NEWS YOU'RE NOT SUPPOSED TO KNOW

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ENVER MOTALA IN
DOUBLE TROUBLE

Bench marred

YOUR domestic violence article (*nose*146) disturbed me – especially the realisation that such cowardly malice gets past experienced magistrates.

Rob Johnston
Tokai

Proctor's petard

THOSE 83 Joburg advocates facing a fraud inquiry for double dealing/billing brings to mind the joke about a 49-year-old lawyer who dies and when he meets St Peter at the pearly gates complains that he died too young. St Peter remarks: "that's funny, according to your billable hours, you are 79".

Joe
Waverley

You go, girls!

READING your article on Defence Minister Lindiwe Sisulu (*nose*146), one is left with the impression that South Africa has two self-anointed princesses in cabinet: Sisulu and Agriculture, Forestry and Fisheries Minister Tina Joemat-Pettersson.

Both have shown little ability to contribute anything of value to their portfolios, while displaying a great talent for self promotion and the spending of taxpayer funds.

Both should go while something can still be salvaged from their shambolic management.

D Wolpert
Rivonia

See page 24 – Ed.

Castle is king

YOU DESCRIBE the Castle of Good Hope as the second-oldest building in South Africa, beaten by the Posthuys in Muizenberg.

After doing some online research I could find no substantiation for this interesting revelation. I would love to learn more.

Marthinus Strydom
By email

It's a moot point but your query prompted us to delve deeper. The leading authority on old Cape buildings, Hans Fransen, agrees with you. Although both were constructed around the same time, he says the evidence suggests that the castle is the older of the two. – Ed.

Policy? Honestly!

I'M AN insurance broker and think that the Carprehensive product ("Tripping over the fine print", *nose*146) is totally unacceptable.

Most vehicle claims are for partial and repairable damage. Insurance limited to total loss – as with this policy, for which only part of the value was paid – is completely inadequate.

Problem is, this insurance policy will sell (and be actively marketed) to unsophisticated people who do not understand that they are getting very little cover.

In June, *Cover* magazine ran an article by Short Term Insurance Ombudsman Brian Martin, headlined "Beware the Carprehensive policy!"

In it he stated: "The Carprehensive policy currently extensively marketed on TV and which is underwritten by RMB Structured Products, differs significantly from a traditional comprehensive motor vehicle insurance policy and, in reality, offers little protection to consumers."

He suggests that those who cannot afford comprehensive insurance would be better served by taking simple balance of third party, fire and theft insurance, or even just third party insurance instead.

Surely the name "Carprehensive" is misleading, sounding as it does like "Comprehensive"?

Perhaps I should report them to the Advertising Standards Authority?

Doug Bailey
Empangeni

A major banking group running a major rip-off of the poor and unsophisticated – again. – Ed.

Great trek!

EVERYONE knows that *Noseweek* is a difficult nut to crack so I was delighted when a friend phoned me (I hadn't yet received my copy) and informed me that *Canvas Under The Sky* has been reviewed by you (*nose*146).

I dashed out, bought a copy (couldn't wait for GPO) with great trepidation and read your review.

I was and am blown away. Terrific! You have captured and understood exactly what I wanted to achieve.

I don't hold out that this is a great literary masterpiece, but do hope that it does open people's minds to the fact that the Voortrekkers were human beings of (hot!) flesh and blood – not soulless wooden beings who only understood the Bible.

Many thanks for the review. Many many thanks for your understanding.

Robin Binckes
By email

Ask a silly question

THE QUESTION to be debated, after reading "Drowning in a sea of corruption" (*nose*145), is: "If not polygraph testing for MPs, then what?"

If voters were to ask politicians to have annual medical check-ups (paid for by the state), the overwhelming response would be "Yes".

Ask them to have an annual one-question "corruption" polygraph test (paid for by the state), my guess is the overwhelming response would be "No".

We would all like to know that the people we've elected to represent us are honest.

Trevor Strydom
Stellenbosch

"With this fine scheme you are assured that after death you will be cured."

Vintage Bullard

WHAT A pleasant surprise to see that the author of a piece in *nose*145 is David Bullard.

As pleasant as it was, both by read and taste, disappointing to note on the next page that it was merely an advertisement. (Good idea Mr Walker!)

Can we hope Mr Bullard might drop in "for lunch" again some time soon?

P Lewis
Southbroom

Why not? – Ed.

Street cheats

HAVING noted your stories about Nissan dealerships (*noses*140,141), here's how Nissan fooled me and possibly many other owners:

My 2005 Nissan 350z went in for a service as usual to McCarthy Nissan, Gateway. I informed them of a brake shudder, after it had clocked barely 15 000km.

On collecting my car, I was given a bill for R26 000. Each brake disc cost R11 000 and a set of pads an extra R4 000. I was told they were special "Brembo" units that are factory supplied.

Begrudgingly I paid. The issue continued to bug me. Being of a curious nature and a bit of a fidget, I decided to have a look at these amazing pads. I removed the wheel and pins on the calipers, then the pads – only to find Ferodo markings. These supposed racing pads of high pedigree, fitted by a reputable and big Nissan dealer in Durban, were actually a local copy!

I found I could buy them from Midas for R800. Why was I charged R4 000 for them? More important, why pass off cheap pads as high performance pads? Surely that's fraud?

I took the car back, caused a massive stink and had the correct pads fitted.

I sold the car shortly afterwards, too afraid to ask what other parts where in fact pirated copies of the originals.

Just had to get that off my chest.

Hegan Moodley
Durban

Luck of the draw

I WAS A victim of two of the Pretoria advocates named in your article, who took on a few too many cases on the day – one apparently for us and another against us in the same matter.

I agree, too, that it is not only the advocates who should have to respond. Maybe the attorneys involved – who should well know that the advocate can only take one case at a time – should also be asked to explain why they permitted these shady guys to act in this way.

Rob Thomson
By email

Because the attorneys, too, collected an extra (wasted) court day's fees. – Ed.

Throwing stones

YOUR story "Bigger than Brett" (*nose*145) suggests that the JSE is failing in its role as regulator. In a letter published in *Business Day* on November 1, one Nigel Payne shows an almost evangelistic zeal to prosecute white collar crime. His zero tolerance approach is commendable, and it is clear he believes justice has to be done – and be seen to be done.

This kind of hard-line approach is what's needed to eradicate commercial crime. Pity the JSE doesn't see things as Payne does. But, hold on a second, Payne is a director of the JSE and chairs its risk management committee that is supposed to ensure the bad guys get brought to book.

In his letter, Payne wants to throw the book at hapless parliamentarian Yolanda Botha – and everyone else "in a position to prevent this abuse and failed to do so". Strong words, considering the JSE was in a position to rein in Resilient (the subject of your story) but has failed to do so.

He ends by criticising the ANC for not living up to its "promises on corruption", implying some kind of hypocrisy or double standards.

So what about the JSE? Looks to me like Payne may be throwing stones in a glass house.

Peter
Durban

Crystal ball

THE RECENT debate about whether former judge Willem Heath has gone nuts, or whether he is just peculiarly malleable – this all arising from an interview he gave *City Press* – brought to mind that *Noseweek* cover on which he featured more than 10 years ago. He is pictured with a finger to his scalp, declaring: "As I remember it, they placed one of the electrodes about here."

How do you always manage to be so ahead of your time?

Tony
By email

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Jacob Zuma: unfit for purpose

THE RECENT Supreme Court of Appeal judgment in the Menzi Simelane case is undoubtedly a very strong rebuke: do your job properly Mr President!

The court held that Zuma's appointment of Simelane as National Director of Public Prosecutions was invalid because he wasn't "a fit and proper person" to do the job, something that's an express requirement of the National Prosecuting Act. Why? Because Simelane had lied at the Ginwala Enquiry, which was set up to established whether or not Simelane's predecessor, Vusi Pikoli, was a fit and proper person to hold the office.

Frene Ginwala found that Pikoli was a fit and proper person for the job – but she was very critical of Simelane: "In general, his conduct left much to be desired: his testimony was contradictory and without basis in fact and law… several of the allegations levelled against Adv Pikoli were shown to be baseless... [*and*] may have been motivated by personal issues."

Yet, despite this harsh criticism, and despite the Public Service Commission's having recommended a disciplinary enquiry into Simelane's conduct, President Jacob Zuma, ably supported by Justice Minister Jeff Radebe, merrily went ahead and appointed Simelane as Pikoli's successor (After paying Pikoli off, of course!).

Zuma pretty much cooked his own goose when he said in his answering affidavit submitted to the court that he "considered the Ginwala Enquiry's views on Adv Simelane as a note of precaution to the national executive... not a report to have Adv Simelane disqualified for future appointment". In fact, said Zuma, Ginwala really wasn't that relevant because "the individual under scrutiny was not Adv Simelane but Adv Pikoli", which meant that there was no need for me "to read and reflect on the entire transcript of testimony, its import and inferences". Radebe dropped Zuma in it even deeper when he said in his evidence that Zuma "had firm views on appointing Simelane, and simply wanted an opinion from me".

Not good enough said Judge Navsa, speaking for all five judges. Although no process for appointing an NDPP is prescribed, "there has to be a real and earnest engagement with the requirements", and this "does not allow for a firm view before a consideration of the qualities referred to therein". Also, the President had been "too easily dismissive" of the serious concerns raised about Simelane, when "at the very least they required interrogation". His failure to make such enquiries showed a lack of "rationality and legality", even a lack of good faith and a misunderstanding of his powers. Busy as you may be Mr President, "time should be taken to get it right".

Painful stuff.

The court also felt that Simelane was not someone who could exercise his duties "without fear, favour or prejudice" as required by the Constitution, something that's rather important given the prosecuting authority's "awesome powers", including the power "to discontinue criminal proceedings". And to fortify its view that independence is critical, the court quoted liberally from a variety of sources. For example, US prosecutor Jessica de Grazia, who said : "Prosecutorial independence... is under greatest threat… when a single party is dominant, when a country is poor, jobs are few, out migration high, when free media is suppressed, or when prosecutors target the top tier of economic or organised crime and there is a nexus to members of the political elite". And Irish Director of Public Prosecutions James Hamilton, who said: "In totalitarian states or in modern dictatorships criminal prosecution has been and continues to be used as a tool of repression and corruption." Sounds familiar.

But the judgment is also a warning shot fired by a jittery judiciary, one's that's been well and truly spooked by talk that it must stop interfering with government business, and that its judgments are being assessed by cabinet. The message from the court is clear – you may well look with envy on the unfettered powers that your colleagues north of the border enjoy, Mr Zuma, but this is a constitutional democracy, and there's a clear separation of powers. Read the Constitution! As Judge Navsa patiently explained: "As we look back on 17 years of existence as a constitutional democracy... we must all as a nation breathe more easily in the knowledge that we have truly broken with an authoritarian past… where no safeguards existed to ensure that power was not abused."

And, lest this be taken as the wild ramblings of one of those unreconstructed judges of the Appeal Court, Navsa then went on to remind everyone that judges of the Constitutional Court have said much the same. Like Judge Kriegler, who said: "Ultimately the president, as the supreme upholder and protector of the constitution, is its servant. Like all other organs of state, the President is obliged to obey each and every one of its commands."

The judgment's a warning shot fired by a jittery judiciary

And Judge Ackerman: "We have moved from a past characterised by much which was arbitrary and unequal in the operation of the law to a present and a future in a constitutional state where State action must be such that it is capable of being analysed and justified rationally."

And dealing with the argument that, because the President is the people's choice, democracy is subverted when his decisions are overruled by a court, Judge Navsa went straight to the top, quoting former Chief Justice Mahomed: "That argument is, I think, a demonstrable fallacy. The legislature has no mandate to make a law which transgresses the powers vesting in terms of the Constitution. Its mandate is to make only those laws permitted by the Constitution and to defer to the judgment of the court... A democratic legislature does not have the option to ignore, defy or subvert the court."

The judgment is, of course, also a depressing reminder of what sort of president Jacob Zuma really is. A man whose actions are clearly motivated by self-interest, which at the moment seems to be all about ensuring that he's able to live out his life in great comfort and without any nasty charges being brought against him. Take his refusal to appoint an enquiry into the arms deal until he could avoid it no longer (Zuma's choice of judges for that enquiry is interesting too!); his decision to disband the Scorpions, for which he was of course taken to task by the Constitutional Court; his decision to ram the secrecy bill through Parliament; his appointment of lapdogs everywhere – Menzi Simelane at the NPA, Mogoeng Mogoeng at the Constitutional Court, and now Willem Heath at the SIU. Take his lack of judgment: look at the people with whom he associates – Schabir Shaik, Bheki Cele, Mac Maharaj; his laughable attempts to position himself as an international leader – is there anything more absurd than someone who has the carbon footprint that comes with being flown about in a private jet whilst your many wives roar around in blue-light convoys – seeking to lead the world on climate change?

We've all been thinking it for years. It's high time someone said it: a man who has no judgment, little formal education and no interest in anything other than self preservation is not a fit and proper person to lead a modern constitutional democracy that wants to sit at the top table. – **The Editor**

StEnT

Athletics SA's winning woman

GREAT NEWS: things have worked out wonderfully for one of the women at Athletics SA whose life was turned upside down by the Caster Semenya controversy (*nose*144). No, unfortunately it's not Lara Lane, the ultra-committed sports administrator who suffered "collateral damage". It's a former ASA employee by the name of Humile Bogatsu.

