

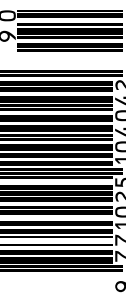
news you're not supposed to know

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noseweek

90
APRIL 2007

Selebi and the Mumbai fixers



Standard Wank kicks clients in the butt **Investec** covers its downside
Kebble cash in fishy business **Cliffe Dekker**: lawyers without a plan



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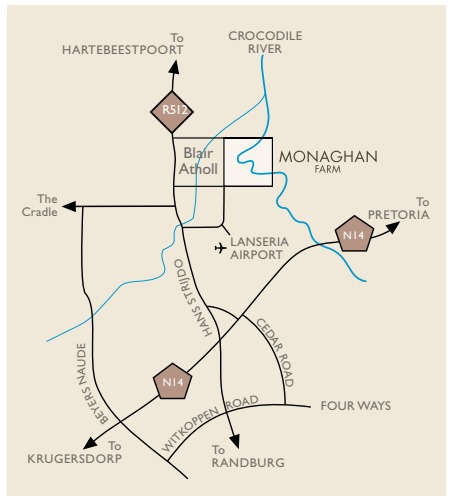
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Cover illustration: Dr Jack

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I pay the rent

Following your report on Selebi, *noseweek's* editor was interviewed on radio by *Moneyweb*. Afterwards the *Moneyweb* crew had the following exchange amongst themselves:

Moneyweb: And now *noseweek* has pulled out a guy called Steven Ferrer. Any relation to Ivan Ferrer maybe?

David Shapiro: I don't know. Ferrer is not a common name, but I remember the shop well.

Moneyweb: Peter Prinsloo (chief executive of Hyprop) you were telling us off air that there was an interesting event. Prinsloo: Yes, but I can't say if

Johnnie Ray

So travel trade scamster Johnny Ray's hero is the late rock star Johnnie Ray (*nose89*)? Lest he forget – Johnnie Ray's visit to SA many years ago came to an abrupt end when he found himself being escorted onto an outward bound aircraft by the police, after being caught with his pants down in his hotel room with a pre-pubescent boy whom he'd befriended at Clifton Beach.

David M Heller
Johannesburg

Just what the ladies need

Congratulations on landing Prendini Toffoli's column!

Drivel and gossip

Okay, enough. On what grounds do you assume that readers are at all interested in the sort of "who wore wot" drivel and gossip associated with *Style* magazine?

I had thought to remonstrate immediately, but we're all busy folk, us *noseweek* readers. But this is now the third such blot on the landscape of my treasured mag. Your other regulars are all stars and reliably trot out topical, pithy pieces. It's not personal, but HPT you *are* The Weakest Link – goodbye.

Ingrid Luyt
Hogsback

benefit from globalising capitalist prosperity. Meanwhile it's unfair to well-meaning sponsors that NoseArk accuses them of implicitly taking sides regarding some current issue. How might any think-tank function without largely unconstrained funding from wellwishers?

Keep up the work, good and not so good!

Jim Harris
Honeydew

Greenhouse gas

NoseArk (*nose89*) fired a sarcastic broadside at much of corporate South Africa for financing the Free Market Foundation and its climate change denialist position. It missed the point.

There are facts which indicate real changes in greenhouse gases and climate. There are also computer models which regularly need revision whenever their predictions fail to match the facts. Such mismatches fuel uncertainty, keeping the debate alive and encouraging those for whom, according to Al Gore, the "truth" is "inconvenient".

What we need to explore are the motives of the two camps: the climate change "denialists" and the climate scientists who do the research.

Libertarian think tanks are funded by big business. Their expertise is strong in economics, politics and philosophy but deficient in the natural sciences. [*Really? Why should that be? – Ed.*] They are passionate about reason and freedom. They are suspicious of dire warnings from the climate change lobby because they know that politicians have a vested interest in scaring the public into allowing them more clout to deal with the issue. [*Another way of saying the "Libertarians" are afraid that dealing with the problem might actually cost them money? What if climate change just IS scary? And don't politicians generally have a bigger vested interest in keeping their financial sponsors – big business – happy, rather than in scaring their voters? – Ed.*]

At the end of this road the libertarians see global dictatorship. That they succeed in soliciting funds from business could be because businessmen, as producers, employers and creators of wealth, understand more than most how devastating the consequences would be of a global slide into authoritarian government.

George Monbiot (in his

I did not skip the country owing money for rent. Everything was settled before I left. In full

it's the same guy; if so, I hope he comes and pays rent.

Moneyweb: There can't be too many jewellers in Rosebank who skipped the country in 2000.

I did not skip the country owing money for rent. Everything was settled before I left. In full.

Steven Ferrer
Atlanta, GA. USA

It's just what the ladies need when we can get our hands on the husband's *noseweek* at the end of a day. Hilary's edgy social commentary brings an exhilarating sparkle to the magazine – just what the doctor ordered.

Ann Wallace-Brown
Cape Town

Prendini Toffoli is a star in her field. You say you're not interested, you like your tea without sugar. So, I've a deal to suggest: you just skip those two pages without giving them even a glance – assuming, of course, that you can resist the temptation. – Ed.

Global warnings

I bought my first *noseweek* to see what NoseArk would say about Leon Louw and the Free Market Foundation, of which I'm a councillor. Global warming is one of many interesting issues rather tangential to fundamental freemarket concerns, and does seem rather emotionally divisive. I'm no expert but I happened to plough through two relevant tomes a year ago. One was Michael Crichton's moderately entertaining novel *State of Fear*, chock-a-block with graphs that tell pretty much whatever story one might prefer. The other was *Global Crises, Global Solutions* in which opposing groups of experts (coordinated by Bjorn Lomborg of *Skeptical Environmentalist* fame) examined costs and benefits of tackling various big issues. As a chilly Scot I may have grown up favouring higher temperatures before we intervene with new, cheap technology to clean up the atmosphere. As a libertarian humanist holding no brief for or against big business I'd love FMF to tap many small bits of funding from some of the billions of consumers who

Gus



book *Heat*) states his rule for deciding who to believe: "Trust no one who has something to sell." Leading scientists acquire prestige among peers by being awarded large grants and elected onto committees, which have the power to influence world affairs. Whether they admit it or not these scientists have a vested interest in scaring the public since it is public opinion which ultimately determines how much status and funding will be conferred on them by politicians.

However well-meaning climate scientists might be, their economic naïveté commonly rivals the inadequate comprehension that most people, including economists and politicians, have of climate science. We should try better to understand both positions and acknowledge that the climate change debate has a philosophical dimension, includes angels and scoundrels on both sides, and may only have just begun.

Martin Fey
Milnerton

You are probably right in your conclusion – but your sympathetic description of the "libertarian" position omits to take into account that pollution is by definition a social and therefore political issue, rather than one of individual choice and right. Even your description of businessmen as "creators of wealth", implying the production of something useful to society, is largely antiquated. Some of the wealthiest people today use their power to corner/dominate/control a market, rather like old-style speculators, enabling them to simply appropriate wealth, rather than having to create it.

The anti-libertarians, it could be said, fear another sort of global dictatorship: the dictatorship of the anti-social rich, resulting in the perpetual

deprivation of the vast majority of people. – Ed.

Ignorant Ark

Your environmental correspondent is scientifically ignorant and hides behind a *nom de plume*. In his spiteful and ill-informed piece on climate change (nose89), he launches cowardly attacks on people who do not show blind faith in the global warming hysteria.

On the one hand, there are the scientists and a great body of scientific evidence showing that there is nothing unusual about today's climate and no reason for alarm. On the other hand, there is a large congregation of pressure groups, big media, politicians and vested interests screaming that man-made climate change will bring catastrophe. The latter rely on fear and denigration rather than scientific argument. Their aim is to spread alarm and to vilify anyone who questions it.

Far from being a large group of scientists in search of the truth, the IPCC is a highly politicised mixture of scientists, bureaucrats and activists. The technical reports of the scientists are filtered, spun and sometimes distorted in summaries for policy makers, to make sure that the correct message of alarm goes out. In its 3rd report, the IPCC tried to deny the existence of the Mediaeval Warm Period, which has been confirmed by scientific study and historical record. This is abuse of science for political ends.

