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in the Master's
office**

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What Ciex told Thabo**

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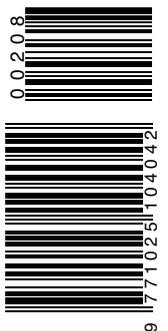
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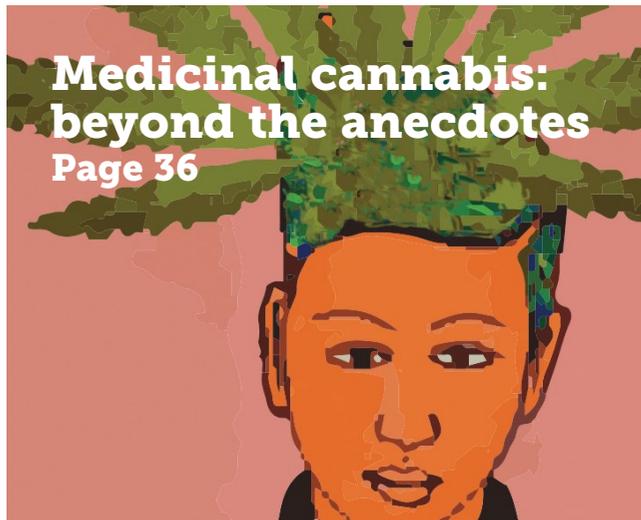
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Letters

Spanner in the organworks

IN YOUR EXCELLENT EXPOSÉ ON THE Pretoria City Hall (*nose207*) you mention that it has protection under Section 30 of the National Heritage Resources Act but none of the heritage guidelines were followed and approval for the renovations was never obtained. Further on you state that “It is doubtful if a heritage assessment or study of the building’s history was ever done... Pieter de Necker says they had no experts involved...”

Before former Tshwane mayor Sputla Ramakgopa took over the reins, our Tshwane Building Heritage Association led numerous tours through the building and had eminent organists demonstrating the organ and carillon. Two previous mayors and councillors – whom we took on tours to bring the deterioration to their attention – promised millions, to no avail.

Could the council at least attend to the organ and its 7,000 pipes? Their response was to advertise a tender for plumbing!

The only person who really cared was the facility officer, Kwena Daniel Masego, who received a Certificate of Merit from the Association. But since then Ramakgopa refused us access to the building under the pretext that it was being restored.

When a security fence was erected on Pretorius Square, an open public space in front of the city hall, neither the SA Heritage Resources Agency nor the Provincial Heritage Resources Authority-Gauteng (PHRA-G) would say whether an application had been made in accordance with the Heritage Act.

On June 27, 2016 we noticed that workmen were painting the historic Italian-pattern clay roof tiles and requested Gauteng Heritage to issue a Compulsory Repair Order. Painting clay rooftiles is unheard of in restoration circles as it causes irreversible damage to the tiles. Instead of a repair order Gauteng Heritage issued a permit dated the next day to allow “repairs” to be done.

The permit application was done

by private consultant Leonie Marais Botes, who is also a member of PHRA-G’s Built Environment and Plans Committee. Applicant, expert witness, judge and jury in her own case?

The chairperson of the Built Environment and Plans Committee is Prof Susan Bouillon who is a board member of Delacon Group, a private company doing inter alia Heritage Impact Assessments; she is also chairperson of the PHRA-G and a board member of the South African Heritage Resources Agency (SAHRA). When Gauteng Heritage has a site meeting and Bouillon has to be present, she arrives in her company car which loudly advertises her business.

Back to the City Hall. *Noseweek* was right to finger former mayor Ramakgopa, along with the project manager, the supply chain management, etc. But then again, what knowledge do they have about conservation and restoration of heritage buildings? It is SAHRA, the PHRA-G

and Heritage Consultants who are the first to be investigated. South Africans rely on these bodies to have our heritage conserved – and they let us down.

Anton Jansen

Tshwane Building Heritage Association

Sanral pushes old apartheid plan

SANRAL CLAIMED IN A LETTER IN *nose207* that Outa (Organisation Undoing Tax Abuse) and *Noseweek* had deliberately misled the public. But then Sanral knows all about how to mislead. It compares its route via De Beer’s Pass with the present route over Van Reenen’s Pass. This is deliberately misleading. The first environmental authorisation in 1999 did not give Sanral carte blanche. It required an analysis of alternatives, and stipulated that wetlands were not to be damaged.

The analysis we undertook in the second EIA – I was the wetland expert on the team – was of several routing options, including De Beer’s Pass, Alternative A (a new route up Van Reenen), Alternative C (upgrading the present route over Van Reenen’s Pass), and the no-go option: leaving the existing route over Van Reenen’s Pass as is. No sane person sees the last option as a proposition; its inclusion was part of the standard EIA process. The inadequacies of the present route are the reason for looking for alternatives or an upgrade.

Sanral does not want the public to know there are other alternatives to its pet De Beer’s Pass route. To keep people ignorant, it does not talk about them. Sanral would mention them only if they were not serious competitors to the De Beer’s Pass route.

Alternatives A and C, or a combination of them, have less of an environmental impact than the De Beer’s route – and they don’t bypass Harrismith, so there is no threat to the local economy and jobs. They are valid alternatives and deserve serious consideration. Among other things, Sanral’s De Beer’s Pass route will destroy 4km² of prime wetland. Alternative A will destroy 1km² of mostly degraded wetland.

Gus



“Can I have one rand’s worth of pain relief, please!”

Pretoria City Hall... Spanner in the organ works



Forgotten but not yet buried

THIS RIDICULOUS HAPPENING MAY BE OF INTEREST TO YOU AND YOUR READERS.

In April, I turn 90. Since childhood, I have been a member of the Bethlehem (Free State) Hebrew Congregation. My wife Noreen converted to Judaism about 30 years ago in the Progressive Reform Synagogue, Overport, Durban and she and I became members of that shul.

The Bethlehem shul closed approximately 14 years ago as the community was so reduced that we could no longer afford a rabbi.

Through the Rabbi, we donated our sacred scrolls (*torah*) and other silverware which he, in turn, distributed to other communities. He has not responded to my inquiries as to who received these items – which have a value of up to a million rand. We have never even had a letter of appreciation. The affairs of our *shul* are now conducted by the community rabbi, Rabbi Silberhaft, who has his rabbinate in Johannesburg.

As my wife is now 80 years old, I thought it expedient to arrange for burial plots. I wrote to the rabbi, who said the cemetery is only for orthodox Jews and there was no way that we, as Progressive Reform Jews, could be buried in Bethlehem cemetery.

I also wrote to the local *chevra kadisha* committee (the body that oversees burials). They said I should make other arrangements timeously!

I have also suggested changing the constitution to allow all denominations of Jews to be buried in the cemetery. This is also my right according to the constitution – that a special general meeting be called to vote on the change. No response.

It is crazy that, although we have been in this community for years, we are excluded from being buried here. (I know this has no bearing, but I served in the Israeli Air Force, in the 1948 War of Independence.)

Zan Swartzberg
Bethlehem, Free State



In the town of Roermond, Netherlands, two lovers manage to hold hands across eternity despite the bigotry of their respective religions. A Protestant Col J W C van Gorcum was married to a Roman Catholic, Lady J C P H van Aefferden, for 42 years. The colonel died in 1880 and was buried in the town's Protestant cemetery, separated by a wall from the catholic burial ground. When his wife passed away eight years later in 1888, she was laid to rest as close to her husband as possible. Both graves face each other and are joined by hands above the wall. Today the graves are known in Dutch as the "Grave with the little hands".

Why does Sanral stick with its De Beer's Pass route? There is no convincing environmental, socio-economic or pragmatic reason. Certainly, the stakeholders, especially the local poor people whose jobs are threatened, are unconvinced. One would have hoped that, from such debacles as the Gauteng e-toll saga, Sanral would have learnt to get the stakeholders on board. Yet Sanral continues to punt an obsolete road design, dreamed up more than 40 years ago under an apartheid regime that didn't care about poor people, their jobs and/or the environment.

Dr Mike Mentis
Environmental consultant
Kloof

■ IN LETTERS (NOSE207) SANRAL had the following to say about the Vaal River system: "It is also well

known that the Vaal River system is under threat from the drought, unlawful irrigation practices and from different pollution sources, such as sewage from inadequate municipal waste water treatment works, industrial effluents, acid mine drainage and other activities taking place within the Vaal River System."

It is a sad situation that Sanral has to use such negative justification to achieve their objective of creating a De Beer's Pass route that is not required when there are less environmentally destructive alternatives.

The Vaal system is polluted as described. That is a fact. One sustainable solution to this pollution is increased clean water production which will dilute the Vaal water. This will come from the catchment of the Wilger River system and it is here that Sanral proposes to destroy the

precious wetlands.

Basic economics – inter alia the cost of dilution from expensive sources like [Lesotho's] Katse Dam have galvanised the Department of the Environment to launch extensive "Working for Wetlands" programmes. They are now working – spending resources – on rehabilitating the very wetland that the De Beer's Pass road so desired by Sanral will destroy! Strange that this is allowed to happen.

There is also a new initiative from the local farming community in the Wilger River catchment who have banded together to form a conservancy, with one of its objectives being to increase water production.

We see the value in water production for our future. These efforts, combined with the Ingula Wetland project and hopefully the success of

Letters

the Department's Wetlands and Alien vegetation projects will all soon bear fruit and we will have the production of more water in the catchment.

The Wilger River flowed in the catchment all year last year, for the first time in about 10 years – this despite the worst drought in 100 years.

We just have to give nature a chance to rectify some mistakes that were made in the past. Lucky for us nature is forgiving. But a road through this wetland... unforgivable!

Rick Dillon

Chairman, Nelsons Kop Conservancy
Van Reenen

Floored by TopOption

I CAN CONFIRM FROM EXPERIENCE THAT your account of the binary options scam (*nose206*) is entirely accurate. In signing up with TopOption many promises were made about being able to withdraw at any time. Also they would match your deposit to help your trading success. This is a trick because once you accept, you can no longer withdraw your funds until you have grown twenty-fold. Their trading advisor then helps you to trade small amounts and the first six give about 75% profit.

Every day he tries to bully you into depositing more – because this determines his commission. Then he tells you to make three trades which use nearly all your funds. One of them luckily just made enough to cover the other two trades which were a loss.

Then more pressure until you end up with a single trade, using all the funds, which is a loss.

When you look back you can see the manipulation. TopOption is not subject to any regulatory body. South Africans be warned.

Badly Bitten

By email

P.S. I do not want my family and friends to know that I tried this!

Now see page 10. – Ed.

Governed by political madness

THE PROFOUND ARTICLE BY SUE BARKLY titled "ABZ is not The Way" (*nose207*) warrants comment. The ANC is in utter political turmoil, frittering away its gains in a maze of corruption scandals. The dominance of certain factions hobbles nimble decision-making, perpetuates a feudal political culture,

encourages sycophancy, stifles inner party democracy and smothers talent.

Our national politics has moved beyond the bounds of extreme partisanship into the realm of political madness. We have become a traumatised nation. Are we heading for a cataclysmic showdown?

Farouk Araie

Actonville

A more demanding electorate

SOUTH AFRICANS SHOULD START preparing themselves for the next general election instead of listening to the barrage of mud-slinging from politicians – which is simply a substitute for dealing with the country's real issues. The electorate must flood the media with what they would like to see achieved, so that before the general election all parties are forced to tell us where they stand on the following:

a) the patenting of food sources, including plants used for medicinal purposes. At the rate that genetically engineered food products are going, farmers and gardeners of the future will have to pay patenting fees on all plants which, for all of human history, they have propagated themselves without having to pay a third party. This is a form of theft. Patents on potatoes and bananas, where one minor component of the DNA has been changed, becomes a money-making racket.

b) The same applies to the patenting of animal DNA.

c) Do they support the clear and labelling of food products on our store shelves. The herbicides used on genetically modified products are carcinogenic, cause organ failure and an increased rate of infertility.

Farmers in Hungary burnt all their GMO crops in order to free themselves from GMO monopolies.

Russia regards all GMO as a terrorist threat and has invested heavily in organic farming. In the past two years Russians have transformed the country's economic landscape from a food importer to a food exporter.

d) Fracking of the Karoo, since internationally fracking has been proved to destroy the groundwater of a region: an ecological disaster.

e) The privatisation of our rivers, dams and other water resources.

f) Toll roads and the privatisation of freeways, where profits are not paid

to the roads department but into the coffers of private investors.

g) Free-trade agreements as proposed between the US and the Pacific Rim, known as the TPP (Trans Pacific Partnership) agreements and between the US and Europe – the TTIP.

[Both the TPP and TTIP are expected to be scrapped by Donald Trump. Neither agreement has yet been ratified. – Ed.]

The little that the media has been able to find out about these very secret trade agreements (thanks to WikiLeaks) is that they override the national sovereignty, the constitutions and the laws of any country that signs them, including health regulations, minimum-wage regulations or environmental requirements, in the interests of a handful of international corporate monopolies.

This comes about when politicians do not act for the benefit of their electorate but to the advantage of the multi-national corporations. Resources, mining rights and corporate GMO farming have been handed over in a frenzy of privatisation. The so-called "trickle-down effect" only goes one way – into offshore bank accounts, so they can avoid paying any tax.

In South Africa, taxpayers pay almost half of their salaries in taxes: income tax, rates and taxes on property, VAT on everything they buy, toll fees on every freeway... yet few see a return on their investment. What taxes should be funding is a high standard of affordable education, health care and policing.

Teachers, health-care workers and police should be highly trained, and paid decent salaries.

After 22 years the ANC has had the opportunity to redress the inequalities of a racist system. If they have not done so by now, they never will.

Gail Evans

Mtunzini

Nickname was off colour

THE SOUTH AFRICAN FOREIGN AFFAIRS official you refer to (on page 11 in *nose207*) as "Sandy" Evans who fronted for a German spy boss's bribe loot in France, was actually Rusty Evans.

Anonymous

Pretoria

The record has been corrected. Thank you. – Ed.

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Money has no colour

ACTING CHIEF EXECUTIVE OF Eskom, Matshela Koko, recently attacked Exxaro in an angry tweet accusing the coal digger of having dealt a heavy blow to “radical economic transformation”. While Exxaro is hardly the world’s saintliest company (see noses186&202), what substance is there to Koko’s highly charged statement?

His tweet was prompted by Exxaro’s announcement that it plans to reduce its 50%-plus BEE equity ownership to 30% with a massive capital-raising exercise. As a result, Exxaro could be trumpeted as a black-owned company, but it will effectively no longer enjoy that status. This, said Koko, was an “insult” to Eskom.

But there are differences of opinion as to just what aspect of the BEE deal is most insulting – and to whom.

Eskom is building new coal-fired power stations (up to a decade behind schedule) and needs lots of coal. It is estimated that to meet the demand, coal mining capacity in South Africa will require more than R100 billion in fresh investment.

Koko, widely supported by empowerment “experts”, is one of many who never explains how BEE assists in raising large chunks of capital. Were that even vaguely possible, BEE shareholders could cough up, and follow their rights in any fresh share issue, thus maintaining unchanged equity stakes. It does not happen.

BEE shareholders in general have long become accustomed to risk-free equity stakes, which require zero capital investment by them. All they offer the company is their names and their apartheid-era race classification, with now and again a handy connection to a senior personage in the Zuma government.

All it does, with rare exceptions, is line the pockets of the idle rich in the ranks of the ANC. They themselves don’t borrow the money to buy their shares; the company stands in for the debt, effectively financing the purchase of its own shares.

In many cases, the debt is paid off by the company withholding dividends – assuming there are dividends. Just as often, the debt is simply written off over time. In some cases, such as seen with Gold Fields in 2010, billions of rands worth of equity are given away free to BEE “partners”. Which, from a purely commercial point of view, looks horribly like licensed bribery on a grand scale.

This climate is hardly conducive to conventional financing. Large lenders are reluctant to lend huge sums to companies burdened in advance with significant

amounts of this type of unproductive debt.

In the meantime, power for the nation remains a priority. Providers of capital (shareholders, mainly institutions) and debt finance (banks and stock markets) have clearly given Exxaro feedback on a preferred funding plan, including target shareholder stakes after a capital raising.

To counter this argument, BEE “consultants” such as Duma Gqubule of KIO Advisory Services and Ajay Lalu of Black Lite Consulting (both quoted in *Business Day*) suggest the Industrial Development Corporation, the Public Investment Corporation and the African Development Bank would be happy to fund such a deal. Taxpayers and the Treasury (who fund all three) are no doubt thrilled to hear that.

