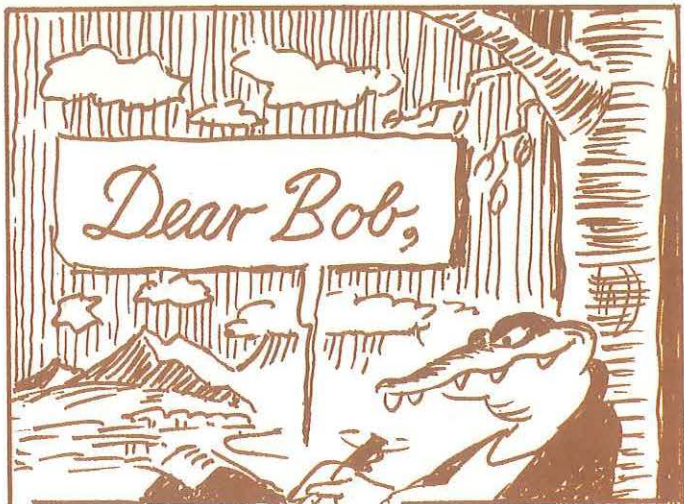
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# The Letters of AL KROK



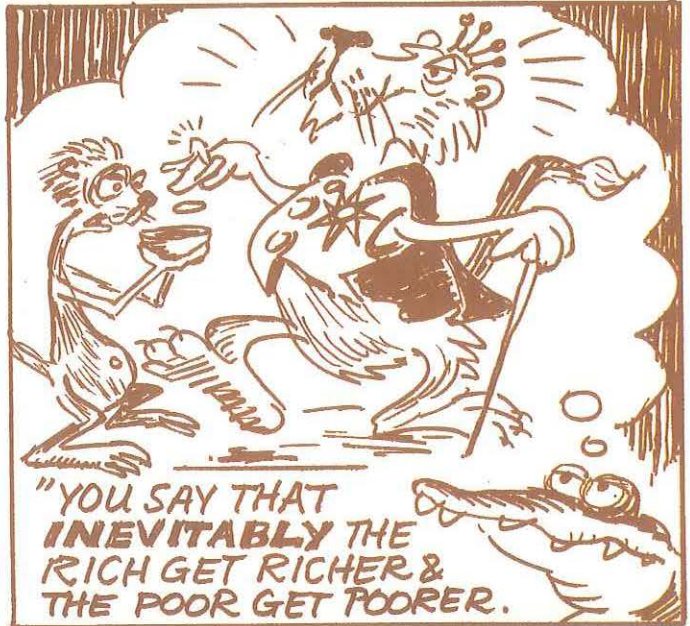
BY RODERICK FREEMANTLE



"HOW ARE YOU? I REFER TO YOUR LETTER IN WHICH YOU SAY THAT THERE'S NO JUSTICE IN THE WORLD.



"YOU SAY THAT ALL THE DICE ARE LOADED, ALL THE SCALES ARE TILTED AND ALL THE GAMES ARE RIGGED.



"IT'S ALMOST AS IF YOU FEEL THAT THERE'S SOME GREAT BIG COSMIC JOKE GOING ON AT OUR EXPENSE!

HAR!  
HAR! HAR!



"BUT SERIOUSLY BOB, DO YOU REALLY THINK IT'S SO UNFAIR? WHAT ABOUT CAUSE & EFFECT? THE COYOTE ALWAYS HIT THE CANYON FLOOR AS A DIRECT RESULT OF HIS GREEDY, MURDEROUS WAYS...





"KRAZY KAT WAS A MUCH NICER PERSON BUT HE WAS FOREVER COMING SHORT BECAUSE OF SOME EARLIER INDISCRETION..."



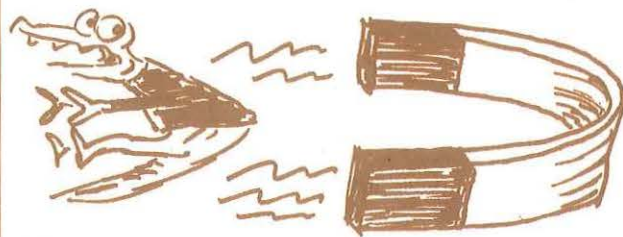
"AND THE BANANA SKIN WAITS ETERNALLY FOR THE GUY IN A HURRY!"



