

news you're not supposed to know

R25
(including VAT)

noseweek

THE GREAT MADIBA ART SCAM



Issue
48
AUGUST 2003

**PLUS: FirstRand
STEPS RIGHT INTO IT**



9 771025 104042



360° NEWS

World issues, every issue from the Guardian's global newspaper

The Guardian Weekly is now available in all good newsagents. For more information and a sample copy, call free on **0800 996 130**, or visit **guardianweekly.co.uk** quoting reference WPFJ001



NOSEpitali

Did you know?

67% of noseweek readers enjoy eating out
65% travel regularly

Capture this audience

Advertise your business in noseweek

Contact Adrienne noseads@iafrica.com

16 MADIBA MAGIC



How Nelson Mandela's attorney used sleight of hand to help turn his client into an artist, making millions in the process.

Cover illustration: **Rufus Papenfus**

4 Letters Lotto, FirstRand and Voyager (again).

6 Dear reader What Madiba and an arty elephant have in common, thanks to the PR industry ■ **Noseweek's** unbiased internal enquiry finds us not guilty of FirstRand's charges.

7 Bankers' offence We take it on the nose from the irate directors of FirstRand.

9 Ping pong Something's in the air at the bank and it's not the whiff of spring flowers.

10 Maharaj and FirstRand The history of the Shaik-up.

14 Notes and updates **Lotto:** Good news is no news ■

Assman: Spoiling the shares or sharing the spoils? ■ **Noseweek:**

Getting tea ■ **Jeremy Archer:** How nose broke the story ■

Frame: Sowing the seeds of self-sufficiency

18 Where Eagle dares When lawyers in Tonteldoos fall out, it's easy to see who's for the wildlife and who's in it for the buck.

22 Faking it A Chinese businessman whose multi-million-rand operation in Joburg counterfeiting Hitachi video equipment was busted, has got off scot free and is back on the streets.

24 Clubbing each other to death Durban bouncers are engaged in a murderous turf war. It's definitely not about drugs – they say.

27 My big fat Greek swindle Inerpol has joined the search for a Joburg attorney who conned members of the Greek and Cypriot community with a dodgy offshore investment scheme.

27 Pot luck One man's valiant struggle with the legal fraternity to secure the return of his five-sided pot.

30 Last word Harold Strachan explains why he'd rather smooch Aynoldf Hitler than get into a clinch with Condi Rice.

Have you read any good bottles lately?



Ever wondered what the mystery ingredient in your Cocktail is? Or what it was that made that dish so deliciously different?

The secret lies in the little bottle with the BIG ingredient. Known to the select few for 175 years, Angostura Bitters turns the mundane into the magical.



E.W. Sedgwick & Co. Ltd.
PO Box 68, Cape Town 8000

Please send me a copy of
"The Angostura Professional Mixing Guide"

Name _____

Address _____

Code

I enclose R10 which includes postage and VAT

PSG does right thing

In response to your article referring to PSG and Absa providing financial advice to a recent Lotto winner, we inform you that the court action mentioned [in which PSG took judgment against Lotto winner David Mathumbu for R532,000 for fees they lost when he spurned their services] was instituted on legal advice that a valid claim exists. Having reconsidered the matter, the company has now decided to withdraw the action [against Mathumbu].

Sandy Dobrin

Head of Marketing, PSG, Stellenbosch

Doing the right thing has its own special reward. May you have it in full measure! See "Notes and updates" on page 14 – Ed.

innuendo in the report. There are factual statements that are incorrect [see reports on pages 6–13]. You could have obtained the correct facts with ease. Your failure to do so ... leads to only one inference namely that your report is malicious.

FirstRand through its attorneys, assisted by forensic auditors, is endeavouring to complete its own investigations in the shortest possible time.

FirstRand has been hindered by the fact that the *Sunday Times* refused to make available the evidence they had to FirstRand's attorneys. There is [however] no truth in your speculation that FirstRand fears what the *Sunday Times* may know in addition to what they have published.

might come to regarding the position of Mr Maharaj as a director will be based on the facts gathered by its attorneys and forensic auditors.

Your statement that the general public should not rely on the objectivity of FirstRand's attorneys is unjustified, malicious and in itself defamatory in a serious degree.

On behalf of FirstRand we demand that you retract each and every statement, fact, allegation and speculation regarding FirstRand in the report "For whom the road tolls" and apologise unreservedly for publishing the report.

That retraction and apology would not necessarily be an end to the matter. FirstRand reserves all its rights and legal remedies against

But when you attempt to deny your client's interest and your obligation to serve it – in effect attempt to hide a conflict of interest – that's a different matter.

These are all general statements derived from a general understanding of human nature, and are not based on any particular knowledge of, or insight into, your character or those of your client's directors.

The fact is that, on your client's instructions, you are in all probability pre-empting the outcome of a police inquiry and possibly the judgment of a court of law – with a private investigation funded by a party with a potential interest in the outcome (and whose interests you serve).

We are relieved to hear your outraged – if somewhat pious – protestations of innocence and objectivity. But, whichever way you look at it, your investigation is intended to reassure the public, in your client's commercial interest. Whatever merit you may intend it to have, it looks bad. We remain convinced that

from a public interest point of view – if not your own – it's a bad idea.

We invite our readers to note your strong objections to our report and declaration of innocence of any wrongdoing. (Also see page 7 for FirstRand's own letter.) As for your concluding threats: could it be a case of gogga maak vir baba bang? C'mon, Mr de Kock, you and I are too old for that game! – Ed.

Media gets massage

Your article on the relationship between loveLife and the media raises an issue that has been troubling me for some time.

More and more government departments are placing feelgood ads in the media, a complete waste of taxpayers' money – unless, of course, you own shares in the media.

A recent example was a full page of Sydney Mufumadi's budget speech. I doubt whether even the *Sunday Times*' own ad marketing department managed to wade through it.

Tony Ball
Durban

"There is no truth in your speculation that FirstRand fears what the Sunday Times may know"

FirstRand and Mac

We act for the FirstRand banking group in writing to you. The report "For whom the road tolls" in *nose47* has caused the group considerable distress. It is untrue, derogatory and defamatory in a serious degree.

It is not our intention to deal with every allegation, statement of fact and

There is no truth in your speculation that the appointment of Mr Maharaj and Mr Gordhan [by FirstRand] is an example of the "swing door" practice. [Their] appointment was unrelated to the bid for the toll road. FirstRand has not participated in any improper conduct.

Any decision FirstRand

noseweek. It will pursue such remedies as it is advised, civilly and criminally.

Arthur de Kock

Hofmeyr Herbstein & Gihwala Inc, Attorneys, Sandton.

And you (who believe yourselves to have been defamed by us in a "serious degree") will presumably be doing the advising? Speak of conflict of interest! We trust you will remain civil and not act criminally in your pursuit of us, as tempting as you might find the latter proposition.

Jokes aside, by your own account you act for FirstRand. Your client's directors and senior executives – who instruct you – are Mr Maharaj's colleagues and employers. It would be only natural if they had developed some loyalty to him. At the very least, your client has a public relations interest in a positive outcome to your enquiry. As attorneys, you are paid to serve your client's interests. Is it that unreasonable to suppose you might even try to keep them happy? There is nothing sinister about that.

Gus



Could I at least take my multivitamins?

Bad lingo gets verse

I was wondering when the s-t was going to hit the fan about some of the language you use on your covers and in articles. Well, now that it's happened (Letters, *nose47*), let me quote from a verse sometimes attributed to Noel Coward:

*Banish the use of the four-letter word,
Whose meanings are never obscure,
The Anglos, the Saxons
– those bawdy old bards,
Were vulgar, obscene and impure.
But cherish the use of the twisted phrase,
That never quite says what you mean,
You'd better be known for your quisling ways,
Than to be vulgar, impure and obscene.*

V Ruppung
Parow

■ The debate about the use of "foul" language in print – which you rightly point out was settled some 50 years ago (*nose47*) – was triggered by Sir Allen Lane, founder of Penguin Publishing, when he had 2000 copies of the unexpurgated *Lady Chatterley's Lover* printed, and then called the police to view and confiscate them if they dared. They did.

The court drama that ensued was immortalised in a book commissioned by Sir Allen for distribution to his friends, titled *The Trial of Lady Chatterley*. The 17 "fucks" in Lawrence's original thereby found their place in the history of English literature.

Lane was a distinguished, quietly spoken gentleman who earned his place in history with his thinking on paperbacks: "Of a size," he instructed his printers, "to fit into a gentleman's pocket and priced to sell for sixpence".

ER David
Rondebosch

SAA flies off

I am surprised by your comment in "SAA's Voyager Fog-bound" (*nose47*). You claim I refused to talk to *noseweek*. [We reported that you never returned our calls. – Ed]

First, it must be pointed out that you published

an article (*nose46*) which consisted of two complaints [seven, actually – Ed] against Voyager by two members [four – Ed], without getting SAA's side of the story.

[We had SAA's half of the correspondence with their clients, free of spin! – Ed.]

Only a week after the article appeared [and we had received many more letters complaining about Voyager – Ed.] did *noseweek* call me. You are yet to use the piece by André Viljoen we emailed to you even before you called me. It will be appreciated if you could use André's article as a response to your article.

Rich Mkhondo
Executive Manager,
SAA Corporate Communications,
richmkhondo@flysaa.com

Answer our questions and we'll publish; for advertising you pay. – Ed.

Bon Voyager

I've been reading the articles on Voyager and how dissatisfied many readers seem with the programme. My own experience is entirely different.

Over the last five years, I've secured many Voyager flights, generally at the times I have wanted. Two warrant mention.

Around Valentine's Day I had to be in Cape Town on business and thought to take my wife. Voyager not only provided a seat on the same flight, but also ensured we were seated together.

In June my parents travelled to the UK to see my housebound gran. The dates they asked for were unavailable initially, but after two weeks the dates fell into place.

We asked for specific seats as my mother does not travel well and did not want to be seated next to other passengers. These were provided. They even gave us credit for miles, as there was a special on.

Andrew Wallace
Durban

Mile-high club

Joining SAA's Voyager programme is like joining the mile-high club. But it's not the only way to get screwed at South African Airways. I reckon the debt

to Voyager members pales into insignificance compared to the amount of money they must owe customers in unpaid refunds. If you cancel an SAA ticket, they offer you a refund by Tuesday – which Tuesday is anybody's guess.

I gave up on them years ago.

Craig Thom
Milnerton

■ SAA now requires 70,000 Voyager miles to fly you to Frankfurt. But if you use your Voyager miles with SAA's "partner" Lufthansa, you'll need only 60,000 "miles" to get there. In their indecent haste to reduce their debt, SAA forgot to check the opposition.

Theo Wilmink
Hout Bay

■ I have about 160,000 Voyager miles, of which 62,000 expire on 31 December. I have tried since mid-April to get an economy class seat to anywhere in Europe between 1 September and 15 October, only to be told I could get a flight out but there was no return booking available until the end of November. I've been taken all right – but not "higher than ever before".

Nick Harkanyi
Boksburg

■ A point no one seems to have raised is Investec's role in the shrinkage of Voyager benefits. Possibly the *only* benefit of owning an Investec card was having automatic Voyager Gold Card status. As from the end of the year, that too is being removed.

Maxleigh Derman
Blouberg

The Costa friendship

Johnny Bizos alleges I betrayed a friend when I testified against Costa Gazi ("The pair of us", *nose47*). I object. I was never a friend of Costa's.

My second objection is to the – apparently now generally accepted – description of all South African Communists as "anti-apartheid activists". Stalin's dictum, that if you repeat a lie often enough it becomes the truth, has worked remarkably well.

The SACP of the 1960s and 1970s (with the lonely exception of Roly Arenstein

and his Durban Committee, which favoured China) was slavishly pro-Moscow.

Stalin's murder of over 20 million souls in the gulag was "the necessary extermination of enemies of the revolution". Members of the SACP, including Gazi, dared not question the wisdom of Moscow or the SA leaders it endorsed. They slavishly obeyed instructions to foment revolution to expand the Soviet empire. The struggle against apartheid was incidental.

The party has since the 1920s gone from supporting rabid "white-power" front organisations, to equally racist "black-power" front organisations, to multi-racial front organisations in its attempts to trigger the first stage of Lenin's "twin revolutions". The anti-apartheid movement was just a convenient front.

Gerard Ludi
White River

A parliamentary pat

Well done to Dr RV Turrell ("Thanks to one man", *nose47*) for pursuing the matter of the interest rule which seemed to have escaped everyone else! Glad someone like him is working at parliament – whew!

Pam Herr
Fish Hoek

Better by design

Congratulations on producing a magazine that, visually, now parallels the quality of your journalism – absolutely fantastic. Whoever's responsible deserves the biggest pat on the back.

Janis van Tonder
By email

Completely at C

"HR" hasn't given his name (Letters, *nose47*), maybe because he's been caught out spreading incorrect information before?

Anthony Stewart's father-in-law is C Middleton (he got that right) but the "C" is for Chris, not Craig as he wrote! Chris lives in PE and has nothing to do with the Royal Cape Yacht Club.

Thanks for a great mag!

Norman Dyer
Port Elizabeth

MOCKERY OF MANDELA

When a company called Concept Marketing and an attorney called Ismail Ayob devised a scheme that set former president Nelson Mandela up as something of a circus act, if not actually a con artist, in the hope of pocketing the odd R100m from the sale of “Mandela art” (see our story on page 16), did they appreciate the extent of the outrage they were perpetrating? Did greed make them insensitive to the damage they were likely to cause to the image of Mr Mandela and the implied insult to all the people who have invested their hope and faith in his integrity?

Besides some dicey financial features, the scheme put Mr Mandela on a par with Kamala, Calgary zoo’s artistic elephant.

We learned about Kamala from the latest edition of British Airways’ onboard

magazine, where her picture is tellingly captioned: “Another elephant dung painting, Mr Saatchi? Coming up ...”

Kamala was apparently already 18 when, in 1992, her keeper first pinned a paper towel to the wall and handed her a basting brush and some mud. Today she has her own customised brushes, and paints on proper canvas. “Van Gogh didn’t have as much enthusiasm for creating great art,” the sharp-tongued reporter notes, “but then Kamala can earn up to \$5500 for a 15-minute canvas. Even with two ears to flap, Vincent would have struggled to keep up.”

Mr Ayob, that’s the level you and your friends in the “art” business have stooped to. And, it now appears, it wasn’t even in aid of the Children’s Fund. At the very least you owe the public an accounting of what you’ve done with the money.