If you want to know what genuine climate scientists think, you should read a petition by 60 of the world's leading scientists which says: "Climate change is real" is a meaningless phrase used repeatedly by activists to convince the public that a climate catastrophe is looming and humanity is the cause.

Global climate changes all the time due to natural causes and the human impact still remains impossible to distinguish from this natural "noise."

These scientists include professors of climate science at the world's leading universities.

Andrew Kenny
Noordhoek

PS: Since I support nuclear power and earn money from it, and since nuclear power over the full energy cycle releases among the least greenhouse gases of any energy source, I have a vested interest in promoting the global warming scare. However, because it is scientifically unsubstantiated, I cannot do so. [Except sometimes? See Mr Nose on page 7. – Ed.]

"Cowardly", "blind faith", "pressure groups", "vested interests screaming" – is this the new vocabulary of science? You are correct in pointing out the ideological agendas that are behind much of the debate.

NoseArk is the name of a column, not the pseudonym of an individual. The intention is to produce a polemical – but well-informed – column that informs a wider, non-scientific readership and stimulates debate about environmental issues as they affect us all. You are yourself widely known for your pop-polemical articles written in a tone of authority on various subjects in which you are not an expert, e.g. climate change. (If you'll indulge a bit of bitchiness, you could sign a column Noseall and get away with it.) For example, to counter concerns about rising CO2 levels, you have written: "Man has pushed CO2 up from about 280 ppm in the 19th Century to 390 ppm now. CO2 has averaged 3,000 ppm since the Pre-Cambrian period, so the levels now are extremely low in the life of the Earth." This is

plain nonsense in the context of this debate. Modern civilisation based on settled agriculture has arisen in the last 10 000 years – the climate in this period is what our societies have learned to deal with, and what is important to us. When the Pre-Cambrian ended about 542 million years ago there weren't even any reasonably complex multi-cellular organisms around, much less plants or animals as we know them today!

See our next issue for more on that. – Ed.

Pilot error

I know that much of *noseweek's* attraction is in the fun we get from lampooning the pompous, the venal and the self-important – but why aero modellers (nose89)? I am surprised at the cheap shots fired by Marike Roth – building and flying remote piloted aircraft is a highly skilled craft requiring extremely high hand-eye coordination. Compare this with 30 men stampeding around an inflated object, intermittently collapsing into struggling heaps. Millions of hours get squandered, not just doing it, but sitting around watching it. Games seem pretty silly if you look at them critically. Why pick on model aeroplane hobbyists?

I'd love to know what Roth does for a hobby.

Ian Fraser

Garsfontein, Pretoria

My guess is she knits, surfs the web and smokes pot. – Ed.

Picture perfect

In nose89, a picture of a fire used in the NoseArk column should have been credited to the *St Francis Bay Chronicle*. *noseweek* regrets any inconvenience caused by this omission.



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Rashid: the truth, the whole truth and nothing but the truth?

Last month, a three-judge bench of the Pretoria High Court, presided over by the judge president, Judge Bernard Ngoepe himself, ruled that, while the government may have acted “suspiciously”, the “arrest, detention and deportation” – the government’s phrase – of Pakistani illegal immigrant Khalid Rashid by officials of the Department of Home Affairs in November 2005 had, essentially, happened within the framework of the law.

In effect, the court dismissed charges by Rashid’s lawyers that the government had contravened local and international law by facilitating Khalid’s illegal abduction to an unknown destination abroad on suspicion that he was an “international terrorist”.

At the same time the court ordered that Rashid’s lawyer, advocate Zehir Omar, may never again so much as refer to a bundle of government documents that we know contains evidence that directly contradicts the court’s findings.

So strongly did the judges feel about gagging Omar that they found him guilty of contempt of court for allegedly disobeying an earlier court order that, the judges said, prohibited him from quoting from or “publishing” (in his court papers) the contents of the bundle of government documents, otherwise quaintly known as “the samoosa file”. They ordered that all references to the file be struck from the court record.

Which is strange, since, as far as we have been able to establish, no such earlier court order was ever made.

Talk in the judges’ tearoom has it that the judge president received a most improper confidential letter from the Ministry of Home Affairs prior to his having taken on the case ... Clearly there is more to these court orders than meets the eye, and that deserves closer examination.

But, for now, just this: is it within a court’s powers to order us to say and believe what clearly is not true?

An example: in their judgment the judges conclude that “... there are not sufficient proven facts from which an inference can be drawn that, at the time Rashid was handed over, the authorities were aware that he was being sought ... in connection with alleged acts of terror”.

But in the samoosa file there’s an internal report by a senior Home Affairs official who was on the scene, in which it is clearly stated:

“Captain Moses [of the SAP crime intelligence unit] contacted [the Head Immigration Services: Kwazulu Natal] ... on Sunday, 30 October 2005 and indicated ... that the Crime Intelligence Unit ... requested ... assistance ... to track down a suspected illegal foreigner ... who was suspected of having links with International Terrorist Networks abroad”. [Later that day] “Moses indicated to Mr De Freitas [of Home Affairs] that the suspected illegal foreigner to be arrested in Estcourt was wanted by the British Authorities for having links to International Terrorist Networks abroad.”

And we are – seriously – expected not to tell you that?

Watch this space.

Not good friends

By the same token, we must ourselves be open to criticism. In that spirit, we publish the following letter received in response to the editorial in last month’s issue:

You have based an entire editorial on the false premise, peddled by one or other anonymous source, that I am a friend of the police commissioner, Jackie Selebi.

For the record:

■ *I have never had any relation whatsoever with the Police Commissioner.*

■ *I have never called the Commissioner.*

■ *I have no interest in making friends in high places.*

In addition, the allegations with regards to the police uniforms, as reported in your article, were found to have no substance. Nevertheless I would like to point out that the donation of the uniforms took place some years before Mr Selebi’s appointment as Commissioner.

The rest of your editorial is similarly riddled with inaccuracies.

In conclusion: I suppose it is your right to slander people without testing the facts pertaining to your allegations. I would request, however, that in future you refrain from having a go at me for no rhyme or reason, and particularly in relation to issues or personalities that have absolutely nothing to do with me.

– Niko Shefer

Pleased to hear it. All we can say with certainty (and regret), then, is that some of your business associates must be terrible liars.

The Editor



Mr Nose puts it about

Cops 'n' rabbis

I T'S NOTHING new to point out that Israel and South Africa have more than good export oranges and tomatoes in common. In the bad old days the bad old broeders, inspired by Israel's own "divinely ordained" mission, carried on all manner of exchange on security matters with the Israelis – official and unofficial. So Mr Nose was enthralled to find a recent BBC News Website item that weirdly suggests that the two states are still acting in tandem – and might once again share similar, um ... moral issues.

The news item in question reports that an Israeli government commission has accused Israeli police chief Moshe Karadi of failing to properly investigate the 1999 murder of a suspected crime boss, and to have ignored links between senior officers and leading figures in criminal circles. Mr Karadi was a departmental head when the suspected crime boss was murdered by a policeman while in hospital under police guard. Later arrested for another offence, the policeman claimed he had acted on orders from a well-known Israeli crime family. The case was closed after the man escaped to Mexico, where he himself was murdered.

Mr Nose was delighted to see that Karadi, insisting he'd "done nothing wrong" but that he "wanted to set an example", has resigned from his job. Mr Nose is quite sure that our own police chief would not be making a fool of himself if he were to borrow his counterpart's exact words.

The news item also informs us that Israeli Tax Authority head Jackie Matza has resigned amid allegations that various appointments had been influenced by powerful businessmen in exchange for tax breaks. Is this just the way of the world, wonders Mr Nose, or are our two countries still studying each others strategies and tactics?

Home Affairs pulls the plug

G EORGE BERNARD SHAW once remarked that the "harder I work the more I live", but Mr Nose has been left wondering whether officials at the Wynberg offices of the Department of Home Affairs would have the remotest notion of what he meant, or which planet he came from.

On a Wednesday in February, one of Mr Nose's reporters was trying to find out telephonically whether his identity document was ready for collection, but he couldn't get through.

