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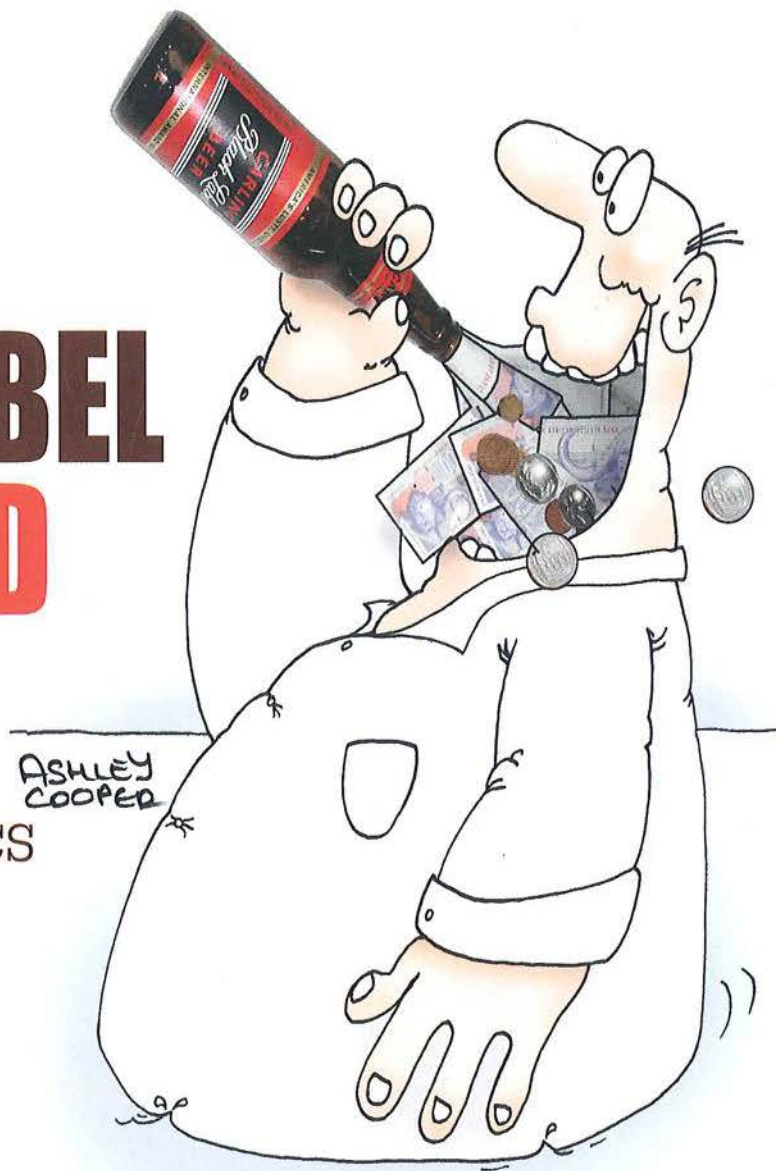
issue

51

NOVEMBER 2003

## SAB'S BLACK LABEL TAX FRAUD

How Breweries  
lied in court to  
silence their critics



- Who are Ranjeni Munusamy's 'killer sources'? + Voyager 3 — lost in space +

+ Pick 'n Pay's extortion racket + 'Doctor' Venter pits himself against capitalist scourge +

- Land distribution ends in tears + Okes in suits drive off with navy radar gear+





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# NOSEWEEK

November 2003 >> ISSUE 51

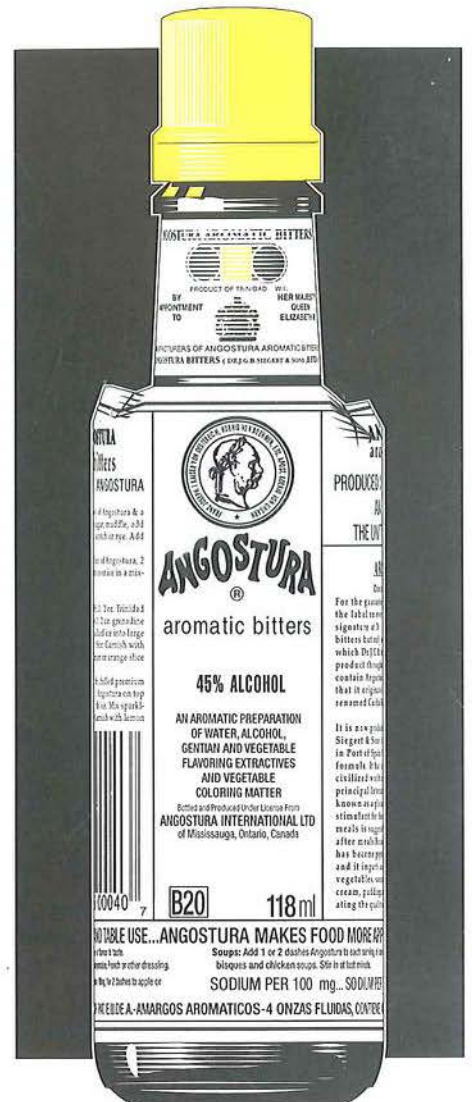
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## SA Breweries' multi-million buck fraud



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## The World's Most Interesting Bottle



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NW/WM 01

**Ten of the best**

Congratulations on the 10th anniversary issue. It looks terrific – though I must say that you seriously misrepresent the amount of nude acrobatics involved in the production of a typical issue. You must feel great to have reached this milestone.

**SR**

Milnerton

*Thanks for the congrats – but, as for our production methods, you know nothing!*  
– Ed.

**Life on the toenail**

Thank you for 10 years of humorous well-penned commentary on life at the toenail of Africa. It would be a lot less rewarding without the presence of *noseweek*.

**Lew Rood**

Singita

*Singita was voted "World's No.1 Destination" by Condé Nast Traveler readers in 2001 and 2002; in Harper's Hideaway Report it was rated "No.1 International Resort in 2001 and 2002";*

your mistakes graciously. Your robustness is amusing, if disarming to certain of my colleagues who run to court whenever their name appears without praise in the press. The nation wants to know. I want to know.

**MD Ramaohtwala**

Pretoria

**Stinkier than thou**

Sitting on the stinky tube on my way into London's banking mecca (Canary Wharf) this morning, I

of Transnet involved in calling for nominations? Were other nominations considered? Who negotiated or determined her terms and conditions of employment?

Ms Ramos's contract at the Treasury still had about two years to run; why was she paid as if she had completed her contract?

In the past, civil servants have been investigated and indeed fired for violating hiring procedures.

**Curious**

By email

*Surely you aren't suggesting that the fact her boss at the Treasury is also her lover may have had something to do with it?* – Ed.

**'You seriously misrepresent the amount of nude acrobatics involved in the production of an issue'**

**Fifty of the best**

Congratulations on your 50th issue. The fact that you guys are still going strong 10 years on is testament to the fact that independent media organisations can survive despite what the big boys do to suppress the free flow of information and ideas. If Laugh It Off can look back on a similar path 10 years from now, it will be a proud day.

**Justin Nurse**

Laugh It Off, Cape Town

*it is among (UK) Tatler's 101 "Best Hotels of the Year 2003".* – Ed.

**Keep Reporting**

After reading *nose48*, I said, "This magazine is different. It reports things I want to know." I'm now subscribing on behalf my company, Ramothewala Lenyai Inc, a black corporate and property law firm.

You tell it like it is, and when you do err you admit

pulled out the September *noseweek* that my neighbour, who is also South African, lent to me. I had to laugh. Heck some serious s\*\*t goes down in SA – but isn't that how it all works and we all know the deal and just get on with it? Keep up the good reporting.

**Andrew Clayton**

London

*Hardly more serious than what goes down in the quaint little outhouse back on Tony Blair's Texas ranch! After all, he got us into the steaming arms deal mess that seems to have set the pattern for everything thereafter, hereabouts.* – Ed.

**Hallelujah!**

Add this to the plethora of complimentary correspondence you have been receiving ever since I first laid my paws on your epiphanist journalistic workmanship. I love your style of reportage!

**Simanga Sibeko**

White City, Steadville

*And there was Light! We love you, too, baby.* – Ed.

**Ave Maria Ramos**

Why don't you investigate how Maria Ramos was appointed chief executive of Transnet? Was the position advertised? Was the board

**Mercantile Bank**

Since reading your shocking story about Mercantile Lisbon Bank, I have ceased to have any dealings with this bank. I'm sure that many others will soon become ex-clients too. That this kind of blatant theft and unaccountability can continue unabated is a sad reflection on the country. It is obvious that Mercantile's officers have not only stolen from Dr Carlisle (and perhaps others) but they then attempt to deny and cover up the crime. They hide behind lawyers, deny information, threaten, make themselves unavailable – all behaviour typical of criminals.

And what do our regulatory bodies do to protect us from these parasites? Only God knows what the Reserve Bank's staff spend their time doing. They are certainly not wasting any of it policing criminal banking practices.

The registrar of banks claims that his duties do not include investigating criminal practices in a bank. Do his duties not extend beyond tea drinking and nose-picking? As to the directors of Mercantile Bank, I wish to extend an invitation to them: they are welcome

Gus



*"Of course, your chronic happiness is just a mask for deep depression"*

to come and wallow in my stagnant, slimy fishpond where they can interact with life forms similar to themselves.

**J Henry Kenridge**

*Won't this lower the tone of your pond? – Ed.*

### Not funny!

Reading your Voyager disclosures, I couldn't resist forwarding this:

In the bar at Los Angeles airport a guy notices a beautiful young woman sitting close by.

"Wow," he thinks "she's gorgeous! She must be a flight attendant."

Desperate for a quick pickup line, his mind races. Which airline? Probably Delta.

He leans over and whispers: "Love to fly and it shows?"

She gives a blank stare. Obviously not Delta.

A moment later, another slogan pops into his head and again he leans towards her: "Something special in the air?" he recites.

She responds with the same blank look. Mentally he kicks himself, and scratches American Airlines off the list. That leaves United.

"I would really love to fly your friendly skies?" he whispers sweetly.

This time the woman turns on him. "What the f\*\*\* do you want?" she demands.

Ah, he says, slumping back in his chair. "You're with South African Airways!"

**A Kopp**  
By email

### Voyager

I read your exposé of SAA's Voyager scheme and could not agree more with what was said by other frustrated SAA clients. I therefore decided to copy my recent correspondence with Voyager to you – to prove to you that SAA has not even begun to mend its ways. I'm certain it's not even newsworthy anymore: SAA treats all its clients with a similar lack of enthusiasm and focus.

One wonders how they managed to win all those awards they always boast about. Perhaps the judges were given free SAA tickets and actually got them confirmed before departure date! Who knows ...

**Alutius Oberholzer**  
Rivonia

*See page 16.*

### Bill O'Bryson-Bovey

The *nose50* centrespread relates a story of plagiarism in which "Dr" Bill Venter published a memo – dated 1978 – about paper clips.

You suggest he copied it from Mr Greenberg's memo dated 1985. Do you suppose Venter backdated his memo? Wouldn't that be dishonest?

**Geoff D Newlands**

*Wouldn't it just! But then we understand that when a thief steals a car, it's fairly standard for him to change its number plates. Also see Notes & Updates on page 25 – Ed*

### Shaiking with Shabir

I was lucky enough to hear your discussion with Shabir Shaik on Tim Modise's programme on Radio 702. It was riveting stuff – talk radio at its best. I could hardly believe my ears when he offered you the benefit of his extensive inside knowledge, and to subscribe to *noseweek*!

Beware of Faustian bargains!

**Colin Bickle**  
Stompneusbaai

### Deflated by inflation

The government's claim that inflation is coming down, is a farce.

As prices of most commodities climb ever higher, where on earth do they find the statistics to contradict the reality of our day-to-day experience?

We are in the tourism business and have been fielding complaints from regular overseas visitors that a pretty well identical holiday this year has cost them double – across the board – from the one they had a year ago.

They say South Africa is no longer an inexpensive destination. Granted, they are being affected by the rand's strength, but they also notice, like South African residents, the frightening increase in the cost of all foodstuffs in particular.

And, regardless of the rand's strength, the cost of imported items continues to climb. One is left with the nasty impression that South African middlemen and retailers must be extraordinarily greedy!

**Anne Montgomery**  
Smithfield

### I fought the lawyers

"I don't think you can make a lawyer honest by an act of legislature. You've got to work on his conscience. And his lack of conscience is what makes him a lawyer." – Will Rogers

Do I sound bitter or bitten? How right you are!

**C Goodwin**  
Johannesburg

## THE SECRET SINGLE MALTS OF SPEYSIDE



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Nearly 200 years ago, in the remote Livet Valley in the Speyside region, one master-distiller had perfected his craft to create "The Glenlivet". As the very first licensed distillery in the Scottish Highlands, it is a perfectly balanced single malt that embodies the delicacy and softness that typifies all Speyside whiskies.

Nestled in the heart of the Scottish Highlands, Speyside has always been at the centre of whisky distilling. Considering the high concentration of distilleries in the area, it's no wonder the Speyside region has earned the nickname "The Golden Triangle". Connoisseurs even describe Speyside whiskies as the champagne of Scotland.

And rightly so, since the secret to their rich balance of flavour, and exceptional softness, originates from Josie's Well, the sparkling clear, and ice-cold, fresh mountain spring water used to create single malt whiskies of unrivaled quality and infinite elegance.



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These giant screen venues are located within the Food Courts of major shopping centres around the country. The positioning of these screens commands an audience seated in a relaxed environment.

These screens regularly entertain more than one million viewers per month as they dine at the many available restaurants in the respective centres.

The captive audience includes a diverse range of age groups as well as a combination of LSM 8,9 and 10 consumers most of whom spend between 25 and 50 minutes in the food courts.