FIRSTRAND’S OFFENCE

It’s our job to be vigorous – even provocative – in our scrutiny of those who wield power in politics and business. Equally, we, and our readers, welcome a vigorous response from those we criticise. It all brings life to the bigger picture.

The directors of FirstRand bank have been caused “considerable offence” by our article “For whom the Road Tolls” in *nose47* (see opposite page). Which is reassuring. At least they care.

Threats aside, we are always eager to put right what we have got wrong. We admit that the bank’s attorneys were given two months and not two weeks to investigate Maharaj, as we reported. If anything hangs by that we’re sorry. But, having undertaken our own unbiased internal enquiry, when it comes to all the serious issues raised in our original report, we find ourselves innocent of any wrongdoing. In fact, in many ways our story understated the case.

Besides the former minister of transport and his director general now being employed in senior, lucrative positions by FirstRand, we omitted to mention that at least three FirstRand directors are, or were at the relevant times, also directors of agencies of the department of transport. In that period the department became the banking group’s largest single client by far (see page 10 for details).

Another FirstRand Holdings director is the father-in-law of the man who made the controversial payments to Maharaj.

We don’t know what goes on in the minds of FirstRand’s directors, or even in their

boardrooms. They might be pure as driven snow. What we do know is that all that traffic through the swing door between a government department and the FirstRand group looks bad.

Appointment to FirstRand’s board cannot guarantee integrity. Despite their protestations on this point, the board’s own willingness to investigate a colleague suggests they agree. And, of course, the sleazy business practices of a previous chairman of FNB – hello Basil – ensured that at one time he was something of a fixture in our pages.

Where we venture to publish our suspicions we make it clear that that’s what they are. Our readers know that and read critically.

One of the implications of our story was that the investigation into the allegedly improper payments from Nkobi Holdings to then-minister Maharaj should be extended to an investigation of all the dealings between Maharaj, Shabir Shaik and FirstRand itself. Such an investigation is suggested by the extent of the apparent conflicts of interest and the huge sums of public money involved.

That is but one of the reasons why we believe FirstRand’s investigation of the allegations concerning Mac Maharaj was ill-advised, no matter what the outcome. It all smacked of a panicky attempt to control a process that might otherwise go in directions the bank would not welcome.

Watch this space.

The Editor

noseweek

Tel: (021) 686 0570
Fax: (021) 686 0573
noseweek@iafrica.com

Editor

Martin Welz

Managing editor

Martin du Plessis

Production editor

Tony Pinchuck

Researcher

Jacqui Kadey

Gauteng bureau

Jack Lundin

Foreign correspondent

James Sanders

Cartoons

Gus Ferguson

Myke Ashley Cooper

Contributors

Paul Kirk

Nicola Dudley

Proof-reader

Sarah Ruden

Subscriptions

Maud Petersen

Advertising

Adrienne de Jongh

Subscription rates

SA only R195 for 10 issues.
 Overseas (airmail) Europe,
 Americas and Australasia:
 R345 (for 10 issues).

To subscribe by post

Send cheque with name,
 address and phone no. to:
noseweek,
PO Box 44538,
Claremont 7735.

To subscribe via Internet

and pay by credit card
 go to www.noseweek.co.za

Copyright All material in this issue is copyright, and belongs to Chaucer Publications (Pty) Ltd, unless otherwise indicated. No part of the material may be quoted, photocopied, reproduced or be stored by any electronic system without prior written permission.

Disclaimer While every reasonable effort is taken to ensure the accuracy and soundness of the contents of this publication, neither the authors nor the publisher will bear any responsibility for the consequences of any actions based on information contained herein.

Printed and Published by Chaucer Publications (Pty) Ltd.



Inaccuracy, innuendo and MISREPRESENTATION

FirstRand takes great offence to your article “For whom the road tolls” (*nose47*, July 2003).

The assertion that executives of FirstRand could face prosecution for corruption and the assertion that the board of FirstRand could countenance some form of “cover-up”, are defamatory in the extreme, particularly as it is based on factual inaccuracies, unfounded innuendo and a complete misrepresentation of the truth.

This letter seeks to set the record straight following allegations of corruption levelled at Mac Maharaj by the *Sunday Times*, relating to when he was transport minister and before he joined the FirstRand Group.

You state: “At the end of three months, FirstRand announced it was instructing its attorneys Hofmeyr Herbststein and Gihwala to investigate the allegations against Maharaj...”. This is not true. We publicly announced our enquiry on 17 March 2003, four weeks after the initial allegations in the *Sunday Times*. The results of this enquiry were presented to our board on 27 May 2003, at which point the board requested that a second independent party, namely Deloitte and Touche, should be appointed to review and corroborate the report. This was not a delaying tactic or “playing for time,” as suggested in your article; it was designed to test the integrity of the report, provide the board of FirstRand with an extra layer of comfort and to ensure that it was sufficiently robust for public scrutiny.

In your article you insinuate that the report is not designed to be objective: “So while FirstRand might be wise to consult its lawyers, the general public should not be relying on the objectivity of the report”.

This is an extremely important point. Notwithstanding that your comment calls into question the integrity of a leading firm of attorneys, Hofmeyr Herbststein and Gihwala, it also fails to recognise that we built extremely rigorous checks and balances into the enquiry process, in particular the appointment of the forensic depart-



FirstRand's CEO Laurie Dippenaar (above) has volleyed us this response to last month's article 'For whom the road tolls'. The bank accuses noseweek of distorting the truth with 'malicious inferences to cover-ups and corruption'

ment of Deloitte & Touche, as a second independent party.

In relation to the N3 toll road project you state: “FirstRand is both a major shareholder and it is the lead banker providing the massive loan package”. This is not true. FirstRand's subsidiary RMB acted as co-financial advisor with Sumitomo Bank to the consortium, which consisted of Grinaker-LTA, Murray and Roberts, BKS, Africon, as well as Nkobi Holdings and nine black empowerment players. At no stage did RMB provide equity to the consortium. They acted as the arranger of debt, underwriting approximately R800m which has been subsequently sold down. We now have an outstanding project risk guarantee to the European Investment Bank of R305m in respect of this transaction.

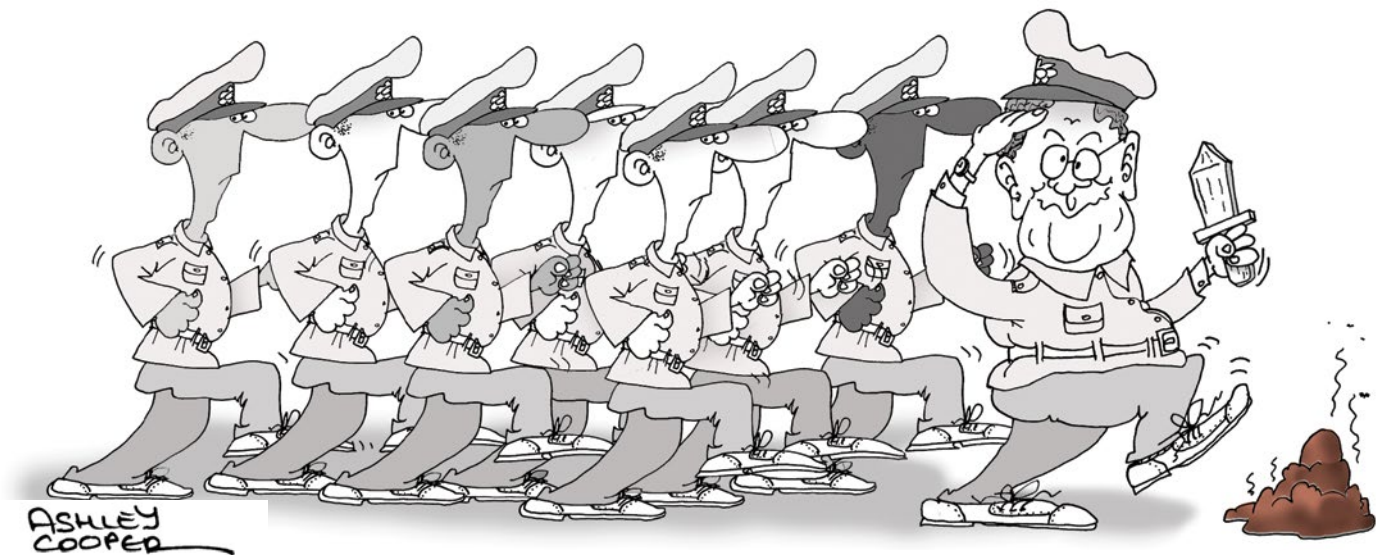
You say, “*Noseweek* is reliably informed that one of the things that FirstRand's lawyers are still trying to establish is: how much do the newspapers know and what might they be able to prove?” This statement has no foundation. This is not part of the enquiry. It is a matter of public record that we did initially engage with the *Sunday Times* with regard to the original allegations. They refused to divulge their source and we have accepted that this is their right.

Based on the above distortions of the truth you have insinuated that:

■ Mac Maharaj's appointment to FirstRand was connected to the consortium, which included RMB, winning the N3 toll road contract.

You infer that the bank employed Mr Maharaj on the basis of its business dealings with him while he was in office, “a classic example of the corrupt practice known in America as the “swing door”.

The inference is malicious and has no foundation in fact. The nomination and appointment of Mr Maharaj followed an extremely rigorous process. The original nomination came from one of our senior executives, Wendy Lucas-Bull, who had worked closely with the Department of Transport and Business Against Crime.



The Registrar of Banks was notified of Mr Maharaj's nomination, and his appointment was approved by all the board's non-executive directors. His appointment to the Discovery board was sanctioned by the Financial Services Board.

You then try to support your "swing door" innuendo by calling into question the level of Mac Maharaj's remuneration. Mr Maharaj received R50,000 for his services as a director of FirstRand during the year to 30 June 2002. The balance [R1-million] relates to services performed for the banking group, where he acts as a consultant to various divisions and serves on number of boards including that of FirstRand Bank. The remuneration was approved by the banking group's remuneration committee, which includes chairman GT Ferreira, and independent non-executive directors P Goss, M King and RA Williams. This information is fully disclosed in the group's annual report.

■ We have delayed a decision on Mr Maharaj's board position, and we are trying to negotiate a quiet settlement.

The process that we have undertaken with regard to Mac Maharaj is totally transparent and in our view beyond reproach. Given that we have shared the process with all our stakeholders, the press and the general public, to suggest that we will negotiate a quiet settlement is ridiculous.

■ All this will lead to a high level "cover-up" by FirstRand's board.

By insinuating such a cover-up, you are attacking the integrity and honesty of FirstRand's board. We take extreme objection to this serious allegation.

You are also attacking the integrity of the Registrar of Banks and the Financial Services Board, whose advice we sought throughout the enquiry.

■ FirstRand's top executives could face prosecution for corruption.

For what exactly would these execu-

tives be prosecuted? You insinuate it would be linked to the N3 toll road, yet you fail to get your facts right.

We accept there is a place for investigative journalism, but we believe this article did nothing to inform your readers about what are very important issues. In fact, in our opinion you deliberately attempted to mislead them.

FirstRand Limited
11 July 2003

Board of FirstRand Ltd:

Non-exec. chair: G T Ferreira.

Exec. directors: CEO – Laurie Dippenaar, Paul Harris (CEO FirstRand Bank), Viv Bartlett (dep. CEO FirstRand Bank), Denis Falck – group finance dir, Remgro);

Independent directors: F van Zyl Slabbert; Barry Adams (former man. partner Arthur Andersen); David Craig (dir. of cos); Pat Goss (dir. of cos); Ben van der Ross (CEO of Business SA); Cyril Ramaphosa (non-exec. chair MTN and Johnnic Holdings); Michael King (former dep. chair Anglo American Corp); Khehla Shubane (businessman & Centre for Political Studies); Robbie Williams (chair Tiger Brands). [Z]

Radio you are ~~not~~ supposed to hear...



Champions of Change

PINGPONG

Nose sniffs an odd smell then taps the ball back into FirstRand's court

In the Ministry of

Transport's official statement announcing that the N3 Toll Consortium had won the contract to upgrade and manage the N3, FirstRand was listed as a "shareholder" in the consortium. Many subsequent news reports quoted the official statement describing FirstRand as a "shareholder". The bank did not object. Since then various consortium members have registered joint venture companies to handle segments of the contract. FirstRand is not a shareholder of any of these – but as financier it remains a major stakeholder that has profited handsomely from the project.

FirstRand's board objects to our description of the group's role as "lead banker" for the project. Why suddenly so desperate to downplay their role in the N3 deal and the extent of their association with the Department of Transport? As recently as May, the bank was still happy to publish a report by Rudolph Gouws, chief economist at Rand Merchant Bank (the "Rand" part of FirstRand) in which he proudly declared: "Rand Merchant Bank was the financial arranger for this transaction – the largest privately financed infrastructure project in sub-Saharan Africa to date." A lead banker by any other name smells as sweet.

If anything, we understated the extent of FirstRand's dealings with the Department of Transport at the time Maharaj was transport minister. Conflicts of interest must inevitably raise questions about the banking group's claims to objectivity. For example: when Maharaj signed the N3 deal, he was acting on the advice of the National Roads Agency (whose board he had appointed not long before). Chairman of the NRA board at the time was

Barry Adams, who was also a director of FirstRand – and still is.

In addition to Rand Merchant's role in the N3 Toll Consortium, Maharaj in 1998 awarded a three-year contract with a turnover of R750m a year (total R2.25bn) to First Auto (a FirstRand subsidiary) for the management and maintenance of the government's vast vehicle fleet. In January 1999 Maharaj concluded a two-year contract with WesBank (yet another FirstRand subsidiary) to provide R750m worth of vehicle finance for government employees. The contract was described as one of the largest wheels-financing deals in South Africa. We estimate that in the two-year period prior to Maharaj joining FirstRand, the group concluded project and asset financing business with agencies of his department to a capital value of R4bn to R5bn.

Maharaj's department has to have been the bank's single-largest generator of business in those years.

Does FirstRand really expect us to believe it was Transport Minister Maharaj's work with Wendy Lucas-Ball at Business Against Crime that clinched his appointment to various boards in the group?

Rudolph Gouws concluded his May report with the following interesting statement: "To establish sound and consistent policy on these [public-private] partnerships at a national and municipal level, the government has established two bodies: the Public Private Partnerships unit ... and the Municipal Infrastructure Investment Unit. Rand Merchant Bank provides the input of its personnel to both these bodies."

It goes further than that. FirstRand director Barry Adams has been succeeded as chairman of the National Roads Agency by Kehla Shubane – another FirstRand director.