The next day it was reported to Mr Nose that another *nose* reader had been phoning Home Affairs to find out if his passport was ready, but the phone just rang and rang and rang. In despera-

tion the *nose* reader went down to Home Affairs and braved the queues to find out if the document had arrived. When he got to the front of the queue he complained about not getting through on the telephone and was told: "Oh, I'm terribly sorry sir, but the lady who answers the phone is off sick today, so we pulled out the plug."

Yet another *nose* reader informs us that, during the first two weeks of December last, he daily called the same offices, both morning and afternoon, and the same lady was clearly either sick or on holiday. Or the plug had fallen out. Can you hear it? "Sorry sir, the plug fell out again."

Andrew Kenny's gas emissions

F REE MARKET FOUNDATION spokesperson Andrew Kenny's account of climate change arrived too late for inclusion in last month's *NoseArk*, but his ramblings are worth a mention.

Kenny, who trades as a journalist/engineering consultant sortathingummy, is known across the land for furiously promoting nuclear power and for vigorously defending Koeberg's bolt-dropping wrench-monkeys. (The late Robert Kirby asked if he was on Eskom's payroll – no answer was forthcoming.)

Kenny explains that though he thinks that the atmospheric temperature is rising, this is natural and not the result of carbon dioxide emissions. Rising CO2 levels will be "little threat

if any" and they will "benefit plantlife". In other words, Kenny holds a standard climate change denialist position – more CO₂ in the atmosphere is no biggie, probably a bonus. Which is OK, sort-of. It's no offence to believe anything you like. Even in the Tooth Fairy.

The problem is that Mr Nose then spotted a little article by Kenny on the News24 website, titled "Seven Reasons to Back Nuclear Power". Reason number two rather jumps off the page; Kenny tells us that we should back nukes because "nuclear power reduces greenhouse gas emissions".

Ag shame, Andy, you really do think you can have it both ways, don't you?

SELEBI: MORE ALLEGATIONS



Picture: Sunday Times

Jackie and crime lord – it's not just cricket

FOLLOWING THE DISCLOSURES IN *nose89* about the mysterious visits by national police commissioner Jackie Selebi to the Mister Jewellery business of Steven Ferrer, we now have news of the top cop's equally mysterious visits to a firm of electronic goods wholesalers in southern Johannesburg.

As in the Mister Jewellery affair, smuggler Imran Ismail features as the grand orchestrator of events. And a staggering question arises: was a heavily-disguised man who accompanied Ismail and Selebi to a Cricket World Cup match at Centurion in 2003 the long-sought global terrorist Dawood Ibrahim?

The electronic goods wholesaler in question is WG Electronics, formed in 1997 as a 50-50 venture between Stanley Abrahams and wealthy Singapore resident Gautam Kunzru. They each put up R1m to get it going and the company operated from offices and

a warehouse in Johannesburg's Crown Mines.

WG imported electronic parts from Aiwa in Japan and Korea's Daewoo, to its base in Botswana, where it enjoyed what was called an FAP – a financial assistance package offered by the Botswana government, that included rent-free factory premises in Gaborone, a five-year tax "holiday" – and the government paid the workers' salaries. Another director, Ashindra ("Ash") Latchman, ran the Botswana plant. From Botswana, assembled units were transported to WG's warehouse in Crown Mines, from where they were sold to retail chains such as Massmart.

In the first year, Stanley Abrahams tells *noseweek*, WG recorded a modest profit of R1.5m. But, quite early on, Kunzru, who remained throughout in Singapore, insisted on bringing in a business associate from Mumbai, India – Sudir Nair became a director and shareholder. Nair was allotted 10% of the company, from Abrahams' stock.



Soon thereafter, notorious smuggler Imran Ismail (see *noses59* & *89*) was making regular visits to Sudir Nair's office at WG, in unit 24, Amalgam South Industrial Village. In the early days he was accompanied by the then Gauteng provincial police commissioner Sharma Maharaj; later national police commissioner Jackie Selebi took his place.

"Maharaj was a far more frequent visitor than Selebi," says Abrahams. "I was barred from these meetings. Nair's door was closed and locked. I said 'What's going on?' and Nair just said 'these are friends of mine'."

"I was still the MD – but without power."

Did he suspect anything sinister about the top cops arriving for secret meetings behind locked doors? "Nair did it with lots of people, so I wasn't more suspicious than with anybody else," says Abrahams.

He recalls seeing Selebi at Crown Mines only a couple of times. He also saw the police chief "a couple more times" at cocktail parties which Nair threw at his townhouse apartment in Sandton.

Nair was by now living a life of wild extravagance and frequent parties. "I don't know how he did it on the R30 000 a month salary from WG," says Abrahams. "And he had kids in school. There had to be a skim-off; I knew something had to be going down. Selebi would never have come just socially."

Soon enough it emerged that electronic goods were disappearing from the warehouse like water down a drain. "It was so dishonest and deceitful. Only two guys had keys for the front door and the special code – me and Nair. And stock was disappearing all the time."

"I turned up one Saturday morning at about 8am and found Nair loading our goods onto trucks with his secretary and four or five labourers. I reported them to the police, but it got blocked at the top and nothing happened. A fortnight later I caught Nair's secretary doing the same thing again. I went to Booyens police and laid a charge. Nair went hysterical. The case never saw the light of day."

Before Nair joined the company it was making "very healthy profits" from



Paper trail: Ronnie Lipman with Imran Ismail (right)

sales of around R19m a month. But now losses were running at R100 000 every month. Abrahams says that when WG was in the red to the tune of about R4m he decided to quit. (This was around early 2002).

A second source (whom we shall refer

holiday," says X. "We set him and his wife up at the Taj hotel in Mumbai for three or four nights.

"Our director and shareholder Sudir Nair, who came from Mumbai, made all the arrangements, with Imran Ismail. Our company paid the bill, which came to about R70 000 to R75 000. I found out about it through the company's financial records."

What had Commissioner Maharaj

“ Jackie was in our office in Crown Mines about every two weeks with [smuggler] Imran Ismail ”

Source X


to only as X), and who was associated with WG at top level, vividly recalls Imran Ismail's visits to Crown Mines accompanied by Sharma Maharaj and, later, Jackie Selebi. But X's account starts off with news of a WG-funded holiday to India in 2001 for provincial commissioner Maharaj.

"We paid for the late Sharma Maharaj's trip to India, for a fortnight's

done for this generous gesture? "The Lord alone knows. He must have done something; nobody's going to just give you trips to India."

X claims to have spotted Selebi at the offices of WG much more often than did Stanley Abrahams, suggesting that Nadir's relationship with Selebi only bloomed into full flower after Abrahams left the company.

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“Jackie was in our office in Crown Mines about every two weeks, together with Imran Ismail,” X claims. “They came to see our director, Sudir Nair and sat in his locked office, eating food that was sent in. I didn’t see any

exchange of funds, but why come along with Imran? I couldn’t understand it.”

Imran Ismail, in his late 30s or early 40s, is, it seems, a fourth-generation South African who was born in Alexandra township, where his father had a

shop. “Imran was the biggest smuggler in South Africa for electronic goods,” says X. “He was working for Dawood Ibrahim in this country. Ibrahim (see story below) is a ruthless gangster, a very big drug smuggler and so on.



tract killings for the city’s late crime don Karim Lala. By the early 1990s he was top of the heap, his D-Company gang running a multi-million dollar vice empire covering prostitution, gambling and drugs.

Dawood Ibrahim’s most infamous act, according to Indian intelligence sources, was masterminding “Black Friday”, the 13 May 1993 terror bombings that hit 12 key targets, including the Mumbai Stock Exchange and Air India building, leaving 257 people dead and 2000 injured. The bombings were said to be in retaliation for the destruction of a mosque in northern India.

He’s still No1 on India’s Most Wanted list, but has found sanctuary in Pakistan’s Karachi, where he lives in style in a “bungalow” that boasts a pool, tennis courts, snooker room and hi-tech gym. The gangster parties with starlets and prostitutes from early evening until late, and wakes in the afternoon for a swim followed by breakfast.

“Business affairs” then dominate until it’s time to party again.

When Pakistan’s Central Bank was in crisis, Ibrahim reportedly came to the rescue with a multi-million dollar loan. A grateful Pakistan government continues to deny that it is sheltering the fugitive crime lord.