Bogatsu was one of those who was suspended when the Semenya story broke, although she did manage to avoid facing disciplinary proceedings.

As recounted in *Noseweek's* earlier story, Bogatsu was a very special friend of ASA President Leonard Chuene – so much so that she received a R10 000 loan from the ASA that she has not repaid. Bogatsu also received generous *per diem* payments for attending athletics meetings at a time when the ASA's financial situation was dire, and on one occasion she received a payment of US$20 000 that she was meant to hand over to ASA CEO Banele Sindani so he could bribe IAAF members to support Chuene's re-election (Sindani denied ever having received the money).

Finger-licking good: Leonard Chuene

Chuene was, in fact, so keen to keep his affair with Bogatsu secret that he used R90 000 of ASA funds to buy the silence of an ASA employee who threatened to tell the world about it.

On 13 November 2011 *TimesLive* used this coy little line to describe the nature of the relationship between Chuene and Bogatsu: "Bogatsu previously worked as the personal assistant of ASA boss Leonard Chuene and was once spotted licking his fingers at a party."

And why was *TimesLive* writing about Bogatsu?

Well she was recently married in one of those society-type dos at an upmarket venue in Pretoria before 450 of the couple's closest friends, including Julius "Remember Me?" Malema, Fikile "Condom Buster" Mbalula, Tokyo "I just wanna be Prez" Sexwale and Marius "I'm a nobody, that's why you've never heard of me" Fransman, Deputy Minister of International Relations.

And who's the lucky man?

Well his name's Songezo Mjongile, something of an ANC bigwig as secretary of the ANC in the Western Cape, which recently discovered to its horror that if you rent a venue you need to pay for it. (The Cape Town International Conference Centre is demanding R1.7 million in payment for a recent provincial conference).

Mjongile was also once the ANCYL president, as well as the chief executive of the ANCYL's investment company, Lembede Investments – so he was thick with that paragon of financial rectitude, Brett Kebble (the Kebble estate, in fact, ended up claiming some R800 000 from Mjongile).

Clearly a match made in heaven! ■

High-flier takes low road

AT AN ANNUAL salary of over R600 000, at least three homes in South Africa and one in France, Allen Michael Jones was definitely doing well as a senior executive of Bond Exchange of South Africa (Besa). His CV reads equally healthily, but fails to mention that he is a sociopath who cannot resist an opportunity to defraud the state – and the poor.

In his retirement letter to Besa, dated June 2009, Jones reminded his employers: "I have been employed in the South African Debt Securities Markets for 40 years, a career that I loved, have been passionate about. My current position held is 'Head: Listing'."

His decision to take early retirement with hefty benefits came within a day of the Competition Commission's approval of the merger of the Johannesburg Stock Exchange (JSE) and Besa. Besa became a wholly owned subsidiary of JSE.

Then 62, Jones's opting to go on retirement raised no eyebrows and his then-CEO at Besa, Garth Breubel, must not have seen anything odd about the decision. What he didn't disclose however is that, as JSE and Besa were negotiating the merger and acquisition, he was having his own negotiations on the side with a potential employer.

Jones confirmed to *Noseweek* that he entered into another contract nearly a year before he informed Breubel of his intention to take early retirement.

Soon after receiving his early retirement package from Besa/JSE and assuming his new position, Jones applied to the Department of Labour's Unemployment Insurance Fund under UIF No. 206279/5 for unemployment benefits. His application was approved. (He withheld the fact that he had received full retirement benefits from Besa, as well as the status of his new employment.) To collect his monthly benefits from the UIF, Jones would dress as a hobo who looked as though he needed the little the state could offer him to feed himself.

What could have motivated Jones – a man with a seemingly splendid past in financial matters – to decide to defraud the Department of Labour?

He maintained to his friends and colleagues at his new place of employment that he only took money from the state and not the poor. His former colleagues who talked to *Noseweek* told us that for him, it was a matter of playing the system.

Picture: Avusa

Allen Jones off-duty from his bumming activities

By **Mark Thomas**

According to UIF's Susan Schrader, it was Jones' new employers who alerted the department to his fraudulent ways. When UIF confronted him with the facts, he immediately offered to refund the entire R39 051.64 he had collected from UIF. In return for his offer to refund the entire lot, the department decided not to prosecute him for fraud and theft.

When *Noseweek* tracked him down at his Franschhoek farm, Jones confirmed having received the money from UIF and maintained that he was entitled to every penny he collected.

"I only decided to give it back because I didn't have time to litigate with the department over what was due to me. I did nothing wrong."

Would he not agree that there are many who are more deserving of what he collected? He, a person with multiple homes, an early retirement package and another job?

"The law doesn't say that I couldn't claim my rights."

What part of the lies were your right? *Noseweek* asked. And why did you have to dress in tattered clothes whenever you went to collect your monthly benefits?

"Please don't publish anything about this yet, I'll pay you to come see me in Johannesburg so that we can discuss this further," he suggested in reply.

Now there's a thought – and maybe a clue as to how he's managed to pull it off for so long. ■

Crooked liquidator lands in double trouble

Will the real Enver Motala please stand up

ENVER MOTALA was removed from the roll of liquidators in September, on the basis that he had – and had concealed – a criminal record. Few tears were shed: the well-connected and enormously wealthy Motala has been highly controversial, having been appointed as a liquidator in literally hundreds of liquidations, often with the support of the unions (See *noses*113, 126, 127, 128 for examples of Motala's machinations).

There are now rumours in Joburg's legal fraternity that Motala will use his contacts – like Aurora directors Khulubuse Zuma (President Jacob Zuma's nephew) and Michael Hulley (now Zuma's official legal advisor) – to persuade the President to pardon him for his criminal convictions, thereby enabling him to get back into the very lucrative business of being a crooked liquidator.

Noseweek quotes directly from the letter of 5 September 2011 removing Motala from the roll of liquidators. Written by the Deputy Master of the High Court, Mrs C Rossouw, its dry legal tone leaves no doubt as to what a disgusting little turd Motala really is.

Rossouw gets straight to the point:

"I hereby inform you of the Master's decision to remove you from the panel of approved liquidators and trustees."

She then deals with claims made in the press "that Motala was convicted of criminal charges under his previous name, Enver Dawood, and that he therefore shouldn't ever have been a liquidator. On 17 August 2011 you attended at the Master's office and gave evidence under oath. In the course of your sworn testimony you:

• Denied that you had ever been convicted of theft or fraud;

• Stated that you had no idea of the identity of the person referred to in the Citizen article as sharing your identity number;

• Had no idea of the offences allegedly committed by that person;

• Did not know who Mr Enver Mohammed Dawood is, and;

• Knew nothing of the convictions of theft and fraud attributed to Mr Dawood.

"On 17 August 2011 the Master wrote to you and informed you that the Master's investigations had revealed that:

• One Mr Enver Mohammed Dawood had been convicted of one count of theft and 93 counts of fraud;

• Mr Dawood (who coincidentally has the same first two names as you) is the person who shares with you the identification number as referred to in the article published by the Citizen;

• Both you and Mr Dawood were born on 20 September 1953;

• Documentation from the Department of Internal Affairs disclosed that Mr Enver Mohammed Dawood and Mr Enver Mohammed Motala are the same person and that on 22 June 1981 the Department had consented to Enver Mohammed Dawood changing his name to Enver Mohammed Motala; and

• An application made in your name to the South African Police Service on 30 July 1992 for a firearm licence disclosed an acknowledgment by you of convictions which appear to accord with those attributed to Enver Mohammed Dawood."

After dealing with the fact that Motala failed to take opportunities presented to him to deal with this issue, Rossouw goes on to say: "The Master can have no confidence in your candour, integrity or transparency. The Master accordingly cannot entrust the administration of companies in liquidation and sequestrations to you. More particularly, the Master cannot allow the continued entrustment of millions of Rands of funds in such estates to you."

Rossouw then moves on to the Pamodzi liquidation (where Aurora ruthlessly stripped the assets of Pamodzi Gold's Orkney and Grootvlei mines, and where Aurora director Khulubuse Zuma refused to give evidence at the subsequent enquiry, raising the fairly rare "I'm too fat to fit into a witness box" defence).

Rossouw goes on to mention that Motala, like young Zuma, also had a hissy fit, and refused to testify before the Master.

Says Rossouw: "Pamodzi is a matter which increasingly became a matter of public concern. Concerns included the cessation of mining activities, accounting for gold from the mines, the dismantling and removal of mining equipment, and the poverty and destitution of mine employees and their dependents.

"The conduct of the liquidators in the context of the aforegoing warranted investigation by the Master.

"The Master was also interested and concerned about the award of a contract to Aurora Empowerment Systems (Pty) Ltd (Aurora), a company which appeared to be under capitalised, unable to afford to run the mines properly and unable to come up with the money to satisfy its financial commitments to the Pamodzi liquidators...

"One of the most important matters that the Master wished to investigate in Pamodzi was why the liquidators persisted in affording extensions of time to Aurora to come up with funds, which it appears they had no prospect of doing."

The Master had also heard rumours of:

• Your relationship with people, more particularly the Bhana * brothers who were running the mining activities of Pamodzi; and

• Monies that had passed between you and/or your company SBT Trust (Pty) Ltd (SBT) and Aurora."

Rossouw's letter goes on to list a number of payments made by Aurora to either SBT or Motala totalling R1 306 886. It then talks of a payment made by Motala (SBT) to Aurora for R3 million, and records that Motala explained this as follows: "Aurora had cash flow problems and asked the provisional liquidators for help with paying salaries, but because none of the other liquidators was prepared to chip in, SBT provided the loan, for which it was repaid by Aurora by way of seven payments."

But, says Rossouw: "We have taken up the question whether there was a request made by Aurora to the joint provisional liquidators for a loan to pay salaries and wages. Messrs Gainsford, Engelbrecht, Petersen, Botha and Pellow have no recollection of any request of that nature. Some of them expressly deny that this occurred...

"Unbeknown to the Master and apparently your co-liquidators, while Aurora was obtaining the extensions aforesaid, you, on your version, were both making loans to and receiving payments from Aurora."

It will be an absolute travesty if this man is allowed to practise as a liquidator again! – Ed.

* See *nose*140, where we wrote about Rafik Bhana, a senior counsel and cousin of Enver Motala. Motala, who was the provisional liquidator of a company called Masters International Tobacco Company, insisted that his cousin be briefed in matters involving the company, and Bhana showed his appreciation by racking up an enormous bill for reading documents. ■

Endless summer

PRIOR to publication of *nose*146 and the story "Holidays nobody wants", *Noseweek* wrote to Travel Quest/Leisure Travel International manager Charmaine Oglesby, for comment.

Oglesby said the Wilkinses – a couple in their sixties who wanted to cancel a 40-year contract they'd signed – "were well aware of the term of the membership when they signed… They could have opted for a five-year or 10-year membership".

She said the the Wilkinses had the choice of suspending their membership until they were in a position "to pay the relevant year's renewal fee and the membership would be reinstated".

"Obviously the intervening years, where the fee had not been paid, would be lost and deducted from the total term of their membership."

"Well," said Blake Wilkins in response, "we would have jumped at a five-year contract if it had been offered. We were only offered a 30-year contract, which they said they would extend to 40 years as a special bonus.

"We were never ever told we could suspend the contract and not have to pay the annual fee.

"*Noseweek* has our correspondence with these people which shows beyond doubt they refused outright all our efforts to cancel the contract," said Blake Wilkins.

iPadded cell

"HEY, PICK N PAY's selling iPads," announced a colleague to the *Noseweek* newsroom a few days ago. One journalist, keen on the idea of a bargain purchase, immediately picked up the phone to the shop to see whether it was true. "Hi, can you put me through to the department that sells iPads?" he asked. "Please hold on for the pharmacy," said the telephonist.

An inconvenient Toefy

Lion's Head development hits planning snag

THE PROPOSED Lion's Head development (*nose*145) becomes more intriguing by the day. On 16 November, the Western Cape Department of Environmental Affairs and Development Planning ruled on the planned eight-tower apartment complex, which is likely to become another scar on the mountainside for Capetonians (a la the notorious Tampax Towers – more formally, Disa Park).

The Director Land Management (Region 2), Zaahir Toefy, held that the development should not be allowed, saying lots of nice greeny things – for example, that a development must be "ecologically justifiable, socially equitable and economically viable, i.e. environmentally sustainable".

Great news! But not so fast: the decision relates to only one section – Block E. Toefy fails to deal with the rest of the site, and he doesn't even allude to the fact that both the City of Cape Town and the objectors feel that the biodiversity issue affects the entire site.

So what does this mean?

Well, the developers can file an appeal if they're determined to proceed with all eight blocks. And that appeal will go to the Western Cape Minister of Local Government, Environmental Affairs and Development Planning, Anton Bredell. Bredell – as *Noseweek* pointed out in the previous article – showed some steel recently in relation to the Lagoon Bay development in George.