And ex-CEO of the SA Rail Commuter Corporation, another important agency of the Department of Transport, is Benedict J van der Ross – who also happens to be a director of FirstRand. (You may recall that at a press briefing he gave at the transport ministry in February 1999, Maharaj announced that the Rail Commuter Corporation planned a new contract with MetroRail – "the first step towards the concessioning of the rail commuter network to the private sector.")

One of Maharaj's co-directors on the FirstRand Holdings board is Dr Sadek Vahed, father-in-law of Shabir Shaik, the man whose payments on Maharaj's behalf have caused all the controversy. (Among the files seized by the Scorpions at Shaik's company was one labeled "Dr Sadek Vahed.")

We first drew attention in August 2000 to the suspect political and business network that surrounds the Shaik brothers ("Shaik-up or Shaikdown", *nose30*).

For an idea of how smelly and slippery the territory is into which FirstRand has brazenly marched, first by appointing Maharaj to its boards, and then by setting itself up as an "objective" judge of his integrity, see the diary of events that follows.

Whatever the conclusion of its enquiry (FirstRand's announcement was imminent at the time of our going to press) the point stands. With all its inherent conflicts of interest, the board of FirstRand and its paid agents will never be seen as an objective judge of Maharaj and the issues surrounding his appointment.

As we have argued elsewhere, an independent investigation of the dealings of both Maharaj and Shaik and his companies with FirstRand itself may still be called for. [\[7\]](#)

WHO, WHAT, WHEN AND HOW MUCH?

FIRSTRAND AND MAHARAJ: CHRONOLOGY OF A SWEET DEAL (PART 1)

From Broederbond to Brothers Shaik 1970–1996

Back in the 1970s and 1980s, Bruinette, Stofberg and Kruger were a Pretoria-based firm of consulting engineers with all the Broederbond credentials needed to get top government contracts. Defence and roads contracts were their biggest and most lucrative. Another Afrikaner-controlled company with similar credentials, Altech Defence Systems, was the government's biggest local supplier of defence electronics.

In the early 1990s Bruinette, Stofberg and Kruger assumed the more neutral name BKS, and Altech Defence Systems changed its name to African Defence Systems – ADS for short. By the mid-1990s, possibly still nervous about their past and the country's future, the Venter family sold ADS to French defence conglomerate Thomson International (aka Thomson-CSF).

Both BKS and ADS (under its new ownership) rushed to find "black economic empowerment" (BEE) partners with the sort of government connections that in their experience would ensure that business continued as before.

Back when A stood for Altech and B for Bruinette, the three brothers Shaik, Mac Maharaj and Jacob Zuma, along with the now-deceased Joe Modise, were key players in the ANC's military and intelligence wing. (Zuma recruited the Shaiks to his intelligence network; Maharaj headed up its most famous assignment, Operation Vula, which was aimed at mobilising funds and supporters for the ANC's participation in its first general election.)

When the ANC was unbanned in 1992, Shabir Shaik was advisor to ANC treasurer Thomas Nkobi, who died soon after. Following Nkobi's death,



Shabir Shaik

Shabir continued as financial advisor to Jacob Zuma. In 1994, when the ANC came to power, Maharaj was appointed transport minister, Modise became defence minister and Zuma KwaZulu-Natal MEC for economic affairs and tourism. Shabir Shaik's brother Mo advised the government on security and brother Chippy was appointed chief of defence procurement.

With all those friends in high places, Shabir reckoned it was time to go into the BEE business. In February 1995 he registered two companies: Nkobi Holdings and Nkobi Investments. (The choice of name suggested links to the ANC's fundraising machinery.) The latter company would, in due course, have numerous subsidiaries.

Mac and FirstRand Shaik on it

1996

June Maharaj's Department of Transport awards a R265m contract for new credit-card drivers' licences to

Prodiba – a consortium of which Shaik's Kobitech and ADS-parent company Thomson CSF are members. Almost immediately a mysterious pattern of selfless generosity begins to emerge: Shaik pays for the Maharaj family to visit Disneyland; Nkobi Holdings pays R47,857 for computers installed at Maharaj's home.

1997

April Having been authorised by the cabinet to hand over the management of public roads to private business consortia, Maharaj establishes the National Roads Agency, with FirstRand director Barry Adams as its first chairman. He also appoints FirstRand director Kehla Shubane to the NRA board.

1998

25 May A further R25,000 is deposited into Maharaj's account by Shaik. Shaik's records show two more payments that month to Maharaj or his wife: R25,000 on 10 May and R25,000 on 30 May. (Later when asked by the *Sunday Times*, Maharaj declines to say if he received these amounts from Shaik or his companies.)

August Maharaj names the "preferred bidder" for the N3 contract: the N3 Toll Road Consortium. Among the consortium members are BKS (Joe Modise would become chairman of the company in 2000), Rand Merchant Bank (part of FirstRand), Women's Empowerment Bank, and Shaik's Nkobi Investments. Shaik's records reveal more payments to Maharaj:

R50,000 on 17 August; R55,000 on 19 August; R75,000 on 4 September; R10,000 on 9 October.

18 November A senior delegation from Thomson International of France, consisting of Messrs Moynet, Thetard and Perrier, meet with Shabir Shaik at Nkobi's offices in Durban. They negotiate the sale of 10% of Thomson's shares in local defence company ADS to Nkobi. Mysteriously, the meeting is also attended by "Minister JZ". This was the first evidence suggesting that Jacob Zuma, then shortly to become deputy president, had an interest in Nkobi and, through ADS, in the massive arms deals about to go down.

1999

January Maharaj signs a two-year contract with WesBank (a FirstRand subsidiary) to provide R750m-worth of vehicle finance for government employees. Shortly before that, Maharaj had awarded a three-year contract with a turnover of R750m a year to FirstAuto – another FirstRand subsidiary. The two contracts would ensure that well over R3bn of taxpayers' money churned through FirstRand's books, earning the bank hundreds of millions.

Meanwhile, more Shaik payments to the minister of transport are recorded: R25,000 on 20 November 1998 (noted as a "social facilitation cost"); R20,000 on 24 November 1998; R25,000 on 18 December 1998 and R13,157 on February 28, 1999.

27 May The final N3 toll road contract is signed between the National Roads Agency and N3 Toll Concession Ltd.

September President Mbeki's legal advisor Mojanku Gumbi announces that a draft of a new executive ethics act has been circulated to provincial leaderships of the ANC for comment. The code is intended to regulate the conduct of public office bearers both during and after their terms of office. It will prohibit those who leave public office from using privileged state information to further their business careers. The *Financial Mail* notes that this suggests the need for a "cooling-off period" during which senior officials may not take private jobs in the same sector. It quotes Richard Calland of Idasa saying that internationally the trend is to such

a "cooling-off" period. It also quotes Mac Maharaj disagreeing with this view. Interviewed in FirstRand's executive suite, he is quoted saying that we should not "simply adopt international practice". He is in favour of setting only a "basic, minimum" code, and then strengthening this over time.

What was he going to be doing at FirstRand, the *FM* asked the former minister? "I don't know yet – only that I'm going to have a great time," he replied.



Mac Maharaj

29 September Thomson Holdings (South Africa) issues thousands of new shares and allots them to its own parent company, Thomson-CSF of France, at R1000 per share.

30 September Thomson-CSF executive Alain Thetard and Nkobi CEO Shabir Shaik have meeting in Durban, at which Shaik conveys a "request" concerning Jacob Zuma to Thomson. (Although Zuma was apparently not present at the meeting, he was in Durban that day.) The "request", it later emerges, was for "one or more" payments of R500,000 to Zuma by Thomson in return for his support and protection.

Also on that day, Thomson-CSF buys Nkobi Investments 10 shares in Thomson Holdings (SA) for R500,000, and Shaik resigned from the Thomson Holdings board. (But retains a directorship and shares in another local Thomson company.)

Remarkably, the price paid for Nkobi's shares in Thomson Holdings is 50 times the price at which the same shares have been issued to Thomson International the day before, leading

Scorpions investigators to suspect that the price may have been inflated to generate R500,000 for Zuma.

2000

10 November Thetard meets with Perrier and Shaik in Paris (at Shaik's request) to discuss "JZ". Thetard asks Shaik to obtain a "clear" confirmation of the request from "JZ" or, failing that, for an "encoded declaration" from Zuma "validating" the request that had come via Shaik in September.

25 November The cabinet authorises the Department of Defence to sign the final arms procurement contracts. Defence Minister Joe Modise then nimbly resigns from the cabinet and parliament, so the contracts are signed by his successor a week later.

11 February Shabir Shaik writes, in his capacity as "executive chairman" of Nkobi Holdings, to Alain Thetard of Thomson-CSF: "I refer to our understanding re Deputy President Jacob Zuma and issues raised. I will appreciate it if you can communicate to me your availability to meet." Thetard, in reply, scribbled his willingness at the foot of the letter.

11 March Thetard, Shaik and Zuma meet in the morning in Thetard's room at the Marine Parade Holiday Inn in Durban. Shortly after, Thetard sends an encrypted note to Perrier in Paris, telling him that at the meeting Zuma had given him the "clear confirma-

WIN A WINE GIFT PACK

noseweek

with Ken Forrester Wines

is offering 5 packs of the award-winning Chenin Blanc and the unique Grenache-Syrah blend to 5 lucky new subscribers

Subscribe by 31 August to be entered in the lucky draw

CONGRATULATIONS!

This month's wine pack WINNERS are:

Mr B Rikhotso (12179), Marshalltown 2017

Mr W Higgins (3842), Meadowridge 7806

Mr G Botbyl (6572), Arcadia 0007

Mr D Chistodoulou (12114), West Beach 7449

Mrs K Peck (9759), Lansdowne 7779

Your prizes will be sent to you shortly



E-Boards Specialists in Giant Outdoor Screens Advertising



The E-Boards outdoor network has been designed to blanket the Johannesburg's Northern Suburbs. While marketing agreements throughout the industry allow E-Boards to offer the full range of screens countrywide.

- The E-Boards screens are positioned to provide maximum exposure and are thus situated at major intersections across Gauteng and nationally.
- Each screen has a minimum monthly exposure of 1.1 million vehicles.
- Screens carry a maximum advertising cycle of six minutes ensuring that your ad is displayed at least 240 times per day at each location.
- This type of advertising media best suits the promotion of specific events, such as the arrival of new stock, new store openings, sales etc.
- The programmable nature of these screens is such that specific broadcasts can be scheduled at specific times of the day or month as required.
- Turnaround time in terms of creation and flighting is minimal, allowing for campaigns that remain vital as well as current. The big screen animated nature of these venues guarantees rapt viewer attention and therefore solid market penetration.

Screens are available in most major centres countrywide, examples of these screens can be seen at the following JHB northern suburb locations

The Wedge



Montecasino



Sandton City



Pricing for the electronic screens is dependent on requirements, location, term of contract and duration of advert

See the bigger picture!

Creative Indoor Outdoor Screen Specialists

Tel: (011) 787 7788 · e-mail: eboards@eboards.co.za

www.eboards.co.za

tion” he had required – “in an encoded form”.

Thetard then spells out the deal:

May I remind you that the two main objectives of the ‘effort’ requested of Thomson are:

Protection of Thomson CSF during the current investigations (Sitron) [the SA Navy’s codename for its new corvettes]

Permanent support of JZ for the future projects.

Amount: 500K ZAR per annum (until the first payment of dividends by ADS.)

This last statement is the second bit of evidence to suggest that Zuma had a hidden stake in Nkobi/ADS. Advocate William Downer of the Scorpions concluded that Zuma had made a request for a bribe and was complicit with Shaik and Thetard in “some prior plan”.

In the months that follow, according to Shaik’s notes, payments to Maharaj continue: between 15 October 1999 and 1 March 2000, a further R60,000 is paid. And he continues to make payments on Zuma’s behalf, mostly for flat rental and his children’s school and university fees. (The Scorpions traced payments totalling about R90,000 over a three-year period, of which he appears only ever to have repaid R15,000.)

July The auditor general completes a “regularity” audit of the arms acquisition process. The audit finds that all was not regular.

31 August Shaik writes to Thetard reprimanding him for not answering his calls over the previous three weeks about “matters requiring urgent attention”. Such as the “very important matter” raised with Perrier in Paris several months earlier; the matter that “he [Perrier] had sanctioned, for implementation by yourself.”

15 September The auditor general submits his report on the arms acquisition process to parliament’s Standing Committee on Public Accounts (Scopa). His conclusion: there have been “material deviations from generally accepted procurement practice” and the explanations provided by the Department of Defence are unsatisfactory. The audit dealt mainly with the awarding of contracts to the five primary defence contractors. Thomson’s (and Nkobi’s) ADS was one of them. The auditor general recommends a further, special, investigation into alleged irregularities

relating to sub-contractors (ADS was one, too).

6 October Shaik writes again to Thetard: “Two weeks ago you undertook to call me back from your Mauritius office.... Herewith a list of matters urgently requiring our attention.” Number five on the list: “The matter agreed by ourselves in Pretoria ... over breakfast. My party is now saying that we are renegading [sic] on an agreed understanding.... I share the sentiment with my party that he has been let down; this is particularly unpleasing given the positive response from Mr Perrier, [in consequence of which] my party proceeded to an advanced stage on a certain sensitive matter that was required to be resolved.”

15 October Zuma addresses the world anti-corruption conference in Durban. He speaks about “regaining the moral high ground.” “Even as we conclude this conference,” he declares, “an act of corruption is being committed somewhere in our country....” He has a message for those who thrive on corruption: “We have the will to deal with you decisively.”

November A year has passed since Shaik first met with Thetard to discuss “JZ’s” request for a fee in return for protection. Now he again arranges to meet with directors of the French arms supplier, this time in Mauritius. He takes to the meeting a file containing newspaper articles on the growing controversy surrounding the arms deal (one is headlined, “I smell a very big, dirty rat here!”) and the Scopa hearings. In Mauritius Shaik, Thetard and others discuss “damage control”. According to investigators, “Shaik expressed his concern about the possibility of further involvement in the investigation by the Heath Investigation Unit.”

8 December IFP MP Gavin Woods, chairman of Scopa, writes a confidential letter to President Mbeki, urging the involvement of Heath’s Special Investigation Unit (SIU) in the arms investigation. During the Christmas parliamentary recess, many behind-closed-doors meetings are held between senior ANC and government members to discuss how best to deal with Scopa and the growing arms controversy. Deputy President Zuma plays a leading role.

2001

19 January Woods gets a reply to his letter – not from Mbeki, but from Zuma. In it Zuma accuses Woods of “misdirecting himself” and now storms about Woods’ “assumption that our government, the transnational corporations and foreign governments are prone to corruption and dishonesty.”