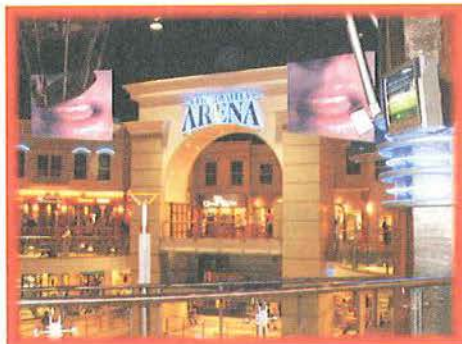
While enjoying their meals, customers are entertained by programming including; sport, news, music and various satellite channels. Amongst this regular viewership are the business lunchers, families shopping and almost all of the staff employed within the centres.

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## SAB FRAUD ISN'T TO BE LAUGHED OFF

Earlier this year many observers were puzzled by the vehemence with which South African Breweries sought a court order banning the sale and distribution of a few satirical T-shirts produced by some young Cape entrepreneurs that sent up its Black Label beer logo. (The T-shirt strap read: "Black Labour, White Guilt".)

If, dear reader, you were confused by SAB's reaction, you need puzzle no more. A conscience-stricken Breweries employee has slipped us a bundle of documents from the group's secret files which, we think, probably explains it all.

While the young satirists used the Black Label logo as a convenient vehicle for a more general social comment, the documents we have obtained give details of a fraud perpetrated by SAB over many years

– involving the Black Label trademark in particular – which has serious social, political and business implications. (The revelations they contain could also raise the hopes of employees of the SA Revenue Service for a substantial Christmas bonus.) See page 8.

Worst of all, the documents reveal the absolute cynicism with which the brewery took the Laugh It Off T-shirt makers to court. SAB's top executives had to have known that their company was "guilty as charged" on the T-shirt – grotesquely so.

Laugh It Off have appealed to the Appeal Court to have the banning order that SAB managed to get slapped on them, set aside. The least SAB can now do is withdraw its opposition to the appeal – and pay Laugh It Off's legal costs

## SANITY PREVAILS

What an enlightened bunch they are at the Advertising Standards Authority (ASA): men and women of discretion and discernment, wise and judicious; noble souls untainted by the world of mad consumerism and materialism that forms their professional milieu.

They have ruled in our favour in response to a complaint lodged by FirstRand's ad agency.

The complaint arose from a radio advertisement for *nose47* we ran on Classic FM in Johannesburg and Fine Music Radio in Cape Town between June 26 and July 1.

The ad went as follows:

*Remember the secret payments into Mac Maharaj's bank accounts? Maharaj is FirstRand Bank's highest paid director. Have you ever asked yourself why? Now the Bank has landed itself in a billion rand crisis as a result of its dealings with the former Transport Minister. To keep him on is as risky as it is to fire him. Why? You ask again. Well, for a start, some of the Bank's top executives could find themselves facing corruption charges if they are not very careful. It's all in the latest, biggest noseweek. Out today!*

Jane Simpson, Group Account Director at FirstRand's ad agency, FCB Johannesburg, complained to the ASA, claiming that our ad was "dishonest, discriminatory and untruthful" – and violated the privacy of Mr Maharaj! (Simpson suggested we ought to have obtained the permission of the bank and Mr Maharaj before mentioning them in our ad.)

She also alleged our ad abused the trust of the consumer and "exploited his lack of experience or knowledge or his credibility".

Obviously Simpson doesn't know anything about *noseweek* readers – that sceptical bunch – or Classic FM and FMR listeners for that matter.

While we were bemused by Ms Simpson's complaint, we were also just a little anxious – mostly for the nation's sanity. One never knows these days. If the ruling had gone against us, the ASA might have issued a so-called ad alert to its members – including almost all SA media – ordering them not to accept advertising from *noseweek*.

But on October 1 the Advertising Industry Tribunal, chaired by Frank Millward, made short shrift of FirstRand's whinge.

"The commercial was aimed at a relatively well-educated consumer," Millward ruled. "... there can be no question of the commercial misleading the hearer as to the nature of the news article and the magazine being advertised. Accordingly the commercial cannot be said to be untruthful. Whether the claims in the article are true is not an issue for the ASA."

"The radio commercial is a fair reflection of the news article that appeared in the magazine being advertised," he added. With regard to our naming of Maharaj, Millward declared: "The commercial refers to a news article in a news magazine about a newsworthy public figure and his activities in public life." No problem with that.

"While the claims of corruption could arguably be discriminatory, it is in the interest of South Africa's open and democratic society that transparency be maintained". And so say all of us.

The Editor

# SAB'S DIRTY SECRET

## EARLIER THIS YEAR

South African Breweries sought a court order banning the sale and distribution of a few satirical T-shirts produced by a group of young Cape Town entrepreneurs that sent up its Black Label beer logo. The offending T-shirts mocked the SAB's Black Label beer strap by declaring "Black Labour, White Guilt".

A team of legal heavies retained by SAB persuaded Judge Roger Cleaver of the Cape High Court that the T-shirt with its satirical logo was unjustifiably defamatory of SAB, and detracted from the value and virtue of its trade mark.

In accordance with SAB's fervently expressed wishes, Laugh It Off – the small company that produced the offending article of clothing – was ordered by the judge to immediately stop producing and marketing the shirts.

That prompted someone inside SAB to send *noseweek* a bundle of documents. These reveal a curious tale – the moral of which seems to be that the young satirists had no idea just how close to the mark their slogan had actually been in describing the attitude of SAB to the Black Label brand in South Africa.

In sum the documents reveal a massive fraud perpetrated by SAB against the South African Receiver of Revenue in the dark days of apartheid. Breweries, it seems, was happy to exploit black beer consumers and apartheid's "black homeland" structures, but not to contribute its share of the cost of social services like education, health and security.

In 1966 SA Breweries was licensed by Carling Breweries of Canada to manufacture and market its Black Label brand of beer in Southern Africa, in return for the periodic payment of a royalty fee for each bottle sold.

Specifically, SAB's subsidiary, Carling Company SA (Pty) Ltd, was licensed to sell Black Label beer in "South Africa,

SA Breweries is a huge part of South Africa's past and present. Yet time and again – as *noseweek* has revealed – Breweries has exposed itself as a less-than-loyal citizen. In this case we reveal how SAB committed fraud by 'paying royalties' to a supposed third party on rights it actually owned itself. All part of a scheme to cheat the taxman and sidestep the exchange controls

South West Africa, Swaziland, Lesotho, Botswana, Bophuthatswana, Transkei and Venda".

In 1970 SAB concluded a further deal on similar terms with Carling of Canada. This time another hidden SAB subsidiary, Delta Corporation Ltd, was licensed to use the Black Label trademark on beers it marketed in Zimbabwe, Zambia and Malawi.

SAB did very nicely out of its new brand which it pitched to black consumers. So nicely, in fact, that in 1980 it occurred to the bosses at SAB that the increasing flow of royalty payments offshore for the use of a foreign trademark presented a rare opportunity for SAB to build up a secret nest-egg of its own offshore.

Such an offshore setup would also provide all sorts of opportunities for tax evasion, money laundering and sanctions-busting. (In those days the natives were getting restless, remember.)

On 29 April, 1980 SA Breweries secretly entered into a new agreement with the Canadians. Now SAB would buy the rights to the Black Label trademark outright for a once-off payment R14.5m (R165m in today's money).

Well, not quite. Southern Investments NV of the Netherlands Antilles (a Caribbean tax haven) and its Dutch "shopfront" subsidiary, Niagara 18 BV, would acquire ownership of the trademark rights for Southern Africa – plus the rights for Mauritius, Seychelles and Reunion. (Sol Kerzner was on SAB's board at the time, remember!)

What the world – and the taxman – were not to know was that Southern Investments Inc was a specially created, wholly-owned subsidiary of SA Breweries.

That way SAB could continue to pay royalties offshore – to itself, carefully disguised as a mystery offshore company. Voila! A secret offshore nest-egg!

Roger Crosby, financial controller of SAB's beer division at the time, quietly signed the new deal with Carling of Canada.

Some nifty moves were then devised by SAB to get the purchase price to Carling – in ways the authorities and the taxman would not recognise as a capital, non-tax deductible investment. For the following six years, installments were transferred offshore by SAB as if they were the usual tax-deductible royalty payments. All this constituted a massive tax fraud, quite apart from the other nasty implications.

In July 1985 SAB executives decided it was "desirable" to assign all the "right, title and interest" in the "Carling" (Black Label) trade marks from Southern Investments NV in the Netherlands Antilles, to Avalon International Inc, a Panamanian company with its offices at Arias, Fabrega and Fabrega, Bank of America Building in Panama City.

Why was it so desired by SAB, and who were Avalon International Inc? Why, it was just another offshore paper entity, another layer created by SAB in its elaborate attempts to evade tax and cover its tracks. In reality, SAB executives were at pains to assure those few people in the



need-to-know category that the position would be the same "as if no change in ownership or assignment [of the Black Label trademark rights] had occurred".

Some nervous offshore creditors were discreetly reassured: "The South African

## SAB was clearly geared to milking the apartheid system to the absolute limit

Breweries Limited confirms that it is its intention to maintain the financial wellbeing of Avalon International Inc ... so that it will be in a position to meet all its outstanding obligations."

But the taxman and the world at large were, of course, not to know that.

For years thereafter Carling South Africa (a declared SAB subsidiary) continued to pay large sums in licence fees and royalties, for the use of the Black Label trademark, to Niagara in Holland, effectively siphoning SAB profits offshore, tax free.

All facilitated by their friendly auditors, PriceWaterhouse.

That was not the end of the racket. Carling South Africa now proceeded to sub-licence the Black Label trademark to Ohlsson's Brewery in Transkei and to United Breweries in Bophuthatswana – both of them SAB subsidiaries handsomely subsidised by the apartheid state. SAB was clearly geared to milking the apartheid system to the absolute limit.

SAB arranged similar deals for the use of its other trademarks in these "independent homelands". As a result Ohlssons Transkei and United Breweries in Bophuthatswana made little or no profit and therefore paid little or no tax. All of it went to SAB and its SA subsidiaries such as Carling South Africa in licence fees and royalty payments.

A technical detail, you might say. Carling SA (an SAB subsidiary, remember) would, for example, have ended up paying tax on its handsome profits in "white" South Africa anyway. Well, curiously, no.

SA Breweries told the South African taxman that the "source" of the royalty income was offshore, in those foreign countries Transkei and Bop. (If so, it was not taxable in South Africa.) But, in terms of the law, SAB had (conveniently?) got it wrong. The source of the income was, in fact, its own trademark rights.

Never mind, the taxman believed them ... for years and years. Then, in 1992, word got around that the Receiver of Revenue might be planning a tax audit at SAB. Ian Somerville, SAB's

group financial manager at head office in Braamfontein, called his friendly auditors at PriceWaterhouse for advice.

After carefully researching the matter, PriceWaterhouse's then tax partner Chris Frame produced a formal report on the problem for SAB's board in May of that year. The news was bad: in terms of the law, SAB and its subsidiary Carling SA should have paid tax on the Transkei and Bop royalties for all those years. Once the taxman

discovered the mistake, he would be entitled to levy back tax for three years prior to SAB's last tax assessment. SAB's assessments for the years 1985 to 1989 were all dated 1 August 1990, and could therefore all still be reassessed by the taxman. In those years SAB had received a total of R48m (more than R180m in today's money) in royalties on which it had not (yet!) paid tax.

Frame concluded his report with a coy remark: "I do not regard it as appropriate to deal here with the question of an appropriate course of action for SAB to adopt in relation to this matter."

But in an accompanying letter to Somerville he was full of ideas.

SAB could try to include just that year's royalties in its declared income, and hope the Receiver of Revenue wouldn't notice the change. A possibility, but risky. "In my view, there is a high probability that the Revenue will be alerted by the change of treatment and our action would indicate to them an awareness of the correct tax treatment [ie, *criminal intent - Ed.*]," Frame said.

Another possibility could be to simply continue as before. That way "the SAB will continue to enjoy the [illegal] tax advantage, unless and until it is challenged, but will carry a contingent liability for three years royalties."

In the end Frame thought that by far the most attractive option was for SAB to cede its trademark agreements to an offshore entity "which would ensure that the tax advantage can continue in the future without threat of reversal."