There are further troubling factors. It is not uncommon for mining companies to be forced into one BEE deal after another (see “Northam Platinum: for pensioners or the Party”, nose186), on the spurious notion that anyone but BEE shareholders will simply cough up ad infinitum for a BEE stake to be maintained.

Tellingly, there has never been a “sunset” clause for BEE ownership. On the contrary, it has been argued that companies must maintain an “always empowered” profile, even when BEE shareholders have sold up and walked off with their loot.

There are a number of court cases under way seeking legal and constitutional clarity on the Mining Charter and other odious chunks of BEE laws, rules and regulations. No-one in their right mind is against genuine BEE, but rules for equity and debt – not least when massive new investments are called for – must be fair, honest, and without colour.

● More news you’re not supposed to know: In *Noseweek’s* interview with Solly Msimanga (page 18), the Tshwane mayor was reluctant to reveal names of ANC personages who in the past 24 months had been happy to – in the ANC’s words – “commit treason” by visiting Taiwan. *Noseweek* fortunately has other sources who aren’t so shy. Among the ANC elite who have visited Taiwan are President Jacob Zuma’s favourite son and nephew, Edward and Khulubuse, as well as a former mayor of eThekweni and – top of the pile – Minister of Trade and Industry Rob Davies, accompanied by his Director-General Lionel October. We thought you ought to be told.

The Editor

Taxman has another go at Teflon Two

DURBAN'S MOST FLAMBOYANT COUPLE Shauwn and S'bu Mpisane, who have financed their high-flying lifestyle primarily through not paying taxes on their earnings from the lucrative government tenders, are now desperately trying to hide assets as the taxman hovers with claims totalling nearly a quarter of a billion rand.

Noseweek has written extensively (*noses*103;109;125;150;195;203&204) about the Teflon Two, most recently in November (*nose*205).

According to court papers filed by SARS at the High Court, Durban, in November, the couple and their companies owe "in excess of R204 million", most of it being part of a settlement agreement reached in 2014 with the tax authority.

SARS obtained the order in chambers in the North Gauteng High Court from Deputy Judge President Audrey Ledwaba and, in Durban, from Judge Rashid Vahed.

Of the total claimed, Shauwn owes R57m, but SARS is going after the two jointly, as they are married in community of property.

The Mpisanes are disputing the taxes owed, but SARS is sticking by its "pay-now-argue-later" principle.

It is unclear who exactly is playing whom and whether this is all part of a ruse by the Mpisanes to escape their monumental tax burden by claiming – in the media in KwaZulu-Natal – that they are unable to pay their taxes because government departments have not paid them for various construction contracts.

SARS seized the assets of the couple, and those belonging to their various companies under the Tax Administration Act. If the seizure is successfully challenged, SARS will bring a sequestration application in February, *Noseweek* has been informed.

Vehicles seized by SARS include an Aston Martin Rapide, a Dodge Ram and several BMWs. Although not on the seizure list filed in court, several more luxury cars are also reported to have been impounded, including a

Ferrari 612 Scaglietti and a McLaren MP4-12C.

Properties include their La Lucia mansion in Durban North.

The couple's assets are being held by Pieter Strydom of Strydom & Bredenkamp Inc in Pretoria and Tshifhiwa Mudzusi of Honey Attorneys, Bloemfontein.

It appears the Mpisanes have been preparing for the arrival of the men from SARS. Before the seizure the couple had already begun transferring property and vehicles into other entities to avoid having them seized, including into a family trust called Sbussha Trust, which was set up only at the beginning of 2016.

One of these assets is a 54-hectare farm in uMshwathi Municipality in the KwaZulu-Natal Midlands, bought by the Mpisanes in 2014 for R14m. This has been developed into a multi-million-rand soccer training academy, possibly for their own First Division club, the Royal Eagles. The property was transferred from the Mpisanes to the trust in March 2016 and valued at R15m. With all the improvements they have made, it is said now to be worth as much as R30m.

When moveable items were seized from the Mpisanes' properties it was reported that several known assets were missing.

Simultaneously both Zikhulise Cleaning Maintenance and Transport CC and Zikhulise Auto Restorers – both with extensive tax woes – are being wound up. Concurrently the couple have applied for business rescue, although it is unclear for which businesses.

While Zikhulise Cleaning Maintenance and Transport's tax woes hark back to the 2014 settlement agreement with SARS, Zikhulise Auto Restorers is the subject of a January high court judgment in terms of which it owes SARS R2,880,724 in unpaid taxes and penalties.

In the interim the Mpisanes have set up a new entity called Zikhulise Group, formed in March 2016. According to SARS it was created to "receive funds due to Zikhulise Cleaning Maintenance

and Transport from various municipalities, in an attempt to hide/dissipate such funds, to the detriment of SARS and other creditors". In court papers it is alleged that the new company had already received R52m between April and June 2016.

The Sunday Tribune reported that a preservation order was brought against Zikhulise Cleaning Maintenance and Transport CC, Zikhulise Auto Restorers CC, Inyanga Trading 559 (Pty) Ltd, Royal Eagles Football Club and Zikhulise Auto Recoveries (Pty) Ltd as well as Madoda Mbeje, a trustee of the Sbussha Trust, effectively freezing all their assets.

Between 2011 and 2014 SARS was the complainant in a criminal case against the Mpisanes, and their company Zikhulise Cleaning Maintenance and Transport, of which Shauwn was the sole director. Combined, they faced 183 charges of tax fraud, forgery and bribery over their 2008 and 2012 tax assessments (see *nose*205). But the National Prosecuting Authority and SARS, despite what appeared to be overwhelming evidence, withdrew the case against them, alleging that the prosecution had been irreparably tainted by the alleged misconduct of KZN senior prosecutor, Advocate Meera Naidu. Naidu was summarily suspended and blamed for the acquittal by then Director of Public Prosecutions Mxolisi Nxasana.

Two years later Naidu was cleared of all charges and reinstated at the conclusion of a disciplinary hearing. Adv Justice Mnisi, who presided over the hearing, said the treatment of the prosecutor was a "travesty of justice" and questioned the NPA's motives for dropping the Mpisane matter.

In 2014 Shauwn went directly from the dock to the swanky five-star The Square Boutique Hotel in Umhlanga to attend a special tax court set up by SARS. The settlement reached there was never made public but it now appears that the current action by SARS is on account of her renegeing on at least part of the agreement reached at the hotel. – *Jonathan Erasmus* ■

US expands VW emissions scandal

SOME OF VOLKSWAGEN, GERMANY'S top executives may find it too risky to leave Germany as US prosecutors prepare to charge more company officials. Oliver Schmidt, a senior VW executive, was arrested in Miami in early January as he was returning to Germany from vacation. He faces charges of misleading regulators about the automaker's diesel-emissions cheating devices.

Bloomberg reports that US prosecutors are preparing to charge more high-level German-based executives in the case, a source familiar with the matter said. Schmidt's arrest caught many VW executives by surprise, including some who were attending an auto show in Detroit early in January.

Lawyers for some senior executives in Germany have already warned their clients not to leave the country. The arrest and the looming charges against senior executives show that the year-long investigation into the emissions cheating was coming to a head in the final days of the Obama administration.



Volkswagen's Oliver Schmidt

A multi-billion-dollar settlement between the carmaker and the US Justice Department was expected soon, insiders said.

VW admitted last year that about 11 million diesel cars worldwide had been fitted with so-called defeat devices – embedded algorithms used to “doctor” emissions tests.

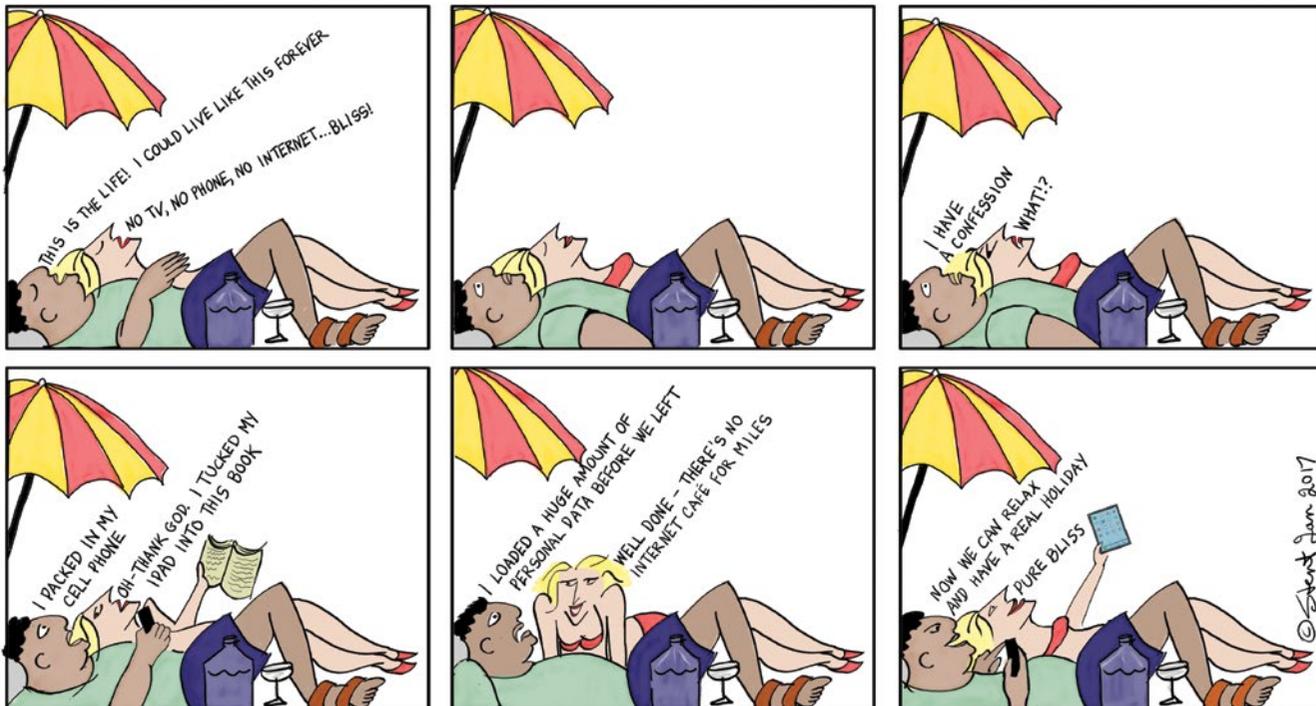
Schmidt, 48, who was VW's liaison person with US environmental regulators, appeared in a federal court in Miami, where a judge ordered him to be held in custody as a flight risk. His lawyer sought Schmidt's release, saying his client had alerted the government that he was visiting and was willing to speak with investigators and face charges.

Comment from the *Daily Bell*, a libertarian website:

“Were VW officials dishonest and manipulative? Possibly so. Did anyone get badly harmed by their emissions ‘cheating’? Any hard evidence of that? Probably not.

“This is a witch hunt seemingly of greater urgency than catching paedophile priests. Why? Because VW has money. White collar crime does pay – for the government, in the fines that they manage to extract from the perpetrators.”

● *What do Noseweek readers think? Let the VW men off with a modest fine, or lock them up in prison? Let us know your views.* ■



Stent

Lawyers set to sue binary options traders

LONDON LAW FIRM GIAMBRONE IS preparing litigation against Banc de Binary (see *nose206*), according to a recent report on binary options' website, Finance Magnates. The firm is reported to be investigating numerous complaints by victims of Banc de Binary's fraudulent binary options trading, and is negotiating with a City of London litigation hedge fund to finance litigation aimed at recovering their losses.

The lawyer on the case, Joanna Bailey, is quoted as saying the law firm had been contacted by around 40 former Banc de Binary clients, most of whom are based in Europe, the Middle East and Australia. The joint value of their claims is approximately €2 million (R28 million). "We need to reach at least €3m to make the litigation financially viable for the litigation funders," she said.

● In March 2016, US regulators ordered Banc de Binary Ltd, ET Binary Options Ltd, BO Systems Ltd, BDB Services Ltd and its owner, Oren Shabat Laurent, to pay over \$9m (R1.2 billion) in refunds to US clients.

● The Cyprus Securities Exchange Commission has confirmed that Banc de Binary has given notice of its intention to close down as a result of the consistently negative press that the company has faced over the past year. A news report quotes a Banc de Binary spokesperson saying: "I don't see how we can continue operating under such scrutiny and [with this] public image." ■

When, oh when do we see JCI's accounts?

WHY HASN'T THE JCI PUBLISHED audited annual financial statements since 2012? *Noseweek* has been asking that question for years, most recently in September 2016.

Through the years JCI's directors and auditors KPMG have stated from time to time that the accounts would be forthcoming "soon". Most recently, on 9 May 2016 they advised shareholders that the audited accounts for 2013, 2014, 2015 and 2016 would be published in the second week of August 2016. They weren't.

For some mysterious reason they have still not been published.

Now the minority shareholders in the JSE-listed Randgold & Exploration Company (Randgold), who are involved in suing JCI's "caretaker", Investec, for billions, have joined the clamour.

Once the mothership of the late Brett Kebble, JCI, while still under the direction of Kebble, looted Randgold (a public, listed company also under Kebble's direction at the time) of its share portfolio. Aided by bankers and brokers, JCI then sold the stolen shares, raising a total of R1.9 billion. The money was used to fund the JCI's misguided plans to develop the South Deep gold mine and, of course, to fund the life of excess enjoyed by Kebble and his close friends in the ANC.

Noseweek has detailed the events that followed Kebble's death (he was shot by paid assassins in September 2005) and the extraordinary machinations employed by his partners in crime – including Investec – to cover up their appalling conduct and avoid having to make good Randgold's massive losses.

Whatever it took, they had to prevent Randgold from forcing JCI into bankruptcy, which might have exposed the conspirators to the risk of an insolvency inquiry, where a raft of highly irregular if not illegal commercial transactions committed by Investec and others would likely have been unearthed.

As part of their sinister strategy – spearheaded by Investec – they engineered the corporate capture of both the

perpetrator/beneficiary (JCI) and the victim of the theft (Randgold): Investec and its allies contrived to gain control of the boards of both companies and were so able to prevent Randgold from asserting and legally enforcing multi-billion-rand claims against the wrongdoers, that included JCI, Western Areas (now Gold Fields Operations), Investec SA and Investec UK.

By means of general obfuscation (such as the non-production of audited annual accounts) they hoped to deprive their enemies of information which might have assisted them in pursuing Randgold's legitimate claims.

With Investec and Peter Gray (who, as head of Kebble's stockbrokerage, had overseen the sale of the stolen Randgold shares) in control of both companies, they were able to stage what appeared to be mediation proceedings between the two, lending an air of legitimacy to Randgold's acceptance of a pitiful settlement offer founded inter alia on false representations of the value of JCI shares.

Randgold's claim of R19bn at the time was settled for R600 million in January 2010. The purported settlement value was R900m but that included JCI shares valued at R300m in the settlement circular, which were, in fact, valueless.

For their assistance in carrying out the plan, both the former CEO (Peter Gray) and current CEO (Marais Steyn) of Randgold received multi-million-rand bonuses.

Investec simply cannot afford to lose control. On Kebble's demise in 2005, it ensured its lapdog auditors, KPMG, were installed at JCI and Randgold. It is possible that KPMG may have developed a conscience or a heightened sense of self-preservation, and now refuses to sign off on the accounts.

Some good news for Randgold minorities is that various regulatory and associated authorities are starting to look at the case. After more than a decade. – *Barry Sergeant*

Secret letter to Thabo

Report reveals how ANC secret service scuppered recovery of R200bn-worth of apartheid-era loot. By Jonathan Erasmus

NEARLY TWO DECADES AFTER THE South African government was briefed on how extensive the dying apartheid-era's looting was, nothing has yet been recovered.

What is known on this matter is largely the result of the secret Ciex Report, dubbed Project Spear, which was completed in 1999 on instruction of then deputy president Thabo Mbeki and the head of the South African Secret Service, Billy Masetlha. In it, the London-based investigations company, headed by former senior British intelligence officer-turned-consultant Michael Oatley, provided the government with an itemised blueprint on how to reclaim the hidden money.

Since then South Africans have watched how this matter, with approximately R200 billion believed to have been stolen, has been pushed from one hearing to another; each saying the same thing – the state was looted but going after the perpetrators is too risky and costly. That the issue remained sensitive – for whatever reason – became clear when the SABC in 2013 found it necessary to ban the broadcasting of a documentary film on the subject that it had itself commissioned.

Equally clear is that, at least until now, there has been little or no political will to tackle this issue. So much so that the belief has grown in some quarters that the ANC deemed it more advantageous to inherit the apartheid government's secret funding sources, rather than expose them. This was demonstrably the case in the 1999 arms deal.