"IF YOU ASK ME BOB, IT'S YOUR **NEGATIVE ATTITUDE** THAT ATTRACTS THESE APPARENTLY UNPLEASANT EFFECTS



"THE HINDUS CALL IT **KARMA** - ITS LIKE A SORT OF MAGNETIC FORCE THAT PULLS US TOWARDS THE NATURAL CONSEQUENCES OF OUR OWN ACTIONS..."



"YOU MIGHT AS WELL FACE IT BOB, ITS NOT THAT THERE'S NO **JUSTICE** IN THE WORLD; IT'S SIMPLY THAT..."



Adapted for noseweek from *The Letters of Al Krok* by Roderick Freemantle (Snail Press, 1998). Copyright Roderick Freemantle 1999.



notes and updates – continued from page 26 month. Tax on that income would be minimal, so her monthly income would have been not much different from the R2 374 she is now receiving tax free from Momentum.

The big difference lies in what will be left of her capital at the end of the investment period: with an ordinary fixed deposit, her capital of R250 000 will be intact; with RMB's expert help, however, she will, at the current rate, have lost R215 000 of her capital. (And RMB will have lost R80 000 of its own.) Mrs P and the men at RMB Financial Services are, no doubt, amongst the many praying for a big improvement – about a 275% improvement – on the JSE over the next two years.

Rumour has it that the clever CA who devised the Guaranteed Cashflow Investment is no longer employed at RMB. [See editorial.]

## Askin vs ABSA The show's not over

**SOUTH AFRICANS HAVE COME TO** accept that judgements by even the highest court in the land can sometimes be arrogant, guided by prejudice, and factually wrong.

But it still comes as a surprise when one discovers that similar terms can, on occasion, be used to describe a judgement of the British Court of Appeals.

One such is the judgement delivered in January this year by Lord Justice Tuckey, an ex-Rhodesian, in which he rejected the appeal of former Tollgate director Julian Askin to have his case against ABSA tried in an English, rather than a South African, court.

The case could, in principle, be heard in either country. ABSA is registered to trade in Britain. The deal in terms of which Askin invested in Tollgate was struck with an ABSA subsidiary in London. On the other hand most of the subsequent events on which Askin's claims are based took place in South Africa and most witnesses are resident here.

On the face of it, balance of convenience might favour ABSA's application to have the case heard in South Africa. But balance of convenience is not the only consideration: as important are Askin's prospects of a fair trial in S.A.

Askin's experience has led him to fear he will not get a fair trial in South Africa. His fears are founded in his belief that the entire Broeder-controlled establishment, including the Reserve Bank and various law-enforcement agencies, are secretly arraigned against him, prepared at any cost to protect the Broeder elite from having their illegal financial activities of the past exposed.

Askin's fears could be well founded. (See editorial.) He knows too much.

We will deal with various of the Tory Lord Justice Tuckey's findings, at length, in our forthcoming issue. Here we place just one of his findings under the spotlight.

Lord Justice Tuckey: "There is nothing sinister or unusual about a lifeboat under which a reserve bank may provide support to a bank to avoid loss of confidence in the banking system and damage to the national economy. Lifeboats are by their nature discretionary and for obvious reasons their existence is not published."

With these words his Lordship dismissed

Askin's contention that the devious gift of R1.2 billion to Bankorp and, ultimately, ABSA, by the SA Reserve Bank was not a normal "lifeboat" but a major fraud on the public.

We have long shared Askin's view. (See nose14.) So did the Nel Commission. So does President Mandela. The president last year authorised the Heath Commission to investigate the matter and to take all steps necessary to recover the money. Judge Heath has since said he proposes acting against both those who conspired to have the money paid out, and those who improperly benefited from it.

Tollgate and various other major companies had over a period of several years, prior to Askin's arrival on the scene in 1990, been grossly mismanaged, stripped and defrauded by executives that Broeder-controlled banks had helped install and then funded with gay abandon. Often bank executives actively connived in the frauds. The extent of the mismanagement and fraud was such that by 1990 even basically sound businesses were under threat of collapse.

Bankorp executives actively encouraged Askin to invest in Tollgate with false assurances and undertakings of support. He contends that the company was intrinsically viable; even more so had he been allowed to hold ABSA to its assurances and undertakings, and had he had the opportunity to recover the millions he later discovered had been misappropriated – with the connivance of the banks – by former company executives. (Today, nearly ten years after Tollgate's liquidation, all six of its trading divisions continue as profitable businesses.)