In South Africa, investigators believe that Dawood Ibrahim is behind the flood of pirated DVDs and CDs – as many as half all DVDs are pirated copies. The anti-piracy group Recording Industry Association of America has named Ibrahim as the funder of two mass-producing factories of illegal CDs in Pakistan.

So, could *noseweek’s* source, X, (see main story) be right in claiming that a heavily-disguised Dawood Ibrahim accompanied our own crime boss, Imran Ismail, and national police commissioner Jackie Selebi to the eagerly-awaited India versus Pakistan World Cup match at Centurion on 1 March 2003? Certainly, the crime don delights in appearing at cricketing one-dayers – there was such a memorable occasion in the Gulf city of Sharjah when he sat in splendour in a private box, with top Indian film stars at his beck and call.

ACCORDING TO INTERPOL, the vastly wealthy Indian crime lord Dawood Ibrahim uses 16 aliases and has at least 11 passports to ease his travels as a global terrorist, with a small army of contract killers, smugglers and extortionists at his command.

A small man (5ft 4in), India’s Al Capone has a mole on his left eyebrow, wears a Patek Philippe wristwatch, drinks Johnnie Walker Black Label and is undisputed don of the underworld in Mumbai, where the 51-year-old maintains a rule of terror from his lair in neighbouring Pakistan.

Passionate about cricket – his daughter Mahrukh is married to the son of former Pakistan cricket captain

Javed Miandad – Ibrahim was even more passionately dedicated to his role as don of match-fixing, paying vast sums of money to cricketers on his payroll. In 2001 a judicial inquiry report by a committee headed by India’s Justice Qayyum established a direct link between Ibrahim and Pakistani players.

After the match-fixing scandal broke in 2000, life bans were imposed on three former national team captains – our own Hansie Cronje, India’s Mohammad Azharuddin and Pakistan’s Salim Malik.

Born in India’s Ratnagiri, the son of a police constable, Ibrahim made his mark in the Mumbai underworld as a school drop-out who carried out con-

He controlled the cricket match-fixing and Imran was his right-hand man in South Africa.

"WG Electronics was a legitimate business, but in the end we found out that the company's name was being

Slipping into South Africa undetected would have presented no problem for the crime king. Imran Ismail, his right-hand man in South Africa, according to X and other sources, had enough palms greased at Johannesburg airport and police headquarters to relieve his boss of the risk, even in disguise, of passing through immigration.

On 16 October 2003 – seven months after the Centurion match, the US treasury department officially proclaimed Ibrahim a "Specially Designated Global Terrorist". It stated: "Dawood Ibrahim, an Indian crime lord, has found common cause with Al-Qaeda, sharing his smuggling routes with the terror syndicate and funding attacks by Islamic extremists aimed at destabilizing the Indian government.

"Ibrahim's syndicate is involved in large-scale shipments of narcotics in the UK and Western Europe. The syndicate's smuggling routes from South Asia, the Middle East and Africa are shared with Osama bin Laden and his terrorist network."

Last April Interpol issued a "special notice" against Ibrahim, disclosing his various addresses and details of his 11 passports and 16 aliases. Interpol headquarters in Lyon, France, circulated the notice to its 184 member countries, asking them to freeze Ibrahim's assets and impose a travel ban on his movements, stating he was "the subject of UN's anti terrorism sanctions". Police Commissioner Selebi is, of course, the current boss of Interpol.

What is intriguing is the way the Indian city of Mumbai – formerly Bombay – keeps popping up. It was in Mumbai that the late provincial police commissioner Sharma Maharaj spent those freebie nights at the Taj hotel. It is to Mumbai that the South African smuggler Imran Ismail has retreated today. A Mumbai that remains the centre of Dawood Ibrahim's crime kingdom.

■ In January the *Sunday Times* revealed that two South Africans – Muslim cleric Moulana Farhad Ahmed Dockrat and his dentist cousin Junaid Ismail Dockrat – had been placed on a United Nations Security Council list, with suspected terrorist links to Osama bin Laden's Al-Qaeda. ■

used without our knowledge by Imran and Kieron Naik, his clearing agent.

"Sudir Nair was siphoning off WG's stock to Hi-Fi Corp without his co-directors' knowledge. He was doing it with Imran, through Playtime International. Nair delivered to Hi-Fi Corp and the invoice was done through Playtime International. Nair is very close to Jackie Selebi at the moment."

Apparently Nair's secret sales to Hi-Fi Corp cost WG Electronics some R8.6m – and caused the company's collapse.

But now comes the startling revelation: "On 1 March 2003 Imran Ismail and Jackie Selebi attended the high profile India versus Pakistan Cricket World Cup match at Centurion.

"Sitting next to Imran in a private box was Dawood Ibrahim. Ibrahim came into South Africa under another name; legally he wasn't here. In the same box were top industrialists from India, chairmen of big companies. I don't know if they recognised him."

At the time Selebi was vice president of Interpol (Africa). (He was elevated to president in October 2004.)

These days, Sudir Nair, now 65, lives with his wife Irene in Sandown. Irene Nair is sole director of Trin Marketing and Nair describes himself as consultant to the "Trin group of companies".

From Dubai, where he was on a business trip, Nair declares by email: "The truth and nothing but the truth! Never did Selebi ever visit WG's premises. Neither WG nor I personally ever made any payment to Selebi, nor was there any suggestion or favour given by him to the company."

That holiday to India for provincial police commissioner Maharaj? "Never was anything of this sort ever suggested, nor was any payment or holiday ever arranged by WG or by me personally," replies Nair. "Besides, no favour was done to us that would warrant any such action."

Did he supply WG's goods to Imran Ismail through Playtime International at a loss to WG of some R8.6m? "I don't remember any company by the name Playtime," says Nair. "Dealers used to purchase goods and resell to various other retailers. I would not be able to say for sure if someone did sell to Hi-Fi Corp. Our debt collection was quick and we would never tolerate big sums like these not being collected. Our lawyers would be after the defaulters."

After mulling over this string of denials *noseweek* contacted Nair again with another question: Did he ever meet with Imran Ismail? We added

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that we held a statement saying that he was with Ismail when they escorted the syndicate's money-launderer Michael Addinall to Johannesburg International Airport on 28 February 2002, to make sure he exited the country safely. (Ismail had a wide circle of paid contacts at the airport to ease unrecorded comings and goings and the smooth running of his smuggling operation).

Faced with this, there was a subtle swing in Nair's response: "If your intention is to expose Imran, Michael (syndicate money-launderer Michael Addinall) or Jackie, there is very little I can offer you, as I have had little dealings with any of them."

Little dealings. Well, at least he admits that he knew them.

According to X, Nair was finally dismissed from WG by Gautam Kunzru, placing his SA residence status in jeopardy – for the first six months he worked at WG without a work permit. The problem was quickly resolved by the resourceful Imran Ismail, who used his contacts in high places to push

through permanent residence for Nair.

When Abraham left, his shares and directorship were taken over by their man in Botswana, Ashindra Latchman. Latchman tells *noseweek* he knows little about what happened in Johannesburg, as he was in Botswana most of the time. But he confirms that he did meet Ismail on his many visits to Nair's office. "He came so often we got to be friends, but I haven't seen him for some time," says Latchman.

"I don't know what they discussed or whether Nair paid him – they met behind closed doors," he says. "Latchman cannot ever recall meeting Selebi, but he did meet Gauteng commissioner Maharaj – when he came to visit Nair.

These days Imran Ismail spends most of his time in India's Mumbai. But a month ago he was back briefly in SA. Simon Manana, a well-connected businessman and friend of both Steven Ferrer and Jackie Selebi, met him and has told friends that Ismail is currently "in disguise, with a huge beard – he looks like an ayatollah".

As for WG Electronics, the bulk of

the company's debts after it was plundered by Imran Ismail and Sudir Nair were borne by Kunzru. "Kunzru and I had signed sureties with the State Bank of India," says Abrahams. "We factored our debtors through the bank.

"At the end the bank was in for R7.5m, but since Kunzru was the major stakeholder they let me off the hook. Kunzru also stood surety for the purchasing in Singapore, so altogether he was in for about R20m. (Kunzru's core company in Singapore, Elan Impex, was wound up following a petition by that country's receiver, in 2004.)