Interest in the report has been revived by the Public Protector's recent report on apartheid-era looting, which referred to Ciex – and *Noseweek* – as key sources of information. The provisional report, leaked to the *Mail & Guardian* in January, immediately elicited furious denials from the first two parties implicated by Ciex – Absa and the SA Reserve Bank.

Less well-known is how South Africa's post-democracy intelligence services tried at first to control and then scupper

the investigation of apartheid-era looting of government resources and efforts aimed at recovering the stolen money from the perpetrators and their collaborators. These included major European banks and defence corporations, all listed in the Ciex Report (see *nose131*).

Noseweek can now reveal that in a "Private & Confidential" letter that Oatley sent to Mbeki on 13 October 1997, less than two months after Mbeki authorised the investigation, Oatley complained to Mbeki that Ciex had not yet been paid as promised – and that the South African Secret Service (SASS – now the State Security Agency) with whom he was told to cooperate was being anything but helpful.

"Forgive the frank and personal letter," wrote Oatley. "Things are not going well with the project which you authorised at our second meeting on 26 August. I thought I should write to you directly as I now doubt whether matters can be put right without your intervention.

"You made it clear at our meeting you wanted the project pursued urgently."

The promise of a "senior point of contact" in the secret service had not been kept. Instead, he told Mbeki, he had been assigned a "very junior member of SASS who... is inefficient and rather dozy, does not understand the project... and is allowed absolutely no authority to take action. In other words an un-respected messenger boy, which is how his superiors treat him!"

Oatley noted that the SASS "clearly don't like this project... and are certainly not committed to its success". He added: "...documents which I had asked for and been promised in preparation of our case on Absa are now described, a week later, as being government papers which I should not be given because I am not an official. SASS will look at them, at some unspecified time in the future, and give me selected quotes if they think it suitable to do so."

Oatley, on visiting South Africa, was often kept in safe houses during which time "nothing happens for a long time"; he was also regularly stood up by senior

politicians and the then Director-General of Intelligence, Billy Masetlha.

"So we are in a mess. I understand why [SASS] were brought in, but I think we can handle the security of the exercise quite well without them. I do not think we can handle the collaboration."

Ciex was eventually paid a total of £600,000 to fund the first year of a wide-ranging international probe. For the second year, Ciex agreed to continue its inquiry for a 10% cut of all recoveries.

By the time Oatley wrote his letter in October 1997, he was already remarkably well-informed on South Africa's secret affairs. Two years before the deals were signed, he told Mbeki that he could provide "objective information" into South Africa's arms procurement programme – which, years later, would be found to have cost the taxpayer over R70 billion and was riddled with high-level corruption and collusion.

"I am looking at the ways in which the French, Spanish, British and German competitors are developing plans to obtain the South African defence contracts, and at aspects of South African oil dealings," he states in the letter. "I believe we can do something really useful in this delicate phase of the country's development – but not if we are kept at arm's length and treated with suspicion."

Whether known to Oatley or not at the time, the then-recently retired defence minister Joe Modise was already on the arms dealers' payroll. Even before he was sworn in, experienced senior Armscor officers had helped him set up trusts into which bribe money could be safely hidden. (See *nose132*.)

Weeks before the final sign-off on the deals, Modise became the new chairman and major shareholder of Conlog, a company with extensive interests in the overall armaments package. His purchase of Conlog shares was made possible via a "German friend" who lent him R40 million, sent via Mozambique into the account of Kingsgate Clothing – controlled by Schabir Shaik.

Online subscribers can see Oatley's letter on the *Noseweek* website. ■

Dr Munsamy, I presume ...

He's been called 'A crook and a fraudster. An animal and a disgusting waste of skin and bones'

By Mandy Wiener

IN JULY LAST YEAR, NOTORIOUS CZECH fugitive and gangster Radovan Krejcir stood in the dock in the Johannesburg Magistrate's Court in connection with a money-laundering scam that defrauded the Central Bank of Swaziland of R7.6 million. Next to him stood his three co-accused – a prominent Gauteng businessman, Nico Oosthuizen, a relatively innocuous individual called Keith Bain and a Dr Mahendran Munsamy. (See box.)

There have been several postponements since, and their next court appearance was scheduled to take place shortly after *Noseweek* went to press.

The world knows about Krejcir – but where had we heard of Dr Munsamy before? A bit of research revealed that the wealthy, suave medical doctor with a portfolio of lavish properties, from Hyde Park to Sandhurst, Johannesburg, has previously featured in a variety of elaborate, convoluted and allegedly criminal schemes involving South African banks and petroleum companies, a corrupted bank manager and the criminal underworld.

Of particular interest was the extraordinary evidence we found contained in case file number 2014/27890, at the Gauteng Local Division of the High Court. It contains the record of an application brought by South African Petroleum and Energy Guild

(Sapeg) – a company controlled by Mahendran Munsamy – against RMB Private Bank (a division of FirstRand Bank Ltd) in August 2014. The bank had frozen his accounts because they had come to the conclusion that he was using them for money laundering other unlawful purposes. (He also happened to owe the bank a couple of hundred million on some fraudulently obtained bank guarantees.)

Munsamy denied the accusation and applied to court to order the bank to release his funds.

Remarkably, considering the nature and extent of the evidence presented and the issue of law raised in it, the case appears to have escaped media attention until now.

A 105-page affidavit made on behalf of RMB by FNB Premium's Head of Legal, Malini Mudaly, reads like a thriller and handbook on money laundering combined. But despite the detailed evidence that the bank had managed to gather – which persuaded it to freeze Sapeg and Munsamy's bank accounts – all of it has yet to be tested in court.

Munsamy succeeded in his application and the court ordered the bank to release the funds it had frozen. In a controversial judgment delivered on 5 December 2014, Judge Roland Sutherland ordered Sapeg and Munsamy's accounts to be unfrozen on the grounds

that “even a criminal has rights”, and a bank does not, by law, have the right to freeze a client's account on its own accord, even if it has grounds to believe the account is being used for money laundering or other criminal purposes.

In such a case the bank must report its suspicions to the appropriate state authority – the Financial Intelligence Centre – and only the FIC may order an account to be frozen, preparatory to legal action.

Of even greater interest to *Noseweek* readers will be the account of just what the bank discovered about Munsamy and his associates when it went looking. This is contained in the 150-page answering affidavit by Malini Mudaly, FNB Premium's Head of Legal.

The story begins on 13 June 2014 when \$560,000 (approximately R6m at the time) was transferred from a Mauritius bank account into the FNB account of Corporate Social Investment (Pty) Ltd, a company controlled by Munsamy's wife, Dr Leegale Adonis.

Routinely asked by a bank official to explain the source and purpose of the payment, to comply with Reserve Bank regulations, Adonis first said it was a loan, but when asked to complete the required form for foreign loans, changed her mind and claimed that it was actually an advance payment for her research services related

The legal argument

ON A THURSDAY IN JULY LAST YEAR, DR Mahendran Munsamy, together with Gauteng businessmen Nico Oosthuizen and Keith Bain, handed themselves over to the police. On the same day they appeared in the Johannesburg Magistrate's Court – along with notorious Czech gangster Radovan Krejcir as their celebrity co-accused.

Their arraignment in court was the culmination of a police investigation that started in 2013. That investigation and those charges involved their alleged dealings with Absa Bank and was unrelated to the events described here in the adjacent *Noseweek* story, which recounts Munsamy's dealings with FNB – although the alleged modus operandi of the suspects in both cases shows striking similarities.

Lead investigator Colonel Cohen Oock told the court that the group and employees at the Central Bank of Swaziland had issued fraudulent documents to Absa and the South African Reserve Bank relating to various international transactions.

"The money was then laundered through various entities and persons, and unlawfully and intentionally appropriated," Oock said.

Krejcir had been implicated because money laundered through the scam had been used to buy Krejcir's yacht, which was later seized by SARS as part of a preservation order against the Czech's assets.

The State's provisional charge sheet alleges that the group secured four amounts of between R429,878 and R3,980,823 in October 2013 through Absa and the Reserve Bank. The total amount involved was said to be R7,594,467.

The largest amount ultimately arrived in the accounts of Basadi Logix, a company of which Munsamy was once a director.

The accused in the Absa case were due to make their next court appearance within days of *Noseweek's* going to press. ■



Dr Mahendran Munsamy and wife Dr Leegale Adonis

to the fuel trade between Mauritius and Richards Bay.

This raised the bank's suspicions – both because of the sudden change in description, and the unlikelihood of Adonis, a medical doctor, being commissioned to research matters relating to the oil trade. These suspicions were confirmed when, within days of the money's arrival in Corporate Social Investment (CSI's) account, the entire sum was transferred to that of Sapeg, of which Dr Munsamy is a director.

On closer investigation, according to the affidavit, it emerged that the Sapeg account (also held at FNB) was conducted primarily to pay Munsamy's personal expenses. Within no time, the money was spent by him, purchasing

properties in high-end suburbs and at a BMW motor dealership.

At that stage, the bank officials investigating the transaction were unaware of a prior contentious issue between the bank and Dr Munsamy, relating to fraudulent guarantees issued by the bank in favour of Sasol Oil.

But then the details came pouring out – and this is the really interesting part of the story if you're a fan of carefully considered financial conspiracies.

What the bank investigators now discovered putting two and two together, led them to believe that the questionable transfer from Mauritius and the initial fraudulent guarantees were "very much linked and intertwined". As a result, the bank iced the

payments. Sapeg responded with a court application to force the bank to release the money.

FNB argued in court that, by virtue of an implied or tacit term governing the relationship between the bank and its client Sapeg, it was entitled to prevent the payment of R5m from Mauritius and freeze the funds. In turn, Munsamy accused the bank of holding Sapeg to ransom saying its behaviour was akin to extortion and it had breached statutory obligations.

Justifying the bank's actions, Mudaly explained in her affidavit how, between January and May 2011, the bank manager of FNB in Hyde Park, Preggy Reddy, fraudulently created and issued at least four bank guarantees for a total of R310m in favour of Sasol Oil (Pty) Ltd. This enabled a company called Lavela (controlled by Munsamy) to purchase fuel worth hundreds of millions of rands without having to pay for it in advance, as was usually required.

Shortly afterwards Lavela went into

liquidation without having paid Sasol, leaving FNB to meet the guarantees.

On investigation, the bank found that none of the guarantees were entered on its register, and that the second bank signature on the guarantees was a forgery. Subsequent investigations revealed that Sapeg's account was linked to Reddy and the fraudulent guarantees, and that Munsamy and entities controlled by him or by his personal assistant had paid at least R670,000 – and possibly as much as R2m – to Reddy at the time the fraudulent guarantees were issued.

These payments were into a “staff account” in the name of Reddy's mother – who did not work at the bank – and carried descriptions such as “Part Comm” and “Consulting Fee”.

Although in his mother's name, the account was opened by the bank manager for his own benefit. (See interview with Reddy on page 14.)

“The bank considers that the facts show that Sapeg's account has been

used for illegal purposes in the past and is again being utilised for illegal purposes, and the bank submits that it is entitled to put a hold on the account,” says the bank in court papers.

In his affidavit, Munsamy insists that the fraudulent guarantee litigation has nothing to do with the funds transferred from Mauritius.

The bank disagrees. It believes that instead of paying Sasol, entities controlled by Munsamy ensured the fuel was shipped off-shore to Mozambique and sold there. Part of the proceeds of those sales were not remitted to South Africa but instead ended up in Mauritius, in the hands of another Munsamy entity, “GTL Direct Ltd Mauritius”, controlled by a cousin of Munsamy.

In short, instead of paying Sasol, the fuel and the proceeds of its sale were diverted off shore. The bank believed the same company that received the diverted funds was trying to reintroduce this money back into South Africa. (The “Payor” of the \$560,000 that arrived in

Bank manager who was hung out to dry

PRAGASEN “PREGGY” REDDY DOES not look like a banker. That may be because, despite having had a relatively long and successful career in banking, he no longer is one. He has some tattoos. He's in shorts. He's had a rough few years – by his own admission, this is largely as a result of his own doing and his naivety in trusting someone he now calls “an animal” and “a disgusting waste of skin and bones”.

The 38-year-old started out as a service adviser at the FNB branch in Sandton City. He explains that he was then hand-picked to join a group of elite managers for a new chain of “McDonald's-style” FNB outlets. He was appointed the associate bank manager at Hyde Park in 2010.

Dr Mahendran Munsamy first walked into Reddy's life during his Sandton days. “It was my job to meet the niche clients, the whales, the high-flyers, just to keep them happy,” Reddy recalls. “We were told by his account manager that we've got a big client in the gasoline industry, huge turnover

a year, so we've got to look after him; they do a lot of cash withdrawals so can we just make sure the process is expedited and not to frustrate the client.

“It was a Saturday morning when I first met Munsamy. He said: ‘You won't see me but you'll see my PA Tanya Klein. She'll be running in with the cheques,’ so we said ‘Sweet like a lemon. No issues. Just give us an hour and we'll ready your cash.’ That's how Munsamy walked into my life.”

Over the years Reddy got to know Klein very well although he rarely, if ever, saw Munsamy. Munsamy's people regularly invited him to their end-of-year parties, but he would never attend – until 2010, when he decided “What the hell, why not?” That decision would change his life forever.

“I was at Hyde Park and Tanya (Klein) came to the branch and said ‘Listen, we're having drinks tonight. Come.’ It was Friday, 20 December.

“I hadn't seen Munsamy in years. It's not strange for a banker to go to his client and have a drink, nothing

unethical about it. He was a friendly, nice kinda guy. He put on the charm. He knows how to schmooze somebody.

“We started talking and he says to me, ‘Listen I've got projects coming up in 2011, I've just bought another company called Lavela Petroleum. My wife is going to be the head of the company. The company is in her name but it's a massive contract we're taking on.’

“He said he's bought companies here and there and he wants to leverage their properties with the bank [*use them as security for a bank loan*]. He's had some problems with other banks. Would the bank look at it?”

Over the Christmas break and into January, Reddy says, Munsamy was putting pressure on him to urgently set up the deal. He even summoned the bank manager to a meeting while he was on leave.

“He treated me to lunch. We chatted for about three hours. At that time I didn't realise he was busy profiling me. He was getting to know me on a very personal level. I've taken some

Munsamy's wife's FNB account was identified as "GTL Mauritius".) It also believes that the reasons advanced by Munsamy and his wife for the payment were "false and mere pretences" and that "the funds are being introduced as part of money laundering".

In correspondence with the bank, Adonis claimed that, as a public health specialist working for Wits University and completing her PhD, she was tasked to conduct a research project relating to Richards Bay and Mauritius.

"The sponsors of the project who commissioned my services indicated that the funds of \$560,000 is advance payment for the scope of work to be rendered. Further funds will be paid as the project develops over a four-year period," she told the bank in an email.

In the court papers, the bank lists several reasons why it is suspicious that, as a medical doctor, Adonis is being paid significant sums of money for a petroleum-related research project.

When the bank's attorneys were given sight of – but not allowed to copy – the Richard's Bay report she claimed to have written, in order to justify the fee she said she was paid, they found plenty of evidence to show that it had been hurriedly concocted from a report on oil logistics produced several years earlier, and quoting long-outdated statistics.

During an insolvency inquiry held in May 2014 for Lavela, Andrew Botha testified that he had acted as personal consultant to Dr Munsamy at a time when Munsamy had come into "a pile of money", and how he had used it to go on a property purchasing "rampage" (aided and abetted by Botha, an architect and former property developer).

"The reason why Dr Munsamy had a pile of money available is because it was the proceeds of the fuel that had been shipped to Mozambique instead of paying Sasol – leaving Sasol to claim against FNB on the back of the fraudulent guarantees that Mr Reddy created

whilst receiving payments from entities controlled by Dr Munsamy and his personal assistant," says FNB's head of legal in its affidavit.

Bank manager Preggy Reddy was suspended in July 2011 and he subsequently resigned from the bank. He has since offered to come clean and spill the beans on the entire intricate web of deals.

The Hawks are investigating various charges of money laundering arising from the case in conjunction with the National Prosecuting Authority.

Munsamy insists that the bank has made several false and defamatory claims against him and he reserves his rights with regard to these.

In his 2014 ruling, Judge Sutherland explained that it was not for him to determine whether the allegations of money laundering were indeed true, but rather he had to determine whether the bank acted correctly in freezing the money.

"The sole basis in law relied upon to freeze the operation of the account is an alleged power that the bank has in terms of an alleged term of the agreement between the parties."

The sole question to be determined by the court was therefore whether such a term in favour of the bank could be implied, as it was not written into their contract.