It was not legitimate business considerations, therefore, that prompted ABSA to plan Tollgate's liquidation. ABSA could, in any case, not have afforded to put Tollgate into liquidation as this would, in turn, have precipitated the collapse of, first, Trustbank, then Volkskas, risking exposure of all the dirty deals that lay behind both. Last in line, the management of the Reserve Bank faced questions about the brotherly blind eye that they had for years cast over these and other Broeder institutions, such as Masterbond.

But, cushioned by a massive secret gift from their uncle (brother?) in the business, Dr Stals, the bankers could actually profit from throwing Tollgate – and Askin – to the wolves.

Askin started discovering traces of some of the frauds in the course of 1991. In March 1992 he informed the MD of ABSA that large sums had been stolen from Tollgate with the apparent connivance of bank officials. Askin then called in from London the head of Ernst and Young's international fraud investigatory

unit, David Sherwin, to investigate further. Within three months Sherwin was able to confirm that a number of carefully hidden fraudulent transactions had taken place between Tollgate and the bank between 1986 and early 1990.

It was then, as the pressure mounted, Askin believes, that it occurred to the ABSA directors that the liquidation of Tollgate, if carefully controlled by ABSA and its sympathisers, could be used to bury Askin. He could be used as a distraction to hide all their own misdeeds and the Reserve Bank's secret largesse. In December 1992, only days after Askin and Sherwin's last visit to the ABSA boardroom, ABSA's directors secretly instructed their attorneys to urgently move for Tollgate's liquidation. They did not even record the momentous decision in their minute book. Askin lost tens of millions of rands as a consequence.

To return to judge Tuckey: by implication he finds the Reserve Bank's hidden gift of R1,2 billion to ABSA to be a perfectly reasonable, run-of-the-mill lifeboat. The out-of-hand manner in which he dismisses criticism of it suggests that the Lord Justice speaks with personal authority on the subject of central bank lifeboats.

Now Judge Tuckey demonstrably knows nothing about accepted central bank practice with regard to lifeboats. He may, however, if only indirectly, have a personal interest in the matter: the sort of personal interest which could predispose him to regard Stals's illegal banking practice as a precedent the Bank of England might, with benefit, have followed. With benefit, that is, to the Tuckey family.

One could even call it an expression of wishful thinking – a Freudian cry for help – on Lord Justice Tuckey's part. What readers might not know is that his brother, Andrew Tuckey, was responsible for one of the most spectacular bank collapses in modern British history when Barings Bank (bankers to the Queen, no less) suffered a R6 billion loss resulting from Nick Leeson's Eastern adventures which had secretly been authorised and funded by Tuckey, then managing director of the bank. The Bank of England, in accordance with normal practice, made no handouts and very publicly closed the bank.

The Heath Commission last year travelled abroad and sought expert advice on the subject of "lifeboat" loans from several central banks in Europe, the Americas and Asia. They included those of Britain, France, Germany and the US. All said that what the SARB had done in ABSA's case was *not* in accordance with international practice and probably amounted to fraud. Lifeboats are loans at commercial or even punitive rates, never gifts.

As for Lord Tuckey's throw-away view that "for obvious reasons" the existence of lifeboats is not made public, the bankers all said that, for as obvious reasons, central bank lifeboats are *always* made public.

Stated simply, when in 1992 SANLAM's bank-ing wing, Bankorp, became part of ABSA, almost 100% of the value of Bankorp acquired by ABSA was represented by the Reserve Bank's secret gift. The JSE promptly transformed that art fully created picture of good health into a profit of over R4 billion for the benefit of ABSA's major shareholders – SANLAM and Rembrandt. Tollgate's shareholders and other creditors were left to pay the price of ABSA's recklessness – but, as judges Van Zyl and Conradie have said, that's not relevant. ■





# OPENING SALVOES

by Harold Strachan\*

I'M SO BLOODY OLD NOW I CAN remember Shirley Temple and Joe Louis, and Neville Chamberlain declaring war on Adolf Hitler, never mind the crashing opening salvos of the armed liberation struggle in South Africa.

Hell, I can remember ducktails, man! Central to ducktail culture, I remember e'en now, was that the brotherhood had worked out what to do with all that nice long hair at the *gatkant* of the head when you've brushed it all back from the brow. Also central was that you had to be bored all the time, and rebellious, and ride about on a bloody great bellowing motorcycle, and carry your genitalia in a denim codpiece.