But people within the City of Cape Town have pointed out that Bredell's head of department, Marius du Rand, was part of the team that first presented the Lion's Head development to the city as a proposal some years ago. (When *Noseweek* spoke to Du Rand he admitted he'd been part of the team that presented the proposal to the city for a company named Lombard Finance, but insisted that, as the appeal would be heard by his boss Anton Bredell, there was no conflict of interest.)

Another possible scenario is that the developer simply accepts the decision. In which event it seems very likely it will be able to proceed with the other seven blocks because, as *Noseweek* understands it, it's then simply a city issue rather than a provincial issue, and the word from the city is that this development has its tacit approval.

However, the city's Environmental Management Department is strongly opposed to it, and concluded: "The entire development site should be treated as sensitive from a biodiversity perspective unless there is evidence to the contrary. Biodiversity Management does not support development at this site without significant mitigation in the form of a biodiversity offset."

Those opposing this development have long suspected that the developer may plan to sacrifice Block E in order to get the other seven passed. That, they say, is why the developer used the wrong map in the first place. ■

The notorious Disa Park "Tampax Towers" in Vredehoek on the slopes of Table Mountain

Socialite in three-ring circus

Blonde tussles with lawyer over bloody diamonds

THERE'S a new twist in the tale of Cape Town socialite Sylvia Ireland, whose former psychiatrist, Dr Ray Berrard, is in the midst of a Health Professions Council disciplinary hearing for having had sex with her while she was his patient. This time it's her lawyer who is in the dogbox – for behaving "like a pawn-broker" and taking her jewellery – three rings and five bracelets – in lieu of payment.

When Ireland was going through a divorce from the late South African perfume supremo Stuart Ireland, he and a sheriff arrived at her door one day with a so-called "Anton Pillar" court order to search for and seize the vicious family mongrel, Jack, and various household items.

She urgently called on her attorney Charl Coetzee of the firm Louw Coetzee and Malan Inc, to come to her rescue. He'd been recommended to her by Inge Peacock, owner of Ireland's favourite fashion boutique, Lulu Tan Tan. But, says Ireland, when he arrived he spent a great deal of his time that morning establishing how his fee was going to be paid. He left bearing various diamond rings and bracelets, today worth an estimated R1.2 million.

Now Ireland wants the jewellery she gave him as security returned, and instead wants to be properly – and fairly – billed. "He will not return my e-mails and my requests to return my jewellery in place of payment. I regard the work he has done to be less than commensurate with the value of the diamonds he took and I am therefore laying a charge of theft against him," reads an affidavit lodged at the Claremont police station.

"Any lawyer will tell you that isn't theft," the Cape Law Society told her – but their disciplinary committee did find there to have been unprofessional conduct by Coetzee "in that he failed to account faithfully, accurately and timeously… for fees and disbursements and for payments received by him, either in money or jewellery or other items, so as to enable the complainant to assess the amount outstanding or any refund to which she may be entitled".

Coetzee was also found to have brought the attorneys' profession into disrepute "by retaining possession of eight items of jewellery entrusted to him by the complainant as security for fees, the value of which exceeded the fees as set out in an as-yet-untaxed bill of costs, despite requests for the return of such jewellery".

Peter Pearson, legal officer of the law society's disciplinary department, added that Coetzee had elected to call for a full disciplinary enquiry into the matter, "which has the effect of suspending the finding of council pending the outcome of the disciplinary enquiry proceedings".

When Ireland first indicated she wanted an accounting and most of her diamonds back, Coetzee produced a series of invoices amounting to more than R730 000. However, when the law society asked him to submit a bill, he produced an account for less than half that amount – about R336 000.

Coetzee claims his "refusal to do anything for Mrs Ireland until I had been given some form of security was based on unpaid accounts… and the litany of litigation she was involved in based on unpaid accounts running into millions of rands". He said that, with the urgent matter in question "the papers were voluminous… In the circumstances there was absolutely no way that I was prepared to assist her without adequate cover. Mrs Ireland voluntarily gave items of jewellery to me as security and in lieu of fees".

Coetzee has refused to speak to Ireland's new attorney, Jeanne Strauss of Ian Levitt Attorneys, who tried to establish what happened to the jewellery.

Strauss berated him in July 2010 saying: "You are an attorney, not a pawn shop owner… it is your duty to properly account to your client of your fees and client's payments. As soon as your bill of costs is taxed it is our instruction to issue summons against you for the difference between the fees owed to you and our client's jewellery and proceed against you at the law society for conduct unbecoming of an attorney," wrote Strauss. ■

Sylvia Ireland on the ropes

Things **don't** go better with **Coke**

"The Coca-Cola Company (TCCC) is committed to operate with the highest possible ethical standards both internally and externally with suppliers and partners."

THAT'S AN OFFICIAL statement by a spokesman for the mother of all Coca-Cola companies, based in Atlanta, USA.

And that's probably what we all thought. Foolishly. It's certainly what Erich Schravesande – a Durban businessman doing general export business into Africa – thought in the year 2000, when a friend introduced him to Hans Kaltenbrun, Chairman of Coca-Cola Canners of Southern Africa (Pty) Ltd (CCCSA) and technical director of Coca-Cola South and East Africa (CCSEA), with a view to their doing business together.

Yes, you'd better get to know the acronyms now, or things are going to get really tedious: both CCCSA and CCSEA are direct subsidiaries of TCCC – *The* Coca-Cola Company. There is also a CCA – Coca-Cola Africa (based in London, naturally) – but that features only peripherally in this story. Generically, they are all simply known as Coke.

Internationally, Coke runs its bottling and distribution operations as franchises: sub-contracting companies are given a franchise to bottle and/or sell Coke in specific areas in terms of contracts that also strictly forbid them from supplying Coke products into other franchisees' territories. The system is centrally policed by Coca-Cola: the victim of so-called "transhipment" or "dumping" gets compensated for their estimated loss of profits, the perpetrator gets penalised on a pay-up-or-else basis.

By 2000 the world was effectively already covered, corner to corner, with Coke franchises. But then the management of Coca-Cola South and East Africa (CCSEA), eager to increase sales (and their bonuses), had a bright idea: aeroplanes in the air, ships at sea, airports and harbours – let's not forget oil rigs at sea – are nobody's territory. And they are duty-free. Several new "preferred agents" were promptly appointed to sell Coke (the sweet drink) into this new "territory". Schravesande's company, Webs Trading, was to be one of them.

Within no time, Webs Trading was so successful

at selling Coke to ship's chandlers and duty-free outlets in harbours and airports from Greece to Hong Kong that it did just about nothing else.

The go-getting, hungry-for-sales character of the new "duty free" agents meant they were also occasionally tempted to sneak stock into the territories of the established, more lethargic franchise holders. There were complaints to Coke head office when, now and again, they were caught at it but there is reason to suspect that Coke itself was/is not entirely averse to revving up competition – and sales – in this way, and that Coke executives have even collaborated at it when it suited them.

"I was offered stock by a senior executive of Coca-Cola Canners (CCCSA, remember) with the clear implication that it should be sold in another francisee's territory, " says Schravesande, producing the evidence in the form of a "*pro-forma*" invoice issued to Webs Trading by the local Coke subsidiary.

"I turned it down. I was doing so well on the straight and narrow, I didn't need to take those risks."

Schravesande was doing so well that, when smart Hans Kaltenbrun had his next creative marketing idea – early in 2001 – it was no surprise that it was to Schravesande that he turned.

Coca-Cola had been slow in appreciating the international shift away from sugar-laden, carbonated drinks to healthier natural fruit juices – and to clear, clean spring water. By the time Coke woke up, scores of new competitors had entered that market and were rapidly getting established – quite apart from giant international Nestlé that was well away with its own natural spring water, Pure Life. Coke had to move fast to catch up – but, explained Kaltenbrun on his next visit to Schravesande in Durban, The Coca-Cola Company in Atlanta (TCCC) was so buried in corporate bureaucracy and legal procedures that it would take another year or more just to get the project approved.

Kaltenbrun had thought of an innovative way to get around the problem: someone equally smart (like Erich Schravesande) should, without further ado, set up a water bottling plant that complied in every way with Coke's exacting standards. He would be able to do it on the firm understanding that, from day one, he would have a contract to bottle huge quantities of Coke's new branded water, Ciel, for export into sub-Saharan Africa. There was "huge pressure" from Doug Jackson, President of Coca-Cola South & East Africa, to get water into Africa, he said.

No doubt about it: most of Africa can do with a reliable source of clean drinking water. Schravesande was persuaded.

Within no time he had found a business partner prepared to put up a couple of million in development capital. He, together with Kaltenbrun and Coke's legal counsel, Angela van Hoffen (now with SABMiller), then toured half a dozen water bottling plants in the South African countryside, getting prices and taking water samples for assessment at Coke's laboratory in Brussels.

Only one of them met Coke's exacting standards: Chantilly Water at Dargle in the KwaZulu-Natal midlands. Schravesande bought the company and the farm, and immediately set about upgrading the plant to Coke's standards.

They could not immediately conclude the usual Contract Packing Agreement

Chairman of Coca-Cola Canners Southern Africa Hans Kaltenbrun (left) with Chris Gough (second from left) – after 15 years in the CIA – now Asset Protection Manager for Coke in Africa and friends

The whole scheme had been a grave miscalculation

with Coca-Cola – that was what was going to waste a critical year or more. Kaltenbrun's way around the problem was to draw up a "Letter of Intent", which they both signed on 8 May 2001. In it they agreed that CCCSA would guarantee an "offtake" of 30 000 cases of 12 x 1.5-litre bottles of Ciel water per month, starting on 1 September 2001, the day on which the plant was to go into production.

In July they proceeded to draw up the more formal Contract Packing Agreement that was to be sent to Atlanta for signature, in due course. In it, Chantilly undertook to also produce a 500ml bottle of water, and Coca-Cola upped the guaranteed offtake by adding 30 000 cases of these smaller bottles to the monthly figure. In this way Coke was guaranteeing Chantilly a turnover of at least R1.3 million per month.

Chantilly Water's upgraded plant was passed by Coca-Cola's quality control department and fully commissioned on 1 September.

Coke's first order for Ciel Water – 500 cases – was placed and paid for by Kaltenbrun himself – to be distributed as samples across Africa, and at a grand party to launch Ciel on the South African market.

The party took place at the Hilton Hotel in Durban on 11 September – yes, 9/11. That Day. Kaltenbrun had hired the entire first floor of the hotel, and a dance band and a comedian from Cape Town to entertain the guests. Everyone spent the latter part of the evening in the bar downstairs watching endless repeats of those airliners flying into the Twin Towers, and of all the smoke, fire and horror that followed.

Not a single further order for Ciel water was received from Coke in that year. Or in January, or February, or March, or April of 2002. Schravesande was sending more and more desperate letters to Coca-Cola Canning – at least three a month – and getting no replies.

In February, Kaltenbrun's deputy, Mike Manning, did write a letter to all CCCSA's export managers, with copies to senior management, reprimanding them: "We have yet to receive any [*Ciel Water*] orders from any of the SAED regions."

Some further quotes from that letter: "Getting Angola to buy into the Ciel project is difficult." "Mozambique: SABCO [*Coke franchisee there, SA Bottling Corp*] have yet to agree to distribute Ciel." "Namibia: mixed messages as to preferred brand."

He concludes: "Progress to date is such that Doug Jackson [President, CCSEA] may not be impressed with what the system has achieved over the past six months."

To no avail. It simply did not pay to transport a low-value but heavy item – water – long distances at great cost. The whole scheme had been a grave miscalculation.

Or had the objective – in launching Ciel and Chantilly water – been something altogether different? Because, unknown to Schravesande at the time, Coke was already far advanced with other plans: instead of trying to enter the fruit juice and spring water markets as a battling latecomer, it was bidding to buy out an already successful operator in the sector: Appletiser, whose water brand, Valpré was already big in the market.

It has crossed a few minds that the half-cocked launch of Ciel Water, so emphatically designed to look like Valpré, was simply a dummy move – conveniently at Schravesande's expense – intended to hurry or intimidate Appletiser into signing on Coke's dotted line.

Chantilly received its second (and last) order for Ciel water from Coke on 29 May 2002 – 10 000 cases for delivery

to Angola. Half the order was cancelled before it could be delivered.

But neither The Coca-Cola Company of America, nor any of its African subsidiaries was going to admit – or pay for – that miscalculation. They had other ways of dealing with such problems: ways that might cost other parties lots of money – even their livelihoods – but which were directed at saving Coke money and its executives their careers.

A week or two after receiving that last perfunctory order Schravesande was told by another agent that he had heard that Coke was planning to cut off the supply of Coca-Cola to Webs Trading, his original business. Webs had continued selling Coke – which had been his lifeline – as Chantilly Water went into steady decline.

On 23 June 2002 he received a letter from CCCSA confirming that all Webs Trading orders for Coke were being placed on hold, pending investigation of a complaint that export stock from Webs had been "dumped" on the market in Johannesburg, the franchise territory of Amalgamated Beverage Industries (ABI, a subsidiary of South African Breweries and Coke's local partner as the holder of 49% of the shares in CCCSA).

In November he wrote to the president of The Coca-Cola Company in Atlanta, Mr D N Daft, explaining how Chantilly had been established at the suggestion – and with the active collaboration of – Coca-Cola Canners and Coca-Cola South and East Africa, specifically to bottle water under their label Ciel, and what the terms of their agreement were.