"I lost my initial R1m investment," laments Stanley Abrahams, "and I had to pay off my credit cards and a debt to First National of R300 000, for which I had signed surety. I lost R1,5m."

X says that WG was placed in liquidation by the State Bank of India's Johannesburg branch, but CEO Vijay Jasuja says he can only confirm that the WG account is closed. The Register of Companies in Pretoria, however says its records indicate that the company is still in business. **W**

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Thieves and bankers

JCI shareholders challenge payment of dicey R400m fee to Investec

THE MOST COMPLEX aspect of the Kebble aftermath at JCI – the dispute between JCI and Randgold and Exploration over responsibility for billions in missing shares – was resolved in March when the two companies agreed to merge. One thorny issue remains: the exorbitant fee Investec is claiming for brokering a deal that was directed at saving their bacon as much as anyone else's

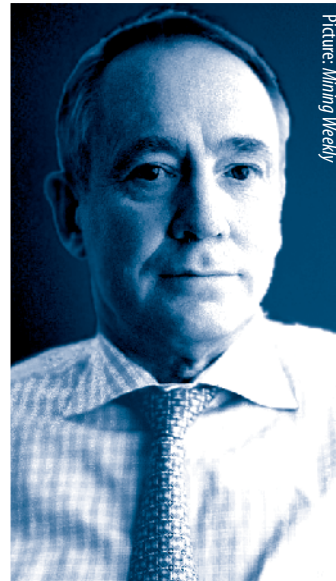
Two JCI shareholders, Quinton George, CEO of Trinity Asset Management, and London-based lawyer Monty Koppel, have separately brought legal action to stop payment of the fee. Both cases are well-founded – and, more important, well-funded. Curiously – well, not so curiously – JCI CEO Peter Gray is supporting Investec's claim.

In his legal submissions Quinton George describes Gray's position thus: "In what might be a unique occurrence in corporate history, Gray has thrown his weight behind Investec's efforts to obtain in excess of R400m, over and above prime interest, from the company of which he is CEO."

Gray's appointment as CEO at JCI (and also at JCI's major creditor, Randgold) was a specific condition of

Investec Bank's August 2005 agreement to lend R460m to the company – just one month before the murder of former JCI CEO Brett Kebble. Gray was a hair-raising choice as CEO at JCI from a corporate governance point of view, considering the conflicts of interest that came into play. As a close business associate of Kebble, and the share broker who carried out the sale of the billions of rands worth of shares at the heart of Kebble's frauds, Gray should himself have been the subject of investigation rather than being put in charge of it.

In replying to Koppel's application to set the agreement aside and stop the payment, Gray states: "It might have been possible to have reached agreement with Investec on a reduction of the fee but the applicant's approach to this matter has very prob-



Picture: Mining Weekly

Conflict of interest: Peter Gray

ably scuppered any possibility of my doing so."

That's a strange assertion from a man responsible for protecting the interests of his shareholders – but it does show that Gray himself would agree that the fee is rather high. But Koppel has made nasty and well-publicised allegations about Gray – and about Investec. Indeed the basis of Koppel's case is that Gray and Investec acted in bad faith, that the Investec loan agreement was concluded improperly and the fee was "extortionate and unconscionable".

Koppel alleges that both the old board of directors of JCI, headed by Kebble, and the new board, headed by Kebble's crony Gray, "acted under dictation from Investec", most notably when devising the agreement on which the massive Investec fee is based. "There is no



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reason why Investec should continue to benefit from agreements that it has secured in circumstances of impropriety,” says Koppel.

Clearly Koppel is giving them the full monty.

George’s challenge to the Investec fee focuses on an entirely different angle.

In September last year he was able to examine the full Investec/JCI loan agreement and noticed that it specified 13 “conditions precedent” to be fulfilled before the contract would become enforceable. He wrote to David Nurek, long-time Investec stalwart, now JCI chairman, to enquire about whether there had in fact been compliance with these conditions. When it became clear in the following months that they hadn’t been fulfilled, George brought suit to have the whole deal set aside.

In his response to George’s suit, Avrom Kregel, Investec’s group legal director, concedes that on a “literal reading” the agreement has “self-destructed”. However, Kregel argues, by the time the final version of the agreement was concluded the conditions precedent had obviously already failed,

Plessis, a director of Werksmans.

“If it had in fact been the intention of the parties to waive the conditions precedent, this could have been stated in the agreement in one short sentence,” George observes.

In any case, George maintains, some of the preconditions reflected stipulations of the Companies Act, and of the JSE, which require specific shareholder approval in matters where a substantial portion of a company’s assets are disposed of, as in this case. Investec and Gray were thus not legally entitled to waive those requirements.

The irony is that by the time the final agreement was drawn up Nurek was chairman of JCI and Gray was the CEO – so the bank was in effect negotiating with itself. Which might explain how they managed to make such an incredible mess of things.

George and Investec are exchanging final documents in their case, set down for hearing at the end of April.

At best we might call this a “strategic misrepresentation”. Koseff knew very well that there was in fact absolutely no risk to the bank – and certainly no balance between risk and reward as Investec now claims. In the deal, all of JCI’s assets were transferred to a “special purpose vehicle” [which was parked in a “structure”? – Ed.], and pledged as security for the loan. In effect the bank received total control over assets of R1,4bn to cover a loan of R460m.

Investec was paid interest on the loan at the prime rate.



Picture: /MAGS24/azaz/Rapport/Christian Kotze

“We believe we’ve covered our downside, and that if life goes well we’ll make good money, if life doesn’t go well, we’ll get a big fee” – Investec CEO Stephen Koseff

and that it was clearly the intention of the parties to the agreement (Investec and JCI represented by Kregel and Gray respectively) that it would nevertheless be “valid and binding and operative”.

He and Gray had agreed verbally on the waiver of the conditions precedent, Kregel states. And – how’s this for a laugh? – that they had verbally agreed to waive the condition that all waivers should be in writing. Kregel maintains that the inclusion of the conditions precedent in the final version of the loan agreement was due to a “drafting error”.

In response, George points out that the agreement states that “no variations shall be in force unless in writing and signed by all parties”. There is no statement, George points out, in support of Kregel’s claim of a drafting error by the person responsible for drawing up the agreement, Willem du

Koppel’s case still has some way to go. Whichever way things go, Investec’s massive fee is set to become a massive embarrassment.

In various legal submissions Investec makes much of the fact that JCI shareholders have benefited from the deal – as if to imply that this justifies the hundreds of millions it is trying to extract from JCI. But there is only one way the bank can justify a fee of this nature: on the basis of extraordinary risk. [What about extraordinary temptation? – Ed.] Shortly after the deal was clinched, financial journalist Alec Hogg asked Investec CEO Stephen Koseff: “The big money that you stand to make – does that only come when there’s big risk as well?” Koseff replied: “From our point of view we think the risk and reward are fairly balanced, and we believe we’ve covered our downside, and that if life goes well we’ll make good money; if life doesn’t go well, we’ll get a big fee.”

But the bank derived another benefit from the JCI loan – one so significant that it was very likely the real motive for the loan. JCI used the majority of the funds provided by Investec to fund its interest in Western Areas gold mine, where Investec had a 40% exposure to the disastrous hedge book. (When Western Areas recently bought out the book, it cost the mine some US\$525m.) By keeping Western Areas in operation, the bank kept the hedge book alive and saved itself from a massive liability. How’s that for a motive!

Hugely benefiting in this way, and in addition hitting JCI’s shareholders with a massive fee in the form of a profit-share agreement, does not reflect any normal commercial or banking reality. It is pure greed, and exploitation of Kebble’s personal predicament.

But then, of course, there are those who say thieves and bankers have much in common. ■

Lawyers without a plan

We have been told that this is how big buildings are put up in Cape Town, says Cliffe Dekker senior partner

In the face of general scepticism, the partners at commercial law firm Cliffe Dekker still claim there was nothing wrong with the 14-storey building housing their new offices in Cape Town's CBD being built almost to completion without approved building plans.

"We have repeatedly been told that this is how big buildings are built in Cape Town," insists Jo Nesor, a senior partner in Cliffe Dekker.