Judge Sutherland found that it was not an implied term. On the contrary, their written contract explicitly prescribed that the bank could only place a hold on (or "freeze") a client's account on instruction from the Financial Intelligence Centre.

"Moreover, the term sought to be imputed and its radical intrusion on the rights of a client far exceed what Fica authorises the Centre [*Financial Intelligence Centre*] to do. What is sometimes overlooked, is that even criminals have rights; the more basic of which is to be convicted before being punished. With the sole exception of the process of Asset Forfeiture, provided for in Chapter 6 of Poca [*Prevention of Organised Crime Act*], our law adheres to this order of things. By contrast, the respondent claims a term that entitles it to freeze R5m of a business for over five months, and further claims it may continue to do so until the applicant convinces a court that the bank's belief in its wickedness

hard knocks in life. I don't have a formal education but I'm smart. (I am busy studying for my BComm currently.) He says 'You're one of the students of the university of life'. Now I realise why the banks didn't want to fund him. Because he's a crook and a fraudster."

Reddy won't answer any questions about what happened between that time and when he was arrested because there is still on ongoing investigation. Yes, Munsamy's PA did make payments into an account opened in his mother's name. Yes, he did issue fraudulent guarantees. But he won't say why he assisted Munsamy and whether he knew what he was doing was wrong. He is adamant that he was not wilfully participating in a fraudulent activity.

"My mother's account was not opened for fraud. I had an ITC issue in 2008, so I closed my FNB account and I opened my mom's account and my salary was going into her account. That was it."

Reddy was extremely surprised when in 2011 "this cop comes knocking on my door and he says 'I'm investigating Mahendran Munsamy'. My heart fell into the pit of my stomach. He said this guy had defrauded peo-

ple and he's going to arrest him.

"So I phone Mahen and I say 'Mahen there's a cop knocking on my door at work and he says he believes there's fraudulent guarantees placed at Sasol'. I panicked. Mahen says 'Don't worry about it, this is a witch hunt and he's shaking the tree to see what falls.' He says 'Well, you must do what you like.' But he warns me: 'We are a chain put together and you can't act unilaterally on your own. You must face the consequences if you want to withdraw.'

"Then I knew I was in *kak*."

The police arrested Reddy and he spent a night in the cells in Germiston before appearing at the Commercial Crimes Court in Johannesburg. Munsamy sent a legal team over to help. In September 2013 the charges were provisionally withdrawn.

Reddy has decided to speak out now because of his conscience and because he feels there is no longer a threat to his safety.

"I had never been arrested for as much as a parking ticket before. I was not intentionally part of a money-laundering ring. I feel absolutely stupid! I was naïve to have done what I did. But I do want that animal arrested." ■



Despite extensive investigations and what it believed to be evidence of a vast money laundering scheme, Munsamy won the day in court

Munsamy won the day in court and the bank and its lawyers were left to lick their wounds – and pay Munsamy’s costs on the punitive attorney-and-own-client scale.

It’s unclear why, despite the evidence of fraud and probable money laundering collected by FNB, the National Prosecuting Authority (NPA) has not charged Dr Munsamy, his wife or his personal assistant with money laundering relating to this incident.

The bank manager, Reddy, was charged and taken to court but charges were provisionally withdrawn in 2014.

FNB says it has reported all of its information to the NPA and is standing ready to assist prosecutors.

“First National Bank (FNB) has zero tolerance for criminal conduct and will take the necessary steps to assist the authorities in dealing with any criminal activity. You will note from the affidavit that the Bank had reported the facts to, amongst others, the National Prosecuting Authority.

“The Bank is waiting for the authorities to complete their investigations and, so as not to prejudice the finalisation of the investigations, we are not, at this stage, in a position to make any further comment,” said the bank in a

statement.

Noseweek put the following questions to Dr Munsamy through his attorney, Rudi Pottas:

1. Dr Munsamy is accused of money laundering, both in court documents and in court in the so-called Krejcir matter. What is his response to this allegation?

2. Dr Munsamy has not been criminally charged in relation to the Lavela/Sapeg vs RMB matter – would he like to respond to the allegations levelled against him by the bank in that case?

3. Did he intentionally enlist FNB manager Preggy Reddy to issue fraudulent guarantees in order to facilitate fraudulent activities?

4. In reply, Dr Munsamy insists the fraudulent guarantee litigation has nothing to do with the funds transferred from Mauritius but the bank disagrees. What is his version?

5. Reddy accuses Dr Munsamy of being a money launderer and a thief. What is his response to this?

6. Is Dr Munsamy aware that the Hawks are currently investigating other cases (aside from the Swaziland/Krejcir case) and that other victims have come forward to claim he has defrauded them?

Noseweek received the following reply from attorney Pottas:

“Dr Munsamy denies any liability, whether civil or criminal of any nature. The matters are largely sub judice, save for the RMB matter where judgment has been delivered. It should be noted that the learned Judge Sutherland J ordered that: The actions of RMB were unlawful; RMB was to release the funds; and pay costs on attorney-client scale.

“Preggy Reddy was the only individual to have ever been charged criminally in the Sasol/FNB matter and various stories have been touted over a long period in order to obtain financial incentives. The allegations as they currently stand are denied in the strongest terms. You may also have regard to paragraph 30 of the judgment of Sutherland J, which amplifies Dr Munsamy’s contentions that no criminal conduct has been committed by him as alleged or at all.

“Dr Munsamy has instructed me to place on record that any reckless reporting, without the necessary verification, will be dealt with legally.” ■

is unreasonable. In my view to imply such a term is untenable.”

Judge Sutherland did take the opportunity to lash the law enforcement authorities for failing to act in this case.

“The languid, if not moribund response from the authorities in response to the report by the respondent of a possible crime is lamentable. But the harsh reality is that a bank is not the sheriff in a frontier town. I refrain from offering gratuitous advice about what a bank might do to invigorate the centre, and the police. Self-evidently, if a proper case exists to interdict the operation of the account, such an application may be brought by anyone who has a plausible cause of action.”

So despite extensive investigations and what it believed to be evidence of a vast money-laundering scheme,

Legal hanky-panky after destruction of nice little business

It is widely believed in legal circles that bribery and corruption pervade the Master's office, the division of the Department of Justice that deals with deceased estates and insolvencies. By Jack Lundin

TAMSANQA MOYA'S TWO BUSES PLIED the 860km run between Johannesburg and Bulawayo, Zimbabwe – a nice little business. Until, that is, he decided to expand his fleet with the addition of two luxury coaches from China, 55-seaters, with reclining seats and air conditioning that would take his business to a new level.

The deal was arranged by a 53-year-old Joburg businessman Mahomed Saloojee who represented a close corporation owned by his wife which supplied Combis to the taxi industry. "Tami" Moya paid R1.3 million for the coaches into the cc's account at FNB. But when he contacted Shenyang Brilliance Jinbei Automobile in Shenyang five months later regarding progress on his order, he was shattered to be told that the Chinese company does not make coaches and they had not received his R1.3m.

On 28 March 2014 default judgment was granted against Saloojee by Judge Willem Wepener in the South Gauteng High Court for R12.2m (the lost coach money plus R11m damages for loss of future earnings).

Twelve days later, when the sheriff arrived at Saloojee's Johannesburg South home in Winchester Hills to attach property, it was to learn that Saloojee had placed himself in voluntary sequestration the previous October, in 2013. Saloojee's insolvent estate was now under the control of provisional trustees and no attachments could be made.

As one major creditor owed R12.2m, Moya expected that in due course the trustees would sell Saloojee's house and, after any bond was settled, he would get at least something back. But two years after sequestration there had still been no first meeting of creditors and little progress on the winding up of Saloojee's estate. That is in the hands of Pretoria-based Cassim Trust, headed by Zaheer Cassim, a business-rescue expert and well-known liquidator of insolvent estates.

It has now emerged that just three days before Judge Wepener's default judgment against Mahomed Saloojee in March 2014, the Cassim trustees had signed an agreement of sale to sell the Winchester Hills property – to Saloojee's 23-year-old daughter Razeena.

Razeena Saloojee had acquired her father's home – a handsome property with four bedrooms and three bathrooms in the pleasant Joburg South suburb of Winchester Hills – for what seemed to Moya to be a knockdown price of R1.1m. A year previously it had been valued at R1.75m for a forced sale, and its current value is put at R2.4m.

Alarm bells rang in the office of Moya's attorney, Tendayi Mudenda. Mudenda explains that to sell a property in an insolvent estate before the Second Meeting of Creditors is a "drastic procedure that requires motivation to the satisfaction of the Master of the High Court. The Master must scrutinise any such offer and be satisfied that it protects the interests of all the creditors".

To satisfy himself that all was in order Mudenda called the Master's Office, where clerk Mavis Nkuna told him the Saloojee file was "untraceable". The following month Mudenda spoke to Deputy Master Reuben Maphaha, head of the Liquidations and Insolvency section. "He confirmed that they were unable to locate the file," says Mudenda.

By now Moya had filed a high court action against provisional trustees Zaheer Cassim and Thabiso Moleko; Mahomed Saloojee and daughter Razeena; and the Master of the High Court seeking that the trustees be removed and the house sale declared improper and therefore null and void.

At the Discovery of Documents stage, the Master's Office produced a copy of the long-lost file No G1269/2013. It made bizarre reading.

Cassim Trust's application to the Master for consent to make an urgent sale of the house was dated 17 April 2014. It made no mention of the March R12.2m default judgment against the house's owner. It merely stated that Saloojee's estate was sequestered on 25 October 2013, that the interest on the house's R1.15m bond was increasing daily, and its sale was in the general interest of all creditors.

The letter included Standard Bank's consent to sell the property, a valuation and a blank Consent, in duplicate, for the Master's signature.

Two things aroused the suspicions of Moya and his attorney. The Consent form carrying the Master's stamp



Tamsanqa Moya

dated 24 April 2014 had an indecipherable signature. And the valuation report, with a forced-sale valuation of R1.1m, was dated 18 January 2016 – 21 months after its supposed submission by Cassim Trust.

Last June 48-year-old Tamsanqa Moya visited the office of Assistant Master Matome Moshoma in the Liquidations and Insolvency Section. “He said that Saloojee’s file No G1269/2013 had been under his control, but went missing,” says Moya. It was Moshoma, he adds, who revealed who had signed the controversial Consent to Sell. The Master’s stamp on the consent form bears the number 36. This, Moshoma told Moya, identified its holder as another Assistant Master, Pamela Dube.

But when Dube stamped the consent form, said Assistant Master Moshoma, she wasn’t working in the Liquidations section (on the 7th floor of the Master’s Office at 66 Marshall Street, Joburg). She was working in Trusts and Curatorship, (down on the 3rd floor).

“There’s something really fishy going on here,” Moshoma allegedly told

Moya. “This girl was not in my department when she stamped this letter.”

Deputy Master Reuben Maphaha, head of Liquidations and Insolvency, subsequently confirmed that Dube was only moved to his section as of 3 August 2015.

In her brief responding affidavit in court papers Assistant Master Dube says the application to sell the Winchester Hills property was brought to her attention by the provisional trustees, with supporting documentation.

“It was not unlawful to authorise the provisional trustees to sell the property and the sale was in line with the valuation report,” she says.

The Master has supplied Moya’s attorney with an explosive memo from Deputy Master Maphaha to Leonard Pule, Master of the South Gauteng High Court. Dated 6 July last year it begins: “The purpose of this memorandum is to inform the Master of the fraud committed by Ms Dube when authorising the sale of the immovable property in the insolvent estate Saloojee, and for the Master to cause a forensic investigation to be conducted against the action of Ms Dube.

The Consent to Sell was authorised by Dube with stamp number 36 and the memo adds that “Ms Dube was in Trust section during the period in which the consent was granted”.

“Furthermore, it was noticed that the

‘There’s something really fishy going on here,’ Moshoma allegedly told Moya. ‘This girl was not in my department when she stamped this letter’

evaluation report is dated 18 January 2016, which raises suspicions as to the correct date upon which the consent was granted.”

Deputy Master Maphaha’s memo recommends “that the matter be investigated and disciplinary proceedings be instituted against the said official, together with enquiring as to the conduct of the Joint Provisional Trustees to ascertain if there were no fraudulent activities conducted”.

Last November a justice department official told Moya’s attorney Tendayi Mudenda that “the investigation was finalised and the forensic report was distributed to the relevant internal stakeholders.”

And Martin Mafojane, Chief Director (Coastal Operations and Insolvency projects) at the Department of Justice has told Mudenda: “Our departmental Forensic Unit reports are not available for public consumption. These are not shared with outsiders. You are advised to work through the Deputy Information Officer in terms of the Access to Information Act.”

A fruitless exercise for Tamsanqa Moya, the complainant in this case – and out of pocket to the tune of R12.2m, which has now risen to around R20m with compounded interest. Access to Information applicants are also handled by the Department of Justice, whose Deputy Information Officer, Ms ND Louw, told Mudenda in December that his application for access to the forensic report had been refused. “No decision in the exercise of a power or performance of a duty has taken place as yet and the release of the record would be premature, resulting in the frustration of the operation of the Department.”

The R1.1m “forced sale” valuation for the Winchester Hills property was done by Pretoria valuer Anrie Erasmus, who tells *Noseweek* that she has done nine valuations for Cassim Trust since 2013, but has never met Zaheer Cassim.

Asked to explain how her 2016 report came to be attached to the 2014 application to sell to the Master’s Office, Erasmus says: “I received a request from Frieda Roets from Cassim Trust in January 2016. When I did a Lightstone property search I saw the owner/buyer was Razeena Saloojee. I contacted Frieda and told her that the property had a new owner. She asked me to



Zaheer Cassim

do a valuation on the previous owner's name [Mahomed Saloojee] for the period of 2014."

In other words, the valuation that gives the impression it was made to support the Master's decision to allow the property to be sold to Razeena Saloojee for R1.1m in 2014 was indeed created in January 2016 and only recently inserted by someone into the Master's file.

Tamsanqa Moya's bus business collapsed after the above events and he's now producing vegetables and chickens from a plot near Krugersdorp.

Assistant Master Pamela Dube did not respond to our request for comment.

Mahomed Saloojee's attorney Patrick Payne of Leahy Attorneys says: "The questions posed under cover of your letter concerns a factual circumstance which is presently still to be adjudicated upon by a court of law. Sensitised to the aforesaid, we regard it inappropriate for the facts (which are still to be pronounced upon as aforesaid) and issues concerning the pending litigation to be ventilated in a public forum, and particularly in the media, until such time as the pending litigation has been finalised."

● Last year Justice Minister Michael Masutha reported to the National Assembly that Chief Justice Mogoeng Mogoeng had expressed concern over fraudulent court orders and the misuse of court stamps. ■

OUTsurance's Youi hooley

FOR MISLEADING CONSUMERS WITH ambush sales tactics, OUTsurance's wholly-owned New Zealand subsidiary, Youi, was fined NZ\$320,000 (R3.08 million) in the Auckland District Court in December. The NZ Commerce Commission had filed 15 sample charges relating to misrepresentations made to consumers by Youi salespersons between July 2014 (when the insurer opened shop) and February 2016. The South African-owned insurer pleaded guilty to charges that it:

- made false or misleading representations on its website;
- made false or misleading statements during telephone sales calls, including claiming that bank or credit card details were required to generate a policy quote;
- asserted a right to payment for unsolicited insurance policies by sending letters demanding payment and/or debiting consumers' bank or credit card accounts without their express permission or knowledge; and
- sent invoices to consumers in relation to unsolicited insurance policies that did not specify that the consumer was under no obligation to pay for the policies.

The Commerce Commission's investigation was triggered by a series of articles written by investigative journalist Diana Clement for the *New Zealand Herald's* online news site Interest.co.nz. While Clement is pleased with the outcome of the investigation, she is not convinced the company has mended its ways.

"Every couple of days someone is complaining on social media about them," she later told Interest.co.nz.

Her original investigation started with a call to Youi looking for an insurance quote on a motor vehicle. Three minutes into the call, the salesperson claimed falsely that Youi's computer system couldn't produce a quote without payment details being entered. Youi went on to debit \$592 from her credit card without permission.

As soon as Clement's article was published, victims started coming forward. Then eight staff members made contact and told how, rather than being a one-off rogue employee, the extraordinary sales methods were used by Youi staff across the company's South African, Australian and New Zealand offices. The sales methods that they were pressured to use to ambush clients had been schooled into them by managers.

The company continues to sell policies that simply don't cover the basics. The standard household contents policy, for example, doesn't include away-from-home cover that is standard with all leading insurers.

Other ways that staff members routinely reduced premiums included that, when certain models of car were expensive to insure, they would say they couldn't find that model on the computer and suggest they input another (cheaper) model "in the meantime".