He told Daft how, subsequent to a change in local directors of CCCSA Chantilly Water's directors had been called to the Joburg office of Coca-Cola on 15 August 2002 to be given the devastating news that Chantilly's contract had been cancelled, as an international marketing decision had been made to "strangle" the Ciel label.

"Despite every effort to ensure resolution of our financial dilemma… we continue to be treated with total disrespect to our circumstances, which have been occasioned solely by the actions of CCCSA and CCSEA," wrote Schravesande. He then asked Daft to appoint someone to intervene and mediate a settlement.

The response: a month later Mike Manning, Kaltenbrun's executive assistant, flew to Durban to meet Schravesande. He had been delegated to persuade Schravesande to accept a settlement deal. Immediately apparent from the draft agreement was CCCSA's intention to use the threat of legal action against Webs Trading for allegedly having "transhipped" or "dumped" consignments of Coca-Cola on the Johannesburg market, as leverage to secure a cheap settlement (for Coke) of the Chantilly fiasco.

The bottom line: "Without in any way admitting liability for any claim which Chantilly may have... arising from any agreement, whether oral, express, tacit, implied or in writing... CCCSA shall pay to Chantilly an amount of R262 421.88... in full and final settlement of any claims which Chantilly may have against CCCSA and or TCCC arising out of the Ciel arrangement."

Schravesande and his co-shareholders refused to sign the agreement: "Firstly, Webs did not transhipments of Coke destined for export. I have repeatedly challenged them to produce the evidence. They cannot do so. Secondly, the losses we suffered at Chantilly, due to their breach of contract, amount to several millions of rands. In those circumstances their settlement offer was not only ludicrous, it was offensive."

In January, the new MD of CCCSA, Islay Rhind, arrived at Chantilly's plant – accompanied by Rassie Erasmus, Coke's loss protection manager – to personally try and persuade Schravesande and his partners to accept the settlement proposal. They again refused, whereupon he angrily produced a VAT invoice issued by CCCSA for R6 680 000.00 plus R935 200 in VAT, payable by Webs Trading as a penalty for allegedly "transhipping" Coke into Johannesburg – ABI's territory.

To conclude this section of our story we need to record just two more events:

On 23 November 2003 Chantilly Water issued summons out of the High Court in Pietermaritzburg against Coca-Cola Canners of SA, claiming R24 million in damages. In their plea to the summons, CCCSA *inter alia* deny that a valid agreement was concluded between them (they claim that their chairman, Hans Kaltenbrun, was not authorised to conclude the agreement on behalf of Coca-Cola Canners) and deny liability for the amount claimed.

Eight years have passed since summons was issued, but not a single word of evidence has yet been led in court. There have been half a dozen postponements of the trial over the past eight years, most of them applied for by Coca-Cola's lawyers – in this case, Livingston Leandy Inc of Durban. The last court appearance was on 17 October 2011, when Coke secured yet another postponement – until November 2012. This time, just two days before the trial was to begin, Coke's lawyers decided that, in order to dispute Chantilly's audited accounts for the years 2002-2004 (they show an audited loss of R3.6m) they required copies of all Chantilly's financial records for re-auditing by a firm of forensic auditors. They were granted the postponement.

Meanwhile, Webs Trading went into voluntary liquidation on 28 July 2004, and an insolvency enquiry was launched at which Coca-Cola officials have been obliged to produce many documents and financial records that they had intended to keep secret. Those are the subject of the next chapter of our story.

Half the order was cancelled before it could be delivered

Schravesande denied having dumped any stock anywhere and demanded proof. CCCSA insisted they had found "absolute" proof – proof they would not produce.

CCCSA's MD, Islay Rhind, followed up by summoning Schravesande to a meeting in Johannesburg, where, in the presence of other senior staff members, he reiterated that he had "absolutely conclusive" proof that Webs Trading had dumped export stock in ABI's area. Not only that; he also had proof that Schravesande had been bribing "a certain staff member", and that this evidence had emerged at a disciplinary hearing of one Tertia Stassen, an employee in Canners' export department. Rhind added that if Schravesande was not careful, Coca-Cola would ensure that customs and VAT authorities would pursue criminal charges against him. Still no proof was produced, just a lot of threats and heavy talk.

A weaker man would have given up. Not Erich Schravesande.

IN THIS SECTION, *Noseweek* peels back the ostensible truth to reveal the lies told and covered up on behalf of Coca-Cola – at all levels, from our local Coca-Cola Canning (Pty) Ltd, to the regional CCSEA, to CCA (in London) – all the way to The Coca-Cola Company in Atlanta, a company that considers itself too large and powerful and dignified to be questioned.

Coca-Cola, it emerges, is another First World corporation that has no scruples about defrauding a Third World country of its legitimate tax income – just because it's "more convenient" for the company. A company that hires expensive lawyers to lie expensively on its behalf. A company that brazenly cheats in business.

Let's begin with that numbered VAT invoice issued to Webs Trading by CCCSA for R6 680 000.00 plus R935 200 VAT, described as "penalties i.r.o. export stock dumped locally". How was the amount calculated? Schravesande knew it was not a penalty for export stock he had dumped on the Joburg Market – because he hadn't dumped stock. He guessed it was Coke's estimate of what Chantilly Water might claim from it for the failed Ciel project.

But on Webs's auditor's advice, he consulted SARS about what he should do. SARS confirmed it appeared to be a valid VAT invoice and that, since Webs was a registered VAT vendor, it could claim a refund from SARS for the VAT amount – which they did.

In July 2005, five Coke executives were subpoenaed to the Webs Trading insolvency enquiry to produce documents supporting their various earlier allegations and to answer questions. First, the liquidator wished to see the documents that supported the claim from ABI, which was the foundation of that VAT invoice for R7.5-odd million.

To which, even before the set enquiry date, the Webs liquidator received a startling one-sentence reply from Coke's attorneys, Livingston Leandy: "There was no claim from ABI."

The response to the liquidator's request to see the record of the disciplinary hearing of Tertia Stassen (at which – Coke had alleged – absolute proof was found that Schravesande had been bribing her): "This was an internal file and is confidential."

Do *not* as I do!

On 17 July 2002, Naomi Brehm, who presided at the disciplinary hearing of Tersia Stassen, Coca-Cola Canners' export controller, produced a summary of the evidence – and her findings. Some extracts:

■ In November 2001, at the request of a customer in Kenya, Supplies and Logistics Ltd, Tersia Stassen produced lower-value "pro forma" invoices and these values [were then] reflected on import declaration and inspection documents. By Stassen's own admission, she did this in a desire to assist the customer and without any instruction from Coca-Cola management.

In his evidence, Craig Knotts, CCCSA's export manager stated that he told Stassen that assisting the customer in this manner cannot be done. According to him, he pointed out to her that the company's name would be on such amended documents, which could bring the company into disrepute.

Stassen did not challenge the witness at the time, but in her own evidence she stated that [when she discussed the matter with him] Knotts had told her to "do as she wished" but that he "did not want to know about this".

In my view [said Brehm], whether he responded as he stated, or as Stassen stated, she should have understood that complying with the customer's request was not acceptable, both in terms of the Coca-Cola policy and in terms of general business practice.

■ Knotts did admit in his evidence that in the case of "certain" exports to Mauritius, nil-value invoices have been produced by Coke SA "to speed up the delivery of such exports".

Those invoices had, however, been generated on the express instructions of Coca-Cola management, in specific situations only, "to ensure that the product was available to tourists and hotels in Mauritius."

Knotts agreed that, effectively, no customs duty would be paid on goods brought in on a nil-value invoice, although he claimed this was not the intention of the transaction.

In any event, Brehm declared in her judgement, the fact that such actions have been sanctioned by Coca-Cola, as in this instance, did not imply that all staff working in the export area have permission to provide customers with lower value invoices or other documentation or give them permission to assist customers in avoiding their rightful obligations to various government agencies in their own countries.

In summary, she said, Coca-Cola's authorised actions in relation to Mauritius airfreight imports could not be taken as tacit approval to all staff to provide a means of customers avoiding import duties. [*Really? A bit like saying because the President of South Africa feels entitled to take bribes, does not mean that he is sanctioning the taking of bribes by lesser citizens.* – Ed.]

■ There did not appear to be any benefit to Stassen in her actions. Only the customer would have benefited by the lower customs duty to be paid. Coca-Cola did not suffer any loss by her actions. However, Coca-Cola had been placed in a potentially criminal position by having been party to attempts to defraud the Kenyan government of customs duty owing to it. Such actions could have extreme consequences for Coca-Cola and result in financial loss to the company should the head office become aware of this and take action against the South African operation.

Stassen's services were terminated forthwith.

Nine other requests were similarly dismissed as either "irrelevant" or "confidential".

Livingston Leandy's arrogant conclusion: "In the light of the aforementioned, our client's [*Coke's*] employees, duly subpoenaed, are not in a position to assist in the enquiry by producing documentation. Our client considers the calling of five employees for a period of two days as an expensive exercise in futility."

They simply did not pitch up at the enquiry on the appointed day, regardless of the law.

A year later, however, they were finally forced to produce their documents and testify.

First off, CCCSA's financial director, Barry McPhail, was noted still to have all four of the original copies of that VAT invoice on his file – copies that should have gone to various divisions of the company for processing.

How come? he was asked. Because it was manually produced and hadn't gone through the normal process. Had it been processed for VAT? No. Had Coke accounted to SARS for the VAT? No. He had issued it on MD Islay Rhind's instructions. Copies had not been filed in the various places where invoices were normally filed.

Webs Trading's liquidator immediately reported the potential VAT fraud to SARS, who confirmed that they would investigate.

The result of the subsequent SARS investigation is recorded in a letter addressed to CCCSA on 22 March 2006 by Claire Hunnington of the enforcement and criminal investigations division of the SARS in Durban – another of the documents that Coke would eventually be forced to produce at the insolvency enquiry.

Hunnington writes: "Further to our meeting on the 21st February 2006 regarding the tax invoice issued to Webs Trading CC as a scare tactic [*As a scare tactic*?! – Ed.], the following was discussed and agreed upon:

1. The invoice was used as a "scare tactic" and was not in the normal course of your business.
2. The invoice was not processed through your accounting system as a business transaction.
3. The invoice caused prejudice to SARS in that it was used as a VAT input claim which was refunded by SARS
4. Subsequent to the refund, Webs Trading has been placed into liquidation.
5. Coca-Cola Canners of Southern Africa (Pty) will make a conscience payment of R935 200.00 to SARS.
6. CCCSA will not use the amount paid to reduce any VAT liability derived from operations.
7. Furthermore this expense will not be allowed for income tax purposes as it is of a capital nature.
8. SARS will not pursue this matter criminally."

Not only had Coke – by its lawyers' written admission – received no complaint from ABI about stock allegedly transhipped by Webs Trading (let alone there being "absolute proof" of such a transhipment, as had been alleged by various senior Coke executives) but the subsequent VAT invoice issued by Coke was a fake and a fraud, perpetrated in order to blackmail an inconvenient business associate.

(*Readers may wish to re-read the introductory paragraph at this point.*)

Next, we move on to Coke's "bribe-taking" former exports controller, Tersia Stassen, whose disciplinary hearing Coke regarded as an "internal matter" and therefore confidential. Luckily Stassen did not regard that record as confidential and happily produced it at the Webs Trading enquiry – because she had not been guilty of taking bribes; on the contrary, the enquiry had found, most specifically, that she had not enriched herself, whatever else she might have done. Even more relevant here: there was not a single mention made at her hearing of anything involving Schravesande or Webs Trading. Not one word.

It involved the misdeeds of another Coke client entirely. (The record of Stassen's internal disciplinary hearing is interesting for more reasons – see box.)

Once again Coke's claims of having "absolute proof" that Schravesande had bribed their staff member was, in fact, an absolute lie. Or, in their books, a "confidential, internal" matter, beyond public scrutiny.

The investigation and closer scrutiny prompted by the accusations levelled by Coke against Schravesande have unearthed a hoard of theft and corruption, transhipments and stock dumping – often of expired stock – by Coke itself. And, most of all, the lies and the cover-up at the highest levels provide a shocking new insight into just how power has corrupted some of the world's biggest corporations – and their lawyers and accountants. ■

Don't count on the bank

Arithmetic isn't FNB's strong point, writes **Mark Thomas**

BANKING SERVICES have gone hi-tech – and so have the fraudsters. While banks have issued a plethora of warnings about the scam emails that are now synonymous with internet banking fraud, very little has been done to address fraud linked to cellphones.

When First National Bank introduced the e-wallet for cardless ATM withdrawals in March, some hailed it as the best thing that ever happened to the previously unbanked. Not much of a boon, though, if the bank has failed to address all the security loopholes that are exposing its clients to fraudsters.

For the past few months First National has been on a country-wide drive to persuade its clients to register for cellphone banking. In November they upped their offer to include smartphones and tablets. But what the marketers don't give their clients is the warning that never comes with the manuals for their gadgets: "bank at your own risk as we cannot guarantee that your money is safe".

Capetonian Moghamet Dharsey, 66, recently discovered that the cost of registering for cellphone banking is far higher than the traditional way of doing banking: face-to-face with a teller.