We asked Somerville – no longer employed by SAB – what happened after SAB received Frame's advice. All he could recall was that a Dutch company (he thought it was called Indol) was set up. "But what went on beyond that I don't know or recall. At that time SAB was giving a lot of attention to building offshore structures." □

## INVESTIGATIVE REPORTING AT ITS FINEST

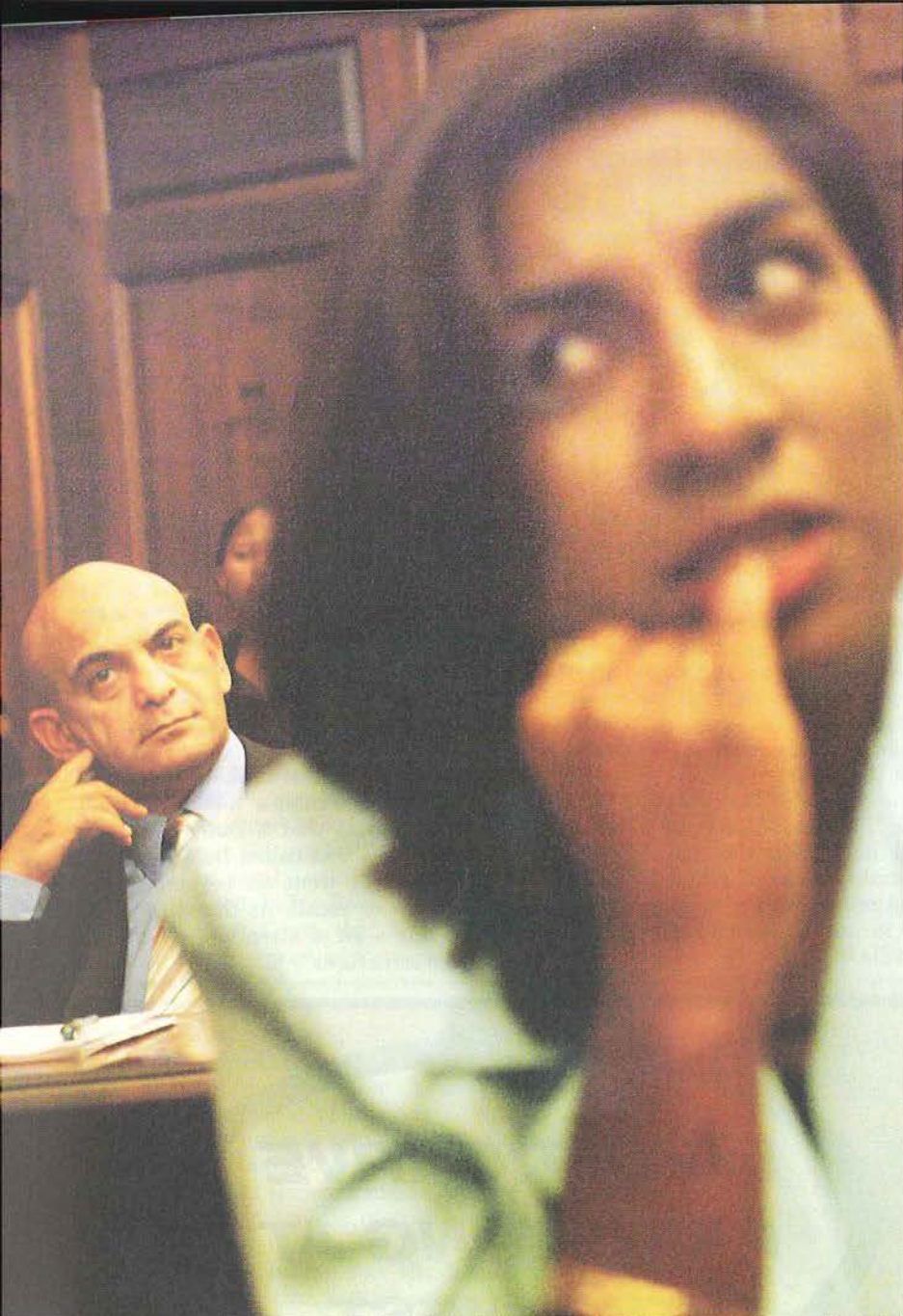
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## EX-SUNDAY TIMES

political writer Ranjeni Munusamy's claim that she fears for her safety were she to testify before the Hefer Commission and identify her sources for the Ngcuka "spy" story, is patent nonsense.

Many of her former colleagues say they have long known the identity of her sources for the story. And, if she has genuine reason to believe they might cause her physical harm, *noseweek* reckons she owes it to her colleagues, the public and the police to waste no time in revealing what she knows.

This is only one aspect of the riveting tale of intrigue on mahogany row at the *Sunday Times* that emerges from a confidential memo drawn up in September and sent by editorial staffers to the paper's senior management.

On 17 September, 45 disgruntled *Sunday Times* staffers held an extraordinary meeting in their Johannesburg office. On the agenda was the "damage" allegedly done to the paper by their colleague, Munusamy,

Who are the 'killer' sources ex-*Sunday Times* political journalist Ranjeni Munusamy says she dare not reveal, because doing so would jeopardise her safety?

**SHAKING IN HER BOOTS:** Mo Shaik looks over the shoulder of Ranjeni Munusamy at the Hefer Commission hearings in Bloemfontein last month

Picture: Rian Horn

# FATAL ATTRACTION

who had just been suspended from her job for leaking a "hot" story to a rival newspaper.

That week she had confessed to her bosses that she had leaked to *City Press* the Ngcuka "spy" story, in which it was alleged that ANC intelligence sources suspected Director of Public Prosecutions Bulelani Ngcuka of having been an *impimpi* (a spy for the apartheid government).

The story "leaked" by Munusamy has fed into the growing dispute around the country's multi-billion rand arms deal, dividing the ruling party and triggering the Hefer Commission of Inquiry.

For many *Sunday Times* staffers, it was the last straw. Dissatisfaction over the behind-the-scenes editorial role Munusamy played at the paper had been mounting for some time, particularly as she appeared to enjoy special immunity to the rules of the newsroom. After months of queening it over her colleagues, she was now the target of their wrath.

Munusamy is extremely well-connected in top political circles in Kwazulu-Natal and the presidency, and is close to beleaguered Deputy President Jacob Zuma. She's also said to have a close friendship with Essop Pahad, the minister in the presidency. For some time before her appointment at the *Sunday Times*, Munusamy was public relations officer for Kwazulu-Natal ANC leader S'bu Ndebele. She got the top political writing job at the *Sunday Times* partly because she could boast of such great contacts.

At the *Sunday Times* meeting, outraged staffers called for an independent external inquiry into Munusamy's reporting of the "Jacob Zuma affair", along with an audit of all stories ever written by her [*their very own Hefer Commission!*]. They also wanted the relationship between Munusamy and senior management at the paper to be probed to find out how she had "become a force unto herself". These demands were confirmed in a memo to the human resources department of the paper's parent company, Johnnic. Johnnic's Lesoalo Mahlatse refused to give *noseweek* a copy and anxiously referred our questions to *Sunday Times* editor Mathatha Tsedu. We have since independently acquired a copy.

In the memo, the newspaper's staffers listed a number of "immediate" steps they wished Tsedu to take to "restore the credibility" of SA's largest newspaper – starting with an explanation to the public why the *Sunday Times* had refused to run Munusamy's "spy" story.

Tsedu obliged by running a front-page piece four days later, detailing how he had rejected Munusamy's story – repeatedly since July – because he felt it lacked evidence and was calculated to serve the exclusive interests of a particular group. [*How right he was! – Ed.*]

"We respect our readers too much to give you information that we ourselves are not convinced is correct or which is patently designed to serve personal agendas," he told his readers. By the time the edition had hit the streets, Munusamy had quit.

Tsedu failed to reply to any of our repeated requests for an interview, so we are unable to say whether he has responded to the other important demand made by his staff: to set up an independent inquiry into the rise and fall of Munusamy.

The report forwarded to Johnnic human resources reveals some tantalising details of how she appears to have had free rein in the newsroom. And exactly why her colleagues were upset with her.

In a section titled "Damage to the integrity of the *Sunday Times*", staffers bemoan the "superficiality" of the paper's political coverage while she held sway, saying they felt "compromised" by the whole scandal. A senior journalist is quoted saying that he felt "shamed at the facile, stupid and non-existent political coverage of the paper over the last few months". Others suggested that Munusamy may have fallen under the influence of her political sources.

"Munusamy's insistence that her allegations that Ngcuka was a spy be published brings into question the relationship that reporters have with their contacts and it was felt we

need to see a system in place where a contact is a contact and not a minder," a staffer is quoted as saying in the report.

Concern was expressed about her close relationship with "Mandela" attorney Ismail Ayob (who also represented her at her disciplinary enquiry held at the *Sunday Times*). Ayob had not long before threatened a *Sunday Times* reporter with criminal prosecution for refusing to divulge his source for a story involving Ayob. [*The story did not appear in the Sunday Times. We believe it involved Ayob's role in the great Mandela art scam – see nose48*].

Munusamy allegedly told a senior reporter that all questions relating to the National Intelligence Agency

'Munusamy was allowed to manipulate coverage relating to specific powerful people, even if the story was not initiated by her'

(NIA) on a particular story were to be dealt with by her alone, as she had been fully briefed by the spooks. And then she ordered the *Sunday Times* award-winning investigations unit to desist from interviewing Zuma or the Shaik brothers about the arms scandal!

"In practice, Munusamy was allowed to manipulate coverage relating to specific powerful people, even if the story was not initiated by her," it is claimed in the memo.

Now Munusamy faces the Hefer Commission to account for the information she leaked to *City Press*. She is refusing to name her sources, arguing that doing so is contrary to journalistic ethics and might put her life in danger. [*Perhaps she owes it to us – her colleagues – to tell us who in the Shaik-Maharaj-Zuma circle she has reason to suspect is prone to violence. –Ed.*]

In South Africa journalists have over the years resisted taking the stand to give evidence during judicial proceedings for ethical reasons. First and foremost among these is their own safety and that of their colleagues.

Cape Town photographer Benny Gool refused to testify about the gruesome pictures he took of the murder of druglord Rashied Staggie at the hands of anti-drug vigilantes. He argued that if he did testify, the vigilantes would in future regard the media as informers and press photographers and reporters may be in danger should they be sent to cover other such events.

There was a groundswell of support for Gool from the media. But there is less enthusiasm for Munusamy in

Journalism at Wits University, says a distinction must be made between naming sources and giving testimony. In one of his regular columns, he says that by giving evidence, Munusamy would "hardly" be endangering the lives of other journalists, and by refusing to testify, she was simply putting herself "above the law".

"It leads to the suspicion that they (journalists) are scared of cross-examination because they have other things to hide," he writes.

In the *Sunday Times* newsroom it was felt that Munusamy had undermined her position by promoting one particular political group through her reports. Her sources aren't a secret there. Said one senior staffer

to *noseweek*: "It was obvious who her source was: the very camp that was being investigated by Ngcuka for corruption. In the weeks before the *City Press* story, whenever anyone spoke to one of the Shaik brothers they would be asked why we were not running the Ngcuka spy story that Ranjeni had. They were

plainly the source - even if their friend, ex-security branch man Brand Visagie, was the messenger. How else could they have known about the story?"

Mo Shaik (advisor to Minister of Foreign Affairs Nkosazana Dlamini-Zuma) and his three brothers, Yunis, Schabir and Chippy are close to the deputy president and deeply embroiled in the arms deal saga. Schabir faces charges, brought by Ngcuka's Scorpions, of facilitating or securing a bribe for Jacob Zuma from a French arms company to stifle the arms deal inquiry. Mo Shaik has subsequently appeared on television claiming that Ngcuka was investigated as a spy by the ANC in the 1980s, calling the top prosecutor's reputation into question. Ngcuka has denied the allegation vehemently and the evidence Mo Schaik produced in

support of his charge has meanwhile been entirely discredited.

Munusamy, who styled herself a "senior investigative reporter", was employed as a political writer but apparently longed to be part of the *Sunday Times*' investigative team of André Jurgens, Jessica Bezuidenhout and Mzilikazi Wa Afrika.

However, she was regarded with suspicion because of her political connections. Munusamy frequently had front-page scoops, based on exclusive leaks from the government that bolstered the ANC's position.

A case that particularly upset her colleagues is that of Bheki Jacobs, a former ANC intelligence operative [see *noseweek*]. Jacobs came to the *Sunday Times* with early allegations of corruption in the arms deal. Munusamy rubbished him, quoting presidential spin-doctors who derided Jacobs as a Walter Mitty character, posing as an intelligence operative. Then Munusamy had no hesitation in naming Jacobs as the source of many of the arms deal corruption stories the *Sunday Times* had carried.

"That alone should be used against her. If she could name someone else's source, why can't she name her own? I can only assume she is too embarrassed to admit her only sources were the Shaik brothers and Mac Maharaj," said one *Sunday Times* staffer.

Munusamy has been less than complimentary about her former colleagues, suggesting that some of them had inappropriate relations with Ngcuka's crime-fighters, the Scorpions. She also claims that Tsedu had discouraged other newspaper editors from running her story on the spy allegations.

"I found it astounding that my editor would breach my confidence, and that of his newspaper," she said.

It's not quite over yet. The *Sunday Times* staff have one more shock to bear. Contacted by *noseweek*, Munusamy admitted that her former employer, the *Sunday Times*, was paying her legal fees at the Hefer Commission. This despite the fact that she embarrassed the newspaper, leaked a story to the competition, was destined for a disciplinary hearing and issued a scathing press statement about the newspaper when she finally flounced out. ☐

In the *Sunday Times* newsroom it was felt that Munusamy had undermined her position by promoting one political group through her reports

her campaign not to take the stand, least of all from some of her former colleagues.

Munusamy told *noseweek* she would not take the stand at the Hefer Commission as doing so "may tend to reveal who my sources were".

But evidence leader of the Hefer Commission, Advocate Kessie Naidu SC, believes Munusamy is hiding behind journalistic conventions. His argument is that Munusamy stopped being a journalist and became a source when she handed over the documents detailing allegations that Ngcuka may be a spy to *City Press*. [Naidu himself is doing a little fancy footwork. He was Jacob Zuma's legal representative earlier this year, advising him how to answer questions from Ngcuka over the arms deal; now he's leading evidence which may embarrass his former client.]

Anton Harber, Caxton Professor of

# BEHIND CLOSED DOORS

## WHEN BRENDA SENIOR

divorced her business tycoon husband Ian she and her formidable legal team expected a settlement of at least R30m. After all, everyone knows that Ian Senior is worth a bomb (although few are aware that his interests include a secret R150m stashed in a Swiss bank account).

But, according to papers filed in a current court action, as the divorce trial loomed Brenda's attorney, Brian Kahn, had an unusual private meeting with Ian Senior. There they struck a settlement deal – R5m for Kahn to clear all the costs of the divorce action. Brenda was aghast to learn of her far less-than-anticipated payoff – a bagatelle R7m.

R5m for costs? But what costs they were! (See table.) Margie Victor, Bren-

After 40 bruising years of marriage to mega-tycoon Ian Senior, Brenda Kaye found the strength to file for divorce – only to find herself stitched up by her own lawyer, she says, who struck a secret deal with her estranged husband

Not forgetting, of course, Senior's offshore interests and tucked-away nest-eggs.