The change meant they would not be covered by the policy should they have to claim. Also, sales staff would often put words in customers' mouths and then rush on to the next issue, hoping the customer wouldn't notice they had agreed to include data on their policy that wasn't true – such as the age they began driving.

One victim found that the Australian-based staff member had entered that her car was garaged at home, even though she had no garage. Had her car been stolen, Youi could have declined the claim. ■



Heroic doctors' torment

Dedicated medics hounded by self-serving politicians.

By Chris Bateman and Jack Lundin

MSELENI PROVINCIAL HOSPITAL is in the sticks in a distant corner of northern KwaZulu-Natal, yet this remote state hospital is renowned in specialist medical circles for its stewardship of the strange Mseleni joint disease. This crippling form of endemic osteoarthritis, cause unknown, is curiously confined only to the local population, to whose long-suffering joints it brings stiffness and agonising pain.

The rare condition targets mainly the hip and, at Mseleni, Dr Victor Fredlund and Dr Kobus Viljoen regularly performed two total hip replacements every Wednesday. Until, that is, the day they set about filling 20 vacancies for general orderlies who are required to keep the hospital running smoothly.

Recruitment of the orderlies fell to Fredlund, its 60-year-old London-trained chief executive and recent winner of the Rural Doctors of South Africa's Lifetime Achiever Award. Guitar-playing Fredlund, who can speak and sing in fluent Zulu, has worked at the former mission hospital for 35 years – his entire career.

With poverty endemic in this isolated spot, 60km from the Mozambique border, the locals survive on fish they catch from Lake Sibhayi and the crops they grow. So when 20 rare vacancies came up at Mseleni Hospital the 2,720 hopefuls who applied felt strongly that the jobs should go to locals, a view loudly reinforced by politicians at rowdy rallies in the area.

When it emerged that two of the applicants were not in fact locals and had falsified their addresses, these firebrand politicians didn't hesitate

to puff the tinder into full-scale conflagration. At a rowdy public meeting in a community hall – that would not have been built without Fredlund's personal drive and enthusiasm – one politico accused the CEO and his management of corruption over the orderlies' recruitment, including the taking of backhanders in return for jobs. Wildly, the politician screamed for Mseleni Hospital to be torched.

A long list of historical grievances was produced. Two ANC candidates in the local government elections, one a former Mseleni Hospital staffer, Zenzele Ngubane, vied with one another to heap on the vitriol as they demanded the heads of Fredlund, the hospital matron, its human resources officer and the systems manager. Without further ado, all four were put on enforced leave by the provincial health department. Fredlund's removal was "for his own safety" bureaucrats continued to insist, long after any perceived threat to the veteran had evaporated.

While Fredlund, a devout Christian, sat at home for months there were no hip replacement operations at Mseleni. Fredlund's co-surgeon Kobus Viljoen, standing in as CEO, was too busy keeping the 184-bed hospital running to be able to perform major surgery. In protest at his boss's treatment Viljoen stopped shaving on March 3, the day he took over, mowing off his impressive beard only when Fredlund was cleared of all charges six months later.

"It was just bizarre," says Fredlund, who displays no rancour at his treatment. "The charge was that I wilfully and deliberately abused my power in dismissing a guy who failed to declare an assault conviction in his job application, and that I withdrew the

applications of two others who had allegedly falsified their addresses. But that is precisely what head office had advised me to do!"

Fredlund instructed the 20 general orderlies he had appointed, as well as five suspended managers, to return to work.

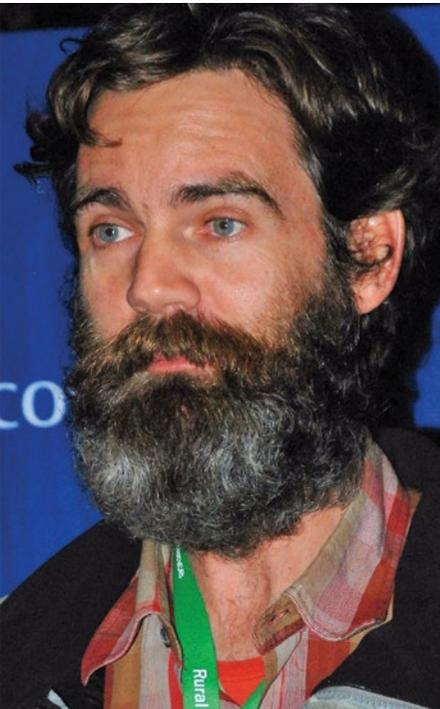
But the provincial health department then instructed him to bring charges against his chief matron, HR manager and systems manager, for their roles in hiring the orderlies in the first place. It was nonsense from hell.

"My real frustration is that this is distracting from the battle of fighting disease and poverty," Fredlund said at the time. "If you're looking for a battle there are plenty of things out there to fight, not each other."

"I run quite a proficient clinical team and I'm not indispensable. There just wasn't that much senior cover in my absence. I cannot say how many patients died or not, because I wasn't there. But one friend of mine, a local pastor and patient, died while I was away. My medical staff did a fantastic job in my absence under extreme pressure and abuse. But they were trying to save a sinking ship."

Until the KwaZulu-Natal provincial health department "took our management apart and planted an atom bomb" as Fredlund put it, Mseleni Hospital had been widely lauded. It had recently won the Batho Pele Service Delivery Award, a national honour across all government departments. Before that, it scooped the KZN Premier's Service Excellence Award, and before that, the KZN health MEC's Service Excellence Award.

Thus did a weak-kneed provin-



Clockwise from top left: Rachel and Victor Fredlund; Roger and Michelle Walsh; and Kobus Viljoen, who stopped shaving in protest at Fredlund's suspension

cial health department, desperate to dampen the rage of ignorant, self-serving politicians, abandon Dr Victor Fredlund, a tireless public servant who had led the provision of primary health care to a community of 90,000 people since 1981.

However, this remarkable man has not been entirely without support. At one stage the local chief, Inkosi KT

Nxumalo, intervened, berating the ranting political agitators and threatening to banish them from the district if they continued to “act like children”. The chief invited Fredlund and his wife Rachel over for supper, apologising for what had happened.

Rachel Fredlund is as committed to the local community as her husband. She provided the impetus for the

building of a direly-needed HIV/Aids orphanage near the hospital. In June 2015 an electrical fault caused a fire that destroyed the facility, with one child fatality. The 55 orphans were farmed out to institutions across the country and Rachel Fredlund has already raised R2 million of the R3m needed for its rebuilding.

Switch now to Grahamstown, bastion of Rhodes University and supposed centre of civilisation in the Eastern Cape. There, one can find Fort England Psychiatric Hospital, a 313-bed state relic is one of the oldest mental institutions in South Africa, established in 1894. Its facilities

include a drug rehab unit and a maximum security ward for the treatment and rehabilitation of high-risk state patients referred by the courts.

This time it's the unions that are after this hospital's chief executive, Dr Roger Walsh, baying for his dismissal and the removal of his name from the board at the main gate and at the entrance to his office.

Last July, 30 chanting members of three unions – the National Education, Health and Allied Workers' Union (Nehawu), the Democratic Nursing Organisation of SA (Denosa) and the National Union of Public Service and Allied Workers (Nupsaw) – stormed the wards, flourishing sticks and blowing whistles. They ordered hospital workers out on strike, threatened to burn their homes and at one stage allegedly assaulted Walsh.

Days later the situation escalated, according to a memo from hospital managers addressed to Eastern Cape Department of Health bosses. It reported “ongoing industrial action, widespread intimidation, forced removal of staff from wards, offices and essential services, and threats of violence to clinical staff who were attempting to prepare food in the kitchen and dispense medication in the wards.”

Patients – some, “extremely disturbed and needing constant supervision” – plus 26 prisoners and some of the “most difficult and dangerous” state patients in the country – were left confused and vulnerable. “Without proper supervision there a danger of violence, escapes and relapsing of psychosis going unnoticed,” the memo warned the Bhishe health department bosses.

What was the problem? Walsh's woes began shortly after his arrival in 2013, when he tackled mounting tension over nurses' scope of practice at the institution. This resulted in a one-day strike, to which the new CEO responded with a no-work-no-pay ruling.

Under orders to reduce costs, Walsh raised the ire of the unions when he switched seven cleaners from double-pay Sunday shifts to Mondays – and increased their number of working days from four to the normal five days a week. Although this immediately improved Fort England's “national core



Protesting workers at Fort England hospital in Grahamstown

Picture: Grocott's Mail

standards” score for cleanliness, shop stewards were enraged that cleaners had to work a full week and called off negotiations until Walsh was fired.

Eastern Cape Health MEC Dr Thobile Mbengashe was swift to oblige, saying Walsh's removal was “in the best interests of patients, continued service-delivery and his own safety”.

Walsh resisted department officials' suggestions that he be redeployed to health department headquarters in Bhishe. The department has refused to reinstate him at Fort England, although two advocate-led probes have cleared him of a long list of spurious union charges.

An independent inquiry by advocate Amelia da Silva, commissioned by the department, yielded a 150-page report that has been kept under wraps. However, *Grocott's Mail*, Grahamstown's

vibrant community newspaper, got its hands on a summary of its findings. This stated that Da Silva had found no evidence to support allegations of mismanagement, corruption or negligence by hospital management. Neither had disciplinary procedures been flouted.

“The lack of communication between management and the labour force appears to have originated from a time when the workforce stopped attending ITU meetings after November 2015,” reads the summary. “The reason for the withdrawal of the workforce is that management took decisions without consultation and the workforce felt marginalised and excluded.”

The advocate's report summed up the overall situation as one of workplace conflict. It recommended that independent HR professionals and conflict management experts be engaged to resolve the impasse.

One striking worker told *Grocott's Mail* that CEO Walsh was “arrogant. He takes decisions without consulting. It's his way or no way.”

Democratic Nursing Organisation of SA (Denosa) member Ntombizodidi Ngcosini said: “This [*unhappiness*] has been a long-standing problem since 2014. It is the culture of our employer that they don't take people seriously. We have been crying for a long time.”

However, an anonymous hospital worker told *Grocott's Mail*: “This situation is beyond what Fort England can manage. It needs decisive leadership

Walsh raised the ire of the unions when he switched seven cleaners from double-pay Sunday shifts to Mondays

(from province) to resolve this. Look, Roger Walsh might not be popular, but he is the best CEO the institution has had for a long time.”

Following an earlier workers’ petition calling for Walsh’s removal back in November 2015, a letter to the health department signed by eight senior staff members said that “whilst there may be some that disagree with the leadership style of the CEO...” since Walsh arrived, “he has managed the institution with fairness, innovation, enthusiasm, energy and dedication. His commitment to Batho Pele principles, streamlining administrative and managerial efficiency, enriching the work conditions of all employees and, above all, improving the quality of patient care, is clear to us.”

Today Dr Walsh is still trapped in the ongoing lock-out impasse. His specialist physician wife Michelle has meanwhile accepted a post at Settlers’ Hospital in Grahamstown.

Last December seven top managers at Fort England hospital accused Bhisho of acting illegally in appointing an interim acting chief executive while not suspending Walsh or placing him on special leave.

Commenting on these doctors’ tales, Dr Desmond Kegakilwe, chairman of Rural Doctors’ Association of South Africa (RuSASA), describes Fort England’s Roger Walsh and Mseleni’s Victor Fredlund as dedicated, vocation-driven doctors who helped deliver healthcare independently of political dispensations or changes.

“But no matter how good and dedicated you are, you will always end up the victim when you are the obstacle to the agenda of corrupt individuals,” says Kegakilwe. “We’re going to be watching these and similar cases very carefully in future.”

Dr Mzukisi Grootboom, chairman of the South African Medical Association, slams KwaZulu-Natal health department for “turning a blind eye for political expediency”. SAMA was “extremely perturbed” at the treatment meted out to doctors who had dedicated most of their lives to servicing needy communities, especially in a country with a dire shortage of rural doctors and basic healthcare services. SAMA, declares Grootboom, will not rest until doctors Fredlund and Walsh are fully reinstated and proper proce-

dures followed.

KwaZulu-Natal health department spokesman Sam Mkhwanazi says: “There are ongoing disciplinary matters involving a number of officials from Mseleni Hospital. However, it is not the practice of the department to ventilate in the public [sic] internal and confidential matters which are employer/employee related.”

The Eastern Cape health department refuses to explain itself, despite repeated email, SMS and voice message requests. Not surprising, considering the extent of skulduggery and political manoeuvring within this excuse for a provincial health authority.

Latest victim of the toxic hellhole is deputy director-general Karen Campbell, Bhisho’s long-serving and highly-regarded human resources head, who became a target after challenging union pressure to forcibly upgrade swathes of healthcare workers, ostensibly to stave off strikes. She’s had to be hospitalised, a nervous wreck.

● As *Noseweek* went to press, the KZN health authorities launched another attack on Fredlund. This time, charging him with irregularly appointing clinic nurses in 2014. He has been “relieved of his duties” as CEO of Mseleni Hospital and the CEO of neighbouring Bethesda Hospitalis now overseeing both facilities. Fredlund continues working at the hospital as mere medical officer while he awaits his next hearing on 17 January.

● The Port Elizabeth Labour Court is currently hearing a dispute involving a R2m Vodacom tender, for which the funds were allegedly misused by Bhisho to boost the salaries of senior admin staff and Nehawu members. This is in addition to the R40m of budget meant to be used to recruit vitally needed healthcare professionals that was allegedly also misappropriated to promote admin staff. ■

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Draining Tshwane's swamp

Mayor Solly Msimanga wants to focus on service delivery. By Susan Puren

We knew there were things that we knew and then there were things that we knew we didn't know. Now I am finding out that we didn't know what we would never have guessed. These are the things that are coming out right now

Solly Msimanga,
Executive Mayor, City of Tshwane

SINCE AUGUST LAST YEAR THE CITY of Tshwane's metro municipality and its DA mayor, Solly Msimanga, have decorated many pages in *Noseweek*, which has exposed a litany of fraud and corruption left behind by the previous regime and its ever-so greedy cohorts.

Shortly after being sworn in, Msimanga was confronted with the so-called shoe polish scandal. Tens of thousands of small tins of Kiwi shoe polish had been ordered over the years at three times the retail price and nobody was able to say why and for whom. Also stocked up in excess in the city's warehouses were household cleaning products like Surf and Handy Andy – purchased by the thousand in the smallest packaging available but sold to the municipality at a 100% mark-up on the wholesale price. The most shocking was the energy saving globes that Tshwane purchased at R300 each, while Makro was selling the same items for R79 each.

The household cleaning stuff was meant for elderly or indigent households needing assistance, Msimanga tells *Noseweek*, as he is interviewed in his office in the municipal building in Centurion. "But it does not justify the money spent, which could have been used in a more beneficial way."

In November last year *Noseweek* named several vendors and officials in

the city's supply chain who were allegedly working together to defraud the municipality on a daily basis. Family members and friends of officials were supplying sundry goods ranging from nails to mini sub-stations, seemingly from the same address – without a proper office or workshop and without being registered for VAT.

Some of the perpetrators were graduates from the Tshepo 10,000 project set up by the previous administration to train 10,000 of the city's unemployed youth in entrepreneurial skills. They were then listed as preferred suppliers of goods to the municipality.

Msimanga says the abuse of funds by the previous administration and some officials meant that young people ended up being trained as fraudsters rather than genuine entrepreneurs. Tshwane's new leadership has put a system in place that cannot easily be bypassed, Msimanga told *Noseweek*.

Asked about the saga of the Pretoria City Hall restoration project (*nose207*) that turned into a very costly downgrade instead, Msimanga said it had been managed by his predecessor's chief of staff Ernest Shozi. Shozi and two others were criminally charged months ago but have not yet appeared in a court. Meanwhile one of the trio still works for Tshwane, and another has since been employed by a different municipality.

"We're talking billions of rands in corruption and more cases keep on coming in," says Msimanga.

He revealed that in one instance, more than R100 million was paid out to build a sub-station in Mamelodi but "not a single pole was planted". In another instance, more than 5,000 government officials were found to be beneficiaries of the city's indigent programme. Also, many ghost employees seemingly haunted the corridors – and the payroll – when the ANC administration was running the capital.

Several multi-million-rand contracts have been put on hold, including one for the supposed management of the city's fleet of vehicles. This was after 400 vehicles were found hidden in workshops across the city. "We were renting trucks at exorbitant amounts while ours were standing there unused," says Msimanga.

So far 15 officials have been suspended, four fired and a director in supply chain management was moved to another department.

"It's a shame, but I am not going to spend the next five years digging, I want to focus on delivery and I want to focus on getting the job done."