“The government will ... act vigorously to defend itself against any malicious misinformation campaign,” he tells Woods. Despite Woods’ letter having been confidential, Zuma copies his reply to all the contracting parties in the arms deal and their local representatives. (To ensure that they note his efforts to protect them?) The government’s website still hosts the letter. Heath is fired but other agencies proceed to investigate the arms deals.

March 2001 Advocate William Downer is designated by the Scorpions to conduct a preliminary investigation.

24 August Downer has obviously turned up enough evidence to justify a fuller investigation: he is designated to probe the “suspected commission of offences of fraud and/or corruption ... involving the prime bidders/contractors and/or sub-contractors for the supply of armaments.” Thomson and Nkobi’s company ADS are among both the contractors and the sub-contractors named in Downer’s brief.

The Durban high court issues warrants authorising Downer’s unit to search and seize documents from the offices of all the Nkobi companies and the homes and offices of Shabir Shaik and Colin Isaacs, financial director of the group.

9 October The Scorpions team seizes scores of files at the offices of Nkobi Holdings and at Shabir Shaik’s Yarningsdale penthouse on the Marine Parade. There to witness the latter search are Shaik’s wife Zuleikha and her brother Yusuf Vahed. (Their father, wealthy Durban businessman Ahmed Sadek Vahed, serves, together with Mac Maharaj, on the board of FirstRand Bank Holdings Ltd.)

Among the files seized by the investigators is one labelled “Dr Sadek Vahed”.

To be continued

LOTTO

Good news is no news

Despite the cheering decision by PSG to drop its R532,100 claim against R20m Lotto jackpot winner David Mathumbu following our story in *nose47* (see this issue's Letters on page 4), Mathumbu spent another anxious fortnight waiting for the sheriff to arrive. Nobody had bothered to give him the good news.

As readers will recall, Mathumbu scooped his R20m last July. It was the second-biggest ever jackpot. Lotto operator Uthingo's contracted financial advisers PSG Investment Services thought they had secured the winner's mandate to manage his newly acquired fortune.

But then Mathumbu was persuaded to choose Absa to handle his investments instead. So PSG got a high court judgment for R500,000 – the management fees they lost

pass on the good tidings. His unbelieving response: "Oh yeah, and tomorrow they'll change their mind again". He refused to tell Mathumbu the good news.

When we called again on July 16, Jordaan's attitude had not changed. "Until now we haven't got confirmation from PSG's attorneys about that," he said. "They [PSG's attorneys] say they are waiting for instructions from PSG themselves. I'm waiting for that."

PSG's Pretoria attorney, Jonathan Hendey confesses: "I accept that this may not have trickled through to all the various persons at the end of the chain, but the process of attachment [of Mathumbu's goods] is now over."

Hendey promised to call Jordaan and advise him "as from one attorney to another that he need not lose any sleep over the matter".

PSG marketing head Sandy Dobrin says: "Somewhere the wires seem to be getting crossed. I've just spoken to Leon Ferreira [head of PSG's Pretoria office] and he says our lawyer has been

Sweet of you to say that David, but you keep your dosh. You won it.

ASSMANG

Shares fair

Noseweek, a minority shareholder in JSE-listed Assmang, has been wondering if other minority shareholders have noticed that the price of Assmang shares recently dropped 23% on the JSE in one day – on 1 July, in fact.

They dropped from R1250 to R1000 a share, the second-biggest loss of the day – so it was printed in large black letters in the doom and destruction column of *Business Day*.

How can this be, we asked ourselves, when only days before there had been that talk about lots of lolly to be made from proposed asset swops between Assmang and Anglo subsidiary Kumba Resources to achieve

The shares are very tightly held by Assmang's two majority shareholders, Avmin and Des Sacco's Assore, and less than 3% of them – a mere 70,964 shares – are in the hands of the general public. Based on assets and profit history and potential, experts say the shares should be worth between R2400 and R2600 each.

NOSEWEEK

Getting a bit testy

In Unisa's mid-year exams in June, the paper for Constitutional Law 101 included the following question: "Can a juristic person rely on the protection of the Bill of Rights? For instance, can *noseweek*, an independent newspaper, invoke the right to life and the right to freedom of expression?" Two months later we're still wondering. And many thanks for the mention.

Then just when we thought our egos couldn't get any bigger, we heard that Tony Phillips, CEO of SA's largest industrial corporation, Barlow World, uses the "*noseweek* test" when lecturing staff on what he expects of them. And what, we wondered, might the test entail? So we asked him.

"Our company has taken an extremely strong stand on corporate governance and ethical behaviour," Phillips told us. "I make a point of reminding our employees and stakeholders that they should always ensure that the actions they take are in terms of our code of ethics – and that such actions would not make suitable copy for *noseweek*. Hence the test."

Now there's a tack FirstRand might like to try in future.

Neither PSG nor the various attorneys thought to tell Mathumbu the action was being withdrawn

out on – from Mathumbu. The Phalaborwa sheriff's department arrived at Mathumba's humble home in Mpumalanga and attached what goods it could find. Which wasn't much. (It seems the sheriff was unaware the winner had moved to a luxuriously furnished and equipped hilltop hideout in the distant bushveld.)

On 3 July, when PSG emailed us a letter with the exciting news of its withdrawal from the case, we called Mathumbu's lawyer in Nelspruit, Kurt Jordaan, and asked him to

instructed to send a letter to the Lotto winner's lawyer."

With the attorneys in such a bind, it was *noseweek* in the end who broke the news to David Mathumbu that the nightmare was finally over. From his bushveld hideout the excited winner exclaimed: "They've dropped the case? Thanks very much, my friend. I'm very very very very happy."

"My family's with me here. We're together. I'm going to phone you tomorrow. I want to give something to you."

synergy between the two ore sites in the Cape? According to a Kumba spokesman, a decision is expected before the end of the year.

But now comes the curious bit – that massive drop in Assmang's price was the result of the sale of just one – yes, *one single* share! Could someone be toying with us minority shareholders, trying to spook us into selling up in a panic?

Even at its new low of R1000, Assmang is still among the most expensive shares on the exchange.

JEFFREY ARCHER

Nostranger to fiction

The recent release from an English jail of embittered British peer, MP, businessman, author, international athlete, criminal, conman and liar, Jeffrey Archer, reminds us of a scoop for *nose* magazine, *noseweek's* predecessor.

In December 1984, *nose* scored an international first by breaking the

extraordinary story behind Lord Archer's debut novel, *Not A Penny More, Not A Penny Less*.

The book, *nose* revealed, was based on Archer's own disastrous investment in shares of a Canadian company called Aquablast.

Aquablast was a sophisticated scam run by associates of some of the biggest names in the US mafia, including Jack Pullman, courier to mob banker Meyer Lansky.

In November 1975, after the scheme collapsed, Archer went to Toronto as

a leading witness in a case against the conspirators.

Shortly before the trial, while Archer was staying at the Four Seasons Sheraton (courtesy the Royal Canadian Mounted Police), he was arrested by Toronto Metropolitan Police for shoplifting.

The Mounties managed to hush up the case against their star witness, only to discover he had meantime been enjoying secret liaisons with Pullman and his lawyers.

Archer told the Canadians the meetings

were really research for his forthcoming book.

On the witness stand he seemed rather vague and forgetful, and as a result Pullman was acquitted.

Curiously Archer's memory soon made a spectacular recovery: the scam in all its lurid detail formed the basis for *Not A Penny More, Not A Penny Less* and, as in its plot, earned him millions. His latest adventure, featuring prostitution and perjury, earned him further millions and two years in the cooler.

Frame... Stitch in times save the day



Noseweek reader Debbie Jasselette was so touched by our story detailing Monica Sekhosana's battle to support her family after being retrenched by Frame in 1993 (*nose*45) that she donated her Singer sewing machine to the unemployed mother of three. Monica (left) had been forced to sell her own machine – which she used to eke out a living selling homemade clothes – to buy food.

In addition, *noseweek* was able to present the 49-year-old former textile worker with R1000 in cash, a donation by a Johannesburg businessman who wishes to remain anonymous.

Said a delighted, and tearful, Monica: "I can't believe this! It's wonderful! I thank God for the kindness of these people. *Noseweek* telling my story was the best luck I've had in years."

Jasselette, PA to the deputy chairman of Hollard Insurance in Joburg, said she read of Monica's plight in her boss's copy of *noseweek*.

"I'm a mother myself, and that's why her story tugged at my heart," she said. "My sewing machine was just lying around at home. I've only used it once or twice. I decided Monica needed it more than me."

Chris Gina, KwaZulu-Natal regional secretary of the SA Clothing and Textile Workers Union (Sactwu), to which Monica belonged before losing her job at Frame's Seltex factory in New Germany, has also stepped in to organise the collection of fabric off-cuts for Monica from clothing factories around Durban.

THE GREAT MANDELA ART SCAM

Has Madiba unexpectedly blossomed in his late 80s as a maestro who can sell his sketches for thousands of dollars, or is his lawyer just being creative with the truth?

Is “Mandela art” being faked

to spin a quick buck? If so, at whose suggestion and to whose advantage has the name of a man world-famous for his integrity, and so genuinely talented on so many fronts, been put at risk for something so absurd? Has the icon of our nation been traded for a quick buck?

Those are just some of the disquieting questions raised by a R13m legal dispute between Magnifique Investment and Holding (Pty) Ltd and The Concept Group (Pty) Ltd (In Liquidation). The dispute was settled last month, two days before Mandela turned 85, and on the morning arbitration hearings were to begin.

The questions we have posed may be shocking, but they are not new. It's just that they are generally more politely phrased: in his spare time, is Nelson Mandela really a surprisingly talented graphic artist whose works can fetch millions of dollars on the world market?

And isn't it remarkable that his talent only emerged when he was in his 80s? Some, especially Mandela's attorney, Ismail Ayob, would have you believe so.

But unfortunately we must reveal that art is not one of Madiba's many talents. “Mandela art” is in fact nothing more than a marketing concept, cooked up by an ex-policeman director of a once well-known ad agency, Concept Marketing, which was part of the JSE-listed Union Alliance Media group.

In 2001 Concept paid R13m – more



Attorney Ismail Ayob, who is clearly sharp in more than just his dress, outside parliament in Cape Town with his wife, Zamila

than the Union Alliance Media group's entire market capitalisation – in licence fees and advance royalty payments to a mystery company, Magnifique Investment and Holdings, for the exclusive right to reproduce and market a series of “Mandela” drawings of hands. The series was to have been marketed with the slogan “A touch of Mandela magic”.

Its failure contributed substantially to the bankruptcy of both Concept and its parent company Union Alliance Media. (FirstRand bank was among those seduced big-time by the “Mandela magic”. So engrossed was the bank with the conjuring trick that it failed to stop the company exceeding its R20m overdraft limit by an additional R23m.)

All we can establish from public records about Magnifique, the company that was paid the R13m, is that Mr Ayob is its sole director. A short statement issued by his firm after the settlement claims that the Nelson Mandela Children's Fund is “one of the shareholders” of Magnifique. It does not say what percentage of the shares the fund holds or who the other shareholders are.

Ah, you say, so what's a bit of art fakery and financial manoeuvring between friends if it's all for the Children's Fund? But was it for the Children's Fund?

Read the story-behind-the-story and then see what you think.

Early in 2001 one of the directors of Concept Marketing, ex-cop Ross Calder, “conceptualised” how artworks by South Africa's icon of peace Nelson Mandela could be sold all over the

world for a fortune, especially if they echoed the great leader's struggle for freedom, and if they could be sold in the name of the Nelson Mandela Children's Fund. Mr Calder does not for a moment appear to have thought Mandela was a gifted artist. He commissioned the agency's art director, Hugh McCallum, to do five drawings of hands. Mr McCallum produced the required drawings, representing "freedom", "imprisonment", "struggle", "unity" and "future". Mr Calder then approached the Nelson Mandela Children's Fund with his concept and set of drawings.

The fund's executive in charge of fundraising thought it a great idea and, as was standard procedure, referred Calder to its attorney, Mr Ayob, to draw up a contract.

Nothing further was heard from Mr Ayob about the contract. Fund executives attributed this to the fact that Mr Ayob was holding off to put pressure on the fund to agree to new terms. According to a well-informed source, Mr Ayob told fund executives that his client wanted to receive 60% of any money raised by



be kept confidential and may not be disclosed without the prior written consent of the parties thereto". Most particularly it specified that "the identity of the shareholders of the licensor [Magnifique] shall not be disclosed without the prior written consent of the licensor".

When in October a reporter from a major newspaper approached Mr Ayob for an explanation, the lawyer insisted that the reporter put the questions in writing. When the reporter did so, Mr Ayob refused to answer, as he alleged they related to a "stolen" document.

"Tell me who is your informant, I then lay a charge with the police, and then I'll talk to you. But it's quite clear that it's stolen," Mr Ayob told the reporter. He refused to say who Magnifique's shareholders were and whether he or Magnifique retained Concept's R13m. He also refused to comment on an unusual clause in the contract, in which Concept agreed to pay any tax liability that Magnifique might incur for income from selling the right to use Mr Mandela's name.

In view of all this, *noseweek* hasn't bothered

"The terms and conditions of this agreement shall be kept confidential and may not be disclosed"

projects using Mandela's name. The money was to be paid to Mr Ayob's firm.

In terms of Mr Ayob's proposal, only 20% was to go the Children's Fund. (The remaining 20% was to go to the Mandela Foundation, which, inter alia, finances the ex-president's travel and peace-keeping missions.) Needless to say, the fund's executives were not thrilled. Until then, Mr Ayob had only deducted his own fees from moneys raised for the fund.

Much later it would emerge that Mr Ayob had simply sidestepped the Children's Fund entirely. On 30 July 2001, he concluded a contract between Concept and his own company, Magnifique Investment and Holding (Pty) Ltd.

In the contract it was agreed Concept would make 5046 copies of the set of drawings, to be sold for "no less than" \$5000 a set (potentially realising a total then exceeding R200m) over the two-year period of the contract. Concept was to get 35% of net proceeds (after deduction of 20% sales commission), while the remainder (over R100m) would go to Magnifique.

Curiously, the contract required the money not to be paid to the company, but by cheque in favour of "Ismail Ayob and Partners Trust Account". No mention of the Children's Fund.

Designer McCallum's set of drawings of hands was attached to the contract.