These hollow-sounding claims have proved as embarrassing as would a 14-year old's claim still to believe in Father Christmas and the tooth fairy. Last year, as Cliffe Dekker were poised to move into their new premises on Buitengracht Street, a whistle-blower alerted the Cape Town City Council that the plans hadn't been approved. The council slapped a cease-work order on the developer, Southern Spirit Properties 77. Cliffe Dekker Inc – temporarily at least – was without a home in the Mother City.

"We had nowhere to go, our lease had ended in our existing premises. The firm was at risk," says Nesor, recalling the headache. The delays occasioned by the ensuing legal action between the city and the developer cost the firm, according to Nesor, "an enormous amount" of money. Exactly how much, he declined to say.

Mr Nesor believes that Cliffe Dekker Inc is the injured party here, both in terms of the inconvenience suffered, and the embarrassing attention the matter received. After all, Cliffe Dekker don't even own the building, he says. No? No, he says, the owner of the

six floors the firm occupies is in fact a trust – whose members are the 28 Cape Town partners of the Cliffe Dekker firm! And they bought the floors from the developer, Southern Spirit, who ended up in court battling the council and whistle blower Mark Kenyon. Southern Spirit is a subsidiary of TCI Projects – which has its offices on the 4th floor of Protea Place in Claremont. (Are we surprised to discover that Cliffe Dekker have their Claremont offices on the 5th floor?)

"We have absolutely nothing to do with the whole court case, it was their indaba, their architects, their building. They deal with the council," say the Cliffe Dekker lawyers. What really seems to annoy Nesor and his colleagues is that, however hard they try to distance themselves from the building debacle, the controversy boomerangs back to them. The council's cease-work order was triggered by one of Cliffe Dekker's vengeful enemies, specifically to settle a score with the law firm. De Waterkant developer Mark Kenyon has been engaged in a legal battle, in particular, with one of Nesor's Cliffe Dekker partners, Dawie Malan.

noseweek exposed last year (*nose83*) how Mr Kenyon had ratted on Cliffe Dekker, after Malan had been instrumental in holding up his own multi-million rand development on a block around the corner near De Waterkant. Malan was acting on behalf of the conservation-minded De Waterkant Civic Association (DWCA) who feared that Kenyon's building – which they'd heard would be a monstrously ugly skyscrap-

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er – would ruin their urban landscape. Kenyon believed that Malan’s vigorous attacks on his projects were overzealous, and that Malan was leading the good folk of De Waterkant into an unwarranted dispute, to Kenyon’s detriment and their cost.

The fuss around the Cliffe Dekker building led finally to a settlement, which Southern Spirit reluctantly signed in September to get the building finished for Cliffe Dekker. The settlement, according to Nesar, is confidential and was signed by all parties, including Kenyon’s representative. But *noseweek* has had a glimpse – Southern Spirit was fined R753 000 for building without approval, though they apparently signed under protest, reserving the right to dispute the payment. The city council stated it did not want to set a precedent by letting the developer off the hook, so the matter was left in a weird limbo. Everybody here has been scrambling to cover their bases.

A respected Cape Town city planner, who declined to be named, says that despite the council’s best efforts, there are huge delays in the planning and zoning departments, which make it impractical to effectively police big developments.

“When there are problems with

existing buildings, the procedure to stop the construction is so administratively burdensome, that it will affect other projects negatively. The time it takes to stop one developer will delay 30 other projects, so it is all about resources,” says a member of the stretched department.

“Many senior posts are vacant. There are half the number of staff doing twice the amount of work than three years ago.” He says that the planning for the controversial Green Point stadium gobbled up even more resources, with the result that the big developments have not been properly policed, and anyone simply trying to get plans processed for their house renovations is always in a queue. “For the guy in the street to submit a building plan is the most difficult thing on earth.” The city council disputes this, saying they have tightened up their building approval procedures and inspections since the Cliffe Dekker debacle.

Meanwhile, it appears that Mr Kenyon has scored in his struggle against Cliffe Dekker’s clients in the De Waterkant saga. Roelof Troskie, the treasurer of De Waterkant Civic Association, has confirmed that they are dropping objections to Kenyon’s project through negotiations with his

legal team, apparently without the presence of Malan. The association’s appeal against Kenyon’s building project, directed to the provincial authorities, is in process of being withdrawn.

It is understood that the committee members of the association were sobered by the large bill from their own supposedly sympathetic attorney, Malan, which in the original statement stood at R750 000 – the bulk is still unpaid. Much of the fee comes from costs incurred in the High Court, fighting, and losing, against Kenyon.

Troskie said the high fees came “out of the blue”. “We were expecting a bill, but not like this,” he says.

Nesar says the Cliffe Dekker bill is much smaller than the amount stated by Troskie, and denies knowledge of a mysterious payment of R300 000 towards that bill, and cannot say if it came from the Rupert family, as is rumoured.

“It’s possible but I don’t know,” he told *noseweek*. “Mr Malan and Cliffe Dekker have solicited R300 000 of the costs on behalf of the De Waterkant Association,” says Troskie. He, too, is unwilling to say whence the R300 000 comes. Malan could not be reached for comment, as he was holidaying in Europe. **IZ**

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Revised: Sheik Hasher Maktoum with President Thabo Mbeki

The sheik who played the race card

How did Durban buy into the idea of a second-rate Grand Prix that has evoked little interest and lost millions?

ON 29 JANUARY 2006 a motor race costing at least R120m was staged on the streets of Durban. Who paid for the event, and how much, remains unknown – despite the Municipal Finances Management Act demanding full disclosure of private-public partnerships, no such details have been released.

The organisers of the race – billed as “Africa’s Monaco Grand Prix” – promised it would attract hundreds of thousands of foreign visitors and hundreds of foreign journalists to Durban. According to KZN premier S’bu Ndebele, the event would be televised for “four billion viewers worldwide”.

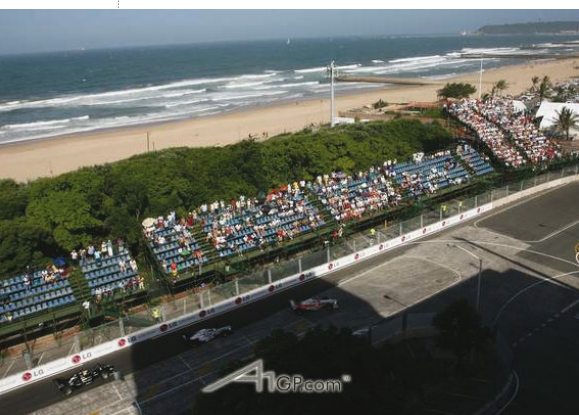
This was, of course, all pie-in-the-sky. A1 racing, founded in 2004 by Dubai Sheik Hasher Maktoum (“Hash” to his friends) with just \$10 000,

a laptop computer and cellphone, has hardly brought the interest and returns initially claimed for it. By the end of A1GP’s first season in 2005 the series was heavily in debt. The series’ own TV ratings, released in 2006, showed an average of 8,7 million fans worldwide tuned into A1 races. (This figure has since dropped by 10%, with insiders suggesting a true audience “south of five mil”.)

By the fifth event, rumours of a funding crisis abounded. A1 had “burnt” through \$135m (R1bn)! Audience numbers fell race by race; by the time it played to Sheik Hash’s home crowd in December 2005, numbers were measured in mere hundreds. By the end of the first season \$212m (R1,5bn) had been lost and the series was heavily in debt. Sheik “Hash” left to sell black powder-based teeth whitening agents;

an \$80m (R560m) cash injection from London hedge fund RAB Capital – which grabbed 42% in exchange – and a further \$150m loan (R1,1bn) saved A1GP.

The 2006 Durban event was only the first of three, with the 2007 event promising the same kind of losses and cover-ups as the first. A1 Team SA CEO Dana Cooper admitted a week before the 2006 race that only 22 000 grandstand seats had been erected due to space constraints – yet later claimed that 105 000 spectators had attended, including 6 000 in the general admission area. An environmental impact assessment study commissioned by eThekweni Municipality from VJ’s Consulting shows that 75% of spectators were from the Durban area, with 12% from Gauteng and a mere 1% (i.e. 290) as having “foreign interest”.



Bends: A turn at the A1 race in Durban. Where have all the spectators gone?

Eleven foreign journalists, representing six countries, arrived according to A1's own accreditation list.