As the divorce trial date approached, and taking a generously conservative estimate of Senior's wealth at R100m, attorney Kahn apparently assured Brenda and the rest of her legal team that he would settle for no less than R30m. "I won't accept a penny less" were his exact words at a round table conference, recalls one of those present.

Nine days later, claim the current court papers, that unusual meeting took place between Ian Senior, his attorney Michael Krawitz and Brian Kahn. At one

stage, says Brenda's present attorney Earle Friedman, Krawitz was asked to leave the room. And alone together, Senior and Kahn struck their deal.

Brenda was so frightened of Senior that when she left the marital home – a R3.5m biscuit-coloured mansion tucked away behind high walls in exclusive Inanda – she had round-the-clock armed guards for a month.

But now her haunted life in Johannesburg is a fast-receding memory. She's building a new life under her new name of Brenda Kaye at her townhouse in Cape Town's Constantia. From where she's launching a legal comeback against Kahn, the attorney she believes sold her out.

With the help of a new attorney, Earle Friedman, Brenda has launched a high court action seeking more than



da's close friend and junior counsel in the divorce action, picked up close on R1m. Senior counsel David Soggot SC put in his chitty for nearly R600,000. Deloitte & Touche collected R700,000 (presumably for checking how solid Ian's Solid Door empire really is).

Attorney Kahn's own tab took the biscuit, though, at a cool R2m.

Throughout the bitter three-year battle leading up to the settlement, Brenda Senior says, she pitched for half of her 62-year-old husband's not inconsiderable estate. Either, one

**HOMES FOR ALL SEASONS:** Three of multi-millionaire Ian Senior's houses. From left to right, the first two show his Sandton pad, while the others are in Plettenberg Bay and Vancouver

might think, should have brought her a bundle. After all, Solid Doors is South Africa's biggest door manufacturer. The company's factories produce a door every 19 seconds – a production line that hauls in annual sales (a closely guarded secret) estimated at R300m.

R960,000 from Kahn – the amount she claims he did not properly account for. And Friedman has filed a lengthy complaint on her behalf to the Law Society, detailing the events that led to the behind-doors divorce settlement.

It was back in February 1998 that Brenda Kaye, as we must now call her, hired Kahn to represent her in divorce proceedings against Ian Senior. Over the next three years, she declares in the current court papers, Kahn received R868,932 towards her costs. With the R12m settlement [R5m for

costs; R7m for her] the money received by Kahn's office totalled R12,868,932.

This, claims Kaye, was disbursed as follows:

■ Fees to service providers (see table on opposite page): R2,615,893;

■ Loan repayment to "Mr S Motsumi": R339,329;

■ Kahn's fee for professional services: R2,071,225; and

■ Kaye's R6,882,161 payoff.

Total: R11,908,608; shortfall: R960,324.

Kahn's response is to point out that of Senior's R5m towards costs, his firm received a fee of "only" R2m. In his letter to the Law Society he says: "The divorce matter, whilst obviously important, was only one leg of a multifaceted factual enquiry and investigation and entailed many complex and novel legal issues."

Ian Senior "hated the complainant [Kaye] with a passion," declares Kahn in his letter. And the magnate "took every possible step to deny us access to documents, overseas bank accounts etc". Service providers were prevailed on [by Kahn] to delay receipt of their accounts until the matter was resolved.

Had his firm not done all that it did, Kahn has told the Law Society, Kaye "would today be living as an absolute pauper and her mental and emotional state of health would be pitiful". As it was, thanks to his efforts, she is now able "to live more than well off for the rest of her life. This firm procured for

duct to be a stab in the back."

Of that meeting between himself and Ian Senior, Kahn says that Senior's attorney Michael Krawitz had told him that the tycoon viewed a Brenda-inspired forensic audit by Deloitte & Touche into his Solid Doors company as "part of an attempt to blackmail him".

This view appeared to Kahn a bar to settlement negotiations and the purpose of the meeting, he explained to the Law Society, was to assure Senior that the audit was merely an attempt to value Solid Doors, which was a serious asset.

Days after the R12m deal was struck between them, Kaye was summoned to Kahn's office to approve it.

"It was a terrible settlement at the end of the day," she tells noseweek. "Brian Kahn sold me down the river. He shoved this settlement in front of me. He went ballistic and stood in front of the door of his office and wouldn't let me go out. He started sweating and performing like a madman. I really thought something was hideously wrong, which it was.

"He threw the pen in front of me and screamed at me. After being there in his office for about eight hours I signed the agreement under great duress. Kahn had said he would settle for nothing less than R30m; he knew there was a gold pot at the end of the rainbow. I wanted it to go to trial. In the end I got a little less than R7m and he [Kahn] got R5m. It's pathetic."

Kaye elaborates: "Ian Senior is terribly rich. He's worth much more than R200m, in four corners of the world: in Switzerland, in Singapore, in New York and Vancouver. It's been stashed there for years. He's a super

wealthy man."

Commenting on Kaye's action against him, Kahn tells noseweek: "Brenda does not say she was overcharged. What she says is that we did not account to her fully. We say we accounted to her for every cent. I met with her auditor and took him through our accounts. My bookkeepers met with him."

Did Senior pressure him to come down from R30m to R7m for Brenda? "The figure of R30m was a number that ideally she would have liked, a

number everybody would have liked," replies Kahn. "But the service providers, who were acting without cover, were feeling very vulnerable. Brenda was under enormous pressure: she wasn't well, she was living literally in a hovel.

"We had given her enormous support. In fact this is one of the sad episodes in my life. From one human being to another, it's one of the great disappointments.

"Brenda was a woman who came out of a terribly terribly difficult marriage. She'd been hammered emotionally; she was at a low ebb. Her children weren't around. We – that is my whole firm – assisted her wherever we could. She leaned on us. We don't need accolades for that, I just draw it to your attention."

So why is Kaye now pursuing him for R960,319? "It's terribly distressing to us," says Kahn. "There was a time she was in such financial difficulty we actually got a client of ours to lend money to assist her to continue with the litigation. Even now as I talk I feel for her."

"I'm not a happy chappie. Why is she pursuing this action? Without being flippant and without being too theatrical, if I knew the answer I'd know the secret of life."

Kahn believes that most women in Brenda's position would be content with R7m. "Not only R7m, but with her freedom, her ability to start a new life, start rebuilding her strength, her focus. I truly believe we've done well by her in the best traditions of the legal profession."

So how did it come to this? It all started back in the 1950s, when Brenda Schwartz, 15-year-old daughter of a Johannesburg jeweller, met Ian Senior, just a year older, on a blind date. Senior – the son of a Russian Jew in the coat hanger business – had left school at 15 and when the couple met he was working as a rep for a Johannesburg timber company.

"Ian was a very unloved person. He came from a harsh, unloving family," says Brenda, recalling those days. "He was very controlling, like a Svengali to me. I was scared of him even then and tried to leave him a few times."

Despite her doubts, they married on Senior's 21st birthday and set up home in a small flat in Berea. "We didn't have a good relationship," says Brenda. "We didn't respect each other. But I stayed in that marriage

'Brian Kahn sold me down the river. He shoved this settlement in front of me. He went ballistic and wouldn't let me go out'

[Kaye] the ability to start life afresh, seek guidance and therapy for all the hurt that had been occasioned to her over the almost 40 years of marriage, and get on with living a life free of debt or financial worry."

After all his efforts, Kahn is now less than happy at being sued by Kaye for close to a million. "We would be less than frank," he tells the Law Society, "if we did not tell you that we consider [Kaye] to be churlish, misguided, ungrateful and, without being too emotive about it, we consider her con-

Service Provider	Rands
Advocate Margie Victor	975,640.50
Advocate David Soggot SC	592,630.70
Advocate P Van Blerk SC	76,266.00
Advocate M Brassey SC	34,200.00
Advocate Kuper SC	4,446.00
Advocate A Swersky SC	28,698.76
Advocate E Tsatsi	342.00
Advocate Strathern	1,083.02
Deloitte & Touche forensic auditors	700,380.36
Mark Levy auditors Berly & Co, London	28,758.19
Mark Steyn private investigator	4,000.00
Ogier an Le Masurier attorneys in Jersey	46,614.15
Justin Plein sworn valuator	60,387.46
Ernst Marks tax consultant	43,459.56
Sorrel Danilowitz New York	1,881.73
Price WaterhouseCoopers	3,619.50
Willie Wandrag tax consultant	408.12
Gerard Jacobson actuary	1,157.00
Dr Jansen handwriting expert	5,300.00
Correspondents	3,194.00
Sheriff	4,418.00
<b>TOTAL</b>	<b>2,615,893.03</b>

for the sake of the children."

By 1971 Senior had formed his Solid Doors company and according to Brenda was ruthlessly dedicated to only one thing: money.

"The more filthy rich he got the more disgusting he got," she says. "All Ian was interested in was making more and more money. All I remember of him is talking money, money, money."

In 1977 the family emigrated to the US - to Birmingham, Alabama - leaving a manager in Johannesburg to run Solid Doors. They returned in 1980 when South Africa was on an economic high and were soon installed in the Inanda mansion, with its sub-tropical garden and 13 toilets.

But while Solid Doors prospered, the marriage went from bad to worse.

Towards the end of 1997, Brenda recalls, Senior was spotted driving his open Mercedes sports car with his arm around a 22-year-old redhead

"known in the game as Amber Lee". [A transcript of one of their romantic telephone conversations still doing the rounds: Senior: I just bought a machine from the Chinese. Amber: Serious! Senior: Yes, from Taiwan. They wanted 174 and I paid them 154. Amber: R174,000? Senior: Ja. Amber: Oh wow!]

Brenda recalls how she and a daughter set out to crack the combination of Senior's always-locked briefcase. "We stumbled by luck on the magic number and from a diary inside copied details of apparent overseas bank accounts and telephone numbers," she says. Among them was account number 574554-32-1 with Credit Suisse Bank, Geneva, and an account at the Royal Bank of Scotland in Singapore.

Credit Suisse refused to give any information, pleading secrecy laws, says Brenda. "But the high court ordered Ian to instruct the bank to state the amount in his account." She recalls her shock on learning that it stood at the equivalent of R150m. "After this he shunted the money to Liechtenstein, to something called the Pro Trust.

"He likes to present himself as a virtual pauper. The 80% share in Solid Doors he controls is held in the name of the Senior Family Trust. Almost everything else belongs to one trust or another."

Solid Doors, which recently invested R75m in yet another door factory, has now expanded exports beyond African countries, to the UK and Ireland.

As noseweek went to press Ian Senior was on holiday in Israel with his new wife, Port Elizabeth divorcee Marion Chasen. [Brenda Kaye on Marion Chasen: "They actually suit each other so well; they're two peas in a pod. They deserve each other. I couldn't be more pleased."]

We asked Solid Doors managing director Brian Brown - he's worked with Senior for 35 years and owns the remaining 20% of the company - for Senior's number in Israel, so we could ask the money-mad magnate to comment on his miserable R7m divorce settlement to Brenda.

"To be honest I doubt that he would get embroiled," says Brown. "Whatever went on, I doubt that he would want to get involved in it."

■ Brenda Kaye's complaint to the Law Society has been placed "on hold" pending the result of her action against Brian Kahn. ■

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# INTELLIGENT LIFE AT SAA? THE SEARCH CONTINUES...

# VOYAGER 3 LOST IN SPACE

**From:** AC Oberholzer (Platinum Voyager member) **To:** customerservices@flysaa.com (and 12 others) **Date:** Thur 14 Aug 9.22am

**Dear Mr Shai & colleagues**

I have been confirmed to return in business class on SA229 on 16 August, but the bookings for the other five members of my family have not been confirmed to travel back in business class from London on the same flight.

Could you kindly get the waitlisted seats confirmed? I do not mind if you confirm some on SA235 (19h30) and some on SA229 (21h30). According to your London office there are still plenty of seats on both flights.

As a loyal client I would appreciate your attempts to resolve this.

I am in rural Hungary and cannot be reached by telephone, but I am checking my email daily.

Kind regards  
**Alutius Oberholzer**

**From:** Hendry Shai **To:** AC Oberholzer  
**Date:** Thursday 14 Aug 9.28am

**Dear Oberholzer**

I will have a look at the bookings and will respond with regards to the confirmations. It will depend on the seats being available. Afford us the opportunity to work on the bookings.

Regards  
**Hendry Shai**

**From:** AC Oberholzer **To:** Hendry Shai (copies to 15 others at SAA) **Date:** Thurs 14 Aug 10.01am

**Dear Mr Shai**

Thank you for your prompt reply, and your kind offer to assist me in getting those waitlisted seats confirmed.

Kind regards  
**Alutius Oberholzer**  
(Platinum Voyager member)

So you agree that Voyager is a mess and a ripoff, but you thought that the letter headed 'Mile-high club' from Craig Thom in *nose48* alleging that SAA is making even bigger fortunes out of the non-payment of refunds was stretching it a bit? Think again!

The correspondence that follows is the sort that could easily end in suicide – or murder.

(Elliot Themba is the person in overall charge of the SAA Voyager programme. Hendry Shai is the manager of the division dealing with Voyager Platinum members.)

**From:** Hendry Shai **To:** AC Oberholzer  
**Date:** Thurs 14 Aug 3.02pm

**Dear Mr Oberholzer**

I have been able to confirm the remaining bookings.

Regards  
**Hendry Shai**

**From:** AC Oberholzer (Platinum Voyager member) **To:** Hendry Shai (and only 5 others at SAA this time) **Date:** Thurs 14 August 4.05pm

**Dear Mr Shai**

Thank you ever so much for getting the five business class seats confirmed on SA229 on 16.08.2003 – Oberholzer R Mrs (seat 16H); Oberholzer JC Mr (seat 15H); Oberholzer AE Ms

(seat 15G); Oberholzer TC Mr (seat 15K); Oberholzer BR Ms (seat 16K); Oberholzer AC Mr (seat 16G)

It is greatly appreciated and reinforces my faith in SAA Voyager!  
Kind regards  
**Alutius Oberholzer**

**From:** AC Oberholzer **To:** Hendry Shai; customercare@flysaa.com **Date:** Wed 20 Aug 6.44pm

**Dear Mr Shai**

Thank you so much again for getting the five W class seats confirmed on SA229.