The digging is now left in the hands of the metro's newly founded independent investigative unit. The new administration also established its own drug squad – a first in Africa for



Solly Msimanga

a municipality – with 76 cadets that went through training, some with the FBI. In just a few weeks they have closed down three drug manufacturing labs in the capital.

Tshwane has a current deficit of R2 billion, but Msimanga laughs about the threats to place the city under administration and says that 70% of municipalities in the country should be under administration if the criteria are what Tshwane is going through.

“If Tshwane were to be put under administration it should have been done two years ago when this PEM thing [*prepaid electricity meters*] came up, when the broadband contract

came up, when we went in where we shouldn’t...”

Msimanga’s recent visit to Taiwan to attract investment to the city caused a huge uproar in the government and the ANC caucus in Tshwane. Some even called it an act of treason because of the government’s so-called One China policy.

The Tshwane mayor is adamant that he had permission from the Department of International Relations and Co-operation (DIRCO) – a so-called *note verbale* – to go to Taipei. “DIRCO even arranged for me to use the diplomatic lounge at OR Tambo airport and I had South Africa’s representative waiting for me on arrival in Taipei. But a DIRCO spokesperson then phoned my office just before the plane departed to say if I leave, they would run a story.”

The irony is that those who were trying to score easy political points had egg on their faces: it soon emerged that several government ministers, deputy ministers and at least two ANC mayors have visited Taiwan in the recent past.

“I saw their photos there. And some of the factories confirmed they had been funding the governing party. I will reveal their names, if the government continues to press the point,” Msimanga told *Noseweek*.

See Editorial – Ed. ■

Msimanga laughs about threats to place the city under administration. In that case, he says, 70% of municipalities should be under administration

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Another year in Pondoland

They may not officially be married, but everyone can see SANRAL and the Australian mining company are having an affair. By John Clarke

ONE YEAR AGO, NEAR THE picturesque Wild Coast village of Mdatya, while the soothing strains of the Christmas carol *Silent Night, Holy Night* were still echoing tidings of goodwill and peace to all humankind, another child was born in the early hours of New Year's morn.

Akolwa Ndovela came into the world, not in a stable but under a Waterberry tree where her mother was hiding with her older siblings, having been chased out of their home by armed thugs intent on clearing the way for MRC Ltd, an Australian mining company, and their local BEE partner Xolco to mine their ancestral lands for titanium.

Arrests were made, but that did not end the conflict. On 22nd March Sikhosiphe "Bazooka" Radebe, chair of the Amadiba Crisis Committee (ACC), who opposed MRC and Xolco ambitions, was brutally murdered. No arrests have yet been made. Fellow ACC leaders Nonhle Mbuthuma and Mzamo Dlamini have feared for their lives ever since. Shortly before he died Bazooka had warned them that he had learned of a hit list. He was the first name. They were second and third.

Will 2017 be another *annus horribilis* for the families who have been terrorised with increasing intensity ever since 2002 when MRC announced its intention to seek mining rights?

The government's mishandling of the volatile situation before and since Bazooka's murder has done nothing to ameliorate what has all the appearance of a civil war in the Amadiba community.

But, as human rights lawyer Richard Spoor explains: "The conflict is not between some people who are for, and

other people who are against mining. That is a gross caricature. The conflict is between a mining company and a community who do not want mining."

The full interview, conducted after the government's inept attempt on 18 July 2016 at intervention – supposedly a "peace-building outreach" – (See *Pondo People Power* on YouTube.).

The event descended into chaos when question time arrived – a chaos that only Nonhle Mbuthuma, leader and celebrated spokesperson for the crisis committee was able to calm, to the acute embarrassment of Deputy Ministers Godfrey Oliphant (Mineral Resources) and Maggie Soty (Police) who were present.

After the local government elections – which delivered significant gains for the anti-mining coastal residents, with the election of Mzamo Dlamini as ward councillor for Ward 28, in which the mineral deposits lie – the Minister of Mineral Resources, Mosebenzi Zwane, signalled his intent to declare an 18-month moratorium on the mineral prospecting, while Spoor and the Legal Resources Centre have lodged an application on behalf of the Amadiba Crisis Committee (ACC) and local residents in the North Gauteng High Court for a declaratory order to establish that prior, free and informed consent of directly affected communities is an absolute constitutional precondition for the state to award mining rights to anyone.

But, alas, peace has not returned. DMR has arrogated to themselves the role of peacemaker and mediator despite their clear intention to promote mining, and the ACC is questioning whether Zwane has really declared a moratorium, or whether that was all just a bluff to create cover for the



mining protagonists to continue their ruthless co-option and subversion strategy.

"We now know that the moratorium is not in effect" the ACC said in a statement on 24 November 2016. "Today, DMR officials refused to answer repeated questions on the matter. Instead they tried to establish a 'Technical Committee' under the 'Mining Health and Safety Inspectorate!'"

The ACC leaders left the meeting in disgust, stating "DMR wants to have a committee to bulldoze a process that can end in mining of our land, no mat-

ter the bloodshed. DMR wants a house without foundation. As ACC we will not be a part of that. We witnessed three hours of confused tactics from DMR... cooking all dishes in one pot.”

Meanwhile, as DMR’s unappetising concoction was being spurned by the ACC, retiring Sanral CEO Nazir Alli had been desperately working to try and force a pre-cooked meal on the same community: his long-cherished ambition to tame the Wild Coast with a “troll” road.

After the setback of having the first EIA report on the N2 Wild Coast “green fields” section rejected on Ministerial Review in 2004, he was overheard saying he would not retire until he had seen it built. But the Amadiba coastal residents – savvied up from their experience with DMR’s duplicities – has run rings around Alli.

On YouTube, see *Sanral’s Shortcuts* on John Clarke’s blog (www.icosindaba.co.za) where it is revealed how signatures were forged and fraudulent affidavits lodged to support Nazir Alli’s claim that SANRAL enjoyed community support and that the community had never mandated Cape Town environmental law firm Cullinan and Associates to oppose the road on their behalf. Perjury charges have since been laid against Alli by OUTA.

Alli routinely used interlocutory “lawfare” tactics as an attrition strategy against his civil society opponents. That strategy has begun to backfire since the Cape Winelands SCA judgment in favour of the City of Cape Town. Cullinan was the instructing attorney for the successful applicant.

Yet the Big Lie strategy continues. In November SANRAL hired Ntsiki Ngalo – who has previously served as spokesperson for the claimant king in the Pondo Kingship dispute (*noses195;200&201*) – to organise community meetings to persuade people to support the road. Ngalo reportedly promised each affected household R4million compensation to “make them rich”.

Violating the protocols of local customary law, he went so far as to incite the community against Nonhle Mbuthuma and the main applicant in the N2 review, Sinegugu Zukulu, by stating they are “the only ones standing between the community and the promised jobs and compensation”, and

that the community should “deal with them”.

Given the violent death of Bazooka Radebe, Cullinan has warned that “violence against the known opponents for the N2 Toll Road is a distinct possibility”.

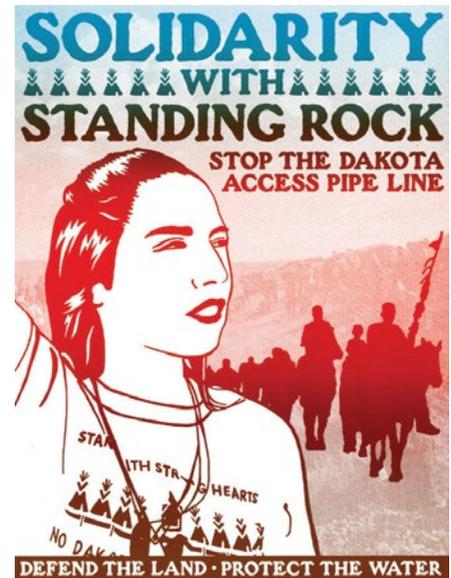
Nonhle Mbuthuma, spokesperson for the Amadiba Crisis Committee, is scathing: “Save perhaps for certain mining companies, SANRAL must be the most ruthless and dishonest company in South Africa. SANRAL managers and consultants lie as they drink water, not only in media, but also in sworn affidavits and at community meetings. That is why SANRAL had to withdraw four forged affidavits from court when fighting against the Amadiba coastal community”.

With characteristic contempt, Alli’s last stand before he retired was to have his chosen contractors commence preparatory work on the two largest bridges for the haul roads. This is despite a pending high court review, brought by local residents (for much the same reasons that apply to the Xolobeni mining rights) to seek another judicial order to set aside the environmental authorisation by the Minister of Environment.

Alli still denies any purposeful connection between the new N2 shortcut and the mining scheme, but Margie Pretorius, chair of Sustaining the Wild Coast, the NGO that works with the ACC scoffs: “They are connected because the same communities are af-

fected and because the two schemes are mutually interdependent. You can’t mine successfully without an access route, and you can’t build an expensive road without a revenue source to pay for it. They might not have officially married but everyone can see SANRAL and the mining company are having an affair.”

To add to SANRAL’s woes, a report by two respected transport econo-



mists, Professor Gavin Maasdrorp and Allen Jorgensen, has now recommended that the N2 Wild Coast toll road should be suspended “until the economic viability of the road has been thoroughly reviewed in the light of our criticisms”.

Finance Minister Pravin Gordhan announced in his MTBR that special funding would be allocated to Sanral. SWC is urgently seeking a meeting with the Treasury, to alert them that SANRAL’s declared intention to commence construction of the R3 billion mega bridges (see *nose205*) will amount to pouring much needed fiscal resources into assets that will likely end up stranded.

“We have seen what has happened at Standing Rock (where an American Indian community successfully resisted plans to have a major oil pipeline cross their tribal territory)”, says Margie Pretorius. “Does the government really want that to happen now in South Africa?” ■

**The ACC is scathing:
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Nigeria: Partisan politics runs riot

President Buhari will struggle to gain the upper hand on corruption and security while party rivalries block economic change

Nigeria's President Muhammadu Buhari

FOR AN ESSENTIALLY APOLITICAL president, Muhammadu Buhari of Nigeria faces a nightmare 2017 as party rivalries loom larger and larger, obstructing many of his economic and social reforms, as well as his cherished campaign against corruption. The reputation of Buhari, a retired general who makes no secret of his scepticism about party politicians, could now depend on how his team manages relations with the faction-ridden National Assembly.

This year looks like sink or swim for the government, especially without a dramatic improvement in economic conditions. Even Buhari's efforts to resolve the myriad security threats are being undermined by partisan manoeuvres.

Buhari starts the year as the threat of Boko Haram's Islamist fighters continues to cast a pall over the northeast, even if hundreds of thousands

of displaced people are returning to the region. Although Boko Haram has been pushed out of most of the territory it occupied, including large swathes of the expansive Sambisa Forest in Borno State and neighbouring Cameroon and Chad, it retains a deadly ability to launch hit-and-run operations in all three countries. These often involve sending conscripted suicide bombers, usually small girls, into marketplaces and mosques to kill as many people as possible. Unquestionably, Buhari's new commanders have improved the military's response and intelligence gathering but its resources are stretched over an area about half the size of Western Europe, with poor roads and weak communications.

Equally important will be how the government handles the aftermath of the Boko Haram crisis: the displaced masses face malnutrition, and local and international human rights groups have condemned conditions in

the makeshift camps. Intelligence experts say that a better-organised faction of Boko Haram is still planning a big attack on an international institution to further weaken the government's standing.

All this is being seized on by Buhari's political opponents, within and outside the governing All Progressives' Congress (APC). Whether it concerns the clashes between Fulani herdsmen and settled farmers in the Middle Belt or the worsening confrontations between militant Shia Muslims and the military, Buhari is accused by his opponents of refusing to back political or negotiated settlements. Despite a recent court order for the release of Ibrahim el Zakzaky, leader of the (Shiite) Islamic Movement of Nigeria, there is little sign that the army will comply.

Opponents make the same criticism of the government's crackdown on the Biafra independence movement. The

leader of the Indigenous People of Biafra, Nnamdi Kanu, remains in detention and protests in favour of Biafra continue.

Regardless of whether criticisms of government tactics are in good faith, they are beginning to be taken seriously by Buhari's legions of supporters. Indeed, the only group that the government has seriously tried to draw into negotiations is the Niger Delta militants. That seems directly linked to their ability to inflict still more damage on an economy staggering under crashing oil prices. Some sort of deal seems likely between the government and the Delta militants this year: Buhari made a special appeal to the region in his New Year message.

Nigeria starts the year in the economic doldrums. It has slumped into recession for the first time in 25 years, with manufacturers complaining at foreign exchange shortages and restrictions. Banks too are under pressure, with some predicting a rerun of the 2009 crisis, when the Central Bank of Nigeria intervened and took over the management of some. Electricity output, or rather, its transmission, is well below target and undermining attempts to kick-start the economy. As domestic debt and arrears build up and inflation rises perilously, the clamour for the promised turnaround is also rising.

With talented ministers such as Okechukwu "Okey" Enelamah, Babatunde Fashola, Kayode Fayemi and Udo Udoma, all with clear reform ideas, there is puzzlement and concern about the government's economic failures. Some attribute them to arcane political vendettas, others to administrative dysfunction. Business people hope that the economic team of ministers under Vice-President Yemi Osinbajo will be able to assert its authority on policy and push ahead with its initiatives to expand the economy. They complain, though, that many roadblocks remain in the legislature and the executive.

Now, the divisions in the APC are out in the open. The main fissure is between Buhari's supporters and those of former Lagos State Governor Bola Tinubu and former Vice-President Atiku Abubakar. First, they complained that they could get no access to Buhari

but now it seems that they are organising a political alternative: the "Mega Party", which would group their own band of supporters with other APC dissidents together with the rump of the opposition People's Democratic Party (PDP).

As Tinubu and Atiku are both billionaires, they have the wherewithal and probably the enthusiasm to finance the new party. Atiku could run for the presidency and Tinubu would be in his favourite role of kingmaker-in-chief. APC insiders say that both men have lost the last vestiges of Buhari's trust.

Senate President Abubakar Bukola Saraki starts 2017 on better terms with Buhari than he was a year ago, partly because he has used his political weight effectively. It falls partly to Saraki to persuade his fellow senators to back the government's plan to borrow US\$30 billion for infrastructure projects to bridge the financing gap in the 2017 budget. Yet Saraki is not completely out of the danger zone. His Code of Conduct Tribunal trial for false assets declaration, adjourned until this month, still has to be resolved. It has been going badly for the prosecution, like so many other anti-corruption efforts.

Top priority this year is to find a new chairman for the Economic and Financial Crimes Commission after the Senate refused last month to confirm the

provisional head, Ibrahim Magu.

Along with respect from the military, fighting corruption is still Buhari's main selling point but that could change unless there are some high-level convictions and asset seizures in 2017. His predecessor Goodluck Jonathan's allies, including former Petroleum Minister Diezani Alison-Madueke; former National Security Advisor, Colonel Sambo Dasuki, and even ex-presidential wife Patience Jonathan are targets but are fighting back hard on the legal front.

In the PDP its former leader, Jonathan, keeps a low profile. Infighting continues between the factions of Ahmed Makarfi and Ali Modu Sheriff. Some say that Tinubu will ally with the PDP's Makarfi faction in the planned Mega Party.

After the disputes over the Rivers State election rerun last month, there will be an increasing focus on the performance of the Independent National Electoral Commission under its new management.

Niger Delta militancy and its political links will receive high priority from the government this year. Most of the country's oil production centres are back on stream. According to the Organisation of the Petroleum Exporting Countries, Nigeria was Africa's largest oil producer in December. The position remains precarious, with the Niger Delta Avengers and other militant groups still at large. The 2017 budget includes 65 billion naira for the Delta amnesty.

Foreign oil companies will face another round of local protests and lawsuits in Nigeria, Britain and the United States over environmental damage.

Rising oil prices should bolster Finance Minister Kemi Adeosun's plans to issue a \$1bn sovereign bond in the first quarter of 2017. This is a fraction of the country's borrowing needs, whether from the World Bank, African Development Bank or China. Recent discussions with China and India on close to \$100bn in planned investment and borrowing sparked concern in the Senate about the forward sale of oil production.

The Central Bank of Nigeria's foreign exchange reserves have fallen below \$25bn.

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**Nigeria starts
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2017: A year of living dangerously

Futurist Daniel Silke's crystal ball reveals dramatic probabilities for SA – and he argues that the ratings downgrade threat is teaching the government valuable lessons. By Sue Barkly

THE CONSTANT THREAT OF A ratings agency downgrade was the best thing that could have happened to South Africa during 2016. “It was like a Sword of Damocles hanging over our heads all year and it kept us on our toes,” said Daniel Silke, the Cape Town futurist, political analyst and sought-after keynote speaker to blue-chip companies.