Hell, I even remember James Dean, except he had a Porsche for the purpose of killing himself. But the only rich ducktails were in Hollywood. Ronald Kasrils was a boy-next-door type ducktail.

Ronald put his 750 iron – its headlamp loaded with the stuff ducktails used to go on trips in those days – on its side stand outside his cousin Jackie A's place here in Durbs, left it gasping and sizzling like a fish-and-chip shop after the long haul down from Joeys, pre-N3 days, and presented himself, the long-lost cousin, to com-rade Rowley, Marxist rabbi. Arenstein, that is. Was there ever another?

Now comrade Rowley was not one to fuck about when it came to the scriptures, so before his dear comrade helpmeet, Jackie, had the second pot of tea going, young Ronald had got it all, like Saul falling from his 750 cc skewbald horse on the road to Damascus in the Caravaggio painting, and was stunned by the sudden blinding white light of revelation.

Never once to this very day has he looked back, man! Hegel, Marx, Engels, Lenin, Stalin, Mao, you take over the tally ... People putting other folks on their feet, where before they'd been standing on their heads without knowing it.

So what a shock, then, and with what nostalgia, unexpectedly, suddenly the other day on BBC World to come upon our Ron in the living flesh before my very eyeballs, deputy minister, bejassus, suited, shampooed, Gillette-shaved clean like a whistle, telling me and us that he is Extremely Concerned. Also that something was a Time Bomb waiting to Go Off.

Is it the second stage of the two-part revolution, the renaissance? Hm, hummm. AIDS, maybe? My knuckles are white.

Ronald smiles in a grim manly sort of

way. Pause. No, they are the Wouter Basson Plague Wars, which the Beeb has delved up from our national shit-pit. He has been aware all along, Ronnie tells interviewer Tom Mangold, of all this vileness. But we are a democratic country, we couldn't just lock the man away, says our Ron.

But all is now okay, hunky-dory, *bakgat*. All those vile germs and poisons are now truly and safely back in their box under lock and key at 7th Medical Battalion HQ and the key is safe in the hands of Our President.

Guaranteed, says Ron.

Memories flood back. Emotion is recollected in tranquillity.

It is 1961 ... In Die Baai we had but little to brag of, forsooth, by way of sabotage materials and techniques, and MK D-day was mere weeks away. We did have ther-mite worked out to a fine skill, though: iron oxide and aluminium powder, plus an ignition device giving 3000 degrees Celsius; this was what the Luftwaffe used to burn London, remember.

So when Govan came to me in crisis because Durban had "Nothing, *nothing*, comrade", we decided to *los* the nightmare experiments with high explosives and give them just the thermite. It was dangerous enough; put a plastic tube of that in a plastic jerry can of petrol and you'll be in revolutionary business all right. Furthermore, there'll be nothing at all left over for the police, except one teaspoonful of beach sand from the timing filter.

I'm taken to where a creaking old DC 6 kite stands flailing its props about like people swatting flies with rolled-up newspapers and I'm away to Durbs, late afternoon. The cumulus tops are pink in the setting sunlight. Nice break from dangerous work.