I would, however, like to query a fee of £336 (R4,005) charged by your UK staff for me and my family.

All the fees in respect of the upgrade and re-issuing of our tickets and UK taxes were handled by our travel agent. She ensured that all the fees were paid – prior to our departure from South Africa on 7 August.

You made no mention of additional fees in your email of 14 August. I fail to understand why SAA collected a further R4,005.

Should you want to verify all payments made by me, contact my travel agent Ms Sacks.

Thank you again for your kind assistance in the past.  
**Alutius Oberholzer**

**From:** AC Oberholzer **To:** Hendry Shai (and only three others at SAA) (Monday, August 25, 2003 8:22 AM)

**Dear Mr Shai**

Kindly note that it has now been more than a week since SAA (UK) had charged me a fee of £336 / R4 005 in respect of my booking. And still no explanation ...



I await your further advices in this regard by return email. Thank you again for your kind assistance in the past.

**Alutius Oberholzer**

From: AC Oberholzer To: Hendry Shai  
Date: Tue 26 Aug 10.22am

**Dear Mr Shai**

My previous correspondence refers. I await your further advices. Thanks.

**Alutius Oberholzer**

From: AC Oberholzer To: Hendry Shai (and four others) Date: Wed 27 Aug 1.16pm

**Dear Mr Shai; Matu; Michelle & colleagues**

Could you kindly let me know why I had to pay SAA (UK) £336 (R4,005) in respect of my bookings on 16 August?

**Alutius Oberholzer**

From: AC Oberholzer To: Hendry Shai  
Date: Wed 27 Aug 5.30pm

**Dear Mr Shai; Matu; Michelle & colleagues**

This weekend it will be two weeks since SAA (UK) charged me an additional £336(R4,005) in respect of my booking. And still no reply or explanation has been received. Could you kindly – yet urgently – let me know why? Thanks.

**Alutius Oberholzer**  
(Platinum Voyager member)

From: AC Oberholzer To: Hendry Shai  
Date: Mon 1 Sep 9.43pm

**Dear Mr Shai, Matu, Michelle & colleagues**

Kindly note that despite my numerous previous enquiries it is now over two weeks during which I have had no feedback from you as to why SAA (UK) charged me £336.

Is it really possible you cannot (or do not want to) reply to my query?

**Alutius Oberholzer**  
(Platinum Voyager member)

From: AC Oberholzer To: Hendry Shai  
Date: Tue 2 Sep 5.51pm

**Dear Mr Shai; Matu; Michelle & colleagues**

My previous SEVEN (7) emails refer. Could you kindly afford me the courtesy of a reply. Thanks.

**Alutius Oberholzer**

From: AC Oberholzer To: Hendry Shai  
Date: Mon 8 Sep 7.48am

**Dear Mr Shai; Matu; Michelle & colleagues**

My previous EIGHT (8) emails refer. **IT IS NOW ALMOST THREE WEEKS SINCE I QUERIED THE £336 / R4 005 I WAS CHARGED BY SAA (UK) IN RESPECT OF MY BOOKING. Could you kindly afford me the courtesy of a reply.**

**Alutius Oberholzer**  
(Platinum Voyager member)

From: Thobile Vokwana To: AC Oberholzer  
Date: Mon 8 Sep 10.04am

**Mr Oberholzer**

I have received your query, which was escalated to me by the Customer Care department. Kindly furnish me with your contact telephone numbers so I can interact with you and try to resolve the query. The telephone numbers we have on your profile do not seem to be working.

I will await the details as I need to speak to you, in order to get the relevant information that might assist us to resolve your query.

Regards  
**Thobile Vokwana**  
Team leader; SAA Voyager Elite Call Centre; Global Sales, Product & Network

From: AC Oberholzer To: ThobileVokwana  
Cc: Hendry Shai; MatuMohlabane; customercare@flysaa.com; Michelle Jack Date: Mon 8 Sep 12.42pm

**Dear Thobile**

Our telephone communication refers. This serves to confirm that my assistant has forwarded copies of my correspondence to you and that you have amended your records.

As I pointed out, I find it very strange that Hendry; Matu and Michelle would escalate my query to you (albeit three weeks later) – but not give you any details of the query.

Surely SAA staff can communicate better than this?

Should you require more detail in respect of the tickets you could also contact Frankie Sacks at E-travel.

**AC Oberholzer**

From: Hendry Shai To: AC Oberholzer

Date: Tue 9 Sep 4.18pm

**Dear Mr Oberholzer**

The reason for the R400 charge was that the ticket that you were holding had

to be upgraded to the class that would qualify you to utilise your Voyager miles to upgrade to business class.

Regards  
**Hendry Shai**  
Manager Voyager Elite Call Center

From: AC Oberholzer To: Hendry Shai (and five others, including André Viljoen at SAA)  
Date: Tue 9 Sep 9.38pm

**Dear Mr Shai**

I regret to inform you that your reply – which one can only assume is based on very thorough research, since it took 3 weeks to compile – is not a plausible one.

You were informed on 20 August and on several other occasions that I had been charged £336 (R4,005) by SAA (UK). Yet now you refer to an amount of a mere R400? Would you care to inform me when, how and where I was charged an amount of R400 by SAA?

You were also informed on several occasions that *all* the relevant fees in respect of the upgrade and reissuing of our tickets were handled by our travel agent Frankie Sacks. She had ensured that *all* the relevant monies were collected and paid at your Illovo office prior to our departure from South Africa on 7 August. It simply does not make sense that you would now inform me that R400 was payable to qualify for using Voyager miles to upgrade to business class.

Ms Sacks says you at no stage during the past 3 weeks contacted her to verify the details of the bookings or the amount paid to SAA.

Mr Shai, I would therefore suggest that you or someone competent on your staff spend some time researching my query; and then come up with an explanation which is more plausible than the last.



"So, do you come here often?"

Thank you for your kind assistance in the past. Your further prompt advices are awaited.

Regards  
**AC Oberholzer**

From: AC Oberholzer To: Hendry Shai (with copy to noseweek) Date: Thurs 11 Sep 7.46am

**Dear Mr Shai**

I am still anxiously awaiting a plausible explanation. It is to be noted that you were paid R14,908 (R1,860 + R1,860 + R1,860 + R1,400 + R1,400 + R903 + R905 + R905 + R905 + R905 + R905 + R183.33 + R183.33 + R183.33 + R183.33 + R183.33) as well as several hundreds of thousands of Voyager miles to get the tickets confirmed and issued in W class – prior to our departure on 7 August. This excludes the price paid for the original six tickets for me and my family.

Mr Shai, I would really like to bring this to finality. Three weeks is ample time for any competent official to come up with a plausible explanation, or to provide an apology and refund. This is my 12th email to you.

**AC Oberholzer**

From: AC Oberholzer To: Hendry Shai Date: Mon 15 Sep 3.41pm

**Dear Mr Shai**

I am still anxiously awaiting a plausible explanation.

This is my 13th email to you. Please afford me the courtesy of a reply.

**AC Oberholzer**

From: AC Oberholzer To: Hendry Shai (copy to noseweek and André Viljoen) Date: Wed 17 Sep 8.04pm

**Dear Mr Shai**

This is my 14th email to you. PLEASE AFFORD ME THE COURTESY OF A REPLY.

**AC Oberholzer**

From: AC Oberholzer To: Hendry Shai Date: Thur 18 Sep 7.46pm

**Dear Mr Shai**

My attached emails refer. This is my 15th email to you in this regard. PLEASE AFFORD ME THE COURTESY OF A REPLY.

**AC Oberholzer**

From: AC Oberholzer To: elliotthemba @flysaa.com Date: Tue 7 Oct 2.59pm

**Dear Mr Themba**

My attached 15 previous emails to your

Mr Shai refer.

To date I have not been afforded the courtesy of a sensible reply. I'm afraid this does not look good, as I am sure you will agree.

As I can no longer wait for your staff to reply to my queries I would appreciate it if you could now kindly personally supply me with the written answers I have been waiting for.

Regards  
**AC Oberholzer**

From: AC Oberholzer To: elliotthemba@flysaa Date: Mon 13 Oct 10.08pm

**Dear Mr Themba**

On 16 October it will be two months I have been waiting for answers.

Any reason why you and your department are not replying to a preferred customer's correspondence?

**AC Oberholzer**

From: AC Oberholzer To: elliotthemba@flysaa Date: Tue 14 Oct 10.27am

**Dear Mr Themba**

Our telephone communication today refers, as well as my attached 17 previous emails.

**AC Oberholzer**

From: AC Oberholzer To: elliotthemba@flysaa Date: Thursday, October 16, 2003 10:37 AM

**Dear Mr Themba**

This is to confirm that a copy of the Mastercard (not Amex) credit card transaction slip in respect of the £336 (R4,005) has been successfully faxed to you.

I await your further advices.

**AC Oberholzer**

From: AC Oberholzer To: Hillary Bracher, queries@sbic.co.za (copy to Elliot Themba) Date: Thur 16 Oct 7.57pm

**Dear Hillary**

Kindly note that SAA debited £336 to my account on 16 August. I have been trying for two months to get an answer from them as to why they took the amount in question.

They are now finally trying to explain to me why. However, they can now supposedly not find any proof that they had ever received the payment. They have requested a copy of the credit card transaction slip. This was faxed to them today. The document was printed on thermal paper by SAA and has thus faded considerably. Mr Elliot Themba was asked to contact you to verify that

SAA had debited £336 from my account.

Today Mr Themba informed me telephonically that he spoke to you – and that you could, strangely, not find the account number, let alone the transaction in question!

Ms Bracher I suggest you immediately phone my wife Robyn Oberholzer and ask her to read the account number to you; she carries the card in her wallet every day. Should you still be unable or unwilling to find my account and to verify the transaction, I suggest you close my account immediately. If Standard Bank Card Division is incapable /unable /unwilling to confirm something as mundane as a transaction, I simply can no longer keep my account with your institution. If I am not provided with some answers by both you and SAA I will also take legal steps against both parties. I have had enough of incompetence and therefore suggest you investigate.

**AC Oberholzer**

*[Standard Bank card division did finally "discover" the existence of Mr Oberholzer's card account and did provide SAA with proof that SAA had taken £336 from that account on 16 August. But Standard Bank never responded to his email dated 16 October. What's new?]*

From: AC Oberholzer To: elliotthemba@flysaa (with copies to 11 others) Date: Wed 22 Oct 10.18am

**Dear Mr Themba**

Kindly note that proof that your company had received £336 from me on 16 August has been faxed to you again. The Standard Bank Card Division printout was faxed to you today.

I suggest SAA finalise its investigation into this matter. Surely it is not that difficult to determine whether you were entitled to the money?

**AC Oberholzer**

From: AC Oberholzer To: Elliot Themba Date: Tue 28 Oct 7.42am

**DEAR MR THEMBA**

**THIS IS MY 21ST EMAIL TO SAA!  
WHERE ARE YOUR ANSWERS? IS SAA  
CAPABLE OF DEALING WITH CUSTOMER  
QUERIES?  
PLEASE REPLY!**

**AC Oberholzer**

*[The matter was still unresolved when noseweek went to press. – Ed.]*

When last seen, a screaming Alutius Oberholzer (Voyager Platinum Member) was being tied down by a team of maniacal cackling Martians terrifyingly dressed up as SAA customer-care staff, while neighbours to Voyager's Johannesburg office could hear a raucous chorus singing, "Another one bites the dust; and another one does, and another one does..." [7]

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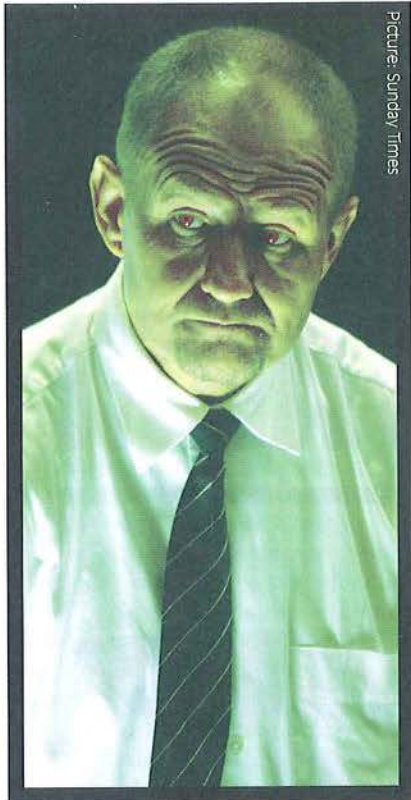


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Extortion is nothing new to **Pick'n Pay**, they just aren't used to being on the receiving end.

# INVASION OF THE MONEY SNATCHERS



Picture: Sunday Times

Pick'n Pay CEO Sean Summers

## "LIKE ALL MAJOR

corporations," Pick'n Pay chief executive Sean Summers told the *Mail and Guardian* in July, "we may have to deal with initiatives from people from time-to-time." Initiatives? The particular "initiative" they were talking about was that shown by the poisoning extortionist who had the food chain and the country on edge for weeks.

Pick'n Pay, it now emerges, aren't themselves bad at such "initiatives".

On May 13, the retailer received its first poisoned parcel from a mystery extortionist, with a warning letter that there would be "more to come" unless instructions were followed. For seven weeks, Pick'n Pay played hunt the sardine as it tried to locate the spoiled goods. Then came a phone call from the extortionist himself, and from a customer claiming to have eaten fish poisoned by the extortionist. Pick'n Pay went public with the story. Sardines, pilchards and garlic flakes had supposedly been poisoned.