“The penny dropped and, even though the buy-in was not a hundred percent, the connection between delivery and more stable, prudent and globally acceptable policies became a glaring reality for our government, one which they had no option but to heed.

“We were held to account by the global financial community and the global rules of the game. The ANC didn't like it, as it has generally been a party that doesn't have great synergy with the global rules of finance.

“But the ANC learnt, in the course of last year, that they cannot be as maverick in their approach to governance, and that they are, in fact, constrained by what happens in the global financial community.

“The rand dropped and the ANC and the whole of South Africa woke up to the importance of integration into international markets. Before then, there was, on the whole, a glaring and distressing lack of understanding from many elements in the ANC over just how South Africa fits into global finance, whether we like it or not.

“The lack of understanding was ex-

emplified in the way the disastrous ‘Nhlanhla Nene week’ was handled – mainly President Jacob Zuma's failure to grasp reality and the confused justifications from senior ANC spokespeople.

“It is thanks to the Treasury – and media – that we have an understanding of what a ratings downgrade would mean to us. The reality of a reduced ability to borrow capital on global markets at affordable rates has hit home.

“For a political party that believes in a high degree of centralised state expenditure, a line of borrowing at affordable rates is crucial. So, the ongoing threats of a downgrade have enabled more people within the ruling party to get to grips with the implications of a downgrade.”

Silke's clients include Standard Bank, First National Bank, MTN, Rand Merchant Bank, Sanlam, Eskom and Telkom, among many other listed companies.

“In times of uncertainty, clients come to me for perspective on where South Africa stands, both regionally and globally. It's been a hectic year, in which there's been a clamouring for a realistic assessment of where we're at.

“The performance of the government has heralded a much greater willingness to confront and discuss deficiencies in governance,” said Silke.

A former MP in the Western Cape Provincial Parliament (for six years, including a stint as chair of the standing committee on Economic Affairs), since

2003, Silke has been the director of the Political Futures Consultancy. In 2012, he published *Tracking the Future: Top Trends that will Shape South Africa and the World*.

A self-confessed “Twitter nut” and news junkie, who says change is his food, Silke explained: “What I do is marry political analysis with economic trends. The linkages between politics and economics have become profound and complex.

“South Africans are more honest and open than ever before, robust in engagement but prepared to look at scenarios that will change the political course. There is also much more of a willingness to be pragmatic and to judge South Africa against what's happening in other parts of the world.”

The year 2017, said Silke, will see the world enter a period of being “less inclusive” as wealthy nations retract into themselves to protect their own, and poorer nations are left to fend for themselves. There will be a shift from “soft power” to “hard power”, where strength prevails.

Prepare for heightened global risk as the world drifts towards more right-wing, military politics, and countries become more introspective, as opposed to embracing other nations. “It will be a case of ‘no more Mr Nice Guy’.”

The reputable think tank/investment house, Eurasia, has warned in its annual report, that global risk will be heightened as a result of Trump-style populism and a general trend towards

nationalism and right-wing thinking.

Time magazine in a recent edition, cited South African instability as one of the top ten global risks, an assessment which Silke described as “somewhat over-dramatic”, adding: “But the fact is, we are living in a political era of ongoing upheaval which will, without doubt, affect South Africa and the rest of Africa.”

Like most analysts in the field, in the coming months Silke will be keeping a close watch on US President Donald Trump. “We’ve not seen this different approach to global politics in decades. It will have global implications from the economy to the environment. US policy and performance will be critical for everyone this year.”

Looking back on 2016, Silke said both South Africa and the rest of Africa had felt the brunt of the continued depressed commodity supercycle.

“We felt the slow-down in the Chinese economy which affected exports to China from Africa and South Africa. Its substantial impact on African economies will continue into 2017.

“We in Africa have all become dependent, even over-reliant, on the China growth story and when China catches a cold, we suffer. In 2015, exports from Africa to China were down about 40%. This has been a real shock to the system.

“The good news for South Africa this year is that we have seen some stability return to labour relations, with fewer days lost to industrial unrest.

“There has been an effort on the part of the government to instil in unions a sense of urgency about righting the messy state of labour relations in South Africa. This shift in labour relations has been one of the positive spin-offs of the downgrade threat. The threat of a downgrade is ongoing because we are reviewed every few months. It will continue into 2017.”

Looking ahead to world trends that will affect South Africa during 2017, Silke said it will still be critical to watch the changing Chinese economy. “Chinese growth rates are lower, and, in the year ahead, they will be moving from a production-led to a consumption-driven economy. There will be a slowdown in what they want from the outside world, including Africa.

“The other big issue is how the Trump presidency will relate to Africa and



Futurist: Daniel Silke

South Africa. “Clearly, Trump’s protectionist view and his intentions to focus more inwardly on domestic business, to reduce some of the trade benefits that have been accruing to countries outside of the US, and to bring manufacturing back into the US and encourage job creation domestically, will have a major affect on AGOA (African Growth and Opportunity Act).

“Trump has made it clear he intends to protect US domestic industry rather than be generous to the outside world.

“That protectionism is taking off in Europe too, which poses a great danger to South African exports.

“We will have to see how this plays out. The South African government, right now, should be sending out skilled diplomats to knock on the door of every Republican legislator to lobby about the importance of a more liberal approach to trade policies and the importance of continued trade with the developing world, including Africa. It should have been a priority... not enough lobbying has been done. Everybody was caught off guard by the Trump victory.

“In Europe we will face similar tests, with the rise of more right-wing nationalism and populism which also sees a rise in protectionism for domestic industries. The French election could be a litmus test for the immediate future of the EU. If the right wing gains power, this could see a breakup of the EU as we know it. The right-wing gains will also make it more difficult for South Africa from a trade perspective.”

The political changes sweeping through the Western world will affect South Africa deeply and will necessitate a different type of diplomacy, Silke continued.

“The Western world, rather than becoming more socially conscious, is saying ‘we are looking after our own now’. This is not good news for the developing world.”

However, all is not doom and gloom on the African front.

“Africa continues to embrace competitive democracy, with ever more elections taking place and more changes of government occurring peacefully than ever before. There are exceptions, but on the whole, elections are being much more closely fought across Africa. Opposition parties are now regularly winning elections. This competitive nature of elections in many parts of Africa has

a positive bearing on South Africa.

“There remains very good growth in many parts of Africa, particularly east Africa: Kenya’s growth rate has been 6%, Ethiopia’s grew at 7%; Tanzania has been a good performer and Rwanda is doing well. This, despite the glaring problems in Zimbabwe, Gambia, Burundi and DRC.”

Silke believes technology will continue to provide both benefits and threats across the world. “Technology, despite its benefits, will play havoc with jobs into the future. Humanity has yet to understand the real effects of Artificial Intelligence and robotics in the workplace.

“Technology will take jobs away from large swathes of populations across the world, particularly in our case where our skills base is relatively shallow.

“The menial jobs are most under threat by robo-sourcing, for example, in the automotive, mining and agricultural industries. In South Africa, we protect some jobs, like the people who fill up our cars. The technology is, of course, available to do that, but we have specifically not put in electronic checkouts, because of the jobs it would cost.

“Amazon has opened up a stand-alone supermarket in Seattle – the first supermarket with no checkouts. Each product is added to an online cart on people’s phones. That’s the future of retail. Technology and jobs are one of the big unresolved issues of the future.

“In the next few years we will also interact much more with robots – in call centres and telemedicine. Soon diagnosis will be done online from anywhere. This is already being rolled out in many parts of the world including in South Africa. It avoids long, uncomfortable journeys and waiting times for medical help.

“We will also see technology being used much more for education, especially by universities, which, in our case, should have contingency plans to circumvent the disruptions.”

Cost cutting will continue to be a feature of the economy worldwide, as companies focus on doing more with less expenditure. Expect a tough year, especially in the retail consumer sector.

The mining sector, which has underperformed in the past few years, may see a rebound if commodity prices increase, while manufacturing clearly

Parliament will be the battleground as rival factions of the ANC fight for dominance in the build-up to the party’s conference in December

needs policy reform to kick-start an upward path.

“All in all, we are facing a very tough year. We need a cataclysmic political event to reboot our economy, but we are quite a way from that.

“South African business will continue to hedge its bets from an investment point of view outside South Africa and will look to augment their business interests with foreign businesses.

“Businesses will still be reluctant to invest any cash stockpile they have in domestic enterprises until there is greater policy clarity coming from the government. That reluctance to invest means they will either sit on their cash or look for outside places to invest it.”

According to Silke, urbanisation will continue at a dramatic pace in South Africa, putting pressure on our local authorities to maintain and enhance service delivery and smart cities that can provide for an increasingly demanding resident.

“In the South African context, new DA administrations will increasingly test the boundaries of their power and will attempt to forge greater independence in policy making and implementation.

“The foray by the Tshwane Mayor to Taiwan is an example of DA-led metros also forging a more ‘independent’ foreign policy.”

Silke agrees that 2017 will see Par-

liament become the battleground as rival factions of the ANC – those supporting Zuma and those opposing him – fight for dominance in the build-up towards the party’s elective conference in December.

“It will largely be a stalemate, as nobody is powerful enough to unseat Zuma, and, at the same time, Zuma’s hands are tied in terms of what he can do.

“The factions are balanced in the ANC. The problem is that this deep-rooted factionalism means we will spend most of the year in a navel-gazing exercise as the ANC introspects, and all politics will be centred around the ANC’s internecine battles. This will retard policy formulation and implementation.

“The constant battles between faction A and faction B means we won’t get consensus on policy to kick-start our economy. At best we will have constant piecemeal compromises to stave off rating downgrades or to keep our heads above water.”

Locally, Silke will be watching Deputy President Cyril Ramaphosa closely this year. “He needs to make a move if he really wants the job as president. He must up his profile. He’s been deficient in his public relations, in putting forward a case for himself. The pressure is now on him to rise up and say what he can offer the country.

“I will also be watching the so-called Premier League as a group. I always feel they have a backroom plan to retain as much power as they can. The way they manipulate themselves into power will be a strong indicator of the future.”

It’s been refreshing seeing ANC people speaking out in Parliament against their own government, as in the SABC hearings, said Silke.

“It’s been way more exciting than the DA’s constant votes of no confidence.”

The tension between self-serving ANC members and those serving the national interest will reach fever pitch, he predicted.

“The factionalism which will continue playing out in the ruling party this year will continue to extend like a virus into state institutions, like the SABC, SAA, Eskom and SARS.

“But the threat of a ratings downgrade will help keep everyone sober and realistic.” ■



Insider. Womb with a view

SO YOU LIKE MAKING GOO-GOO NOISES AT innocent babes-in-arms? Well, pause for reflection. Ian McEwan's wildly imaginative new offering makes a case for premature infant awareness that is both disturbing – and very funny.

The fact that he shamelessly plagiarises *Hamlet* in order to bolster this fancy is incidentally amusing, but the strangely convincing commentary by the protagonist, cramped uncomfortably in mother's womb, is a warning to those who would patronise little people.

This particular miniature person-in-waiting is learning fast. Eavesdropping on the nefarious doings of a seductively wicked female parent and her manipulative lover is profoundly instructive. Mummy, sulky Trudy, writhes in an orgy of sex and booze while fending off the reconciliatory advances of her overly romantic poet husband. Lover Claude has a dull agenda but a potent sex drive. Trudy has chosen the lustful dullard.

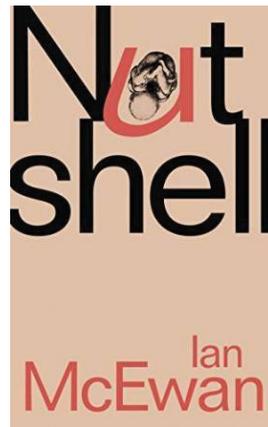
The fact that the rutting couple's activities often restrict the unborn baby's accommodation does not hamper the humping. But baby is not amused. Particularly when it transpires that there's a plot afoot to murder father John.

At this point the subject of filthy lucre is introduced to the child's mind. Of course, children need to know about the role of hard cash in a cruel world, but the little one is horrified at the notion that some people would kill for it. So, while loving the mother (for both natural and survival reasons) the infant mind is alarmed by questions of morality.

McEwan is at the top of his game just now. His success as a novelist, awash with film glories and prizes, allows him latitude to play with ideas. *Nutshell* is the equivalent of hearing a celebrated concert pianist playing jazz, for fun. Not that he avoids the big issues of the day. On the contrary: he once again dazzles with trademark fluency and high intelligence.

Baby learns much from mother's reliance on radio entertainment during the

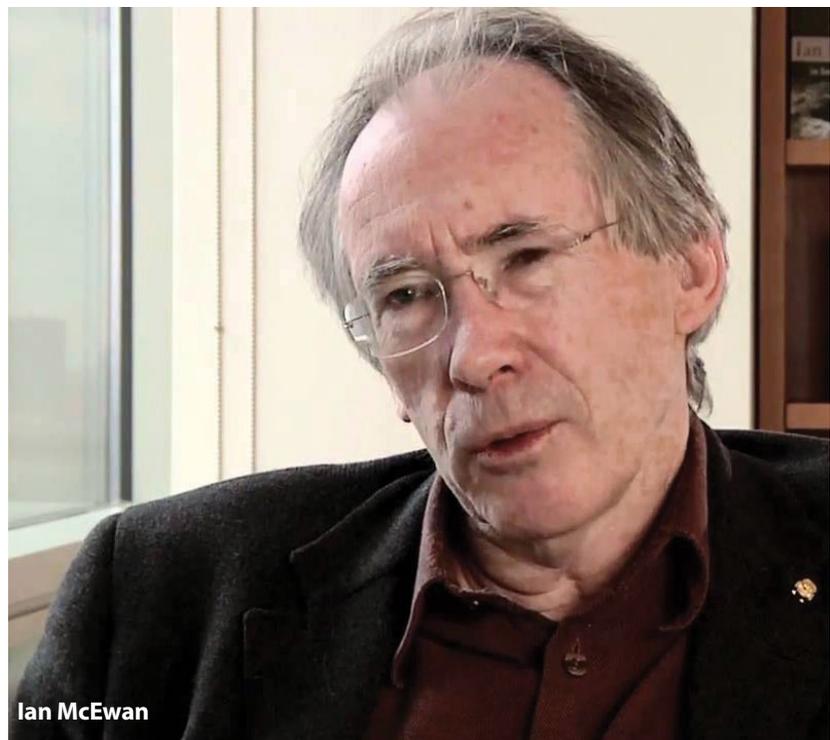
NUTSHELL
By Ian McEwan
(Jonathan Cape)



longueurs of late pregnancy. The documentary broadcasts are illuminating. In the still of the night a distinguished commentator with a deep, rich voice warns that all is not well with the world. She observes two states of mind internationally: self-pity and aggression.

“Now that the Russian state was the political arm of organised crime, another war in Europe was not inconceivable.” In the barbaric fringes of Islam, the cry goes up: we've been humiliated, we'll be avenged. And psychopaths are a constant fraction of humanity. Armed struggle attracts them.

All these current menaces are economically stirred into the mix of a gripping thriller. For *Nutshell* is exciting, with convincing villains and cunning policemen. And eventually the baby solves an intriguing puzzle: is it a boy baby or girl baby? Ah – goo-goo! ■



Ian McEwan



Wild idea. Shy-making

ATTRACTING THE MOST ATTENTION at the Art Gallery of New South Wales in Sydney – alongside Rodin’s *The Kiss* and works by Hockney, Picasso and Lucian Freud among others – is the much larger-than-life and hyper-realistic sculpture, *Wild Man*, by Australian Ron Mueck, which is part of the London Tate’s blockbuster collection of over 100 nudes on show. It is a strangely touching and almost embarrassing figure: a man looking startled on the edge of his chair, naked and defenceless among crowds of dressed people in a well-lit room.

THAT “OH OMG, EVERYONE AROUND ME IS married” moment occurs about five years later for Australians than it used to, says a Melbourne sociologist of new Australian Bureau of Statistics figures. In the 1980s most people were married by 25, whereas now the most marriageable age is 30. Perhaps because of more careful choices, and living together (80% before marriage), those who marry stay together longer, the divorce rate is down and the seven-year itch looks more like a 7.4% itch.

LIFE IS FULL OF CONTRADICTIONS, Lsaving birds while building coal mines. “They are morons, they really are morons,” says Dr Dejan Stojanovic of the critically endangered orange-bellied parrot, whose population in the wild has dropped to 14. During nesting season, would-be saviours scale trees near Tasmania’s south-west tip to smuggle eggs laid in captivity into wild nests, and hand-feed nestlings of negligent parents. Raised in captivity, they’d become “fat, lazy parrots” with no idea how to avoid a predator or survive migration across the Bass Strait. Starlings just stab them in the stomach and drag them out of their nests.