The contract further stipulated that "the terms and conditions of this agreement shall



In January last year, on his return from a marketing trip to New York, Anthony Glass, a director of Concept Marketing, informed FirstRand bank that US response to the the "Touch of Mandela" project had been most disappointing. (We hear that US marketers found McCallum's sketches (three of which are pictured above) "too grim" and suggested more colourful and cheerful drawings would sell better. Two weeks later the bank put the company into liquidation.

Mr Ayob with questions. We would have liked to hear his explanation of yet another strange clause in the contract, which reads: "It is expressly agreed that there will be no formal hand over of any funds whether public or private to Nelson Rolihlahla Mandela." Now why should that be? Because Mr Mandela must not know about the payments? Or perhaps because Mr Ayob does not trust him with the money?

And, of course, now that Concept has gone bust, we hope Mr Ayob has kept enough cash on hand to pay the taxman his cut of the R13m.

■ Last year Malebo Mahape, communications officer for the Nelson Mandela Children's Fund, said the fund had received no money from this project. The fund had not expected any money from the deal and perhaps the Nelson Mandela Foundation, its "sister organisation", was the intended beneficiary. John Samuel, the foundation's CEO, said no money from the deal had gone to the foundation either. He said he was vaguely aware of the deal. "It was a private matter between Mr Ayob and UAM – it's got nothing to do with the foundation," Samuel said at the time.

Immediately after the recent settlement was announced, we approached both the Children's Fund and the Mandela Foundation again for comment. Both have referred us to Mr Ayob.

To be continued

WHERE EAGLE DARES



Once upon a time

there was a little piece of paradise tucked away in Mpumalanga. Its verdant grassveld was home to more than 10 “red data” endangered plants, among them the famous Yellow Arum lily; 391 species of birds, including all three species of cranes – blue, crowned and wattled – soared in the Steenkampsberg; Rossouw’s Copper and Dark Widow butterflies, both very rare, were said to flutter in the warm valleys.

The centre of this Garden of Eden was an area called Tonteldoos (“tinder-box”). Originally home to the Mapoch people, it was lost along with the Mapoch war of 1882-83, leaving Boers in occupation.

Tonteldoos lies off the map, some 22km by road northwest of Dull-

When a German-owned granite quarrying multinational invaded an Mpumalanga paradise they recklessly destroyed endangered species. But they met stiff resistance from two locals who happened to be lawyers, until they managed to buy out one of the pair for an inflated sum and he turned Devil’s advocate



stroom. Yet it was inevitable that sooner or later it would be discovered by wealthy Gautengers, who over the years have picked up 75 500-hectare farms for a song and built weekend cottages on them to ease the stress of urban life. There are 80 of these small farms, about half of them owned by city



dwellers who visit for weekends.

The urban invaders got on well enough with the survivors of the original Boer settlers and tranquility continued to reign.

But Tonteldoos has proven to be a shade too perfect. Its koppies contained generous quantities of gabbro-norite [granite]. In this paradise the granite has, of course, to be of a particularly rare and valuable kind, a black stone that sparkles with blue iridescent specks, making it much in demand by the Far East building industry.

Enter the villain: a global multinational mining company called Multistone AG. German-dominated, Multistone is an aggressive and arrogant extractor of granite worldwide. Its head office is in the small Swiss town of Zug, which offers the lowest tax rates in Switzerland. This, plus the canton’s corporate secrecy laws, attracts flocks of publicity-shy multinationals. Some, surely unfairly, describe it as “crooks’ haven”.

Multistone AG descended on Africa in the early 1980s to become the largest producer of black granite blocks in Zimbabwe. Its open cast operations there along the Nyadir River and within the Mupfurudzi Game Park yield more than 2000m³ of granite a month. In 1999 Multistone’s newly established South African subsidiary Eagle Quarries – now renamed Eagle Granite – started quarrying granite some seven kilometers north of Tonteldoos as the crow flies, outside the hamlet of Roosenekal. But already it had its eyes on the superior blue-speckled deposits that enriched the koppies of Tonteldoos itself.

The Tonteldoos resident who opened the door for the mining company was Gerrit Bezuidenhout, an eccentric big city advocate who had abandoned the bar to run a children’s adventure school on his 1000 hectare farm. In 1998 he

sold off 400 hectares to Eagle for some R900,000, providing himself with the funds to take off for China, where he now teaches English in Beijing.

Faced with all the horrors of an open-cast granite quarry on their collective doorstep, Tonteldoos landowners rallied to form the Mapochsgronde Action Group. Hendrik Kruger, a short-fused advocate whose 75-hectare farm neighbours Eagle's proposed mine, became the group's chairman. His close friend and neighbour, fellow advocate Hentie Joubert, was not slow to nail his colours to the mast.

Over the next three years this pair of hotshot Joburg lawyers proved a formidable team to stay Eagle from starting its noisy and dirty operations in three separate open-cast areas on its newly acquired site.

Between 2000 and July 2001 a series of formal hearings took place chaired by Sam Skhosana, director of mineral development for the Department of Minerals & Energy (Mpumalanga). Eagle put its case for the mine to go ahead and the landowners had the opportunity to state their objections. Or should have had. For on 28 September 2001, while the landowners were waiting for a resumed hearing date to present their evidence, Skosana amazed them by issuing a mining licence to Eagle.

Within days Eagle moved on to the former Bezuidenhout land. Advocates Kruger and Joubert girded their

loins and a fortnight later brought an urgent interdict in the Pretoria high court, preventing Eagle from continuing mining, pending the hearing of a review to set aside their licence. The landowners claimed that Eagle had not complied with the legal requirements in its environmental management programme (EMP); that it had not given measurable undertakings to minimise impacts on the environment; and that the licence should never have been issued.

"They said they would remove all Yellow Arum bulbous plants before starting to mine," says Kruger. "They made no attempt to do so. They also breached the mining regulations which say you must replace topsoil. They took the topsoil and used it to cover roads they were building."

Four days after the advocates presented their court application Eagle agreed to stop mining until the review application was finalised. But during two weeks of operations the company had caused mayhem in Tonteldoos. "By then they'd completed one or two kilometres of roads, destroying everything – aloes, trees, Yellow Arums – in their path," says Kruger. "They also blasted away part of a koppie."

Recalls Joubert: "It was right next to my place. There was a lot of noise; that's the problem with a granite mine; it's open cast, done on the surface. They work with pneumatic drills and for me it was a nightmare."

strategy
 Tony Manning/Strategist
www.tonymanning.com



Ken Forrester Wines

Family Reserve Sauvignon and Shiraz are now available

"Seriously good wine – at a price I would be happy to pay"

Tasting and cellar sales
(021) 842 2020

Orders
(021) 855 2374

marketing@kenforresterwines.com

www.clivesimpkins.com



Marketing and communications strategy and coaching



BETTER RED THAN DEAD: Listed endangered plant species threatened by Eagle's activities include (from left to right) *Aloe reitzii*, *Brunsvigia radulosa*, *Scilla natalensis*, *Zantedeschia pentlandii* and *Eucomis montana*

Through 2002 Eagle and the action group negotiated to try to find common ground. And early that year, having failed with the big stick, the mining company tried the carrot approach. In a bid to neutralise the troublesome brace of advocates, its German MD Josef Pommersheim offered to buy

both the lawyers' Tonteldoos farms for considerably more than R1m each – a price far exceeding market value.

Joubert owned his 85 mountain hectares in a company partnership with two friends – a businessman and an accountant. They had bought the farm in 1979 for R16,000. Kruger, already a close friend from the bar, visited Joubert with his wife for a weekend in 1994 and for R50,000 snapped up the adjoining farm. “Hentie wanted someone next door who was interested in the natural environment and wasn’t going to start a 4x4 trail or a hunting club,” recalls Kruger.

“Eagle has attempted to demonise the action group from day one. They started creating an impression in the area that we were a clique of wealthy white people who wanted to stop black people in the area from getting jobs which they were going to provide, and that we had only our selfish interests at heart.

“But Hentie and I both have a very active interest in trees, plants and birds. I have an interest in frogs. Hentie has the greatest interest in wild flowers and trees.”

and my attitude was yes, we would sell. Then when Eagle sent me a proposed sale agreement it contained two terms directly contradictory of everything that they represented to me earlier on. One, that I warranted as chairman of the action group that the group would withdraw its opposition to their mining activities. Two, unless the action group withdrew its opposition, the sale wouldn’t go through.

“I made it clear that I wasn’t going to sell, but Hentie agreed to. It seems to me now that he was prepared to sell on any condition,” says Kruger. “I’m not sure what the reason is for that; he might have been in financial difficulty. I don’t know.”

As late as February 2002 Joubert had been dedicated to keep Eagle out of Tonteldoos at any price. That month he emailed Kruger: “For a long time I was probably the only person who held the view that we could keep Eagle out of Tonteldoos. This optimism was not based on the intrinsic merits of our case, but rather the arrogance, ignorance and stinginess of Eagle.”

Claims Kruger: “But by May 2002 Hentie had signed the sale agreement

did more than any other individual.

“He wrote the botanical opposition and managed to get academic support. He wrote a most convincing report showing that Eagle’s visual impact report was just nonsense.”

At a proposed settlement meeting last September, Eagle’s MD Pommersheim tried another tactic: “He threatened to open the 400 hectares adjoining my farm to establish an informal settlement, with 1000 sheep, 1000 goats and a few hundred pigs,” says an outraged Kruger. “He pretended that he would be doing it as proof of Eagle’s commitment to benefiting the local community.

“That was transparently nothing other than an attempt to intimidate me and members of the action group. By proposing an illegal informal settlement, involving all the conditions of unemployment, poverty, lack of sanitation, and an increase in crime, Pommersheim was implying: if you don’t withdraw your opposition, then we’re going to put these sheep and goat farmers half a kilometre from your property.”

Kruger suspects the hand of his former friend Hentie Joubert behind

‘Hentie and I were in no doubt that the offer by Eagle to buy our properties for this exorbitant amount was an attempt to buy us off’

The R1m-plus offers from Eagle (made in US dollars) brought an abrupt end to the advocates’ long friendship.

Explains Kruger: “Hentie and I were in no doubt in February 2002 that the offer by Eagle to buy our properties for this exorbitant amount of money was nothing other than an attempt to buy us off, because we were the two lawyers in the action group.

“Initially Pommersheim suggested that they would buy my property and I would leave. They thought that then the action group would collapse. But with the threat of a mine the property’s value had obviously diminished dramatically. Nobody’s going to buy a weekend getaway when you’ve got the threat of blasting, heavy trucks, environmental noise and visual pollution right next to you while you’re trying to do a bit of fly-fishing.

“My wife put pressure on me to sell

with Eagle and was now actively working with them.

“Behind our backs Hentie phoned the action group secretary and obtained the names and telephone numbers of all the 250 members of the group. He started phoning people trying to lobby support and get people to agree to settle with Eagle. He tried to convince them on the basis of one or two negligible undertakings by Eagle that the action group should withdraw its opposition. The rest of us certainly weren’t happy with that.

“Hentie then re-wrote part of their EMP, working actively with Eagle against us.”

Kruger still finds it hard to accept Joubert’s about-face. “In terms of the actual work of compiling documentation and coordinating and strategising our opposition to Eagle between December 1998 and February 2002, believe me, Hentie Joubert probably

this threat: “Pommersheim could only have got that information about goats from Hentie,” he says. “Hentie knows that I loathe goats; they are anathema to me. If I encounter a goat on my land I’ll shoot it. They’ll eat anything.”

So what does Joubert say about all this? “Eagle came to me and Kruger and said we’ll give you a lot of money for your land, more than R1m each. My farm’s got granite on it; Kruger’s hasn’t. We said fine, we’ll sell. I think it was to get us out of the way. Then as negotiations proceeded they said the action group must now stop opposing them.

“The upshot was that I sold the land unconditionally to Eagle, whether the action group continues to oppose or not. Kruger didn’t.”

While Joubert is reluctant to give the precise sum he received, local rumour puts the figure at US\$200,000 (about R1.5m). Joubert confesses that Kruger

is “not all that friendly” with him any more. His relationship with Eagle? “Well, I was friends with them beforehand despite fighting with them,” he says. “They phone me from time to time to seek my advice and so on. While the settlement talks were going on they asked me as an old citizen what I thought would be acceptable to the Tonteldoos community. I helped them formalise conditions which I think they should stick to: noise and environmental conditions.”

After taking Eagle’s filthy lucre, Joubert says he started looking around for another farm at Tonteldoos (the going price for 75 hectares is now about R100,000). “But Eagle say if they start mining on my place it will probably not be for five years and they have no problem with me just carrying on there until they need it. I can stay there rent-free, so I’m not actively looking for another place any more. It’s almost as if nothing has changed.”

What a sweet deal! For rather more than 20 pieces of silver Joubert gets around R1.5m for the farm, pays off his two co-owners R500,000 each, pockets the balance of R500,000 – and remains in rent-free residence! No wonder he’s now changed sides to tender his advice “from time to time” to Eagle!

In March this year the Pretoria high court granted an order setting aside Eagle’s mining licence at Tonteldoos. But victory celebrations of the local landowners were short-lived. In the June issue of the *Tonteldoos Tatler*, a newsletter which he edits, Joubert announced that Eagle has put in for a new mining licence.

“We always expected them to,” sighs advocate Kruger. “I didn’t think they were going to throw away R2.5m worth of property investment. It’s into battle again – full body armour.”

Eagle’s managing director, Josef Pommersheim, has been absent from the company’s Rivonia headquarters for some time. From Switzerland he tells *noseweek*: “The granite in Tonteldoos is a beautiful stone and as such can contribute to set Tonteldoos on the international map and could help to bringing [sic] much more tourists into the area just for seeing the mining of the stone, which can then be combined with the beautiful nature viewing. There-

fore Eagle Granite’s interest in the area is a long-term one.

“Eagle Granite never gave an assurance to the high court in Pretoria that it would stop mining indefinitely, but only accepted temporarily the setting aside of the licence due to a technicality.

“Our investigations have proven beyond doubt that the majority of residents in that area are absolutely in favour of mining and that there is only a very small minority of people, mainly those with main residences in Johannesburg, which are against mining there. Only a very small and insignificant area there would be disturbed by mining.


“Mr Joubert is not acting as legal adviser to Eagle Granite, either generally or in respect of the renewed application.”

Although Multistone AG has listed Eagle as its South African subsidiary, Pommersheim’s co-director Danny Gschwind says this is not so. He will only say that Eagle is owned by “foreign shareholders” whose identity he cannot disclose. He will only admit that there’s an “exclusivity agree-

ment” with Multistone AG: “We can only sell material to them and they cannot purchase from anyone else.”