The ensuing weeks showed Summers dealing with all this in a calm and

rational way. In the interest of customer loyalty and safety the retailer embarked on an advertising campaign. He calmed the nation on radio. He recalled stock, and embarked on forensic testing. No cost was spared in reassuring the consumer. The lab reported that minute traces of cyanide were found in three cans – but such minute traces are normal in most products. And then it all quietened down. The extortionist seemed to have disappeared.

But for some, the issue had not disappeared. Jean Love, buyer for Pick'n Pay, recently approached the chain's suppliers for a "contribution" towards covering the cost of dealing with the poisoner crisis. She asked for – suppliers say "demanded" – amounts ranging from a couple of thousand rands up to R100,000, depending roughly on the size of the supplier. So why is Pick'n Pay passing the cost of the "poison" PR programme onto suppliers?

*noseweek* spoke to Nick Badminton, managing director of Pick'n Pay South Africa, and David Robbins, deputy chairman. Their explanation: Pick'n Pay

suffered a loss during that period, especially in the Gauteng stores. Their half-year results for 2003 showed a reduced turnover of between R180m and R200m. (It's a figure that they've come up with after some pretty fancy mathematical footwork, and even with that reduction in turnover they still managed to produce a plump and healthy 18% rise in earnings.) Before they could determine the loss, they embarked on an additional advertising campaign to salvage a potential crisis, and suppliers were asked to help boost sales.

However, you don't have to be a *noseweek* mole to figure out who *really* pays the price. To recoup the cost of doing business with Pick'n Pay on such unpredictable terms, suppliers are forced to up their prices to everyone, some claim by as much as 15%. Pick'n Pay is also notorious for asking for cash contributions towards ad campaigns throughout the year. If you want to get a new product line in stores, only a deposit into the king's coffers will secure you shelf space.

One supplier had to pay over R100,000 for that privilege. When Pick'n Pay asks for free stock or cash, suppliers cough up or risk having their products taken off the shelf. But the real cost comes at the till, when the consumer purchases the product, and Pick'n Pay stands pretty, boasting about how little markup they make on goods.

Many suppliers were anxious about talking to *noseweek*, fearing reprisals from Pick'n Pay if their names ever came out in the wash. Some actually refused to talk, saying that they did not want to be the ones to have opened Pandora's Box, for fear of upsetting Raymond and losing business. One even laughed when he mentioned the government commission that was set up to investigate the high food prices over the last two years. "Nobody will ever talk to the commission, there's too much at risk if they do," he said.

This type of "retail initiative" was perhaps not Mr Ackerman's original idea. But he certainly seems to have perfected it. Perhaps Pick'n Pay top management were so deft at handling the extortionist because they understood the way he thought. It's all about public relations and a share price that barely trembles in a crisis. And earnings – and prices – that just seem to go up and up. □

# VERY DOWN ON THE FARM

**STANDSTILL:** Mannetjies Horing (left), one of the workers left on Northridge Farm, says he feels "bitter sleg" about the failure of the project



Just seven months after Minister of Land Affairs Thoko Didiza portrayed it as a model of land redistribution, Northridge Farm near the Western Cape town of Ceres has gone bust, leaving its workers far worse off than they were before

## MECHANIC HERMAN

Martin thought a new world had opened up for him three years ago when overnight he was transformed from labourer to landowner. He worked on Northridge Farm in Ceres, a prime deciduous fruit-growing area in the Western Cape. Northridge fell on hard

times, was liquidated and the Department of Land Affairs stepped in to save the farm by providing a R4.6m grant to a farm workers' collective to buy it.

Martin had been facing retrenchment, but with the government's help he was now a shareholder, along with 153 other farmworkers, in a company, Northridge Limited, which

owned a fruit farm and a fruit packing facility. He no longer went to work in overalls to tinker with tractor engines and weld farm equipment. He became the financial director, working on the admin side, partly because he was identified as having an aptitude with numbers.

Everybody was optimistic about the future, not least the then Minister of Land Affairs Derek Hanekom, who proclaimed the farm as a model for future land reform transactions.

It got even better. Two years later, the farm seemed to be on the up. This time last year, Hanekom's successor, Thoko Didiza, travelled to Ceres to congratulate the labourers-cum-landowners who had, according to reports, posted a R2m profit. At a special ceremony attended by various parliamentarians, she handed out R1000 cheques to the shareholders. In a feel-good article, the *Sunday Times* ran a headline: *From rags to riches as workers take over farm.* The article quoted Didiza saying the success of the farm would help realise the government's goal of redistributing 30% of agricultural land in the next 15 years to the historically disadvantaged.

Didiza is promoting land reform aggressively, and claiming success. Said the minister in parliament this year: "...the Department of Land Affairs has amassed every ounce of energy within its capacity to push back the frontiers of poverty through the orderly, systematic, sustainable and equitable redistribution of land."

However, witnesses to the Northridge Farm experiment would beg to differ. Sadly, like so many land reform programmes, the operation has collapsed and in June this year Northridge Farm went into provisional liquidation again. Four months later, the liquidators are still trying to sort out the mess. The Land Affairs Depart-

ment brought in auditors KPMG to see exactly what went wrong. Only three of the original 153 employees have been kept on the farm in a temporary capacity, including Martin, to help the liquidators wind up the estate. The rest are looking for new jobs.

*noseweek* has been nosing around the district to find out what went wrong. Various sources within the agricultural community say the farm labourers were left to manage a failing farm, planted with old orchards and apple types no longer popular in the market – without the necessary support and expertise. Running a fruit farm is a demanding job. For experienced farmers in the Western Cape it has been touch and go over the last few years; with spates of bankruptcies in the last

**'The largest mistake made by the government in this project was to assume that the project was doing well, based on what the beneficiaries and a consultant maintained'**

decade. For inexperienced farmers, it could only have been more difficult.

Martin blames the collapse of the farm on the fall in the value of the rand, a plague of coddling moths in the orchards, and a lack of financial expertise among the board of directors. He conceded that they would have done better with more help from the government.

"For upcoming farmers there must be markets in place, there must be financial support as well as agricultural support. These are a few aspects the department should look after," he said. He hopes though, that the department will have learnt from the Northridge experience.

The liquidator, Gerrie Kachelhoffer, says the new company's first mistake was to find jobs for all 153 shareholders of Northridge Limited on the farm. The government admits that it

did not monitor the project properly. They were misled by reports, well articulated by the collective's chief mentor, that everything at Northridge was going swimmingly.

"The largest mistake made by the government in this project was to assume that the project was doing well, based on what the beneficiaries and a consultant maintained," Land Affairs told *noseweek*.

So questions are now being asked about the extraordinary role that was played in the Northridge debacle by sometime government consultant and "workplace transformation expert" Kevin Wustefeld-Janssens, and his partner Gavin Wright. Wright owns Kuvla, the company for which Wustefeld-Janssens is the lead consultant. The company had been contracted by the Department of Trade and Industry to do "workplace transformation around the country". While doing a project at Northridge, they got so caught up with the excitement of farming, that they relocated their city-based business to the small rural town of Ceres. And Wustefeld-Janssens became the chief mentor to the farming collective, representing them at meetings, advising them on all decisions, talking up their successes, and helping the resident alcoholics and drug-users into rehab programmes.

His fee was R3000 a day, and partner Wright was finally exonerated as the bookkeeper at over R12,000 a month, although he lacked an accountancy degree. Most other senior employees earned below R10,000 a month.

While Wustefeld-Janssens held sway, the company running Northridge bought a second farm to accommodate the surplus labour. Everybody was starting to think big, as was noted by Willem van Wyk, the spraying consultant who had visited Northridge every Monday for seven years for consultation. Van Wyk said that Wustefeld-Janssens was clearly in charge at Northridge and that the initial fruit farm had grown swiftly into a "big thing", boasting fruit, dried fruit, sheep, tomatoes and pumpkins.

"He [Wustefeld-Janssens] always told me that you had to grow the business to accommodate people and grow



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wealth. At that stage, we had no idea of what was going on in the bank; he appeared to me to be well in control, and my perception was that he was a good businessman. It was only later that we learnt that we were wrong," Van Wyk told *noseweek*.

Wustefeld-Janssens eventually fired Van Wyk after a dispute about spraying instructions, leaving him R420,000 out of pocket. Van Wyk claims that his spraying instructions were not carried out, resulting in a 70% coddling moth plague in the orchards, which was one of the nails in Northridge's coffin. Wustefeld-Janssens blames Van Wyk for the moths.

By this time, the ambitious Northridge collective was running not one but *three* farms. They had wanted to buy the third, Hillcrest, for R800,000. But they simply didn't have the cash. So, Kuvla, the company belonging to Wustefeld-Janssens's associate Wright [*also the farm's bookkeeper remember!*], bought it and kindly leased it to the good folk at Northridge for R180,000 a year. The next year the rent was scaled up to R270,000, a truly handsome return on Kuvla's initial investment.

Wustefeld-Janssens said it has been a collective decision to rent Hillcrest from Kuvla.

"I at no time influenced the board of directors to lease Hillcrest. It was a joint decision.... it was thought to be a

into an estate that did not belong to them. This was not part of the original business plan, and it was not approved by Land Affairs.

According to Martin, more than R160,000 was spent refitting the irrigation scheme, more than R145,000 on restoring farm workers accommodation. Northridge also bore the costs of resettling the existing tenants who live on the farm.

Wustefeld-Janssens feels, not surprisingly, it was a great deal for Northridge. He said that Northridge had had a 10-year lease and part of the lease was a cut of the profits from the harvest, a generous gesture on Wright's behalf.

"Northridge made a lot of money off Hillcrest!" he claims.

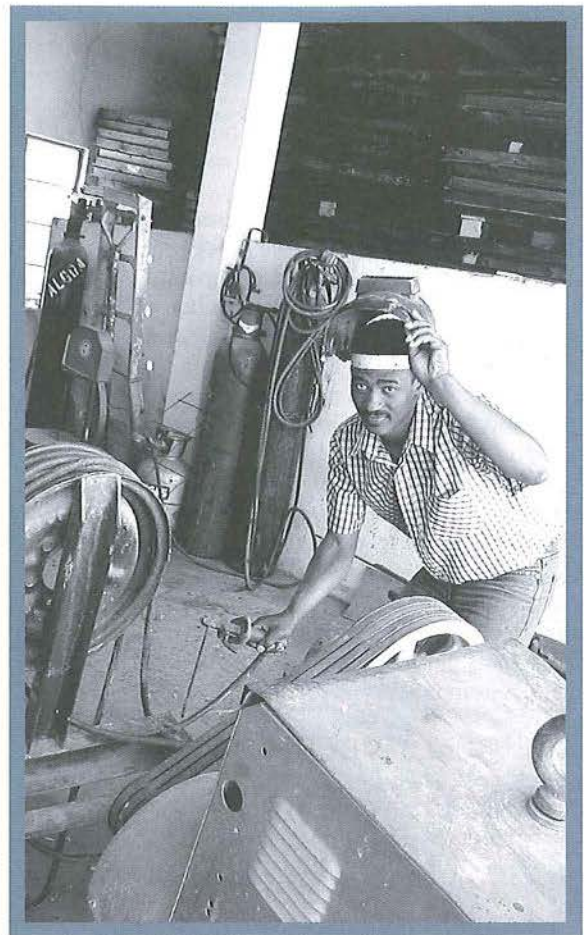
Clearly not enough. In April this year the money dried up. All labour, after earlier having taken a 20% cut on their salaries, were down to a R100 a week. And then, just after Easter, the model land reform project collapsed altogether.

Martin, a cautious man, is reluctant to look for scapegoats. But he said of the board meetings: "A lot of things that needed to be said were said, but there was a bit of manipulation and a bit of intimidation."

Wright and Wustefeld-Janssens resigned, packed their bags and went back to the city and their transformation practice, motivating workers and bosses for a better workplace for all.

They sold Hillcrest for R600,000 profit, thanks in part to the renovations sponsored by Northridge. The liquidators have retained that money in trust pending the outcome of the forensic audit and irregularities are being probed.

Creditors are lining up for outstanding debts. Among them, Kuvla Associ-



**FEELING THE HEAT:** Herman Martin not only risks losing his job, but has also clocked up a huge debt

**'A lot of things that needed to be said were said, but there was a bit of manipulation and a bit of intimidation'**

very good idea at the time." Wustefeld-Janssens said it saved jobs, diversified the fruit harvest and increased output.

But Hillcrest Farm needed renovation. So again under the stewardship of Wustefeld-Janssens, the board of directors invested huge amounts of capital

ates, who are looking for hundreds of thousands of rands in unpaid salaries for Wustefeld-Janssens (at R3000 a day), unpaid rent for Hillcrest and unpaid loans. Wustefeld-Janssens assured *noseweek* there was an explanation for this – it wasn't his money Kuvla wanted back, it was his mother's.

"I borrowed money from my mother to put into the project for various reasons – right in the beginning when there was no money to pay salaries and at two other occasions when there was a severe cash-flow crisis. The total owed to my 70-year-old widowed mother is R164,000," he said.

Kuvla, not Wustefeld-Janssens, had apparently stood surety for the loan.

Meantime, while Wright, Van Wustefeld-Janssens and his mother wait for this payout, things have gone from bad to worse for Martin. He is being sued for farm debts for which

he personally signed surety. According to one summons, he now owes R30,000 for the Panasonic fax-printer in the admin office. Another summons is expected for a bill of R135,000 for renovations to the cold store.

"Somebody just shoved the paper in front of me at the time, and asked me to sign. I didn't read what I was signing," he says ruefully. Martin is now renting out his municipal house in town and living with his wife and two children on the farm to make ends meet.

On top of that, Martin, with others, signed personal surety for loans from Absa, once it had taken over as the farm's bankers. He says Absa is owed in the region of R6m.