In August 2010, a bank representative persuaded him to sign up for cellphone banking – a "convenience" that soon lost its appeal when, at 7.06 on the morning of November 21, he received a flurry of text messages notifying him of five transactions on his account. By the time the messages stopped arriving, Dharsey had lost a total of R1 605.

He was first in the queue when his local branch opened that morning and he demanded answers.

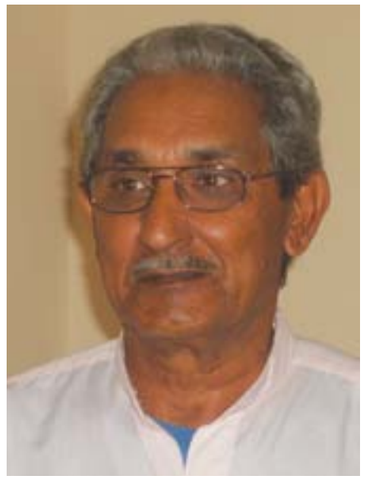
"Sorry, there is nothing we can do. According to our system, you must have made the transfers," they insisted. When *Noseweek* contacted the bank, we received within a few hours what appeared to be a standard response: "The client was responsible for the transactions," wrote Busi Mngomezulu, a senior FNB communication manager: Smart Solutions: "…FNB Cellphone Banking is regrettably unable to credit the customer's account with the disputed transactions. Should the customer not be satisfied with the outcome he is advised to take this matter to the Banking Ombudsman."

Dharsey's cellphone records for that morning showed that the only activity on his cellphone had been that of the five incoming text messages from FNB.

With that information, we returned to FNB to ask them to explain the kind of investigations they had conducted to confirm that Dharsey was indeed responsible for the unauthorised transactions. We also sought to know how many similar complaints they had received from their clients since the launch of cardless withdrawals, as "Dharsey's" transactions originated from two different cellphone numbers, neither of which was his.

Noseweek asked the bank whether they had bothered to establish the Rica registration of the two numbers used to prompt the transfer of the funds and questioned the competence of the bank's security that could be breached so easily – as in this case.

Five days later a bank employee, who refused to identify herself, called *Noseweek* to say they had "settled" with Dharsey and refunded his stolen money (of course, arrogantly emphasising this was a magnanimous gesture that was in no way an admission of liability)



Moghamet Dharsey

"but mainly as a matter of good faith on our part". And she made no mention of how or why the fraudsters were allowed to access the account with a cellphone number that was not registered with the bank for the said services.

The following day the bank credited Dharsey's account with R1 446.00 – R159.00 short of the stolen sum. *Noseweek* couldn't resist asking the bank whether their staff had problems with simple arithmetic. ■

Three uncles in the financial business

Bullying Oasis bosses turn out to be grim brothers

OUR STORY begins at the Cape Town headquarters of Oasis Asset Management. On 28 February 2008, a young – and brave, it will later transpire – Rizqa Abdullah, a 2007 Financial Information Systems graduate of the Cape Peninsula University of Technology, commenced employment with Oasis Group Holdings, at their 22 Riebeek Street, Cape Town, premises.

Some quite prominent people have at one time or another been associated with Oasis, among them Western Cape Judge President John Hlophe, who, controversially, was on their payroll and moonlighting for them in and out of court (see box). The founder-directors of Oasis are the brothers Ebrahim: Shaheen, Adam and Nazeem.

In May 2008, two months into her employment, Abdullah requested and was allowed a transfer to join Oasis's five-person Information Systems department tasked with an important IT project called Project Bela. She loved her job and later described her immediate boss, Mohamed Khan, as, "a good manager who did not compromise who he was for Oasis" . Oh-oh – do we detect a hint of unhappiness here?

Yes, it wasn't long before Abdullah saw and heard how badly the brothers Ebrahim treated other members of staff and managers, including Mohamed Khan. Project Bela was understaffed, time and resources were few, and, to add to Khan's woes, he was on the receiving end of a campaign of harassment, victimisation and swearing by the Ebrahims. Abdullah could see the toll that this was taking on Khan's health. She would have left sooner had she not believed she owed Khan moral support, although herself keeping a low profile. She also felt protected in that she worked for and reported to Khan. As time went by, she also overheard what went on in management meetings and became ever more disenchanted with her new big bosses. She would later testify that other Oasis staff were desperate to work under Khan in order to "escape the madness".

"Hand over your cellphone"

The Ebrahim brothers (circled from left to right) Nazeem, Shaheen and Adam with Lord Mayor of London Michael Bear, London Sheriff Richard Sermon and UK Trade Commissioner to South Africa Andrew Henderson in London earlier this year

Khan finally had a bellyful of the Ebrahims' tirades and on 27 August 2010 handed in his notice.

Presumably tired of going to work with her heart in her mouth and wondering when it would be her turn to be harassed, victimised and verbally abused by the terrible trio, she too resolved to hand in her letter of resignation. On 30 August 2010 she arrived at work – resignation letter in her bag – and found the IS department's office door locked, only to be told that the IS and IT departments had been integrated. She was told her boss had been moved to the 22nd floor.

There she found Khan sitting "in isolation" at a desk, with only a notepad and pen in front of him. Nazeem Ebrahim was standing next to the desk. One could have cut the air with a knife. Her heart was thumping. She knew from Khan's look that she should not approach him. She recalled how another employee who had resigned was made to sit in an isolated area of the building which was filled with boxes, reading the newspapers daily for three months.

Khan's position had been taken over by Oasis IT Manager, Jay P Khailan, and so she handed her letter of resignation to him. It was headed: "Notice of resignation effective 1 September 2010". In the letter she undertook to fulfil her "duties and responsibilities whilst I am still here [*there was a three-month notice period stipulated in her contract*] and ensure that all of my responsibilities are handed over correctly".

But Oasis preferred to take her letter to mean that her last day of employment would be 31 August 2010.

Nazeem Ebrahim then proceeded to make any thought of her staying on for the notice period impossible: he bullied her, saying her letter of resignation indicated that she wanted to leave Oasis immediately. Not so, said Abdullah. He nevertheless took immediate steps to force her immediate departure.

Abdullah then approached the Commission for Conciliation, Mediation and Arbitration (CCMA) in Cape Town, alleging constructive dismissal.

This is where our story really begins.

The CCMA heard that, on the day of tendering her resignation, (new boss) Khailan excluded her from a joint IS and IT lunchtime staff meeting. He returned from the meeting and asked her whether she would be leaving "today or tomorrow", telling her he would let her go "today".

She replied that she intended to work her three-month notice period as she didn't have another job lined up – and that her colleague Junaid Hoosen was due to take leave in October 2010.

Khailan told her in no uncertain terms that she would not be working out her notice in the IS/IT departments – which is where her training and skills lay – and, furthermore, Hoosen's leave was no concern of hers. He demanded she hand over, forthwith, her company-issue laptop and access cards to the building, her department, and various other conference rooms including the 20th-floor boardroom and the small research boardroom on the 21st floor.

Khailan then instructed another employee to accompany Abdullah to the office of Mohamed Bayat, Oasis Human Resources and Training Manager, for him to decree where she would be placed. Bayat told her that Nazeem Ebrahim would "decide what would happen to her". But he was in a meeting. Bayat disappeared, leaving her sitting in his office. When he returned he told her that it "appears from the facts" that she owed Oasis money and would have to sign an acknowledgement of debt.

She found herself cornered by Bayat, HR administrator Anis Cassim and Nazeem Ebrahim – who persisted in telling her that her resignation letter indicated she wanted to leave forthwith. She insisted that she wanted to work out her three-month notice period.

Abdullah had learned from other Oasis employees that it is wise to record conversations with Oasis bosses. And so it was that she put her cellphone on recording mode and placed it in her jacket pocket. But the wily Nazeem Ebrahim was alive to the fact that cellphone recording was standard operating procedure for troubled Oasis staff,

Recording:

Nazeem: *Put your jacket over there please. Put your jacket over there. Where's your cellphone? Take your cellphone out. Leave it outside. Put your bag outside.*

Abdullah: *Uncle Nazeem!*

Nazeem: *I am no uncle Nazeem. Leave your cellphone outside or I'll fire you without any whatsername. Leave your cellphone.*

Abdullah: *Uncle Nazeem. I wanted to work out...*

Nazeem: *Leave your cellphone outside.*

End of recording.

At the CCMA, Abdullah's case was heard by respected, no-nonsense

Life in the fast track

PROFESSOR Mohamed Sayheed Bayat was fired by the Cape Peninsula University of Technology on 1 February 2010 after a thorough enquiry headed by respected labour law expert Sarah Christie. She found that he had committed fraud, had altered students' marks and had "fast-tracked" a Tourism and Hospitality student's Master's thesis.

commissioner Ursula Bulbring.

In her 4 July 2011 judgment she says: "Abdullah said that the staff call the directors 'uncle'. She took her bag and jacket out. She heard Nazeem saying something about "make her sign it". She returned to Bayat's office. It was small (about 4.5 by 3 metres). She knew that other employees had been forced to sign AODs and she knew not to sign it. Nazeem told her to sit down; he then whispered to Bayat and Bayat said that she would move to the 20th floor boardroom to resolve the issue. Abdullah asked if they could take the stairs. Nazeem said that they would go where he said they would go. A decision was made to go to the small research boardroom on the 21st floor. Abdullah said that Nazeem [Ebrahim] was "aggressive, hostile and in her space". She was concerned about going into the research boardroom because entrance is gained with an access card. She disputed that there was a key in a glass door through which she could exit (she had worked in that room before). She believed that she would be trapped. If she went in, she could not exit (she had handed in her access card). Abdullah said that she was scared; it was Ramadan, she did not want to be alone with them in the boardroom. At least in Bayat's office there were glass windows and everybody around could see and hear.

"Nazeem was saying that she'd have to pay in her leave and notice (in the form of forfeiture of her provident fund) because she was leaving early. She saw the lift doors opening and saw it as her chance to run. She ran into the lift and noticed (HR man) Cassim running towards the lift too. She exited the lift and leapt over the turnstiles at the foyer of Oasis building and ran down Long Street."

The CCMA hearing was conducted over four days between 12 November 2010 and 23 June 2011. Oasis was to be represented by one of its senior managers, Ridwan Kajee.

On the first day, Bayat appeared and sought a postponement on the basis that Kajee had viral meningitis and, furthermore, he, Bayat, was, "not prepared or qualified to deal with the matter".

Commissioner Bulbring would have none of it and agreed with Abdullah's lawyer Richard Brown that Kajee had played no material role in her departure from the company.

Bulbring: "Bayat was present on the day Abdullah left; Bayat is an experienced HR practitioner (a professor of tourism management and a dean of a business faculty) and could ably represent the company." [*Maybe – but see Box 2.*]

Bulbring: "Abdullah is relieved to no longer work at the company. She found Nazeems's shouting [*at her on that day*] and swearing unbearable. He was rude, abrupt, intimidating. Her father would never speak to her like that. He had once come into the IS department and suggested an overweight colleague take a walk around the block. She believes that the general public regard the company as a "tyrant" for the way it conducts its business. The company has not cooperated with her to obtain the release of her pension fund. HR had not responded to several requests. Other former employees also struggled to receive payment (Bayat confirmed during his evidence that there were two complaints to the Pension Funds Adjudicator)."

Apart from being the company's "lawyer" for the proceedings, Bayat was also a witness. The commissioner was singularly unimpressed with his "evidence":

Bulbring: "Bayat faced a conundrum in giving evidence. [*The version given in*] His email of 9 September 2010 to Abdullah was not supported by the transcript from the recording. Following the giving of their evidence and the cross-examination, I found that neither Bayat nor Cassim were credible witnesses. Khailan was a compelling witness who largely contradicted the evidence of his two colleagues, Cassim and Bayat. To my mind, the words uttered by Nazeem 'sign the document, compensate us and leave' were designed to make continued employment impossible."

Nazeem, an attorney and "Head of Group Compliance", did not take the stand to testify. Commissioner Bulbring found that Abdullah had been constructively dismissed and awarded her six months' pay – an amount of R108 000. ■

Oh, *that* Oasis remuneration!

THE AFRICAN Christian Democratic Party laid a complaint with the Judicial Service Commission regarding Judge John Hlophe's tax evasion. The JSC assembled a committee of three to investigate Judge Hlophe's relationship with, and payments from, Oasis. They were: Appeal Court President Craig Howie, North Gauteng High Court Judge President Bernard Ngoepe and disgraced Advocate Seth Nthai, SC.

The transcript of the 13 September 2006 evidence makes interesting reading when the possibility of Judge Hlophe having committed tax evasion is discussed:

Howie P: Did you declare it [*the Oasis income*]?

Hlophe JP: To the best of my knowledge Sir, my tax is up to date and I brought proof thereof...

Howie P: My question was, did what you declare include the remuneration from Oasis?

Hlophe JP: I don't remember what was the arrangement between myself and Oasis with regard to tax in particular but I have not had any queries raised from the tax authorities.

Howie P: Would you just check, we don't want tax details that don't have anything to do with this. The question is simply whether the receipts from Oasis were declared.

Hlophe JP: OK.

[Hlophe JP is then excused.]

Ngoepe JP: The reference to the tax returns... I don't know where that is going to lead... that, which may be something else altogether... I was becoming quite uncomfortable about such direction because what if somebody hears that he has not disclosed that in his tax returns, which means a criminal offence and really...