Rumours have been circulating that Eagle is cash-strapped and considering throwing in the towel. “There’s no truth in that,” says Gschwind. “Yes, we are in a cashflow situation, but that’s to be expected with the current economic climate.”

Gschwind adds that Far East customers are lining up to buy the unique blue-speckled Tonteldoos granite. “I’ve had customers sitting on my back since we first discovered that material, saying, ‘When can we start buying this stuff?’ He expects a similar response from Europe and the US, “but we can’t make inroads into these markets until we can say we can deliver something.”

There’s clearly a great deal of money at stake and Eagle’s lapdog Hentie Joubert can expect lots of “advice-seeking” phone calls regarding the renewed licence application. After all, you can’t expect to get an excessive amount of dosh and up to five years’ rent-free use of a farm at Tonteldoos for nothing. 



INVESTIGATIVE REPORTING AT ITS FINEST

Leading the way in anonymous and independent hotlines and disclosure services in Southern Africa

Like certain distinguished colleagues in the media, Tip-offs Anonymous® is in the business of exposing the truth about fraud and unethical behaviour in private and public institutions. And reporting on it, meticulously and accurately, to limit its effects and prevent its repetition.

Contact Brian Adams or Guy Brazier on:
0800 003 222 or
mail@tip-offs.com
 Website: www.tip-offs.com

 **Deloitte & Touche**

GOTTA MOVE THESE FAKE TVs

“We’ll put a smile

on your face” trumpeted Russells (motto: “Quality and Value”) when the furniture and appliance chain published a bulky supplement offering its latest selection of bargain buys.

Stars of last October’s snips were two Hitachi remote-controlled colour TVs: a 54cm model for just R1899 and a 74cm model at just R3999. Both were half the normal retail price.

Smiles certainly adorned the faces of delighted customers, who flocked to 198 Russells stores across the country to snap up the bargain buys. The TVs sold like hot cakes, by the thousand.

But – what’s this? – after a couple of months things started going wrong with them. The power supply would go. Channels disappeared. And when customers complained to Hitachi and demanded repairs under guarantee, they received a rude shock. Their bargain-priced TVs, labeled Hitachi Fujian, weren’t Hitachi TVs at all. They were fakes.

At Russells, which is part of the listed JD Group, faces aren’t smiling at all. The chain’s chief executive, Weitshe van der Westhuizen, can’t even bring himself to talk about the marketing disaster. “The only guy allowed to comment is Freddie Ginsberg, merchandise director of JD Group,” he says. “I am the CEO of Russells, yes, but these are the rules of the JD Group; that’s how we run it.”

Ginsberg was conveniently absent, on merchandise duties in Poland.

Counterfeiting is a huge industry in South Africa, with counterfeit sales estimated at between R10bn



Get caught breaking into a shop and stealing a few cans of food and you'll be lucky to get away with under three years behind bars. But run a multi-million rand scam making shoddy counterfeits of video equipment and nobody even opens a docket

and R50bn a year. Most fakes pour in from China and victims cover the whole spectrum of big brand names including Calvin Klein, Giorgio Armani, Prada, Levi, Nike and, of course, Hitachi TV sets and DVDs.

If it's made, Asian countries will illegally copy it: ties, shirts, jeans, socks, jackets, cigarettes, motor parts, sunglasses. Genuine made-in-America Oakley sunglasses sell at between R800 and R2000. You can buy a fake pair for R100. Last year Oakley struck back, tracing and confiscating 150,000 counterfeit Oakley products in SA – shoes, T-shirts and sunglasses.

Hitachi in Japan became perturbed in 2000, when its sales in SA divebombed from R24m the previous year to R13m. But it wasn't until August 2002 that the corporation instructed Johannesburg intellectual property attorneys John & Kernick to investigate. Private investigators were hired, with orders to get to the source. The Russells advertising supplement put them on the trail.

Testy letters were sent to the store chain, demanding to know where the “Hitachi Fujian” counterfeits came from. “They gave us the information, apologised and stopped selling them immediately,” says attorney Quentin Boshoff. “They said they took the sets believing them to be genuine, although the prices were so low it was a clear indication that they were not.”

Back-tracking led the sleuths to a warehouse in Richard Drive, Midrand; then to a 2000m² assembly line factory in the industrial area of Bronkhorstspuit. There 50 workers

assembled the fake TVs and DVDs from parts shipped into SA from China.

From Bronkhorstspuit the packaged sets were driven to the Midrand warehouse for distribution to retail outfits like Russells.

The warehouse and assembly plant were the business of a SA-registered company named Dawa International, headed by an aggressive and fiery immigrant from mainland China named Pei Chi Chiang, aged 57.

Hitachi's attorneys filed a complaint with the Department of Trade and Industry under the Counterfeit Goods Act. The department obtained a search and seizure warrant, and inspectors raided both premises on 25 February.

They seized 3500 "Hitachi Fujian" TVs and DVDs, boxes of remote controls, user manuals and Hitachi stickers. Total value of the goods was R5.9m. It took three days to remove everything.

Chiang was in Dawa's offices at the Midrand warehouse when the inspectors struck. "He was furious and denied

But it could be as much as R3m.

The SA Revenue Service bayed for R1m underpaid VAT; underpaid customs duty was assessed at R860,000. Underpaid import tax duties came to another R1.4m.

While Hitachi and its SA attorneys were pondering their next move to recover the royalties, they received a shock. By letter dated 26 May, Dawa's Pretoria attorneys Botha Farrell informed them that Dawa had gone into voluntary liquidation just 10 days after the court judgment, on 29 April. Any claims could be put to the liquidator.

"This was quite a clever move, but very naughty," says Boshoff. "We can put in a claim to the liquidator and I'm awaiting instructions from Hitachi whether we do so. But if there's no money in the estate we would have to contribute to the administration fees. If there are no assets there's not much we can do. If there's no money Hitachi won't get anything. And our legal costs come to about R500,000."

Counterfeiting is a criminal offence under the Counterfeit Goods Act, but

business again. Maretha Maritz, Chiang's attorney at Botha Farrell, confirms that Chiang has done just that. What is it this time? "I'm his attorney and there's a relationship privilege between attorney and client," replies Maritz.

Hitachi's attorneys, John & Kernick, are determined to find out what Chiang is up to now. They've traced him to a warehouse and office just up the road from his old Midrand premises, and private detectives were given until the end of July to make a report.

"If Mr Chiang is still in the business of counterfeiting, Hitachi would like to know," says Boshoff. "If it's Hitachi TV sets again he would be in contempt of court and that's a criminal offence. There's an interdict against him from doing so."

Noseweek's attempts to speak to the now chary Chiang were unsuccessful. As we went to press a lady called Karen phoned to announce herself as his PA. "Mr Chiang is not available at the moment," she said. "He's actually at home. He's having a bit of a rest in

Counterfeiting is a huge industry in SA, valued at up to R50bn annually



all counterfeiting activities," says attorney Boshoff. "He said he had authority from Hitachi in Japan to import the sets. Which Hitachi denies."

Boshoff demanded that Dawa compensated Hitachi for royalties and legal costs. Dawa refused, so the attorneys began legal proceedings in the Pretoria high court to have the goods declared counterfeit. No notice to defend emerged from Dawa, so default judgment was given to Hitachi – the real one – on April 19. All the counterfeit TVs and DVDs were then ordered destroyed.

The amount of royalties due to Hitachi could not be assessed, since Dawa refused to say how many TVs they have sold over the past five years.

Hitachi laid no charges, preferring to take the civil route because, as Boshoff explained, "they wanted to claim their royalties. Also you know how long a criminal prosecution can take; it can take two years to prosecute a criminal. And Hitachi would have been liable for storage of the 3500 TVs and DVDs during this time. At R11,000 a month this would have cost a bundle."

What a sorry tale of SA justice! Break into a shop and steal a few cans of food and you'll be lucky to escape a three-year prison sentence – after a year or so in the slammer awaiting trial. Pull a scam like Chiang for millions and no one even opens a docket!

Which has left him free to start up

view of recent events and all that nonsense, so he's not really contactable to anyone. I don't know his physical address and the residential address with the Registrar of Companies is very, very old."

Asked about Chiang's new business, Karen replied: "With Dawa being liquidated Mr Chiang hasn't started any other business."

So what goes on at his new business address, Unit 2, 1048 Richard Drive, Midrand? "That's not Mr Chiang's business," says Karen. "That's another Chinese gentleman who was kind enough to let us use the offices during the liquidation process and to sort out the finalisation of everything else."

There you have it then. ☐

WE'LL FIGHT THEM IN THE

CLUBS



ON THE BEACH: Bouncer Jeffrey Meyer (right) – out on R100,000 bail while facing charges related to the contract murder of a rival bouncer and drug dealer with Welcome Radebe. Meyer coached Radebe, his gardener, to become the first black South African to earn provincial colours for jetskiing. Radebe has no involvement in the Durban bouncer argy-bargy

A vicious gang-linked war that has broken out between bouncers at Durban's rival nightspots gives a new meaning to the term 'party animals'

As Durban jollers were

savouring the last few moments of the Durban July, the bouncers at a popular nightclub inside the racecourse were having a merry old time beating yet another of their patrons to a pulp.

The nightclub, Tiger Tiger, is so well known for its aggressive doormen that some refer to it as Bouncer Bouncer. An email has been doing the rounds warning Durbanites to avoid the spot because of the seemingly

frequent assaults that take place there.

But while assaults at the club might be common, the July incident was different, setting the stage for a bouncer war.

Tiger Tiger employs eight bouncers. Four of them face charges for various crimes.

Three of them, Kevin Thomas, Julio Greco and Anton Wessels, were arrested after the July weekend for assaulting patrons. They were released on warning and not asked to plead.

Kevin Thomas was already out on bail of R50,000 for his part in what the Durban police Organised Crime Unit has claimed is "a major conspiracy to traffic in ecstasy, cocaine and LSD."

It has been alleged in court papers that Thomas works for the syndicate that controls the drug trade in Durban. The syndicate is said to operate through a network of bouncers who regulate drug sales in nightclubs, making sure that only the syndicate can operate freely.

Attorneys Shepstone and Wylie have confirmed that they have been instructed by seven victims of assault at the club to institute action for damages against the owner.

They confirmed that criminal charges have also been laid against the bouncers.

Van der Post has repeatedly claimed that his club is the scene of "a few fist fights" because "it's a drinking club and not a drugs club," but the arrest of bouncer Thomas on serious drug-

quently convicted and sentenced to ten years in jail for running a lucrative protection racket on illegal casinos.

Early in the case the prosecution produced a list of witnesses for the state that Meyer was not allowed to contact. JP de Waal was among the names listed. He was alleged to have been one of Meyer's "foot soldiers" tasked with collecting protection money. De Waal apparently agreed to turn state witness in return for immunity from prosecution, but he

The bouncers took turns kicking his unconscious body and jumping on his head

Another bouncer at Tiger Tiger, JP de Waal, has managed to escape prosecution for his role in helping disgraced former Organised Crime Unit boss Piet Meyer run a protection racket on illegal casinos.

The club hit international headlines in February when New Zealand cricket player Chris Cairns was beaten up in the establishment.

Next, television personality Colin Moss was beaten up for not taking his cap off inside the establishment. (Tiger Tiger owner Guy van der Post explained that his nightclub has a strict "no hats" policy and that Moss had been "removed" from the club when he put his cap back on after removing it to enter. Van der Post offered no explanation as to why Moss had to be assaulted by a pair of bouncers in the course of being ejected.)

On May 30, a 23-year old Durban North man, Kevin Deana, was rushed to the intensive care unit of Umhlanga Hospital after being beaten up by Tiger Tiger bouncers.

Deana alleged that after knocking him to the floor the bouncers had then proceeded to kick and jump on him. At the hospital surgeons drained a litre and a half of blood from his stomach.

The week before, the same bouncers had beaten up four brothers, who sustained broken arms, ribs and jaws. Roy, Shawn, Lloyd, and Greg Meaker were not guilty of wearing caps, they were caught walking on the grass outside the nightclub.

peddling charges has raised questions about that.

Some years back bouncer JP de Waal disappeared from the Durban scene for several months after he was interviewed by police in connection with a notorious road-rage case. No charges have ever been brought against anyone in connection with the incident.

The bouncer's name next popped up when Piet Meyer, provincial commander of the Organised Crime Units in KwaZulu-Natal at the time, was arrested in 1999. Meyer was subse-

was never called as a witness.

Informed observers fear the ruckus on the Durban July weekend may have set the scene for an epic showdown between the city's roughs. On the Thursday before the July weekend well-known Durban strong-man Jason Dominguez was at the nightclub when he was allegedly assaulted by all eight of the bouncers.

As the first punch landed, Dominguez fell and hit his head on a concrete step. The bouncers then allegedly took turns kicking his unconscious body and jumping on his head.

DO YOU KNOW WHO YOU ARE EMPLOYING?
Let us assist you make informed hiring decisions

We at Quiver Corporate Risk Services (Pty) Ltd are proud to introduce VERISURE™, which is our innovative and comprehensive pre- and post employment / vendor screening service. We tailor-make our screening packages to suit your unique requirements and our professional experience in obtaining the relevant information is your guarantee.

Please contact Sean P. Webster or Brian Adams on (031) 502 5179 or Russell McDiarmid on (011) 453 0583 or at
email: sean@quiverrisk.com email: brian@quivergroup.com
email: russell@quivergroup.com for a free quotation.

VERISURE™

QUIVER
CORPORATION RISK SERVICES

Dominguez spent Friday and Saturday in hospital. On Saturday evening, however, he returned to Tiger Tiger accompanied by about 30 friends – all large and muscular.

The cocktail set had not yet left the Greyville race track after the July had been run, when the group were seen marching across the course toward Tiger Tiger.

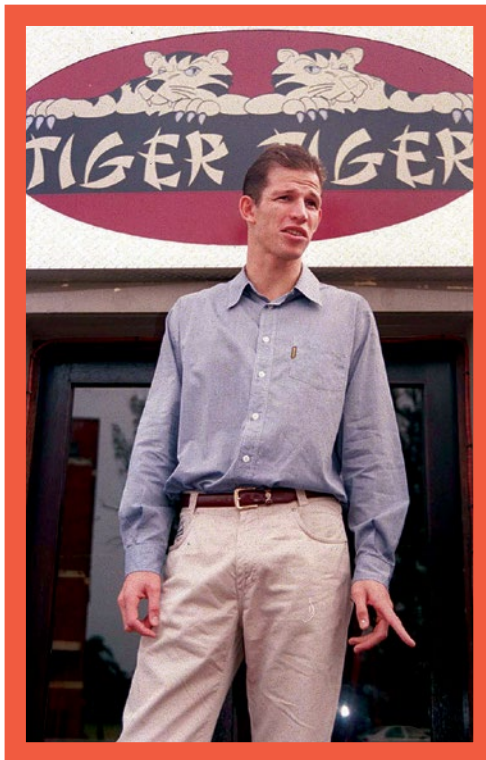
A man was heard softly giving the “honorifics” of some of the toughs as they passed: “Head of the Durban Greek mafia ... head of the Durban mafia ... chief enforcer of the Durban mob ... supposed to be a contract killer ... psychopath who’s good with a knife....”