All this just seven months after the minister had held up the farm as a model of land reform, announcing a R2m profit – obviously, in hindsight, an embarrassing mistake. At the time, the farm had made a R300,000 loss during the previous year.

So who is to blame – the government, the inexperienced farm workers or the idealistic transformation consultants from Kuvla, Messrs Wustefeld-Janssens and Wright?

The Land Affairs Department says that all the investors in the project should take some responsibility for the failure, including themselves. Efforts are now being made to find new investors to save the project.

Wustefeld-Janssens says he was only one of many consultants on the farm and that the fall of the rand and the coddling moth plague was beyond the control of the workers, who had worked very hard.

"I never took any decisions alone. The final decision was with the board and the managers of the areas who had consultants helping them where relevant. Not all my recommendations/suggestions were followed. My heart bleeds for the people of Northridge.... I get calls from them on an ongoing basis. As part of the healing process I am keeping my distance."

Back on the farm, Martin shrugs his shoulders and ruefully smiles. In return for some very painful experiences, it seems all he will get from the government's land redistribution programme, is a lifelong blacklisting with all the country's banks and credit control agencies. □



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## ZUMA'S DAUGHTER

## Mistaken identity?

In September we reported on Miss Yvonne Zuma, the smart young lady who by some miracle managed to acquire two "legitimate" – but differently numbered – identity cards from the Department of Home Affairs.

Her original ID number is 6703021071082. Her new ID number is 6603021095083. When we first reported this discovery in September (*nose49*) her "old" ID

Setsetse, told *noseweek*: "She is the deputy president's daughter. She is a contract worker at the SABC doing project management under the direct supervision of the head of corporate communications and marketing, Tango Lamani." (She had previously herself described her job at the SABC as "government liaison".)

But, it seems we, the SABC and all those kind people who gave her credit because of her reputed social status were grievously misled. The deputy president's official spokesperson,

vouch for her lineage (it's confidential) but they describe Ms Zuma as a resident of Port Elizabeth who applied successfully to change her date of birth from 1967 to 1966, after showing "irrefutable proof of the correct date of birth".

They could not, however, find out what sort of evidence she submitted of her rightful birth because they are switching to an electronic document managing system and there is just too much work, and too many files being scanned by officials, to be able to give us the information any time soon.

to amend your date of birth is R45. In the last financial year the department changed the dates of birth of 28,726 people.

## PYRAMID SCHEME

## Jail is child's play for crook

Former financial advisor, Alison Marais, (A Flats Spin, *nose49*) has pleaded guilty to fraud and contravening the Banks Act in the Wynberg Regional Court. She'll spend the next 10 years in the leafy Cape Town suburb of Tokai, home to Pollsmoor Prison, for swindling unsuspecting victims out of R22m in a pyramid scheme.

Marais was once a financial advisor for Southern Life and then Standard Bank. She'll be taking her one-year-old daughter, Ivana, to prison with her.

The fraudster fell pregnant while on the run from Standard Bank after the pyramid started collapsing all around her. But there is not much sympathy for the young mother. Some victims, who lost their pensions and retrenchment packages, believed that falling pregnant was part of a calculated plan to buy sympathy from the judge and ward off a long jail sentence.

If so, it didn't work. She'll have to serve at least two thirds of her sentence and will be due for parole in 2010. By that time little Ivana will be eight.

## She would not disclose her father's name as she said this information was 'private'

number instantly brought up computer records of bad debts and bounced cheques with the country's major credit control agencies. The new one, most conveniently for a cash-strapped Miss Zuma, did not. (We speak in the past tense – credit control agencies apparently read *noseweek* to keep themselves up to date on such matters.)

Yvonne Zuma was known to many of her friends and creditors as a daughter of Deputy President Jacob Zuma. That's how she on occasion described herself. We so described her in our report in *nose49*.

Ms Zuma's current employer, the SABC, also believed her to be the deputy-president's daughter. The SABC's official spokesman, Paul

Lakela Kaunda has let it be known that Yvonne is not related to him "in any way".

We apologise for our (unintended) role in perpetrating the myth. (Lord knows, Mr Zuma has enough problems without having Yvonne added to them!)

We confronted Ms Zuma with the deputy president's denial and once again asked her: are you Jacob Zuma's daughter? Her latest answer: "Not exactly".

Well, how not exactly? "My father is Jacob Zuma's younger brother," she says. Which still does not tally with the deputy president's statement. She would not disclose her father's name as she said this information was "private".

Home Affairs can't

"I know that a lot of people are under the impression that when you change your date of birth or any other particular [and, in the process, get a new ID number], your debt records are automatically expunged," the department's spokesperson, Apollo Gopolang, told *noseweek*. "But that's not the case."

Well, no, they're not expunged – they just remain linked to the old identity number on credit control computer systems and will not be linked to the new ID number – unless someone tips the agencies off.

Anyway, says Mr Gopolang, "Home Affairs have no reason to doubt Ms Zuma's bona fides".

■ The reissue of an ID document costs R12 and the prescribed fee



## DUDLEY COURT

## Life's little ups and downs

The wheels of justice continue to grind exceeding slow for flamboyant architect Justus van der Hoven, who faces charges of illegal demolition for razing a protected block of art deco flats to make way for his R11m office/residential property development in Jo'burg's tranquil Parktown North (*nose47*).

Van der Hoven (his partner in the controversial development is Theunie Lategan, chief executive officer of FNB Corporate) first appeared in Jo'burg Magistrate's Court on 7 February 2001, and through a long series of postponed hearings has been on R2000 bail since.

In *nose47* we reported that the state's case was due to be wound up on 25 June. It wasn't. But hopefully the epic prosecution will finally be concluded at the next scheduled hearings on 7 and 8 November, when magistrate Tuys will have heard the final evidence of long-winded conservation architect William Martinson.

After that Van der Hoven, who is pleading not guilty, will present his defence. If convicted the magistrate has the power to order him to knock down his rather fine creation and rebuild Dudley Court, the art deco flats he bulldozed, to its original modest glory.

Conservationists and residents of Parktown

North await the outcome with bated breath. We wonder whether Lategan, a reluctant witness for FNB in the resumed RAG 417 insolvency hearing, will take the stand in Van der Hoven's defence. More likely the "sleeping partner" will lie low.

## 'DR' BILL VENTER

## House of horror

In *nose50* we remarked on the amazing similarities between a book by Altron boss "Dr" Bill Venter called *Memos from the Chairman*, and a book – called *Memos from the Chairman* – by Alan Greenberg, chairman of US investment bank Bear Stearns.

*Moneyweb*, who clearly don't understand *noseweek's* humour, were prompted by our article to call Greenberg in New York, who after reviewing the *noseweek* article, declared: "To

say the memo that appears in Venter's book is similar to mine is an understatement. The memos appear identical."

A *Moneyweb* reporter earnestly asked Greenberg to state that he had not plagiarised. "Absolutely," said Greenberg. "Not only that, but the other memos in my book are consistent in tone and in personality with that memo."

■ If anyone thought "Dr" Venter lacked a sense humour, read on. For the past year he's been involved in a dispute with Sandy Herman, owner of the property next to his Jo'burg residence, Shinglewood, in Westcliff. Last year Herman applied to the city council for permission to subdivide his property. He wants to sell the two halves for what "Dr" Venter regards as "a ridiculous price".

Here's the funny bit: "Dr" Venter objected to the subdivision. Among his reasons:

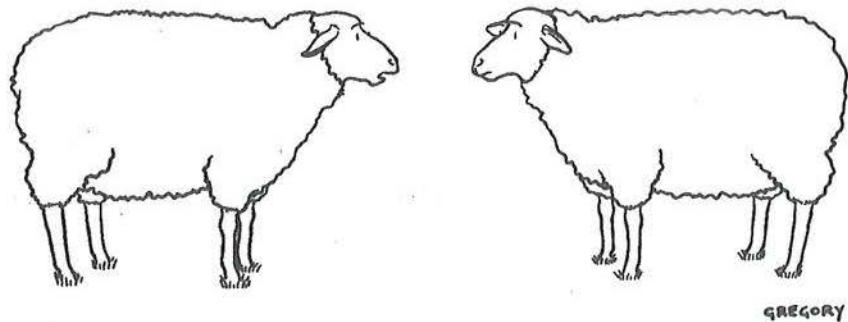
"The proposed

subdivision is very steeply sloped and construction would require an extreme amount of excavation, it would have a negative impact on the environment, and it would look right over and into Venter's property, severely impacting on his privacy."

Now look below at Venter's own modest seaside cottage, La Fellatio du Cap [*shome mishtake surely – Ed*], in Clifton and you'll get the joke.



But wait for the killer punchline: Venter declares in his letter to the council: "I will use all means at my disposal to prevent capitalistic exploitation of a property that is, in my view, really a heritage site."



"Sure, I follow the herd – not out of brainless obedience, mind you, but out of a deep and abiding respect for the concept of community."

# ARMS STEAL



**RADAR RAID:** Bakkies screech off with highly sensitive military gear forcibly removed from Cape Town company CCII

A dispute over a navy contract turned nasty when heavies from one supplier raided the other and made off with delicate radar consoles – on the back of two bakkies

## SOME SOUTH AFRICAN

defence contactors have been spending too much time at their computers playing war games. Last month the bosses of Reutech Radar Systems, based in Stellenbosch, sent a team of heavies to pull a surprise dawn raid on defence technology supplier, CCII in Cape Town. The two companies have had some minor differences about a contract to supply radar systems for the navy's soon to arrive new corvettes.

Seven burly men from Reutech gained entry to CCII's premises under false pretences and before most of CCII's staff had arrived for work. They then simply marched in, grabbed sensitive radar control equipment

worth millions from a CCII workshop, and made their getaway in two bakkies that managed to scrape past a car that tried to block their way.

The CCII receptionist described the men as "balding, chubby, middle-aged Afrikaans-speaking executives in business clothes". They had initially told her and a colleague they were coming to drop something off, but once they had access to the offices, they loaded up their loot and carried it off, leaving the staff of CCII gasping.

More than a year ago, CCII – the company belonging to prominent and outspoken defence electronics whizz Dr Richard Young – was contracted to manufacture a device called a "tracking radar console" for Reutech Radar Systems (RRS). Tracking radar is used on a warship to track the precise position, range and speed of a potential target. The console is the display that a radar operator monitors. In terms of the agreement between Reutech and CCII, the consoles were first to be set up to work with test equipment, supplied by Reutech, which would mimic the input of their radar systems. The actual radar system could not be supplied to CCII for the tests as deadlines were tight and Reutech would not have completed it by the time the consoles were to be delivered.

CCII say they had the consoles working perfectly with the test equipment. However when they were eventually tested with the actual radar, it was found that there were a small number of deficiencies. According to CCII, this is normal with initial integration with a radar.

Reutech then asked CCII to correct these deficiencies, as well as redesign some other aspects of the consoles at no extra cost – a process that would have seen CCII lose hundreds of thousands of rands. CCII agreed to undertake the corrections, but in terms of a settlement agreement Reutech was to pay CCII for the work – which has been going on since March this year.

It seems RRS, stressed by approaching deadlines and escalating costs, may have lost its cool. According to Young, he is still owed R12m by RRS and was holding the radar consoles against payment.

Young is no stranger to controversy and has proved himself resilient in lengthy legal battles against the state

and private individuals. He is known to South Africa as the businessman who provoked the wrath of the notorious Shaik clan by blowing the whistle on corruption in the multi-billion rand arms deal. He's currently suing the government for losing a contract in the deal, which he blames, *inter alia*, on the irregular intervention of former defence procurement chief Chippy Shaik.

Possibly Reutech knew of Young's reputation as a litigant and were determined to get their hands on the equipment without having to fight it out in court. A shocked CCII engineer, who did not want to be named, described the scene that morning.

"They appeared from nowhere. The story now was that they had to check something on the TRCs in the lab, or that they wanted to show some of the people how the TRCs looked.

"Then suddenly a trolley appeared and they whipped the TRCs out of here and onto bakkies parked outside Any ques-

**'Suddenly a trolley appeared and they whipped the radar consoles out of here and onto bakkies parked outside'**

tions on what they were doing were not answered. The TRCs were not packaged for transport and were only secured to the bakkies with some straps. Due care was definitely not taken to load the TRCs and there was a real sense of urgency from the RRS people to get out of here as quickly as possible.... they left as quickly as they came."

It was a messy departure. The receptionist, who in the meantime had recovered her cool, phoned CCII's legal officer, Odette Eksteen, who was only minutes away on her way to work. She came across the two bakkies driving away from the scene and defiantly drove her car in front of them, got out and demanded to know from the driver of one of the vehicles what was happening.

She said: "At this stage the passenger next to the driver just shouted: 'Ry! Ry!' and moved as if to open his door. I saw that this was getting ugly and begged the driver to please not damage my car. I did not even have

time to move it because from then on everything happened very quickly. The RRS vehicle just pushed my car out the way and sped away with the other close behind."

Eksteen has laid a charge of reckless driving with the police, who have also been handed several statements by CCII employees.

Young said that it was "entirely possible" that the delicate and sensitive consoles would have been damaged in the operation – possibly seriously setting back the production of the corvette radar systems: "We developed special transportation packaging to the value of about R500,000 for the devices. There is also a comprehensive manual on how to transport them safely by road. These guys threw them on the back of bakkies and tied them down with straps like those used to secure their sons' surfboards."

Young's attorney, Jeremy Tyfield has written to Reutech demanding an explanation for the: "bizarre, clandestine military-type operation," their representatives allegedly conducted.

Reutech say, in turn, that they have opened a case of reckless driving against a woman from CCII who was driving a Tazz motor car. Reutech spokesperson Monique Coetzer said both vehicles only sustained minor scratches and that the company did not wish to comment further on the incident as a police investigation was in progress.