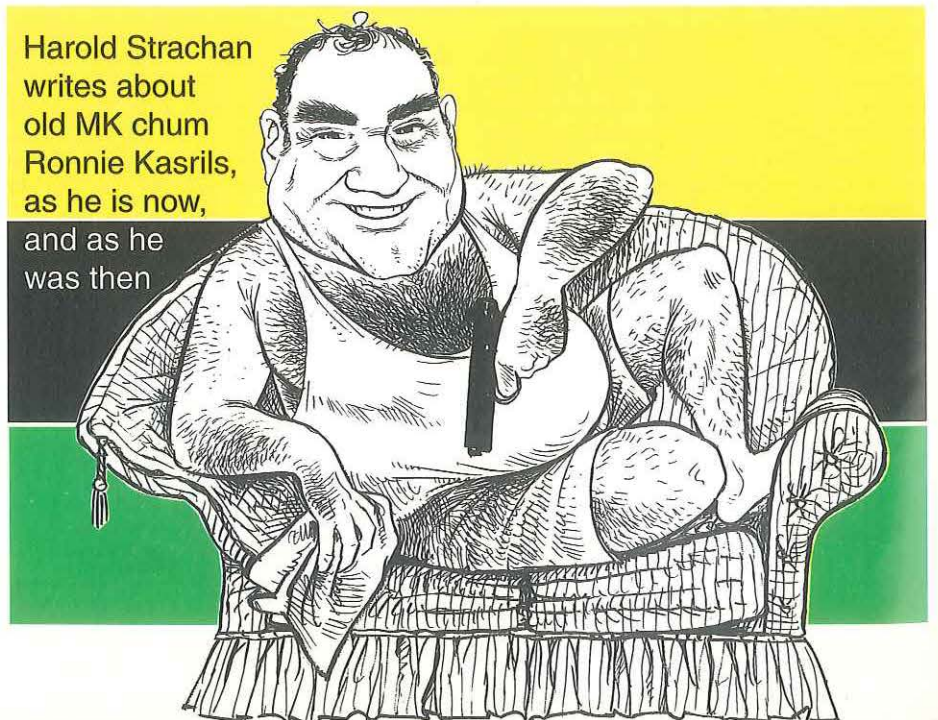
I am whisked away to a genteel flat in Morningside, containing much furniture in bad taste, including a Directoire-style chaise longue, whereon lies a hairy youth of much pudge in a pair of soccer shorts, rubbing the outside of a dinky .32 pistol with a yellow duster. His pubic bush grows from knee to temple, from tochis to occiput.

He points the pistol at his toes and dry-fires it. One day you'll have a round in there and blow your fucking foot off, I observe by way of introduction. That's why so many policemen are cripples. He extends a hirsute hand with which he has been practising firm handshakes on doorknobs. My revolutionary name is AaD, he declares. I let my hand go as limp as a fillet of *stokvis*. It always works. He drops it like I'm a corpse or a leper. Comrade Fidel says power comes from the barrel of a gun, he explains, as if to make clear his purpose in sensually stroking the barrel of this one.

I take my meagre artifacts from my hand luggage: thermite ingredients, short plastic tube, the top of a jerry can to show how the tube fits in, glycerine, potassium permanganate, sea-sand. I spread them out and explain the assembly and timing. It is dead simple. It takes 10 minutes, and I'm ready to fly back to a late supper in PE.

No, says AaD. (Puzzled by the name? Armed and Dangerous, man.) He produces a topocadastral map of Durban

Harold Strachan writes about old MK chum Ronnie Kasrils, as he is now, and as he was then





Berea with many coloured-pencil arrows on it and a little penlite torch of the sort you use on your keyhole after a *dronkop*. He makes a couple of cryptic phone calls. He zips himself in a paratrooper's jacket, *nogal*, windproof in Durban's 80% humidity, and places a red beret on his head.

We lurk doubled up behind the garden hedge and leap into a Peugeot, innocently lent by Tom Sharpe. We twist and writhe our way around the Currie's Fountain area and stop for other revolutionaries to leap out from behind other hedges and fling themselves into the Peugeot. We double back on our tracks and end up at a covered reservoir but four or five hundred paces from the flat. Hell, I think, if I'd had my china Jack along, from the Baai technical committee, we could have taken a nice slow stroll over here, with a smoke and a chat.

We arrive with the headlights off. The Peugeot disgorges its conspiratorial cargo and we huddle below the parapet of the bourgeois reservoir, symbol of the iron heel on the throat of the proletariat. There are blocks of flats all around. Of course there are; they are where the water in the reservoir gets used.

Synchronise your watches, says AaD, I'll give you one minute and 20 seconds. We split into three couples and move to points around the parapet. We are testing this apparatus under combat conditions, says he. Oh, chicken shit, say I, you can test it in your garage with a bucket of sand if you don't use the petrol. And how the hell are you going to burn up a reservoir of water, man?

I've tested it anyway, I explain, I've seen it before, so you must excuse me, and I'm off to my father's room in Moore Road. There is an old couple with a jug of beer on their upstairs balcony curiously watching it all as I set off.

The Old Man is just getting ready for bed when I arrive. Surprise visit! he exclaims. Are you going to be staying long? Alas, no, I say, I've just come for a cup of char and the use of your spare mattress; I'm catching the early plane back to Port Elizabeth in the morning. He doesn't push for explanations. In Scotland it is impolite to pry.

Fried egg? he asks.

Wouldn't mind, I'll make the toast.

The Scots are dinkum dour: it's not just a caricature. It runs in the blood like a wooden leg, says my father. **n**

---

\*Harold Strachan will write a regular column for *noseweek*. He is the author of the satirical novel

*Way up Way out* – a current bestseller published by David Philip.