Saliently, the study's authors admit to being denied ticket sales data, so based the study on the 105 000 punters claimed by Cooper. They

This is surely already enough to demonstrate that Durban's moment of fame in the "A1 World Cup of Motorsport" was of a piece with other A1 events around the world. In fact it's doubtful whether the race was legal: apart from eThekweni's failure to divulge details of its involvement to interested parties, no environmental-impact study was undertaken, despite decibel levels hitting over 150 dB for hours, trees being removed to make way for the track, beachfront access being closed and flammable liquids abounding.

eThekweni manager Dr Michael Sutcliffe persuaded the ANC-controlled council to accept that no impact study was necessary because the event was a "one-off" – later conceding that eThekweni was locked into a multi-year contract.

Residents in the area were not consulted, many of whom were blocked from entering their own homes or suffering the invasion of grandstands built to window level.

a South African, Brazil's by a Portuguese and so on.)

Among A1 shareholders are some controversial figures: Portuguese-born South African businessman Antonio "Tony" Teixeira is a trucking executive turned magnate; Canadian Wade Cherwayko is chairman of Toronto stock exchange listed Energem, which is accused of UN sanctions busting, and of "blood diamond" operations in Sierra Leone. A1GP seems to have a revolving door management policy: three A1GP CEOs have been announced in as many years, and yet another restructure was announced in February.

Tokyo Sexwale's South African franchise was heralded at a glittering ceremony in November 2004 in Johannesburg, where various VIP's, including President Mbeki, tried a car for size. Dana Cooper who heads A1 Team SA, is a former SABC airtime salesperson and ABSA employee who admits to having no interest or experience in motor racing – this, it's been said,

It's doubtful whether the race was legal: eThekweni failed to divulge details of its involvement to interested parties and no environmental impact study was undertaken

also say they were kept out of service provider and contractor spend loops, and were restricted to interviewing only service providers appearing on a list supplied for the purpose.

To summarise their findings: spectator numbers were 30% of pre-event promises; "foreign interest" fan attendance and worldwide TV figures were less than 1% of expectation, the international media contingent less than 10% of that forecast, whilst vital financial indicators were either "fudged" or hidden. At most, the event achieved 10% of its objectives.

Despite this, VJ's drew the conclusion that "the event succeeded in generating a positive return on investment for Durban's economy" despite the authors not knowing the extent of public sector funding, referred to as "significant". It has been suggested that the race lost R150m, and given A1's precarious financial situation at the time, it is likely that eThekweni and KZN footed most of the losses.

Local media conduct was equally irresponsible. Despite being continuously alerted to the irregularities, most journalists waxed lyrical about the event, in some instances even justifying the breaches. They were rewarded appropriately for their loyalty: when the event returned, they received VIP passes.

How exactly Durban came to be the proud home of A1 racing in South Africa is unclear, but by the time of the first race in 2005, Maktoum's gambit had caught the interest of prominent South African players.

The series purports to be "all-inclusive" and to "pit nation against nation" – differing from F1 racing which is dominated by cars and star drivers. A1GP sells "seat" and territory franchises to ultra-wealthy individuals, entitling them to campaign cars under national flags and promote A1 activities and events in their countries. (Oddly, Japan's franchise belongs to a Frenchman, India's was owned by

being akin to a café owner who's never touched a cricket bat being appointed manager of SA's world cup team.

Technical functions are contracted out, although in Durban, rather remarkably, three black technicians made an appearance. Not once in A1's 19 events to date has "Vulindela", as Sexwale's Telkom - and SABC-sponsored car is known, been raced by a South African – the latest driver is a Singapore-born, Swiss resident with a Cape Town-born mother. Presently the SA team lies 15th out of 19 point scorers.

Durban's 2006 A1 race was voted "Best Presented Event" by A1's seat holders, attesting, if anything, to the levels of shambles achieved by other "World Cup" rounds, one of which attracted under 1000 spectators.

Despite all evidence to the contrary, Sutcliffe and Cooper maintained 2006's event was a roaring success, and promised to out-do it. They certainly did: 2007 ticket prices were



Picture: Gavin Foster

Boss: Mike Sutcliffe

upped by 90%, whilst wheelchair-bound fans were charged 500% more. So much for eThekweni being governed by the people, for the people.

Incredibly, increases were instituted despite 2006 prices being highlighted by VJ's as being too high. And, if the 2006 race cost only R120m (the official price was R91,6m, but council sources admit to overruns of R30m), Durban's ratepayers are in for new shocks: Teixeira claimed this year's version cost R240m.

Even before the circuit had been completed (again at massive inconvenience to Durban's citizens, who complained of non-stop traffic jams, increased road rage incidents and unacceptable noise levels at all hours), it was clear the promoters had learned not a thing from 2006.

In a letter sent by the KZN's Department of Agriculture and Environmental Affairs to Ms Dana Cooper on 12/12/2006, the department's environmental control officer advised that "commencement of construction for the A1 event is illegal and that the city must apply in terms of S24G of the National Environmental Management Act for the rectification of the unlawful commencement of a listed activity".

The letter further mentions that

"12 000 temporary seats have been constructed out of a proposed 42 000".

Big guns obviously ensured that environmental certificates were issued despite the listed breaches, but what of the increase to "42 000 seats"? After upping prices by 90%, Cooper increased capacity by the same amount (from 22 000). However, Cooper's PR agency was soon hawking free tickets in batches to companies prepared to "entertain" clients on race day. Simultaneously Computicket dropped prices by 70% – R650 Sunday seats were suddenly available at R250.

Still the place was empty. Photographs on A1's own website reflect rows of empty seats, whilst hotel balconies overlooking the circuit show little activity.

Surveys undertaken amongst experienced motor racing observers – radio/TV crews, journalists, motor club members, photographers and spectators – suggest attendance figures of 25 000 to 30 000 spectators. This is substantiated by a comparison between capacity (42 000) and rows of empty seats on virtually all stands, despite Cooper's claims that the event sold out.

Her explanation? "Looking at the huge numbers of empty seats, one would have thought that we had a problem with ticket sales or with turn-out of ticket holders. However, a total of 116 000 tickets were sold and there were exactly that amount of people there," she told Durban's ever-compliant *Independent on Saturday*.

"However, people were suffering in the scorching heat and could not stay in their seats. We noticed that they were hanging out under trees and any other shaded areas they could find. Some people stood or sat underneath the grandstand seats."

Over a 100 000 fans allegedly paid R1000 for a ticket, then hid under grandstands or in trees? However, her proposed solution for next year is equally comical: erecting shade cloth over stands, no doubt at Durban ratepayers' expense.

Sutcliffe was similarly disingenuous. He told *Independent on Saturday*: "The A1GP is improving all the time and there is no doubt that next year's race will be nearing perfection."

TV viewer numbers are well down and the foreign media contingent dropped to nine journalists from five countries. The only area where "success" could justifiably be claimed was local media attendance – 147 hacks and photographers received passes. Any wonder Durban's dailies reported so glowingly on the event! **W**

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A little fishy

Brett's old front company gets a new injection of Kebble cash

SOMETHING DECIDEDLY ODD is going on at South Atlantic Fisheries (Pty) Ltd (Safco), which was recently raided by the Scorpions as part of the Brett Kebble enquiry. One of those weird and wonderful Kebble creations, Safco's just been given a generous helping hand after drifting in the doldrums for some time. The identities of its benefactors are, well, rather surprising – or maybe not.

Safco shareholders include Umoya Fishing, the ANC Youth League (through their investment company Lembede Investment Holdings) and Ikamva Investment Holdings. JCI has a profit participation – partly because it put up certain buildings as security for a R30 million loan from Investec. JCI was required to put up cash, 20% of whatever Investec put in, but it failed to do so on time, leaving Safco with a funding crisis. Safco subsequently got

national executive, former Western Cape MEC for Economic Affairs, CEO of Umoya Fishing, chairman of Sea Harvest, director of JCI, Randgold & Exploration, Tiger Brands and Woolworths, and so on, and on.

According to the April 2006 Boschendal newsletter, this prestigious wine estate's chairman (Kebble installed Nissen there, too) "devotes his time to cultivating a balance between economic and social well-being by means of public-private sector partnerships". This is the man who received a call from Kebble's widow on the day of his death – Brett had told her that Nissen was the "only person in his books or his circle with integrity and whom he respected". Nissen himself says he learned from the Kebble experience never to "take things for granted and make sure you are always critical over governance issues" because "guilty by association brings about reputational issues".