Howie P: That is not a complaint. [*Really, Judge Howie? Paragraph 4 of the ACDP complaint was all about "tax evasion"*. – Ed]

On 13 July 2007 Judge Hlophe wrote a letter to the JSC in which he pointed out: "My application for tax amnesty is currently pending before SARS with regard to some income, which was not timeously declared. I am currently awaiting the outcome of this application."

Ja well no fine.

Another curious detail: Oasis had paid Hlophe's "fees" directly to the Ting Trust, a trust controlled by Judge Hlophe.

Ship shop

Arms Deal boats flogged off in bargain sale

OPPONENTS of the Protection of State Information Bill seemed agreed on one thing: while there is a need for secrecy legislation – state security, defence, and all that – what the government has come up with goes way beyond what's required: it lends itself to abuse, and it will clearly be used to cover up corruption.

For what, in heaven's name, does a country that's an intelligence-free zone and a military no-hoper need secrecy legislation?

South Africa's intelligence services are used for nothing more than settling political scores; the custodian of intelligence, State Security Minister Siyabonga Cwele, is so dumb he gets involved in public spats with his most senior spies, suggests that all those opposing the secrecy legislation must be controlled by foreign agents, and fails to notice that his wife is a drugs mule ("Stormy Weather", *nose*116).

It is a country that spends billions on planes and ships that aren't fit for purpose simply because the purveyors of the hardware paid the biggest bribes; a country where the soldiers go out on strike and then get involved in violent clashes with the police; a country where civilians can hire Air Force Hercules C130 aircraft for their skydiving activities (*nose*110). It is also a country where senior naval officers moonlight by operating removals businesses (*nose*110); a country where the Minister of Defence is a haughty glamourpuss who's far more comfortable in designer outfits than fatigues, and who has the job because Daddy was a somebody; a country that would probably be in shit if Andorra launched an attack.

Militarily, we're a bunch of clowns, everyone knows it, and it's pointless trying to cover it up.

Which brings us to Simon's Town Naval Dockyard, the home of our fearsome SA Navy, and still the home of four of the six Lindau class minesweepers purchased in the early 2000s, and which, like the later frigates and submarines, were a complete waste of money. The minesweepers gathered dust for years (with one being destroyed in a missile exercise), until the navy finally decided to get rid of them. But it was a bit embarrassing to sell off ships that had never been used, so it was all hush-hush, with no public announcements. When salvage (and former navy) man Gary Mills ("Portnet", *nose*124), got to hear that the ships were up for sale and started making enquiries about how he could tender, it caused consternation: "Who told you these ships were available?"

Eventually Mills was told to use a generic tender form for his bid, and in 2009 he received formal notification from Armscor that his bid had been rejected. Instead the five minesweepers went to Gary van der Merwe (he of Huey helicopters flying around Cape Town fame) for R1.4 million. But this didn't rid the navy of its problem. Van der Merwe fixed up one of the vessels and sold it on, but the remaining four are still tied up in Simon's Town.

That recently prompted the not-so-switched-on senior officer of the dockyard, Captain Glen Knox, to ask Mills what was going on with the minesweepers (perhaps if Intelligence Minister Cwele reads this, he'll figure that the state may well want to hold on to these minesweepers lest it does decide to nationalise the mines).

Mills, like many other civilians, goes in and out of Simon's Town Naval Dockyard at will – for the past 30 years he's been using the Navy's dockyard crane and slipway, facilities which the navy rents out to the public together with its synchrolift.

Mills is using the dockyard at present because he's involved in a project for the Institute for Marine Technologies involving the installation and maintenance of a desalinator in False Bay, and he launches the boat he uses to get out to the desalinator from the dockyard.

Mills estimates that the majority of the people in the dockyard at any given time are civilians, and he says that certain well-connected people, like former Simon's Town mayor Harry Dilley, even have their offices on the base, and are allowed to secure their private boats there.

There's no consistency or logic in any of this, complains Mills (tell that to anyone who did national service, Gary). Mills needs access to the dockyard's outer wall so he can remove salvaged units from the water and load them on to a truck – a job that may take three hours. But the navy won't give its consent. Knox (with whom Mills served back in the day) refused the request on the grounds that the navy discourages civilian activity in the dockyard, and certainly not money-making activity.

As for Knox's immediate superior, Rear Admiral K Louw, he doesn't answer Mills's letters, nor does her serene loveliness Defence Minister Lindiwe Sisulu. The DA's Mark Wiley has also been unable to help. ■

The cold flash of corporate steel

Backstabbing and intrigue in the boardroom

A COMMODITY trading company recently acquired by JSE-listed shipping giant Grindrod has paid a private detective R5.5 million to "pilot" the criminal prosecution of one of its former executives – hoping to substantiate a R114m insurance claim. It makes for a chilling tale of back-stabbing and intrigue in corporate Joburg.

The company is commodity trader Oreport, a former Anglo-American sanctions-busting operation; the private eye is Dave Oswald, head of Forensic Restitution (FR), a Joburg firm that claims "a holistic approach to all aspects of suspected fraud or malpractice investigations" and whose clients include Johannesburg Water, the Road Accident Fund (RAF) and Hollard Insurance.

In the dock is Rudi Clayton, 52, father-of-two, sequestrated, on bail of R50 000, and presently chief executive of a stainless steel manufacturer in the Arabian Gulf. He is charged with theft of R4.8m through unauthorised trading and his case resumes in Joburg's Specialised Commercial Crime Court on March 30.

However, aspects to the affair, mostly relating to a R114m insurance claim made by Oreport, are so disquieting that public interest demands an airing before the trial resumes.

A threat by the arrogant and bullying private eye Dave Oswald to lay criminal charges of "aiding and abetting" if one single word appears in *Noseweek,* may not be idle. For Oswald rules at the police's Commercial Branch in downtown Joburg. The office of Clayton's arresting officer, Captain Joel Ngobeni, is festooned with Forensic Restitution corporate regalia – pens, mugs and writing pads – an FR T-shirt declaring "Fraud does not pay".

And, should the good captain or his sidekick, Inspector Arthur Nkosi, look blank when asked a point of detail in the Clayton case, they can be forgiven. After all, private eye Oswald of Forensic Restitution – in the pay of Oreport – compiled the docket against Clayton for them.

Rudi Clayton in the Arabian Gulf

Just why is the Commercial Branch's special investigator so desperate to keep a lid on the matter until, "we've got this guy [Rudi Clayton] in jail"?

Events leading to Clayton's 2009 arrest make a riveting corporate cliffhanger. Clayton used to work for Columbus Stainless as a senior manager handling export sales. His ex-colleagues Ian Falcon and Huw Collett had joined Oreport, which they acquired with several other shareholders in a liquidation sale. In 2005 they invited Clayton to join them to import stainless steel, mainly from Asia. The vehicle for this was an Oreport subsidiary, Umngani Trading, of which Clayton was manager and sole director. He was never a director or shareholder of Oreport.

Umngani bought stainless steel from a Chinese company, Tisco, which enjoyed a generous 11% export rebate from their government (enabling them to win contracts by selling at cost and still make 11% profit). But around May 2007, this rebate was reduced to 5%. At the time Umngani was committed to supplying 4 300 tons of stainless steel to customers in Italy. And the Chinese were desperate to get this consignment out of China before the end of April to secure the full rebate. Clayton obliged, and the steel left on the *Great Gain* for Durban, with the *Jolly Vrede* commissioned for the onward leg to Genoa.

Clayton talked the Italian customers into paying upfront: some €13m (R142.7m). Then, fatally, he took his family off to Thailand on holiday. Shortly after his departure, one of the Italian customers, Otukumpu, refused, as a matter of policy, to pay for its 250 tons upfront. In response – the reasoning is not clear – Oreport director Huw Collett, who was managing things in Clayton's absence, cancelled the *Jolly Vrede* and the entire 4 300-ton Genoa shipment. On 25 July 2007 Collett issued a directive: "No firm bookings or commitments to Italy until further notice".

By the time this was sorted out and a replacement ship found in September, the price of nickel – a critical ingredient of stainless steel that represents 60% of its value – had slumped from $54,000/ton to $27,000. And since they'd paid the top price in advance, the Italian customers had lost €4.3m (around R40m at the time).

Umngani had another 2 963 tons of stainless steel to ship out of China. The same group of Italians agreed to take it, but this time refused to pay upfront, insisting on "Cash against Documents". This means the customer pays for the goods at a bank, but only when the cargo has safely arrived. And when it did, the Italians, still furious about the loss they'd incurred on the earlier shipment, said they'd only take up the documents if they received a substantial discount.

The last thing shareholders wanted was massive unsold stock on the books

Clayton wanted to keep the cargo in stock and trade out of the position if the market recovered. But by now it was the end of 2007 and Grindrod, which held 50% of Oreport, was poised to pay out R80m for the remaining 50% from its five shareholders, who included Collett and Falcon. The last thing these shareholders wanted was massive unsold stock on the books and a consequent reduced offer price from Grindrod for their shares.

At an Oreport board meeting attended by representatives from Grindrod, Collett, Falcon and Oreport chairman Brendan McIlmurray did not disclose that the potential loss had been caused by Collett's cancelling the first shipment. They said the late shipment was due to lack of cargo vessels. The board ordered chief executive Falcon and Clayton to fly to Italy to sell the steel "at best".

Despite Clayton's protests, this is what happened. But to cover himself, at lunch in Italy on 11 December 2007 Clayton had Falcon wrote down the prices at which they would sell. They were below Umngani's purchase price. Various sales were made, at a discount, and on their return to South Africa Clayton passed credit notes for the difference between the original and the new sales prices. "I had a cold shiver down my spine when Falcon told me to pass the credit notes," recalled Clayton.

The result was a R38m loss to Oreport: a catastrophe for shareholders, who had confidently expected 2007 to be a profitable year and had dished out generous performance bonuses. Future bonuses were scrapped to repay the ones received and after Clayton resigned the following January, Ian Falcon informed him that his promised salary payments for February and March would be held back in lieu of the R280 000 profit share he had received on 2007's expected profits.

Suspecting a problem in the company's internal control systems, Ian Falcon called in Dave Oswald of FR. It was not long before Oswald discovered, quite apart from the R38m Italian loss, that Clayton had been trading on the side, at a profit to himself of some R4.8m. Clayton has since explained that he became disenchanted with the behaviour of the Oreport directors and planned to set up on his own (he registered a company named CSC – Clayton Steel and Commodities). He claims he never traded with Oreport's stainless steel customers, but only in carbon steels.

Clayton's attorneys advised him that although there may have been no criminal intent, he was in breach of his fiduciary duties as a director of Umngani, on which all his energies as a director should have been expended. So when a high court judge ordered him to repay the R4.8m in a civil action brought by Oreport, Clayton accepted the judgment. Not that he could repay the R4.8m – he had already hocked his Bryanston home to pay legal bills.

Meanwhile, Dave Oswald prepared a massive R114m insurance claim to Oreport's insurers, Etana, part of the Hollard group. This claim included not only Rudi Clayton's on-the-side R4.8m trading profit, but the R38m lost on the Italian fiasco. Along with the claim, Oswald attached a report attributing the R38m loss to Clayton.

This of course was nonsense. It had been Oreport director and shareholder

Huw Collett who cancelled the shipment that resulted in the R38m loss after the nickel price collapsed. And it had been Oreport's chief executive, director and shareholder Ian Falcon who had set the fire sale prices at that lunch in Italy, which precipitated the issue of the credit notes.

On 3 June 2009 Clayton was summoned to a meeting at Grindrod Bank's boardroom in Sandton. There Collett and Falcon told him that if he signed an affidavit admitting that the R38m loss was all his responsibility, and that he had acted independently and without supervision, they would drop the criminal charge against him and would not press for the R4.8m civil judgment debt. The following day, Clayton attended the office of Oreport's attorney, André Vos of Deneys Reitz, where he was shown a draft witness statement with his "confession".

Outraged, Clayton refused to sign. He was arrested four days later by Commercial Branch police. Private detective Dave Oswald accompanied police in a search and seizure raid on Clayton's Bryanston home, personally seizing family laptops.

What are we to make of this? Clearly, Clayton had been a naughty boy trading on the side at Umngani and making that secret R4.8m profit for himself. But that does not make him responsible for the R38m Italian shipment loss. The clear inference is that Oreport's directors hoped that if he accepted responsibility and admitted he had been acting independently, they might get that R38m back – and more – in their insurance claim. As well as secure the whole circa R80m price from Grindrod for their shares, if it could be shown that it was a rogue element and not the Oreport directors, who had messed up the Italian deal.

This theory gains merit when we speak to private eye Dave Oswald of Forensic Restitution. For Oswald denies that there ever was any insurance claim by Oreport for R114m! "No, the claim was for R5m, which is all they were insured for in terms of the policy," he says. "Plus on top of that there was R250,000 worth of fee claims for preparation [for him, as part of his R5.5m fee]." He adds: "100% of the claim was accepted by the insurance company. They settled for all of that."

Equally amazingly, Oswald says that the R38m Italian loss had never featured in the claim. "That is the amount of money in one deal that was lost by Oreport. And that was what facilitated the initial investigation. That's all it did."