Another was heard to speculate that some of the more heavily tattooed and muscled men had been released on parole early – just in time to make it to the July. One did sport a tattoo on his biceps which read: “Pollsmoor class of 97”.

Many in the group were no doubt respectable citizens. Included in the entourage was legendary bouncer, water-sports enthusiast and strong man Jeffrey Meyer – out on R100,000 bail while facing charges related to the contract murder of a rival bouncer and drug dealer.

Meyer was seen to be holding back some of the more

HATS OFF: Guy van der Post, owner of the Tiger Tiger club, which has a strict ‘no hats’ policy



impatient members of the pack when they tried to break into a gallop for the club.

Noseweek’s correspondent responded to the call of duty, abandoned his cocktail and rushed to observe what followed.

When the group reached the club, Meyer persuaded his entourage to stay outside while he and Dominguez went in to “smooth over” differences with the owner.

He was heard saying: “Nobody will touch Jason while I’m with him. I promise you that much.”

The crowd became restless when, after 20 minutes, the pair had not emerged and neither of their cell phones were answered. One of the waiting men, reputedly nicknamed Pit Bull, then went inside. On the way he knocked out one bouncer stationed at the door and chased another out of the club.

At this point Meyer, who had apparently been talking to owner, Van der Post, brought Pit Bull back outside to calm him and assured his supporters that all was well, that honour had been satisfied and that the Tiger Tiger bouncers were in the process

of apologising to Dominguez for the “misunderstanding”.

At about this point someone inside slammed the door shut and locked Meyer and 30 of Durban’s roughest and toughest outside.

It took a while for those outside to work out what the bouncers inside were probably doing to Dominguez, now trapped there alone.

They kicked in doors and stormed the club, searching for the Tiger Tiger bouncers, who by now were nowhere to be found. Dominguez was found unconscious and bleeding, with boot marks on his face, back and genital areas.

Anyone outside Greyville Race Course on Sunday morning would have been treated to a strange sight – large muscled men searching the streets, baseball bats in hand, for other large muscled men.

One bouncer, shedding tears for his friend Jason, who was in hospital, said: “There’s no doubt about it. People are very upset and something is now going to have to happen.”

Van der Post explained Saturday’s fracas as a “misunderstanding” and insisted that he would be placing more “people-friendly” bouncers at his door. □

**Fine
Music
Radio**



101.3

My **BIG FAT** Greek swindle

Gullible investors are paying for the blood of a Sandton attorney who has fled to Europe where he no doubt hopes to be reunited with their millions, siphoned offshore with the help of insiders at Absa

Interpol has joined the search

for fugitive Johannesburg attorney Spyridon Akriditis, who the police's commercial crimes unit in Cape Town and the Reserve Bank would like to talk to about as much as R600m in investors' money that found its way offshore illegally.

Akriditis left SA in a hurry in April 2000 just hours before Reserve Bank investigators knocked at the door of his plush Sandton law practice. He took with him a load of sensitive files relating to clients' investments. His trail led to London, then Canada and Greece. More recently, he is believed to have skipped across the Greek border to the relative safety of Bulgaria.

The Cape Town commercial crimes unit holds a long-standing arrest warrant for the vanished attorney and now Interpol has issued a red flag alert. This means that he should be picked up at any airport entry point if he is unwise enough to travel on his SA-issued passport.

Also on the trail of Akriditis are private investigators hired by irate members of the Greek community, who discovered that once their funds were offshore there were difficulties accessing them. They have established that Akriditis' wife and children left SA three months after the attorney fled. The wife and children are now thought to be in Thessaloniki.

Akriditis was born in SA of poor parents who had emigrated here from Greece. He attended Wits law school and did his articles with a Bedfordview firm of attorneys. His ambitious offshore investment scheme started around the time he moved to Sandton to start his own one-man attorney's firm.

Over two years he attracted many millions from wealthy members of the Greek and Cypriot communities who wanted to shift their dosh overseas. Working through scores of brokers and financial advisers, he assured punters that he had Reserve Bank permission for his scheme (untrue).

Investors' money was channeled into client accounts at Akriditis's law firm, from where – after a 5% commission – it was moved to several branches of Absa in the Cape Town area. Absa took a set commission for moving the deposits offshore, the paperwork being fudged by a team of women working in Absa forex departments, who received their own (secret) kickback in cash.

Akriditis pulled the wool over the eyes of investors by paying handsome "returns" to some; while others appear to have lost everything.

A forensic audit outlining his activities has been conducted by Ernst & Young for the Reserve Bank.

One of his main players in Johannesburg was Finser, a brokerage headed by a Greek Cypriot named Costa Souris. Souris specialised in offshore investments, working with overseas companies like Generali International (Guernsey).

To build up their funds offshore, Souris' clients entered into long-term savings contracts, with monthly premiums debited to their South African credit cards. Huge sums went offshore in this way – one client used his credit card to shunt R10,000 a month out of the country, until the SA Revenue Service woke up to the ruse.

As well as this innovative transfer system, Souris had millions of his clients' funds credited to Akriditis' client accounts in SA, from which they were shipped overseas via the accommodating ladies at Absa. Akriditis directed that funds should be credited to one particular offshore trust company. Investigators suspect he owns it. A number of initial clients were able to withdraw funds when required, but the crunch came when too many wanted to make withdrawals and Akriditis could not oblige.

Huge amounts, it is whispered, found their way to the European tax haven of Liechtenstein and a trust management company named Schindler International, headed by former Johannesburg high court judge Alex Goodman.


Asked to confirm this, Goodman says from Europe: "I don't deal with that aspect of the business really. I don't know the details of that, so I can't really help you. They won't give you any information about that here because it's all confidential."

"Schindlers has got nothing to do with investment or asset management at all. Schindlers sets up offshore structures and we advise people on international corporations and things like that. We're not asset managers."

But you do receive funds? "Well, the funds go into trusts and into companies. I'm sure you understand the trust management business: people come to a trust management company and they ask for family trusts to be set up, and then they want investments in those trusts. But they instruct the trustees where to invest their money.

"One thing we do know: Akriditis was never met by anybody at Schindlers. Nobody knew about him until he ran away, so we never had any dealings with this individual at all."

So none of his clients' money ever came your way? "Well we wouldn't know, you see. It was not as if he was sending us money or anything, so we would have no idea."

In Cape Town, advocate JC Gerber of the attorney-general's office says: "The police and forensics investigations are still continuing." 

POT LUCK



PRAISE BE TO GOD: A victorious Anthony Abbott (left) in front of the McGregor Dutch Reformed Church with his long-lost artwork, after having been driven potty by lawyers Fairbridge, Arderne and Lawton

What exactly was it about the phrase ‘five-sided ceramic’ that attorneys from one of the Cape’s most prestigious law firms couldn’t grasp? Anthony Abbot ponders the question

It was 3.45pm on Tuesday

15 April 2003. Private individual and plaintiff in the small claims court stating my case: Anthony Abbott, potter, vs Fairbridge, Arderne and Lawton, prestigious Cape law firm (as I was repeatedly reminded). A WC (white colonial) firm with names imbued with Cape tradition, old-school tie bonhomie and Anglo-Saxon heritage – with just a dash of good Scottish thrift and grit added.

I noted that the commissioner officiating in the court that afternoon, an attorney doing unpaid duty as is the common practice, was of the same ilk – a Mr Von Witt of Newlands. What the hell, when pressed, I can mouth the right words – that’s why my father sent me to an expensive school.

As I waited for my case to be called, I mused on how it was that I should have arrived at such a juncture – over a pot.

It was no ordinary pot, it was one created by my hands, a prize pot I had lent to my dear friend Gerda Harrison. She had visited me on several occasions in McGregor, the birthplace

of The Pot. On one such visit she had admired its curves, hoping I would selflessly hand it over as a gift. No, but a loan was not out of the question. Picassos are, after all, loaned out.

Eight years later, in 1998, dear Mrs Harrison passed away. The executors of her estate, the aforementioned WCs, called to inform me of the sad news, and to tell me I had been remembered in the will. They were not so gross and indelicate as to tell me exactly how, so I took this to mean that I was not to get too excited – no shares or property or basically anything of value.

As they had been so kind as to call, I thought to mention that The Pot (I said “ceramic”, which is posh for pot) was resident in her home and I would like to retrieve it. Naturally, the ever-so-polite representative told me, The Pot would be returned.

Months went by without anything happening. I boldly wrote a letter inquiring about the “moveables” I had since learnt I was to inherit, asking, admittedly in a somewhat forward manner, why they had not moved my way.

A lesser minion of this most prestigious law firm then delivered to me by hand a copy of Gerda’s latest will, which I first thought unnecessary, but upon reading it I learnt that the “moveables” had been left to me in a previous will, but not in her final will. As is sometimes the habit of the elderly, the will was continually changed and I had lost out.

I could live with that. But what about The Pot? More months went by until I wrote a rather urgent and threatening letter mentioning a cut-off date and demanding that said Pot be delivered to my lawyer’s office in Cape Town. The Pot in question I described as five-sided, fitting into a five-sided base – five as the fingers of one hand or toes on one foot.

A four-sided pot and an eight-sided pottery ashtray were delivered to the lawyer’s office. A Ms Tracy Smith of Fairbridge, Arderne, and Lawton said the recipient of Mrs Harrison’s flat and contents therein, a Mrs Forte, was in London and could not be contacted to gain access to the property for purposes of retrieving The Pot. I thought this

a bit flaccid, so I sent a few nasty letters and then an account for the loss of said ceramic, hoping to spur the lady to action. No acknowledgement, no reaction. So I sought recourse in the small claims court, filling in suitable forms and issuing a demand (unacknowledged) and then summons. Still not the courtesy of a reaction. Were they highly confident of winning, perhaps? Armed with a similar specimen to The Pot, I headed south to Cape Town to face the challenge.

The commissioner seemed eager to move along with the action. After all, there were other cases to be dealt with, and as I realised later he had already come to a conclusion. "When you were first called about Mrs Harrison's death, had the premises been secured?" he asked me. As plaintiff one does not want to get on the wrong side of the commissioner at the start by asking, "What the hell has that to do with anything?" So I meekly replied that I was not in a position to say. He then told me that Fairbridge, Arderne and Lawton could not be held responsible if the said ceramic had already gone missing.

The fact is that after so many years of me pestering them for my ceramic, not once did anyone mention that this fine work of art – all my own work – had, indeed, gone missing. Until the commissioner suggested it.

Our attorney now turned after-hours small claims commissioner asks the young and rookie-looking Ms Bosman of Fairbridge's what efforts her fine firm made to get said Pot back. Good grief, he's doing their job for them! She replies that Ms Smith established that the new owner of the flat could not be reached and had moved from her London address.

The show does not end until the fat lady (in this case the commissioner) sings. And, boy, did he sing: "Fairbridge's tried their best and came up with something as near as possible to the pot in question. [!]" What they had come up with was not their property to so casually give away, and was not The Pot! Where, indeed, was The Pot?

The following day I drove to The Cotswolds, the apartment block in Kenilworth, Cape Town, where the late Mrs Harrison once lived: an enclave of sandstone, plaster and mock-Tudor

It seems the legal profession looks after their own in the small claims court, and Fairbridge's, having raked in a fair whack for an easy-to-settle estate – I would estimate some R100,000 as executors – do not know what normal courtesy is



Gerda Harrison in her younger days, as she would have wanted to be remembered

lattice-work, leaded window panes and fireside inglenooks, redolent of what was once the mother country. Inhabited, yes, you guessed, mostly by WCs. In Mrs Harrison's day it was home to names like Ogilvy Thompson, Lawrence, Attwell and Syfret. I managed to penetrate the security by appearing suitably harmless. The caretaker was extremely helpful.

Yes, Mrs Forte still owned the flat; yes, she now lived in Ireland and she and her husband visited from time to time and as it happened she was in the country at the moment but not resident in her flat. He gave me the local telephone number and her cell number (via Ireland). I did not need a law degree to get these.

Yearning to determine the existence of The Pot, I took a casual stroll down to the flat and peeked through the enclosed stoep. And there, before me, stood my beloved Pot, on its five-sided base. I would have taken it except that it would have put the caretaker in an awkward position.

So I returned to base, telephoned Ms Bosman of Fairbridge's and asked her to please retrieve my ceramic and return it to me. She now declared it was not her responsibility and said she would have to speak to some other staff member.

I heard nothing further. On occasions I telephoned Mrs Forte's Kenilworth number and at last on 15 June 2003 I prevailed over the telephone answering machine.

Yes, she told me, Fairbridge's had made contact, and, yes, I could collect The Pot. She would leave it with the supervisor.

I duly collected The Pot in the care of the helpful supervisor at the Cotswolds and signed an acknowledgment of receipt. All rather small and petty except for the underlying principles: it would seem that the legal profession looks after their own in the small claims court, and Fairbridge's, having raked in a fair whack for an easy-to-settle estate – I would estimate some R100,000 as executors – do not know what normal courtesy is and really cannot be bothered with such piffling concerns.

Mrs Harrison, as a person of great integrity and punctiliousness in all matters, would have been greatly disturbed by their laxity. □

TANKS FOR DA MEMORY



When the army first

conducted its now famous Strategic Defence Review and put together a wish-list of equipment, in the last millennium, one of its desires was for a new main battle tank.

But after buying corvettes, helicopters, submarines and jet fighters, it appeared the good men in government suddenly became aware of the cost. They bravely tightened their ammunition belts – and struck tanks from their shopping list.

How sensible, many thought.

The men at British tank manufacturer Vickers knew better. After tanks were officially taken off the list, Vickers still went ahead and bought control of Reumech OMC, the local company that manufactured South Africa's Olifant battle tanks. (If South Africa had bought new tanks, Reumech OMC was the only local company that could feasibly have

Everyone thought Olifants had been forgotten, but British arms maker Vickers knew better when they chose as their 'empowerment partner' a company run by former Armscor director Diliza Mji and Moeletsi Mbeki, brother of the President

tendered to build or service them.)