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## thrillers

by William Saunderson-Meyer

### BILLY STRAIGHT

by Jonathan Kellerman

Published by Little Brown and Company

Price R94,95

### MOON MUSIC

by Faye Kellerman

Published by Headline Feature

Price R110,00

WITH TWO OF THEM WRITING, IT seems that there is always a new Kellerman novel on the shelves. The most recent are *Moon Music* by Faye Kellerman and *Billy Straight* by husband Jonathan. Both books are welcome departures from the old formulas.

At long last JK has put aside Alex Delaware, the psychiatrist who dabbles in solving all the psycho cases for the Los Angeles Police Department. Delaware was beginning to really get up my nose, with his laid-back Californian style, his easy affluence, his strong-but-feminine "partner" who builds guitars for rock stars, his koi fish and his French bulldog. It was getting just too self-satisfied and, one imagines, autobiographical – for who can doubt that Delaware is Kellerman's alter ego, given Kellerman's lovingly smug depiction of the hero? And given the fact that Kellerman is a practising psychologist, as well as author.

(Have a look at the dust-jacket picture of the nerdy Kellerman and tell me that it isn't the epitome of the Alex Delaware who you have created in your mind's eye.)

*Billy Straight* has a vintage Kellerman setting: a twelve-year-old boy witnesses a murder. He, Billy Straight, is a runaway from home, living rough in a LA conservation area. He goes to ground traumatised and struggling to survive on the harsh streets of the city.

Evidence garnered by detective Petra Conner shows forensic signs that there had been a witness. The discovery is leaked and the race is on. Who will find Billy Straight first, the cops or the killer?

Conner, the detective in charge of the case, joins a growing band of women cast in the role of the chief protagonist. One

suspects that with Kellerman political correctness lies behind the manoeuvre, just as one suspects it behind the creation of Milo, the homosexual detective on the LA force who features increasingly in the Delaware stories.

Petra Conner, while not quite the "unforgettably believable heroine" that she is billed to be on the cover, is a more than adequate substitute for Delaware. As a woman detective she never engages us quite like the magnificent Carlotta Carlyle creation of Linda Barnes, but then Kellerman is a far more patchy writer than the less famous Barnes. (If you are looking for a new writer to take with on holiday, look out for Barnes' stuff, it's hardboiled and funny – humour being another thing sadly absent from JK's writing.)

Of course, both Kellermans are a bit preachy. Faye, especially, can't resist wearing her Semitism on her sleeve with even greater frequency than the converted-to-Judaism hero of her previous books, Peter Decker, covers his pate with a yarmulke. Decker's wife, Rina Lazarus, is a real goody two shoes whose sense of herself as a woman is very much the biblical one of mother to her children and helpmeet to her man.

So it comes as a bit of a surprise to read *Moon Music*, which is set in Las Vegas, the Babylon of twentieth-century America, where the discovery of the mauled body of a showgirl echoes another case, unsolved for 25 years.

If Decker and Lazarus are the sacred, Faye Kellerman's hero American Indian detective sergeant Romulus Poe and his lover, the Indian-born Rukmani, are the profane. Their relationship is buffeted by sexual dalliances, by Rakmani's sense of unworthiness developed in a religiously rigid male-dominated society, by Poe's alienation from the society in which he was raised, his bizarre childhood with his now gargantuan twin brother, and his obsession with Alison, a seriously disturbed woman who was his childhood playmate, then lover.

FK dishes up this sleaze with enjoyment and pizzazz and one cannot but wonder whether *Moon Mania* is a one-off diversion into the underworld of American society, or whether we will be seeing more of the unlikely detective sergeant Poe.

*Moon Mania* is a thoroughly good read even although the "whodunnit" part of the equation is apparent early in the plot. Another weakness is a highly improbable strand of the supernatural that ties it all up in the final pages. **n**



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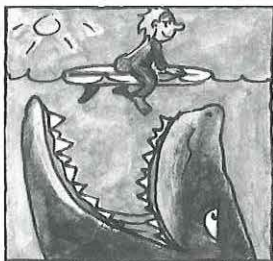
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A POX UPON political correctness, I say.  
Make it perish - soon. Peter, Benoni.  
DON'T TAKE ANYTHING for granted! -  
Prof U Mennen. [1106]

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