IN OTHER AVIAN NEWS, A A\$1.3 BILLION harbour project in Queensland has been halted for six months to study the critically endangered bar-tailed godwit,



a Russian migratory bird which makes the bird world’s longest non-stop flight of more than 11,000km from New Zealand to the Yellow Sea. Developers are working with government agencies to identify new conservation areas, plans for ranger sponsorship and remediation and rehabilitation projects.

ALSO IN QUEENSLAND, THE FEDERAL government is funding the construction of a A\$1.3 billion, 310km rail line from the Galilee Basin to a port which will service the huge new A\$16-24bn (R250bn) Adani/Carmichael coal mine, a threat to the severely stressed Great Barrier Reef. Gautam Adani, reputedly India’s wealthiest man, with a personal value of A\$7bn, is behind it and, apart from despair that it will massively exacerbate climate change when all that coal is burnt in Indian power stations, and government assurances that the dredged spoil will not be dumped in the reef, conservation groups are gearing up for the “mother of all fights”.

MARK FORBES, THE EDITOR-IN-CHIEF OF Melbourne’s *The Age* newspaper and a United Nations media peace

award-winning journalist who started his (until now illustrious) career as a cadet at Fairfax newspapers in 1985, has resigned after alleged sexual harassment of two female reporters. One says he “groped her on the bottom” at an awards night; the other, that he stared at her breasts and said something like “You’re looking busty” then adding “Not that I’m complaining.”

A 46-YEAR-OLD PUBLIC SERVANT HAS WON a payout of A\$1m (R10m) after bullying by two managers left her doubled over, sobbing. Her crime was to make mistakes in an internal job application. Afterwards, whenever she entered a lift, she would look down to try to identify the shoes of her supervisors.

“I was terrified. I couldn’t be near them... I did not leave that office the same person as when I arrived,” the woman said. Her psychiatrist says she will never be able to work again.

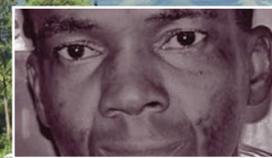
MORE GOVERNMENT REVENUE AND better health perhaps, but tobacco tax hikes which will see a pack of cigarettes hit the A\$40 (R408!) mark by 2020 are leading to a smuggling boom, which may in turn fuel drug trafficking or terrorism funding.

Government tobacco strike team inspector Allister Keel, who led an investigation that seized about 4.5 tonnes of illicit tobacco and over 615,000 cigarette sticks from an organised crime syndicate, says there is a steady stream from China and the Middle East.

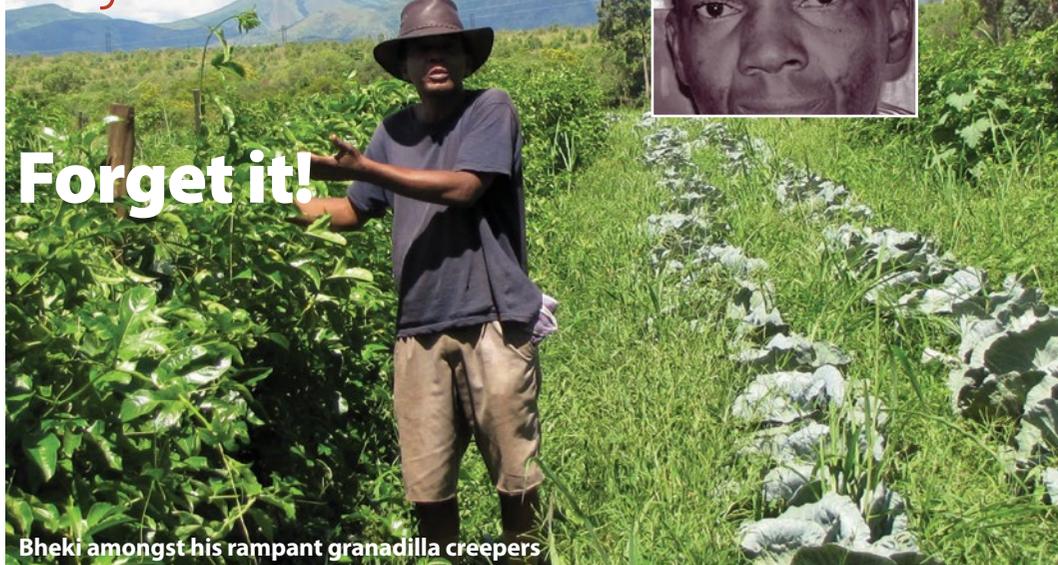
“Syndicate members over here would simply open any number of postal [boxes] ...in their own name or family or friend’s name to receive these parcels of illicit tobacco products” which they sell through an online platform or other retailers. Police intelligence had linked one syndicate to fundraising for a Lebanese charity aligned with Hezbollah. ■

Letter from Umjindi

BHEKI MASHILE



Passion fruit? Forget it!



Bheki amongst his rampant granadilla creepers

WHAT IS ON MY MIND THIS NEW year of 2017? Quite a bit actually – although, being a journalist is enough to prevent my mind from occasionally just taking a chill. Add to that my farming responsibilities and you have a cocktail that could drive a weaker soul cuckoo.

Be that as it may, one of the top things on my mind is to remind myself to be careful what you wish for – you just might get it. You see, early last year a friend introduced me to a company that specialises in manufacturing fruit juice concentrates. I thought he was doing me a favour, since this company outsources the planting of some of its fruit to other farmers – a ready market. And, as those in the know know, failure to secure markets has been one of the biggest contributors to the demise of many black-owned farms.

So naturally this here emerging farmer (although I prefer to refer to myself as an agri-entrepreneur) was over the moon at securing another market, particularly one for commodities that were not part of my original planting programme. Sweetening this opportunity was the fact that the manufacturer would be supplying the key inputs, planting material and even technical support.

But I am not keeping in mind “Be careful what you wish for”. Next, my new-found partners, the juice concentrate manufacturers, decide: “Hey, let’s kick-start you guys with two crops: guavas and granadillas.”

“Hey whatever we kick off with is fine with me,” I say with enthusiasm.

They proceeded to explain that the guavas would take roughly two years to produce a full harvest. My enthusiasm took a dive – like the rand when President Zuma subjected our Ministry of Finance to a short-lived dance craze called the Nene-Pravin shuf-

fle, brought about by a hit song, *State Capture*, as recorded by Jay Zee and the Goopters.

Waiting two years for a guava harvest does not sit well with an emerging farmer who needs to generate income ASAP. After all, this emerging farmer is already facing a seven-year wait for the first macadamia harvest.

Yes! when that mac harvest comes through it will be nice, considering what macadamias currently fetch at market – and the future outlook is said to be even more promising. Still, it is a seven-year wait, so I thank the Almighty for the cash-crop markets I have secured to fill the gap.

Seeing my dismay at the two-year guava news, the juice manufacturer’s rep makes an effort to reassure me there is immediate light at the end of the tunnel with the granadillas. He explains that you can expect to harvest them in eight months’ time; moreover, one can expect two harvests a year. “Well,” I say with fully revived enthusiasm, “now we’re talking.”

Fast forward. A few weeks later I am called to come and pick up my first allocation of seedlings for the granadilla crop. Excited, I virtually fly to juice concentrate manufacturer Bron Pro’s farm/production facility. There, Bron Pro’s absolute gentleman-and-a-half farm manager says, “Sorry Bheki we cannot give you the promised seed volumes for a full hectare as we discussed, however we can give you roughly 500 seedlings to start with. Granadilla seedlings are hard to find and we get our supply from a nursery in Cape Town”. At this news I remark

to myself, “Ah! s***t! I was really hoping to do a hectare”.

Fast forward again. Keen as mustard, I knuckle down with my loyal workers to plant the 500 granadilla seedlings allocated to me.

Now, granadillas are also known as passion fruit. Yeah, right! I would soon learn that this plant has no passion. And I’m reminded: Be careful what you wish for!

Fast forward yet again. Six months on and I have granadillas growing on a small portion of the farm, not even a quarter of a hectare. We have done well, followed all the technical advice and, all in all, I am happy with the progress. Not just happy but damn well proud of myself.

I had been advised that the best – and really, the only – way to farm the fruit properly is to set up a grapevine-like support for the plants – which we did successfully.

But here is what Bron Pro did not tell me: this damn plant grows like a weed and if you do not manage and control it, then you are in s***t. Funny though, my main man on the farm – who has been working on farms for 20-odd years – kept laughing and saying, “Bhuti Bheki, do you really know what you are into with granadillas? When this baby grows, it has these tentacles that wrap around the vine and if you do not take time to guide it upwards it just grips and goes sideways.”

Untangling that baby is a nightmare. And one that must be dealt with every day – yes every day – or you lose control.

Passion fruit! Yeah right! They certainly aren’t my passion. ■



Medicinal cannabis. Beyond the anecdotes

HAVE A SPECIAL HAIRDRESSER WE will call Bongo Man. He wears a giant woollen beanie over his labyrinthine locks. A professional. Proud of his work. The only person I trust to handle my own dreadlocks.

The stereotype that people like myself and Bongo Man are regular weed smokers could not be further from the truth, in my case. I have a Christian mother who once gave me a good hiding for holding an imaginary cigarette against my mouth.

Bongo Man is proud of his association with the plant and believes strongly in its many benefits, both medical and recreational. In many a session, we've discussed the possibility that this drug may soon (hopefully) be legalised in South Africa.

Bongo Man is knowledgeable of an historical injustice that has befallen the sacred plant and how this informs much of the stigma around ganja. The murky middle of the 20th century saw what was then known as "Reefer Madness", when the idea that "The Killer Weed" is a gateway drug became current.

The home of the idea of "Reefer Madness", the US, is where the future history of the Holy Herb was decided, and has continued to inform our prejudices regarding the drug to this day. It has taken more than 70 years for science to start piecing together the jigsaw of beneficial – or harmful – effects the plant is purported to dole out of its prickly leaves in its innumerable strains.

In my research for this article, I came across a flurry of "evidence" that makes cannabis out to be the cure-all humanity has been dreaming about for thousands of years. Much of this evidence is anecdotal, beginning with the overstated idea that cannabis has been with humanity for thousands of years so it must be good.

Many anecdotes and stories from users and patients are quite heart-felt; sufferers from various ailments and their loved ones swear by the miracle remedy



that is medicinal cannabis. In the US, parents of children suffering epilepsy have put their faith in Charlotte's Web, just one of many strains that have specific amounts of cannabinoids.

Cannabis is claimed to dull pain, aid sleep and stimulate appetite. It even apparently fights cancer and is an analgesic, an antiemetic, a bronchodilator, and an anti-inflammatory.

Research conducted by Manuel Guzmán has generated headlines claiming that marijuana can cure brain cancer. However, the scientist himself is not so keen on the publicity his research has garnered. "The problem is, mice are not humans", he told *National Geographic* regarding one study in which he and his colleagues found that brain tumours were eradicated in a third of rats that they had treated with cannabis compounds.

"We do not know if this can be extrapolated to humans at all," he stressed.

A paper in the *Journal of American Medical Research* (Cannabinoids for Medical Use: A Systematic Review and Meta-analysis) looked at 79 trials that studied the medicinal claims made for cannabis.

After looking at all these trials, the authors found the evidence sketchy that cannabis is any better than mainstream medicines. In fact, the researchers found an increased risk of adverse effects associated with the drug.

Specifically, the 79 trials looked at the action of cannabis against chemotherapy-induced nausea and vomiting, appetite stimulation in HIV/Aids, chronic pain, spasticity caused by multiple sclerosis, depression, anxiety disorder, sleep disorder, psychosis, glaucoma, and Tourette's syndrome.

The quality of evidence around the treatment of these ailments ranged from "moderate quality" to "low quality". In short, researchers themselves are not convinced about the medical benefits of cannabis – the science remains sketchy.

Research into medicinal cannabis is neither here nor there right now. A big reason for this is because it is difficult for scientists to access a Schedule 1 drug that cranky oldies put in the same category as heroin.

The Department of Health and the Medicines Control Council announced in Parliament in November 2016 its intention to request public comment on the Medical Innovation Bill. This bill would pave the way for South African scientists to legally consider the possible medicinal benefits of cannabis.

Despite many potheads already blazing in celebration, I must stress that this bill does not mean that South Africa is anywhere near legalising cannabis for recreational use. It just means that restrictions on research will be lighter.

Still, to people like Bongo Man, the bill is a step in the right direction. With more research into cannabis, blunt smokers may be ratified in their assertions about what cannabis can do and why it possibly isn't as bad as it has been made out to be for all these decades. For that reason alone the laws might change sooner than later. ■



Muti. Taking the bait

SONNY, SAID I, HOOZIT MAN? I HAVEN'T seen you since '07, remember the beach at Umzumbi? And that bloody big simonfish we had to divide between us and we couldn't decide how?

Of course that salmon was not a salmon at all, but a Natal Salmon which is a Kabeljou, Kob for short, but that's a Dutch codfish, and it isn't really that either. Ah well, Simon will do for now until the ichthyologists find a nice local name for it. I reckon Rietbul as at Knysna sounds best, but you know how chauvinistic we KZN people are.

Anyway, there had been Sonny and I standing on the beach and debating about this fish, 20kg, a big bliksem that I had caught but he had a half-claim on because I had used one of his shad as live bait. That's the tradition, see: if you haven't been lucky with the shad you can borrow a nice little 1kg one from your mate and carefully thread your hook through its skin and gently launch it as live bait on your heavy rod and let it swim out to the white water where the simonfishes lurk about. That's where the 50/50 deal came in. His 1kg investment of shad had brought in 1,000% profit of simonfish. But how to divide it? If we split it fore and aft, one of us would get the head which some deem tastiest, so we did it east to west and the head was traded for the best steaks down the tail end. Sonny had first choice, and he chose the head.

So here we are now in the Cracker Jack Tackle Shack, Prop. Poobie Lal, down King Dinizulu Road, Durbs, and I'm asking about Sonny's condition. Sonny, say I, you are the living picture of robust health. No-o-o, no-o-o, says he, chinking veins I got. Chinking, chinking, small, small, and he shows me the diameter of his shrinking veins

between forefinger and thumb.

Hey bad luck, Sonny, man! say I, but they can fix that today with a sort of little blow-up balloon thing which name I forget just now. A long thin balloon on a long thin plastic tube, they sort of shove it inside a vein and expand the balloon then pull it out and your vein stays expanded. Just for an awful moment I thought you meant your veins were getting shorter. Yes, yes, says he, they getting shorter also, and he shows how short between his



two forefingers, as anglers show the length of a fish they have caught. My arms and legs too long for my veins now, says he, every time I walk my legs stretch my veins, that's why they getting so narrow. Like elastic? say I. Like elastic, says he. That's why he has to walk with his knees bent now, says Sonny. And his elbows.

Hell, Sonny, say I, that's bloody awful, man! Have you seen your doc, and what did he say? No-o-o, says Sonny, he says I got... and he fumbles in his

pocket and produces a piece of paper... this thing I got, man. There is written PHLEBOTRACTITIS. Blimey, think I, 'twould be a happier world if all doctors had the humour of this guy. Did he give you any muti for this condition? say I. Oh yes yes, says he, very powerful pills, make my veins get long same time, twice a day with food. He produces a plastic tub of powerful pills. If they're not vitamin B dog pills you can bite me. This is not to sneer; I remember in the Air Force the favoured treatment for Sunday babelas was Bob Martin Condition Pills for Dogs, two with corn flakes for breakfast plus a cup of tea.

Sonny, say I, what you need is to get down to Rocket Hut beach this Sunday morning where you and I will catch another simonfish. Walking on the sand will fix your condition. No-o-o, says he, I get one very terrible pain in my left-hand-side foot on the beach. Oh let's just try, say I, we'll take my folding camp chair and you can fish sitting down.

So on Sunday he limps on to the beach with his legs and arms bent and settles into the canvas chair with his big surf rod all ready and this time I get the dinky little shad and lace her on to his line and launch her in the shallows, and she hardly reaches the white water when there's a sudden relentless dragging like a bloody u-boat, man, the sure sign of a simonfish. Sonny goes all aquiver till the bait is right inside its gob and strikes this fish so hard it straightens out all his veins and limbs there and then and his left-hand-side foot is instantly cured. He spends twenty minutes battling this beast up and down the beach, leaning heavily back on the rod, the tight line whistling in the wind. When its ashore, we weigh it. 20kg, exactly.

Very powerful pills, says Sonny. ■

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