A while later, in 2001, former Armscor director and one-time KwaZulu-Natal ANC treasurer Diliza Mji got together with Moeletsi Mbeki (the President's brother) to form Dynamic Global Defence Technologies – which promptly became Vickers' "empowerment" partner in Reumech OMC.

This was no investment made on the off-chance a profit might be made – Mji and Mbeki's company paid R22.5m, borrowed from the Industrial Development Corporation (IDC) for its shares in Reumech.

Now, finally, we know what they clearly knew all along. It's to be found in the May edition of *South African Soldier*, official magazine of the Department of Defence.

A feature on page 16 reveals that the SANDF is having its Olifant tanks completely upgraded with improvements to the tanks' motor, gun and targeting system.

No mention of the projected cost, but a well-informed source tells *noseweek* the total bill is expected to be between R5m and R6m a tank, and that the plan is to upgrade between four and six a year. South Africa has around 200 Olifants, although a number are said to be beyond repair and will, presumably, not be upgraded.

According to the magazine, the deal to upgrade the tanks was signed in 2000 – just after Vickers had bought the company.

The article also mentions that the upgraded tanks will be in use until 2015 – when new models will be bought.

Reumech has meanwhile been renamed Alvis OMC.

■ By the way, Mji had been chairman of the IDC until March 2000 when he was removed. *Business Day* wrote at the time: "The departure of Mji, who has growing business interests in the defence industry, will remove obstacles to his commercial involvement with the IDC and government."

Indeed! ▣

BY HAROLD STRACHAN

NEVER SAY FOOTSACK TO A DOG OF WAR

NOR GOOI IT WITH KLIPPERS.

The Dogs of War do not become puppies of peace just because some dude kicks his enemy around a bit in the desert and proclaims a great victory. As soon as he turns his back said enemy will lunge for ankle or buttock and open up a few arteries to see what might ooze out. This is the main delight of Dogs of War. They care not a shit for German Shepherds nor Dogs of Law; these they perceive as mere chickens in factory-reject wolves' clothing.

A Dog of War is a megalodont XXXoutsize Pit Bull beast with a mouth unlike a Great White's, which is nice and cavernous so you can see where you're going, roughly in one piece. A Pit Bull entrance is all squashy and wet with no discernible hole, a big pink duvet of flesh with noticeable white tungsten-carbide scissors down the sides for slicing off suitable swallowing-size bits of one's personal meat. Bit by bit. The *derms*, parson's nose and wishbone you can send home in a body bag.

So if you're going a-hunting in this desert where such fauna have had their being for 20 years, take not a falcon at your wrist, nor preach virtue of purpose, but dice up all enemies plenty small, every last one of them like Hamburger steak or even Hiroshima steak with all that quadrillion dollar rivetted welded grinding deafening blinding depleted-uranium mach 2 titanium atomic-powered-floating-flying armageddon bunker-busting smashing steel stuff you've got, and to hell with explanations.

They don't appreciate your virtue anyway. So let's have number three. Let's cleanse the world forever of failed states and evil states. Let the world hear the Great American Truth, as on that piece of ribbon underneath the Bald Eagle with lightning and varicose veins in its feet:

EDO ERGO SUM.

I eat, therefore I am. Like the belly of King Dignane, the Great American Belly is symbol of G.A. Might and G.A. Righteousness.

Georgius Imperator Americanorum Fidem Defensor stands at his lectern there with his lips all pursed up like a navel orange or maybe like he's about to kiss Condoleezza Rice, which God forfend – I'd rather kiss Aydolf Hitler – and to his left stands his alpha ratcatcher, a sort of terrier-type mammal affectionately called Teeth.

Georgius
Imperator
stands at
his lectern
there with
his lips
all pursed
up like
a navel
orange
or maybe
like he's
about to
kiss Condi
Rice ...
I'd rather
kiss Aydolf
Hitler

It grins. Defender of the Faith squares his shoulders and sucks in his stomach.

Eat and Pray, he says to his people. With God on our side we will pursue our sworn purpose unflinching, and liberate everybody everywhere* and give them point seven of one per cent of our national wealth spread over five years so they can kill mosquitoes and wear artistic condoms with the stars and stripes, and we'll come home leaving everywhere to suitable retired-soldier head prefects and eat some more food to build up our intellects and increase our righteousness, and construct a few more of those floating Armageddon-machines and make everybody even more free with big loans of dollars. Or else.

Or else they will be declared Failed States.

All hail Georgius, thou shalt be king hereafter! cries his nation. But Teeth is less fortunate because, you know, he's only small. His nation is small too, with quite a lot less food so they're not so wise; they go about frowning and disorientated, crying Where the facarwie? and Wheretofore do we go about the desert like Moses declaiming righteousness? and What are these bits of carrion delivered to our homes in big black bags with zips?

So then Teeth remembers that the Opium Wars are now over and it's time to talk to the Heathen Chinees about selling other stuff this way and that, and betakes himself Eastwards to a great long table neath a dream Chinees landscape and 200 eyes like Nike logos and 3200 teeth all smiling at him, where he displays most of his 32 and nobody mentions GM crops nor WMDs. Now this is more like. This is diplomacy.

But then he goes to a live telly thing with students all around. Would the kids in the land of Uk were so polite, and happy to see him. Not an acne blemish amongst the 50 of them; there must be some truth in what Mao Zedong said. A cuddly pretty one asks him How are you going to make your people believe in you when you get home? and his missus gets him out of this fix by singing a Beatle song. Everybody smiles, and claps, and sings along. Everybody knows that's how far the Chinees has got with Western Culture.

The dogs roam the desert. Prowling, prowling.

The long black plastic bags with zips stand neatly stacked in the quartermaster's stores. Waiting, waiting.

* *Depending on a bit of oil and things*

PAYMENT & TERMS FOR SMALLS

Deadline for small ads is the 10th day of the month prior to publication.

Smalls ads are prepaid at R60 for up to 15 words, thereafter R7.50 per word.

Boxed ads are R120 per column cm (min 3cm in depth).

Payment by cheque must be made to Chaucer Publications, PO Box 44538, Claremont 7735.

Payment by direct transfer must be made to Chaucer Publications; Account No: 591 7001 7966; First National Bank; Vineyard Branch; Branch code 204 209.

PERSONAL

All whistleblowers please contact Tina Uys (082) 331 3080 to be interviewed as part of whistle blowing research.

Genetically engineered food is corporate Bio-Terrorism.

Happy Birthday Paddy, from Stuart, Allan, Brian and Ma.

Niel, how come you are everyone's darling?

Wanted Step ladder real one recently died.

HOLIDAY ACCOMM & LEISURE

Clarens, near Golden Gate in the beautiful Eastern Free State – Rosewood Cottage B&B offers everything you want for a break from it all. (058) 256 1252.

Arniston seafont Four bedroom home on beach. Breathtaking view. 082 706 5902.

Bot River Two self-catering cottages on a beautiful wine farm. Fax/tel 028 284 9733; beauwine@netactive.co.za

Arniston Hotel Winter breaks from R295pp, per night including breakfast. (028) 445 9000. Forget the world.

Cape Wine Lands for accommodation, sightseeing and tourist info. (021) 851 6908, or www.capewinelandstours.com.

Leisure Isle Knysna Peaceful lagoon-facing bed and breakfast. Phone Turning Tides (044) 384 0302.

Magalies Park timeshare to rent – 4 bedrm – R3000. 12–19 December. Les (082) 829 6621.

Simon's Town B&B with whale-viewing from a private veranda. Phone (021) 786 3574.

Selborne Park Golf Estate. The most exclusive Real Estate in SA. Contact us on (039) 925 1240.

PROPERTY & PROPERTY SERVICES

Vaal River Properties One hour from Jhb. Buying or selling, contact Jacques. 083 308 9133; www.susstoltz.co.za

Somerset West A desirable place to live. Call Les and Elize Hurwitz at Seeff. 083 232 0634.

Rondebosch Cape Town Albion Cottage, self-catering unit, double bedroom, comfortable lounge, fully equipped kitchenette R300 a day. (021) 685 6067.

International property advice for Spain, Portugal, Cyprus, and the West Indies. info@mildclasshomes.co.za

Clifton, First Beach. Furnished apartment to let. Garage, swimming pool, direct access to the beach. (021) 461 8707.

Simon's Town Luxury homes in best position and sea views – R2.5 million. Contact G Dille Estates. (082) 778 8807.

Smallholding Knysna/Plett rural 4 bedroom character home, borehole outbuildings adjacent state forest. (044) 532 7635.

Rondebosch golden mile Garden cottage to rent, 2 beds, livingrm, kitchen-dining, lockup garage, pvt. gdn, near Bishops, R3500pm, avail. 1 Sept. 083 300 7558.

SERVICES

Caricatures A great gift idea for birthdays etc, or for the office. James (021) 685 3642.

Garden Pool Aids (since 1968) for pools, ponds, irrigation and Jacuzzi requirements. (011) 462 1632/3; fax (011) 462 2295; gardenpool@yabo.co.za

Active Plumbers: plumbing contracting, repairs and maintenance. 24 hour service, 7 days a week. Call (021) 423 1206.

Agri-Africa Consultants. Visit our website www.agri-africa.co.za or email us wek@iafrica.com

Pets Choose your next one from DARG Hout Bay. We have a selection of adorable dogs, cats, puppies and kittens. Tel (021) 794 6666.

Deezee Precision Engineering Specialising in mass-produced turned components and CNC. (021) 551 2685; fax (021) 552 1544.

MOZAMBIQUE
LOGISTICS AND NEW BUSINESS STARTUPS
Contact Jacey Strauss
+258 82 309 639

Ermelo Toyota (017 811 0600) and Lorie Toyota, George (044 802 8200). Lowest and unequalled deals.

Websites Jump start your business with effective web design. Call for reasonable rates and great service. (082) 973 7313.

Marbleman Specialists in restoring marble, travertine and sealing off all natural stone floors. (021) 531 1546.

Play & Schoolroom Teacher and learner requirements for all. Write to us at PO Box 52137 Saxonwold 2132 for more information.

FINANCIAL & LEGAL

Finance for property development Phone (011) 869 7767.

Broekmanns Attorneys in central Cape Town. Our commitment is your advantage. (021) 465 7474.

Gobodo forensic and investigative accounts. (031) 566 4700; (011) 482 2737.

RSM Hills Howard Auditing, accounting, tax, business services. (031) 337 322, www.hillshoward.co.za

FOR SALE

Bead Necklaces Make your own, kits available from Wandel St Trading, PO Box 12765, Mill St, Cape Town 8010.

Collectors' newspapers from 1893–1938. From R10 each plus postage. Call Martin (021) 555 4936.

NICK TAYLOR**Entertainer**

corporate ■ cabaret ■ one-man show
082-443-6364

2003 editions Criminal Procedure Act: R75; The Constitution: R35 (plus postage). (031) 464 4321.

Buy a fine Raoul or Caviar garment. Found only in the better stores.

Encyclopedia Britannica Set of 30 volumes plus indexes (1990). Good as new. R5000. 082 575 5668

HEALTH & FITNESS

Relief from backache and other pain. Barbara McCrea, London-trained practitioner of Functional Integration developed by brilliant Israeli physicist Moshe Feldenkrais. 083 745 7086 or (021) 788 9626.

Chiropractor Dr David Dyson specialises in back pain, neck pain and headaches. (031) 469 4192.

EMPLOYMENT SOUGHT & OFFERED

Web designer/developer seeks employment in the Western Cape. Amanda (082) 432 7877.

Academy International Training Institute: provides all your training needs, guarantees job placements through industry-based internships. Joyce Ndeza (012) 326 3170.

Assign Staffing Solutions: for all your contract requirements. Sean Kramer (011) 440 0005.

WANTED

Egyptian, artifacts, boots, etc Collector of anything ancient. Peter (011) 327 5482.

New auditors, IAPA, with offices in Johannesburg, Cape Town, Durban and Bloemfontein. (011) 887 8593.

Old books Africana, historic data, diaries, papers for cash. (021) 913 3720 anytime.

Good books to save our libraries. Give or will them to us. (011) 442 9414.

FOOD

Catering Janet's Country Kitchen, Cape Winelands. Simply delicious wholesome cuisine. Janet Withington. (021) 875 5413.

Fooding about with Tpsi The latest cook book from Tpsi Venter. A glorious mix of recipes and art. (021) 461 2679; info@foodingabout.co.za

Exotic coffees Freshly roasted for the connoisseur. By parcel post – Aroma Coffee 082 781 4410 – Pat.

Oriental Spice Bar Stockists of pure herbs and spices, and more. Tel: (011) 473 2521; fax (011) 680 6997.

Shelled Almonds R120 a 2kg box (incl post and packaging). (028) 841 4280.

LOST SOULS

Mail for Mr Potgieter, Arizona, has been returned undelivered. Can you help us find him. If so contact Maude Petersen on (021) 686 0570.



**Johannesburg
International Commodities
Management**

Leaders in International Treasury
Foreign Exchange and
Commodities Management
for Individuals and Institutions

Jhb ☎ (011) 883-6268
Dbn ☎ (031) 572-3614
Ctn ☎ (021) 425-8377
Email: jicm@jicm.co.za

ARNISTON
Prime Sea View
Accommodates parties of 6 or 12
Self catering 02844 59797
Arniston Centre – Bob Harman

Steve Banhegyi
Transformation Consultant
Personal Coach • Lecturer
www.geocities.com/stevebanhegyi
083 232-6047
steve@connectit.co.za

Prof Stan Sangweni
on Our Public Service
in New Agenda

R20 from bookshops
fax (021) 461 9390
or email bturok@anc.org.za



**Did you
know?**

**90% of our readers
read every issue of
noseweek?**

AROMA COFFEE

Exotic coffees for
connoisseurs.

Countrywide delivery.
082 781 4410 – Pat.

Arid Dampproofing
Treatment of walls
Waterproofing of roofs

☎ (011) 453 4414
Cell 082 320 6164
ariddampproofing@54.co.za

**This space will
cost you only R360**

Adrienne (021) 686 0570
noseads@iafrica.com

Income tax returns outstanding?
Tax in a mess? We can help!

PROFESSIONAL TAX SERVICES

Saving you tax for 13 years
☎ (021) 531-0727 Fax (021) 531-0166
proftax@icon.co.za



Gillan & Veldhuizen Inc.

Attorneys, Conveyancers & Shipping Lawyers
Suite B15, Westlake Square, Westlake Drive, Cape Town
☎ (021) 702 3863 ■ Fax (021) 702 3861 ■ www.gvinc.law.za

What's up doc?

by Ashley Cooper