A source close to Etana, Oreport's insurer, flatly rejects Oswald's version of events. Oreport's initial claim, supported by Oswald's own 100-plus page report, was for R114m, a loss the company had suffered "as the result of Rudi Clayton". And it definitely included the R38m Italian loss.

"The original scenario for R114m was based on an entirely different set of circumstances, hypothetical bullshit quite honestly, which we proved beyond any doubt was absolute blatant bloody lies," says the source. "The R38m was part of that R114m; the balance was absolute crap. This claim was rejected because it was entirely fictitious."

So, again contradicting Oswald's version, Oreport put in a second claim. This one was trimmed to some R43m, and it included Clayton's R4.8m secret trading profit and the R38m Italian loss. "This was also rejected out of hand," says our source. "Then they put in a claim for R5.25m and Etana made a commercial decision to settle. I think it worked out to about R4m eventually."

Dave Oswald is clearly anxious that none of this comes out at Clayton's forthcoming trial. And at least one lawyer believes that, should it emerge that Clayton received an offer that criminal charges against him would be dropped if he falsely confessed to the R38m Italian loss, then Oreport could well face prosecution for insurance fraud.

At the end of the day Oreport's directors and shareholders lost out when Etna rejected their initial now-denied R114m insurance claim. And to rub it in, they also lost out on the sale of their remaining 50% shares to Grindrod.

Grindrod's chief executive Alan Olivier, its head of trading Tony Stewart, and its group financial officer Andrew Waller all declined to speak to *Noseweek*, and – surprisingly for a listed company – the amount of shareholders' money dished out for those remaining Oreport shares has never been revealed.

Oreport's former chief executive Ian Falcon, now director of Steelcom's South African subsidiary, Comsteel Trading, says he's loath to reveal the price Grindrod was originally prepared to pay for the shares, but agrees that "about R80m sounds about right". He admits the valuation was "obviously affected by what took place" and "we certainly had to revise our asking price down". Falcon finally agrees that this reduction was "in the R38m sort of ballpark". There was an initial part-payment and a balance earn-out over three years, the final payment being made in 2011.

Noseweek awaits with eager anticipation the resumption of Rudi Clayton's trial at the end of March.

In the meantime, *Noseweek* asks: is it in the interest of justice for the police's Commercial Branch to be allowed to bring a case that is based almost entirely on a docket prepared by a private detective? What is more, a private detective like Dave Oswald of Forensic Restitution, who is retained and has already received more than R5m from a company which, before its now-denied initial insurance claim was rejected, planned to enrich themselves using a false confession, and whose thwarted directors seem now more motivated by hate and a lust for revenge than anything else.

As Dave Oswald declares of Rudi Clayton: "I really do want to see this bastard nailed and behind bars for ever and a day."

Or, of course, things could go horribly wrong for Dave Oswald. ■

Oswald says that the R38m Italian loss had never featured in the claim

A scaley solution to a slimey problem

How the state is cashing in on abalone poaching

IT'S NO SECRET that South Africa's fishing industry is in a mess. Some say the trouble started when Valli Moosa left the cabinet in 2004. Why? Because, they say, Moosa was the last minister who was strong enough to stand up to the well-connected predators who see the country's marine resources as just another asset to be plundered – one such well-known family name that comes up in this regard rhymes with Hake.

The theory is plausible enough: it's hard to imagine lightweights like Kortbroek van Schalkwyk and Tina Joemat-Pettersson standing up to some of President Jacob Zuma's most favoured people (or anybody really). No, what ministers like that are good for is visiting fishing villages at election time and telling the villagers what they want to hear.

Others would ascribe the decline to the departure in 2005 of Horst Kleinschmidt who was for years the head of Marine and Coastal Management (MCM), a government entity that's part of the Department of Agriculture, Forestry and Fisheries and which is funded by levies on fisheries and permit fees through something called the Marine Living Resources Fund. Kleinschmidt successfully transformed the fishing industry and tackled the issue of poaching by introducing various initiatives, including specialised investigating units, and training in environmental law for prosecutors and magistrates.

As a result, the conviction rate for poaching went up to 85%, and there were some high-profile convictions, including Elizabeth Marx of Gansbaai and Jason Ross of the Eastern Cape, who both got three years and had their assets seized.

Kleinschmidt also ran a tight ship with strict budgetary controls (certainly no business class flights), which meant that MCM actually operated a surplus.

But the good people of the National Assembly who oversee these things weren't interested in any of this. Instead they were rather vexed about the fact that MCM employed fewer black South Africans than demographics dictated, and certainly not enough African women. When it was pointed out to them that there simply weren't enough black science graduates to fill the positions, they were told the solution was simple: drop the requirements, which is, of course, so much simpler than raising education standards. So Kleinschmidt and his right-hand man Shaheen Moola resigned in frustration, lost to the world of consultancy.

The result is that the demographics are now perfect. But little else is. The anti-poaching initiatives that Kleinschmidt introduced certainly went out the window. As did notions of constancy: the Department of Agriculture, Forestry and Fisheries has had four directors-general since 2010, each deployed from Pretoria and arriving with little or no knowledge of matters maritime, and most of the senior positions are filled by acting appointments – while expenditure has gone through the roof.

(This may be a small example but it sums things up rather well – when Kleinschmidt and Moola were in charge, the MCM Christmas party comprised poetry readings and sandwiches on one of the department's boats, the *Sarah Baartman*. But the year after they left, *Idols* contestants provided the entertainment at the 5-star Constantia Uitsig restaurant.)

Within a year, a surplus of R5 million became a deficit of R90m.

But what about abalone poaching? Hardly a week goes by without the public hearing of refrigerater-truck loads of abalone being seized by police. Surely that battle's being won?

It certainly is, but only in places like Australia and California (with advice from South African experts, *nogal*). In South Africa it's being lost hands down.

For starters, the demand for abalone is huge. In China, where the delicacy is a status symbol and aspirational, the demand is being fuelled by the huge growth in the middle class. Which means there's serious money involved. The figures are, in fact, astounding. R3 billion-worth of abalone leaves South Africa annually, of which only R30-R50m is legally harvested. (There is a small abalone industry, with 300 individuals and entities being granted rights to harvest 280 tonnes per year.) Money like that makes people do nasty things, and the lawlessness and gangsterism that it fosters have serious repercussions for coastal towns like Hawston. And yes, there is a direct link with drugs – the sellers of the abalone are often paid in ephedrine (used to make tik) rather than in cash.

The laws are in place: the Marine Living Resources Act makes it an offence to harvest abalone without a permit, and it's an offence to be in possession of, or to transport, such abalone. Penalties are severe, with fines of up to R2m and prison sentences of up to five years.

The police do still seize abalone at roadblocks on a regular basis, but convictions, we understand, are rare. That's because all the procedures that Kleinschmidt put in place to make sure the system works have long gone. And because corruption's rife: a poacher caught with 10 bags of abalone will come to court and the charge will relate to two bags – the other eight having mysteriously disappeared. The sharp defence attorney will then let the prosecution know that there will be questions about the missing eight bags, and *voila!* the case is dropped.

Measures that have been put in place recently don't work either. The 24-hour poaching hotline isn't answered, and the fishery control officers stationed in the various fishing villages are a waste of space because they have to knock off at 4pm due to the fact that they can't get overtime pay, so every poacher knows that you start poaching at 4pm. And, as always, cadre employment rules: proceeds of these sales of seized abalone simply represented a nice surplus for MCM, but nowadays the profligate entity is dependent on the proceeds of the sales for its survival. In 2009 abalone sales brought in some R80m, roughly 30% of MCM's operating budget; in 2010, however, 590 tonnes were sold for a R11m, which means that it was sold at R18 a kilogramme, when even mediocre abalone fetches R350/kg (raising all sorts of other questions...); for the period April to September 2011, however, sales are already in the order of R30m.

What's going on? Well there's obviously complete confusion in the ranks. But apart from 2010 – when the entity hopelessly undercut the price of legal South African abalone and found itself with a deficit of R58m – MCM clearly relies on the sale of seized abalone to keep it going – so a delicate juggling game is now apparently being played. The aim is to seize and sell enough abalone to stay in business, but not so much that poaching stops and revenue dries up.

A government agency that depends on the proceeds of crime to stay in business! Whatever next? ■

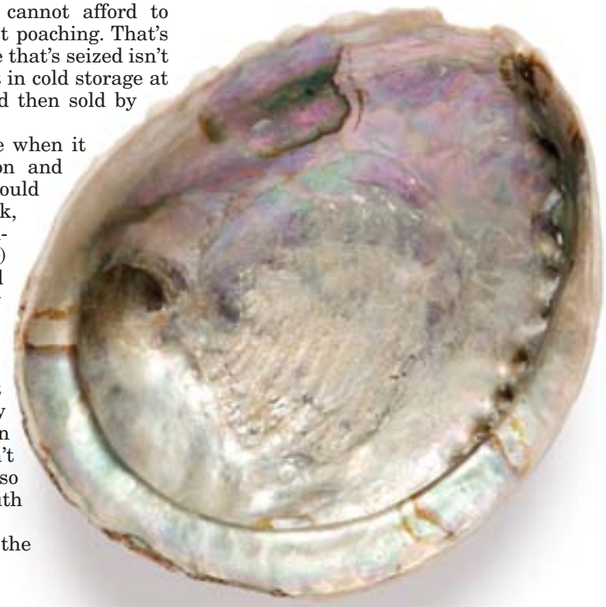
Because the fisheries officers knock off at 4pm, every poacher knows when to start poaching

For the fight against abalone poaching is fought by otherwise-unemployable military veterans.

But here's the real kicker: the authorities simply cannot afford to win the war against poaching. That's because the abalone that's seized isn't destroyed; it is kept in cold storage at Paarden Eiland and then sold by the department.

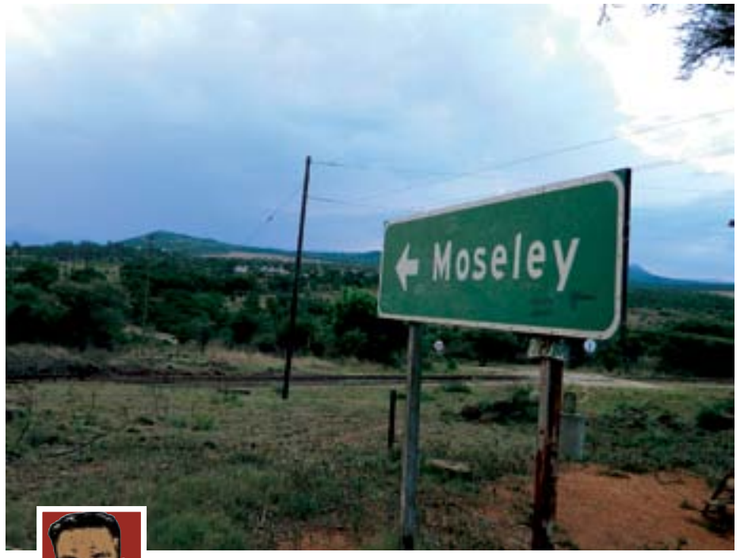
There was a time when it was sold at auction and the poachers would simply buy it back, with the sale legalising (or laundering) the abalone they'd stolen. But now the seized stolen abalone is sold directly to foreign buyers, where it competes not only with the stolen abalone that hasn't been seized, but also with legal South African abalone.

In the past the



Common nonsense

Clash of the land affairs acronyms



Bheki Mashile

NOT TOO long ago I wrote in this column about my anger towards the executive of an emerging farmers' committee we were compelled to set up in the Barberton Farming District. The newly elected office-bearers of the Agricultural Development Committee (ADC) had failed to show up for our first meeting – firing my ambition to take over the chairmanship.

But before I describe my attempted coup d'etat, I must explain why this matter is so important. The government has implemented – and is already rolling out – a Recapitalisation Assistance Programme (RAP) for emerging farmers; the idea being to give them the necessary resources to have a fighting chance at developing into small- to medium-scale commercial farmers. This is costing the government millions. But hey, remember where those millions are actually coming from: they are coming from you, Mr and Ms Taxpayer, unless you are a tax dodger of course.

Now, lest I be accused of slamming the land reform programme, I want to make it clear that I am not only a beneficiary but a staunch supporter of the scheme. However…

After the initial gathering at which the ADC was set up, a mid-November meeting was called by our mother body, the Local Agricultural Forum (LAF), to check on the progress of the ADC, among other things.

But, guess what, the ADC executive – with the exception of me, naturally – failed to show up. I was incensed.

The officials who sit on the LAF represent the municipality and the Department of Agriculture and Land Reform & Rural Development (formerly Land Affairs). They have made it quite clear that they will not entertain any matters brought to their attention by a particular farm or individual farmer; they must first be taken to the ADC, then to the LAF. "Otherwise don't bother wasting your time, you people must get your act in gear. As a matter of fact, just recently we turned away a group from right here in Barberton and told them to come through the ADC," said an official of the LAF.

It does not get any clearer than that. Now what's my probem?

Well, let's say emerging farmer Joe gets his Recap Assistance, then says he's not happy with his mentor because the slacker does not show up at the farm often enough, yet regularly collects his mentorship stipend. Poor Joe will not be able to lay a complaint on his own to the Department of Agriculture or ditch the mentor without previously clearing it with the department because Joe Farmer must go through the ADC.