However Reutech only opened their case after being contacted for comment. Amongst RRS's shareholders are the powerful multinational arms company, European Aeronautic Defence and Space company (EADS) – better known to the South African public for its sponsorship of discount luxury cars for influential members of the government – and Kgorong, a black empowerment company whose directors include Danisa Baloyi, a former chairman of the Gauteng Tender Board and Mafika Mkhwanazi, who has recently quit as CEO of Transnet.

The radar systems have taken several years to complete. A SA Navy spokesperson said that if the components taken from CCII were damaged it could be a "catastrophe" as the ships would be useless without the components. ☐

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# THE CURSE OF NISSAN'S MISSING MILLIONS

## WHAT WOULD YOU DO

if a large company paid R12.7m into your bank account by mistake?

Inform it – and give the money back immediately? Grab the windfall – and head for Bermuda? Put the money in a call account, wait for the company to realise its loss – and in the meantime earn yourself interest of R4700 a day?

Paul Stanley chose the last option – with disastrous results. Now Maple Freight, the small freight-forwarding company he founded 15 years ago is in liquidation, its staff of 40 have lost their jobs and Stanley is the subject of a criminal fraud investigation by the police.

This sorry saga starts on 31 December last year when Nissan SA, the local operating company of the Japanese car manufacturing giant, instructed its bankers, FNB Corporate, to pay R12,767,468 to one of its suppliers, TSW Manufacturing, part of JSE-listed wheel and tyre group Tiger Wheels.

But instead of the money going to TSW, a boob by a Nissan accounts clerk resulted in FNB paying the R12.7m into an old Standard Bank account of a small freight-forwarding company called Maple Freight cc. Maple had previously done business for a Nissan division, so Nissan still had Maple's Standard Bank details on record. (Maple also has accounts with FNB – but that only gets to complicate the story at a later stage.)

When a car giant carelessly deposited R12.7 in the wrong bank account by mistake, the gleeful recipient decided to hang on to it temporarily and earn a bit of interest – with calamitous consequences

Maple's founder and owner, 42-year-old Stanley, was informed of the unexpected windfall as he holidayed with his family on the Vaal River. Within two days – on January 2 – he discovered that the money came from Nissan. But he didn't pick up the phone and put things straight. Acting, says Stanley, on the advice of his then attorneys, he instructed FNB to open an interest-bearing call account and stay mum until Nissan discovered its loss.

From the old Standard Bank account the R12.7m was moved in three tranches to Maple's "receipts" account with FNB. From there it went to the company's "payment" account. And from there, says Stanley, it should have gone to a newly-opened call account. Should have.

It took Nissan an amazing 20 days before the penny dropped. It only discovered its mistake on January 20 this year, when TSW enquired about its overdue R12.7m.

On 20 January Stanley received a testy phone call from Nissan asking for its R12.7m back. Stanley indicated his willingness to return the money, but said he intended to retain the interest (around R60,000), plus a four per cent "administration" fee (another R508,000).

There was more to-ing and fro-ing. Nissan demanded that the money be paid by Maple Freight to its intended recipient, TSW. Stanley said he would return the dosh only to Nissan.

Then, horrors! It emerged that FNB had not transferred the money into the newly-opened call account! There was no lovely interest clocking up at R4700 a day! "Due to an error on the part of FNB the funds were never transferred to the call account," says Stanley. "I only became aware of this after Nissan made demand for payment. The failure to transfer the funds to the call account meant that Maple Freight used the funds in conducting its day-to-day business."

By January 23, Stanley says Maple was in a position to repay Nissan in full (the interest issue had abruptly fallen away and he was no longer calling for an administration fee). Stanley says three cheques were written totaling R12.7m and a Maple executive was standing by to pay the money into Nissan's account when the banks opened on January 24.

But the previous afternoon Nissan secured a high court order freezing all Maple's bank accounts! "We said: 'Unfreeze the bank accounts and we'll pay you the money,'" says Stanley. "They said: 'We'll see you in court.'"

With its bank accounts frozen, Maple Freight was in serious trouble. But in its freezing action Nissan had overlooked one account, with Standard Bank in Durban. It held sufficient to pay Maple's R350,000 wages bill for January.

On January 29 Stanley put Maple Freight into voluntary liquidation. Nissan's group legal adviser Paul Presbury claims in court papers that this move was "a ploy to unlawfully acquire the [R12.7m] funds". But Stanley insists: "I had no choice. The bank accounts had been frozen and it left the company without the ability to trade."

Maple Freight, with offices in Johannesburg, Cape Town and Durban, turned over around R73m last year, says Stanley. "But all freight-forwarding companies run on an overdraft. I had a debtors' book of over R6m. What a lovely mess! I've lost a 15 year business and 40 people lost their jobs."

So what's the situation now? The bottom line, apart from the collapse of Maple Freight and the loss of all those jobs, is that Nissan is R12.7m out of pocket. For it paid the amount again to

TSW – this time managing to put it in the right bank account. “As far as Tiger Wheels is concerned we got paid so it’s not an issue from our side,” says Tiger Wheels joint chairman Martin Glatt.

Nissan has managed to trace R9.75m of the original transfer, and is claiming this amount from Maple’s liquidators and FNB. Nissan claims the money should not form part of Maple’s insolvent estate.

But on June 24 in the Johannesburg High Court Mrs Justice Mailula ruled that it was Maple Freight that was enriched, not FNB, and she dismissed Nissan’s application, with costs. On September 4 Judge Mailula dismissed Nissan’s application for leave to appeal – again with costs. Now Nissan is petitioning the Supreme Court of Appeal in Bloemfontein to be granted leave to appeal against the judge’s decision.

In her report on Maple Freight’s failure, liquidator Karin Keevy says that after the R12.7m went into Maple’s payment account at FNB more than R2m of it was paid out to creditors, leaving a balance of approximately R10.5m. Keevy explains to *noseweek* that this R10.5m is now being held in trust, pending the result of Nissan’s high court action.

“If they win the court case the R10.5m will be returned to Nissan, with interest,” she says. “If they lose then the funds fall in the estate and will be distributed amongst the creditors.”

With Maple’s statement of affairs at January 29 listing liabilities of R9.4m against assets of R4.1m, a courtroom loss is likely to see Nissan, as an unsecured creditor, with nothing.

The former staff of Maple Freight are still reeling from the train of events that led to the company’s liquidation and the loss of their jobs. Some blame the boss, Paul Stanley, for not coming clean with Nissan at the start, and seeking to keep interest on the misplaced R12.7m. “Paul [Stanley] got greedy and it backfired on him,” says one.

Stanley responds: “I discovered the wrong payment on January 2 and phoned my lawyer. He said to me: ‘You put it on call until they come back and ask for it. When they ask you, give it back to them. Any interest you generate is yours in terms of the law’.”

“Bullshit!” declares Stanley’s then attorney, Jaco van Niekerk. “I said: ‘It’s not your money, you can’t mix it with your money’. I never said he was enti-

led to keep the interest. I said put it in a savings account and you will be able to claim the expenses in respect of opening the account.

“I never suggested he ask for a four per cent handling fee. It’s a nonsense. Does he want to make me an accomplice, or what?”

Says Stanley: “R12.7m is quite a lot of money, but I’m not a dishonest person and every penny of that money was left in the bank. It wasn’t touched.

**I’m not a dishonest person and every penny of that money was left in the bank. It wasn’t touched**

I acted upon the advice that was given to me by my lawyers at the time on how we handled that money. There was no sinister motive in moving the money. There was no intent to steal or be dishonest or to hide.

“At the end of the day it came down to a comedy of errors.”

In a statement to *noseweek*, Nissan’s Paul Presbury says: “Our dispute with the liquidators of Maple Freight cc trading as Cargo Management Services (in

liquidation) is subject to proceedings before the Supreme Court of Appeal. These proceedings are at a sensitive stage. In addition, certain criminal charges against Mr Paul Stanley of Maple Freight are under investigation by the state. It is not currently in our best interests to discuss this matter.”

What does FNB have to say about the mess? And why didn’t it transfer the R12.7m into the call account? “No comment,” says Iris Dempsey, marketing director of FNB Corporate. “As FNB Corporate, we are a third party in this transaction and in all times need to protect and respect our clients’ confidentiality.”

So what’s the legal and ethical position if someone pays a large sum of money into your bank account by mistake? “My advice would be to give it back to the rightful owner; you’re not entitled to it,” says Nicky Lala Mohan, a general manager at the Banking Council. “The court would regard it as an unjust enrichment.”

Shifting it to a call account and keeping the interest? “You’re enriching yourself further, because had you not received that money you would not have earned that interest,” says Mohan.

A four per cent handling or administration fee? “A reasonable refund of costs incurred is fine, but four per cent is nonsense.” □



*“This is what happens when ethical standards are set artificially high”*

BY HAROLD STRACHAN

# GRATUITY

## IT'S EMPOWERMENT

that's going to make it all work, you just watch and you'll see, says this old, old Afrikaans oompie on the courtesy bench for seniorburgers at the supermarket. Hel, says he, I couldn't even read in 1948, man, and I was 30! That's when I got a job on the railway. I didn't just sit and get pissed in the station bar, he says, and I didn't steal anything, so after 10 years I got a Matric and I got a nice little used Volkswagen tjorrie and bimeby I got a nice new Nissan out of the box and a house and I was a manager when I retired and got a nice pension.

Trouble with these buggers is they want to START with a MERCEDES, says he.

Well, I don't know, but I take his point; the bugger behind me at the filling station this merry morn is certainly way past the Mercedes tjorrie starting point. He's got this monstrous great silver 16x16 jungle-crusher with buffalo bars, roo bars, tow bars, all chrome plated, huge electric winches fore and aft, double fog lights, strobe mist lights all over and a battery of extra search lights on the roof of enough millions of candlepower to illuminate the surface of the moon in a solar eclipse. Also many jerrycans painted with zebra stripes. Also 100-decibel electronic low-resonance gadoomp fit to shatter the windscreens of passing vehicles.

And he doesn't look too old, I must say.

Accommodation in this Mars Rock-Ranger is so high above ground level it needs old-time running boards for the driver to climb up to his seat. He looks pudgily down upon me from there with considerable haught as I ease myself from the driving pozzie of my doorless beach buggy to show the pump attendant how to use a crafty little hinged part of the fibreglass bodywork I devised so one can get at the hole where you pour in engine oil. Doing my buggy takes time, you see. The wheels are of different sizes front and rear and take different pressures and the spare is tucked away inside and bolted down, that sort of thing, so I'm running parallel with this dude, as it were, in the matter of refuelling and servicing.



That's not going to help you, says the driver, I'm going to see your boss and you'll never get a chance to damage people's cars again

My attendant removes the pump nozzle from the fuel tank and a great burp from an internal air lock sprays petrol all over the front of the buggy and the windscreen. I'll wash it off just now with detergent, he says. Coincidentally 16x16's man removes his too and a bit of a dribble runs down the paintwork.

Mr 16x16 sees it in one of his multiple mirrors! He leaps out! He menaces the man in parliamentary Matric English! Yelling! The attendant gets a sponge with detergent and starts to wipe up. That's not going to help you, says the driver, I'm going to see your boss and you'll never get a chance to damage people's cars again!

Well, whether or not he went to see the boss is arguable, of course; I personally think he just went to the toilet or something, because I saw him handing a key to someone over there after a good long time. The good long time is part of the exercise, of course. Everybody's kept waiting, including myself because he's totally blocked me in; a number of idle pump attendants and so on have gathered by the time he gets back. Assorted street children and unemployed loafers gape in wonder at vehicle and personal power, which again is exactly what ol' 16x16 wants. Needs. It's the substance of his life. He hands a petrocard to the attendant without looking at him. He signs for his fuel.

The attendant gives back the card, pats the car dismissively and says: Okay my boy, you can go now. He doesn't show he wouldn't mind a tip. He puts his hands in his pockets. Mr 16x16 is enraged, entirely, but he can't show it, that would be two points lost. At present he's lost only one. But aha! He takes a coin from that special toll-money niche moulded into the Boeing instrument panel of his wilderness personnel carrier and gives it to the attendant.

Who takes it between forefinger and thumb and bends his knees and hangs his head in Zulu obeisance, as if in the presence of King Cetshwayo, and cries: Hau thank you my baas! Thank you my NICE baas! He does a little rush-around dance like a World Cup footballer who's just scored that goal, holding the coin aloft.

DANKIE MY GROOTBAAS! he cries.

He does that sort of aeroplane circuit, arms stretched out like Alan Donald who's just clean-bowled McGrath, stops at the street children and puts the coin in the hand of the smallest. ☐

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**PERSONAL**

**David Biggs** for President.  
**Dear Abe**, better for man to keep pen in pocket than make jackass of himself.  
**Congratulations to the staff.** I just hope the next year is as juicy as the last.  
**If you want justice** in RSA vote for Patricia de Lille in 2004 election.  
**Quentin Hogge** peripatetic pedagogue no more, settled in mortgage, marriage and monotony – King William's Town.  
**Regal**, Mercantile, Absa, Stannic, FNB. What a bunch of bankers!  
**To Tim, Gil and Kent.** Where would life be without breakfast, coffee and *noseweek*? Ronnie.  
**Van Tonder** squash at JCC 2004.

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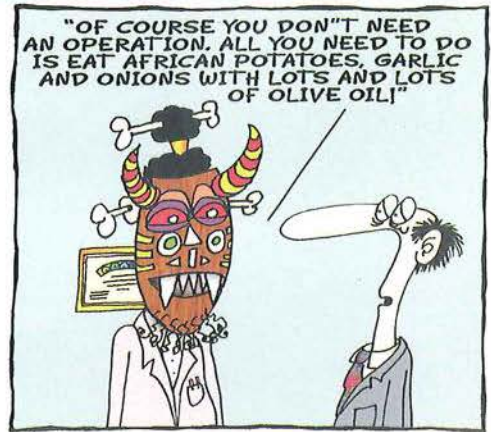
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**What's up doc?**

**by Ashley Cooper**



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