And the ADC is virtually non-existent because of an incompetent, constantly absent executive. So the millions that have been allocated to Joe are going to waste because he is an emerging farmer who has no reliable mentorship and thus productivity is either nil or negligible.

> It will be a cold day in hell when I sit by and allow a bunch of palookas to hold positions

This is a serious matter that could have dire consequences if not checked and addressed. So I threw down the gauntlet and put in a motion of no confidence against the executive – excepting me, of course. It was agreed that a meeting of all the Barberton District emerging-farmer commodity groups would be called to elect a new executive.

At that meeting, one attendee – who happens to be a Proportional Representative (PR) Councillor – had the audacity to say "we cannot remove these executives: they were fairly elected".

Said I: "Hey, we are not dealing with your councillor bullshit here. We are dealing with the proper management of our farms. I'll remind you that these farms cost the government/taxpayer a pretty penny and all eyes are on us. For me it will be a cold day in hell when I sit by and allow a bunch of palookas to hold positions that could negatively affect any aspect of that management."

There was overwhelming support for my retort. I was delighted to see that I had made my point and brought a good number of those attending to their senses.

Common sense. That's something I find lacking in so many instances in my country hamlet of Barberton – well, actually, in my country…

Meanwhile, my fellow emerging farmers also need to understand that the government has not confined itself to looking at shortfalls and subsequently implementing measures such as the Recapitalisation Assistance Programme; it is now also moving forward with its threat of dealing with non-performing emerging farmers, taking a no-nonsense approach.

If they want proof of this, all they need to do is visit Dixie Farm, just outside Barberton off the Moseley Farm turn-off on the Kaapmuiden Road. There they will be woken up to the reality that the farm has been confiscated from the 200-or-so land claim beneficiaries and their remaining balance of a reported R500 000 grant has been frozen.

The beneficiaries were told they would be allowed to remain in their RDP houses, which are situated on the farm, but these will be fenced off from the rest of the fields and they must get rid of all their cattle: Dixie is an agricultural farm, not grazing for livestock.

And then I'm supposed to take chances with this utterly useless ADC executive? Not in this lifetime! ■

Trail of horrors: A caravan of slaves and ivory

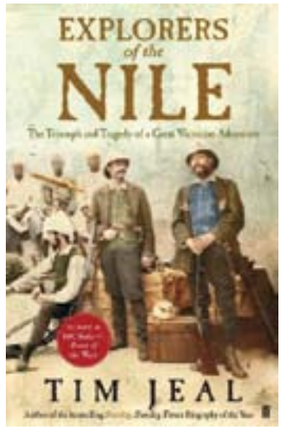
Cry me a river

Len Ashton reviews
Explorers of the Nile
(Faber and Faber)
By **Tim Jeal**

IT'S ALL there. The despair, the hope, the outrage and the beauty. Tim Jeal's *Nile* title isn't quite appropriate – his richly detailed and researched tome marches adventurously through history, and peers soberly at the future, of the entire continent. It certainly is not dealing merely with exploration of the great river.

The subtitle is to the point: *The Triumph and Tragedy of a Great Victorian Adventure*.

And where better to launch on the Nile's alluringly mysterious waters than with the mad energy of England's Victorian entrepreneurs?



The mystery of the source of the Nile magnetised their imagination and beguiled the public mind. The richest country in the world could afford to invest in exploration. After all, aside from visiting "civilisation" on the innocent soul of the Dark Continent, there might be a buck or two to be made out of it.

So the Royal Geographical Society financed various ventures into the wild blue yonder. Britain was already committed to supposedly benign governance of Egypt, on behalf of the Khedive's bankrupt government. The Scramble for Africa was born as rival European powers sponsored competitive ventures into the interior in search of riches, prestige, political advantage and Christian converts.

The British pioneers who went ahead were fired by all of the above, but some were men of high principle and courage. These were tested in terrifying ways that evoke Conrad's

Heart of Darkness. For central Africa was rotting with the virulence of the hugely profitable Arab-Swahili slave trade, the consequences of which bedevil the continent to this day.

Colonialism, now a term of dark opprobrium, had some worthy advocates in it's heyday. And, for enterprising offspring of the astonishingly creative industrial revolution, unknown Africa posed a challenge.

Stern, but just, missionaries like Livingstone loathed slavery and hoped to bring peace and profits to many remote territories.

He and the likes of fellow explorers Speke, Burton, Stanley and Baker, boys, called Readers in recognition of their aptitude for learning, had their arms roughly amputated and were then slow-roasted for ambitious impertinence.

We know that Belgium's Leopold II proved his nobility by condoning mass slaughter in the Congo, and the Germans massacred the Herero in South West Africa. We are aware of these heinous crimes. But the sheer scale of the huge and ancient slave trade, with its indifference to African suffering, is mind-boggling.

Those hymn-singing types insisted on disrupting the economies of various little principalities where chieftains

Trapped in the intimacy of shared tents in the jungle, they grew to detest each other. Burton's adoring wife besmirched Speke's reputation as brave explorer in her writings, while she campaigned for her jealous husband's knighthood. Burton, who enjoyed projecting an attitude of sexual ambivalence (Jeal describes him delicately as "sexually inquisitive"), while Speke was clearly the soul of honour. Burton won the PR battle, but Jeal's book goes a long way to restore Speke's honour.

Then there was brave David Livingstone, the workhouse orphan who, unbelievably, managed to

Colonialism, now a term of dark opprobrium, had some worthy advocates in its heyday

fought their way through unbelievable horrors as hugely powerful slavers, Arab and white, did their damndest to obstruct their activities. Or to kill the interfering pith-hatted ones.

The explorers witnessed cruelty evocative of the Inquisition's worst excesses: 2 000 tribesmen slain in a vain attempt to cure a chieftain's bellyache; promising tribal had lived for years on the profitable exchange of slaves (who were sometimes kidnapped neighbours) for useful items like cloth and beads. The Arab slavers were ruthless, even killing sick slaves by the wayside, in case rival businessmen found them and accrued free property thereby.

But the core of the cancer of Africa lay in the Sudan and Uganda, says Jeal. The eventual colonial failure to create culturally intelligent and viable borders between Muslims and others still seethes as, apparently, does the slave trade.

The opportunity for wise territorial compromise was there in colonial times, but the entrenched slave business created ruthless opposition to the pious overtures of the missionaries, many of whom died for their troubles.

Jeal's research is remarkable. The Index alone is awe-inspiring. He has the enviable gift of managing to impart scholarly information while rendering lively portraits of characters who have been embalmed by history.

The rivalry between Richard Burton and John Hanning Speke is a thriller on its own. Nearly all of the explorers were products of insecure childhoods, displaying courage and resilience beyond belief. But some are better men than others. The battle between the vainglorious Burton and the modest John Hanning Speke is an alarming warning to choose agreeable travel companions.

educate himself into his doctorate and a determination to bring the Lord to Africa.

Stanley, likewise, had very modest beginnings. He was illegitimate, abandoned by his brutal mother and, when he became famous, his wicked stepfather was waiting to welcome and demand a pension from him. Oh, and his flighty young beloved decamped because he took three years, instead of two, to complete a mission.

Jeal notes that the colonial period in Africa lasted in most colonies for a mere 75 years. "That period is likely to be seen as one of many contenders – along with the Cold War, superpower sponsorship of dictators, Aids, malaria, drought, corrupt leaders, incompetent governments, ethnic civil war, and an unfair international trade system – as a contender for the title of 'principle cause' for why 50 years of independence has proved so disappointing".

But he quotes a leading post-colonial expert, John Iliffe, saying "There can be too much pessimism about the after-effects of empire.

"To see colonialism as destroying tradition is to underestimate African resilience. To see it merely as an episode [in African history] is to underestimate how much industrial civilisation offered twentieth century Africans."

Certainly, not many urban Africans would wish to return to how things were in the 1880s. ■

Winter's Tale

WHO, FORSOOTH, might Luitenant van den Beestekraal be? Well, this is 1962, see, he is the Head Psychologist in the Observation Section of Pretoria Central Prison, he has a degree from the Christian University of Naboomspruit with Theology, Criminology, Psychology II and certain sacred *goeters* I forget, he is plump and free from every sin and he is in charge of the psychologicobable rehabilitation of SA's 1 000 horriblest criminals. Central, the Big House, is where you push your time if you get sentenced to Life or the Indeterminate, that sort of stretch, and here I live in silence in a concrete 2m² cave, 23½ hours a day. Not that I'm pushing Life or the Indeterminate, Lord love you no, it's just that there isn't anywhere else for *droogmakers* like me, political shitstirrers. I would teach normal crims to read Karl Marx and make explosives in the kitchen.

The gleeful gymnastics in ou Blekkie's picture are grotesque

The Observation Section is called the Malhuis because you are a normal okay sort of crim when you go in and a mad one when you come out. When you're sentenced you sit in there for two months, alone with Jesus and a *New Testament Bible*, thinking about being a social citizen in the sometime future. Not the *Old Testament*, understand, you would use that in some Christian way for purposes of onanism. Jews can have the *Old Testament* because Lt Beestekraal doesn't give a shit if they *trek draad* unto death anyway. Hitler could have saved himself a lot of Zyklon B.

Here also we have a warder name of Vatjougoed Ferreira who has sufficient intelligence to breathe and take nourishment and that's about it. I tell him my socks got flown off in the wash and my feet are freezing, it's midwinter on the highveld and the water in my tin mug is ice, that's how cold it is. His cap is too big and it balances on his ears, if he suddenly stops walking, the peak slowly descends over his eyes; it thus descends now as he opens my door one morning so the section cleaner *bandiet* named Blekkie Swart can give me my porridge.

I say to Vatjougoed, *Asseblief tog meneer, eksê*, try to remember my socks, e*k kry vreeslik koud in die nag*. This makes him proper irritable in the dark there and he says You think only of yourself! I've only got two hands and two pairs of feet, what do you think I am? and the answer is I think he's a centaur, but if I say that, I won't get any food at all tomorrow. *Ja, meneer,* say I.

Ou Blekkie has a glass eye which he fixes hypnotically on me, the other I notice darting about as he *skiems kraaim*, that's his profession, hey?

Pssst! he says later that day through the small air-hole in my wall. Pssst! I have spoken to a certain *bandiet* Roux, name of Kenger, he is the psycho's clerk, he has had a quick look at your file and he sees you are an artist and he will *smokkel* some socks for you if you draw him a picture of a naked goozoo, which is to say woman, I mean girl. He will fly off some quality departmental paper for you and a pencil from the psycho's desk.

Done! say I. Just before lockdown paper suddenly appears under my door and a pencil through the mesh of the air-hole and I set to right away, and next morning when Vatjougoed arrives with my breakfast and once more the peak has descended, I slip this graphic to ou Blekkie and he slips it under his *baadjie* after a quick glance. *Here God!* he gasps. Through the air-hole later on he whispers breathlessly Yirra Yissis! You owe me one too, hey, I done the deal. Okay, say I, and I'll give you two goozoos doing rude things if you throw in another pair of socks. New, fluffy, say I, not anybody's old socks. You don't want snout, hey? says he. No, say I, you trade the tobacco for the socks. Which he does.

The gleeful gymnastics in ou Blekkie's picture are grotesque, the drawing technique gives meaning to the word "graphic". His legs go so *slap* he has to sit down on the floor to look at it. And one morning shortly thereafter my door is furtively opened, no great jangling of keys and traditional slamming about, so silently I don't even hear it because I'm having a little sitting-up ziz, and there stands Beestekraal, aghast at what he is doing. His eyes are sunken and lurid, his skin pallid grey, it's clear he's had a bad night, spiritually inflamed, tortured, tossing about. He's seen ou Blekkie's pic somehow. A crimson flush rises from his collar and tie as he parts his lips to speak. But he can't. Quietly he closes the door and departs. Ou Blekkie appears presently, the psycho *skiems* he also *smarks a droring*, says he. Okay, say I, top-of-the-range, multiple goozoos in action, and that will be a nice new extra blanket and an extra felt sleeping mat, thank you. And a jersey.

In this Kunstwerk for Van den Beestekraal, the sexual aberrations are beyond the fantasies of Art, Science, Sociology or Psychotherapy. One might view this lot as a sort of Gothic Wrestling, I suppose, or a great girly rugby tangle, or that huge wriggling female heap of sinful women in Michelangelo's *Last Judgment*. But whichever, v.d.B disappears entirely from my ken. Maybe he just felt sensitive about it, embarrassed hey? Maybe he just went the way of the Jewish *bandiete* in the Observation Section, and who gives a shit? Not I. I'm having a nice warm winter. ■

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ARIES PACKAGING

WE'RE NOW
THE FULL PACKAGE

Colourtone Press and Aries Packaging have joined forces to bring you a full menu of all your print and packaging needs.

WE PRINT EVERYTHING FROM:

- business cards to folders;
- posters to magazines;
- promotional branding, from pens to bags;
- and all your packaging needs from perfume boxes to point of sale displays.









IF YOU'D LIKE TO SPEAK TO A REPRESENTATIVE, PLEASE CONTACT US ON:
021 929 6700 or info@colourtone.co.za or go to our website:
www.colourtone.co.za or www.ariespackaging.com