Well now.

According to Kebble biographer Barry Sergeant (*Moneyweb*, 12 February 2007): "Beyond Nissen's Safco stains, he was also a director of Phikoloso Mining, in which an infamous July 2003 transaction saw R&E issue 8,8 million shares, worth R260 million. The transaction was fictitious, but the cash raised from R&E shares was not, as documented by R&E's forensic auditors."

Other Safco board members include Sharif Pandor (with a famous wife and a history at Big Bay), Andile Nkuhlu and L Sambudla (a pair of Kebble's indulged Youth Leaguers), Peter Gray (see the Investec story on page 13), Godfrey Albertyn of Metropolitan, Denver Baron of Famda (a fisherman's trust), and Safco financial director Brian Barrett (the Kebbles must have

had reason to trust him).

Not on the board, but important enough to be invited to board meetings, is "logistics manager" André Lincoln, whom Nissen brought in last year to sort out security. A former commander of the Presidential Investigation Task Unit, Lincoln was convicted of fraud and corruption charges relating to collusion between the police and mafia gangster Vito Palazzolo in 2001. Lincoln was sentenced to a hefty 12 years but has managed to avoid spending a day behind bars, despite the fact that no appeal has been filed.

noseweek has in its possession a file of internal Safco documentation which makes curious reading. In the minutes of the board meeting of 7 November 2006 we find that the company must "rigorously pursue all potential avenues of refinancing ... without making the business cheap by 'hawking' the business plan around the funding landscape".

The minutes also tell of an application for liquidation having been successfully defended, and bemoan that only four of the company's six boats are operational.

Furthermore, one of Safco's boats, the *Connect*, had been raided by Marine and Coastal Management and the SAPS and found to have 124 kg of shark tails in its engine room. Apparently the skipper is facing criminal charges, but resourceful Lincoln has managed to get the company off the hook. *noseweek* is reliably informed that sharks are why the fishing has been unsuccessful – apparently the skippers and crews, who have sometimes gone months without their wages being paid, discovered a lucrative business in selling shark tails to the Chinese mafia.

The documentation shows that the company has been running at a significant loss for some time. Besides being crippled by the huge repayments on the loans from Investec and Metropolitan,



Picture: IMGS24.roza Die Burger/Isa Alexander

Fisher of men: Chris Nissen

R20 million from Metropolitan, some of which was used to pay off Investec.

Safco's chairman is no less a figure than Chris Nissen – former Presbyterian minister, founding member of the UDF, one-time chairman of the ANC in the Western Cape, member of the ANC



Picture: MAGE24.co.za / Die Burger / Esa Alexander

Ex cop: André Lincoln

it has also had a serious problem with Mauritian/Australian based Pacific Fisheries (another Kebble/Stratton offshore enterprise), which sold Safoco four of its six boats, at a huge profit.

After Kebble's death, Nissen asked Kebble's two henchmen on the Safoco board, Hennie Buitendag and John Stratton (whom the SA authorities are now trying to extradite from Australia for Kebble's murder) to leave. Stratton, who was on the Pacific Fisheries board, had Pacific attach the four boats on the basis that Safoco owed it money. Safoco obtained another Investec loan for R4 million to put up as security in order to operate the boats while the dispute was pending. According to Nissen, the issue was resolved when "it discovered that Safoco in fact owned Pacific Fisheries". Barrett was put on the Pacific board to ensure that the claim against Safoco was dropped.

Nissen accepts that there were management failures (which he pins on former CEO John Mason, a Stratton man who was CEO until June 2006) but says that, besides the Pacific debacle, which lost Safoco precious time, there were problems with fishing licences and extensive repairs to vessels.

The board meeting reports of February 2007 describe a desperate situation: "Safoco had nowhere to turn other than to find a white knight in a very short space of time." (Please contain your laughter when an empowerment com-

pany says it needs a white knight to get it out of the shit.)

And voila! Enter two mighty angels riding bloody big steeds, under the guise of Richtrau 150 (Pty) Ltd. Richtrau has kindly signed a cooperation and financial assistance agreement with Safoco in which it agrees to pay off Safoco's debts of some R3 million – which include huge legal fees (Deneys Reitz R293 000 and Werksmans R209 000), a well-used company credit card (R297 000), and deals with Wesbank for those cars (without which a business can't operate (Barrett's Mercedes E20 and Andre Lincoln's Nissan Pathfinder).

noseweek is also informed that Richtrau will shell out some R700 000 per month to meet Safoco's monthly obligations to Investec and Metropolitan. Nissen disputes this – his understanding is that the company will pay back the loans out of the money which it will now be making. (Barrett, as financial director, should know the details but didn't return our calls).

All amounts paid by Richtrau constitute a loan to Safoco, and Richtrau effectively takes over the running of the business, controlling all cash inflows and payments of expenses. Richtrau's man, who Nissen knows simply as Mike, takes over as operations manager.

Safoco can terminate the agreement at any time, on 31 days' notice – if it immediately repays the loan together with a cancellation fee equal to the amount of the loan. Richtrau can terminate on five days' notice, in which event the loan is immediately repayable in full.

When asked whether this wasn't in effect a complete takeover, Nissen disagreed: "Safoco retains the assets and the licences, and we anticipate exiting this agreement one day." He added that players in the fishing industry "all made ridiculous offers, confirming the view of senior crew members that 'there's no future in this fleet'".

And the trusty knights, er ... angels, er – maybe they're "just friends"?

Well wouldn't you know it, they're both called Kebble: father Roger and brother Guy. And why exactly would they be investing in a former Brett Kebble company, particularly one that's clearly doing badly? Nissen can't really explain, but says that they probably didn't want to see the company fail.

Altruists then, Mr Nissen? Well no, they're hardheaded businessmen, so they must see some merit in the investment. And no, he can't comment on rumours that this may be a way of bringing offshore Brett Kebble money back on shore. **W**

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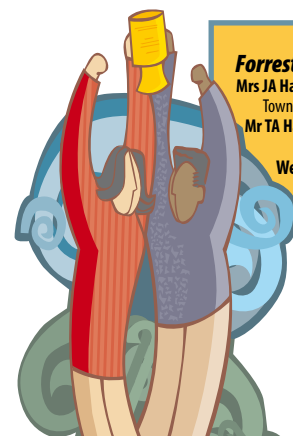
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Welcome back in the fold.

Standard makes Le Riche richer

The inspired, motivated bank admits its shady 'financial planner' made a 'judgmental error' (i.e. ripped off customers), but it still tells the two shafted clients to take a hike

UWE HARTMAN was a wealthy man when he visited South Africa from Rosenheim in Germany in 1996. Finding Cape Town much to his liking, he decided to invest a good part of his fortune here. Standard Bank was blessed with the job of bringing in the several millions that he then proceeded to invest in properties.

Two years later, having heard his friend Hartman's enthusiastic account of life in South Africa, Alfons Döser followed him to Cape Town. The even wealthier Döser also transferred more millions in foreign currency – also via Standard Bank, and he too bought properties in the Cape. Everything they bought was for cash. "We didn't need to raise loans in South Africa, because we had enough money of our own," Hartman tells *noseweek*.

But then, in 2000, Standard Bank management went on one of those drives to generate new business, "mining" its existing clients to sell them more of the bank's "products". Unluckily for Hartman and Döser, the bank had identified them as "high-worth" clients to be specially targeted for exploitation to the bank's greater advantage and profit.

Details of high-worth clients in the region, including those of Hartman and Döser, were passed to Hein le Riche, who was – and still is – employed in the bank's Somerset West branch as a "financial planner". We use inverted commas, because we have found no evidence that he has any



High-worth: Alfons Döser (left) and Uwe Hartman

training or qualification as such. In official correspondence he has even, on various occasions, referred to himself as a "certified" financial planner, which he most definitely is not.

According to Hartman and Döser, the bank's financial planner now "repeatedly and persistently" approached them to tell them of the huge profits they could make, if only they took mortgage bonds (with Standard Bank, naturally) on their respective properties and reinvested the borrowed money – through his department – in unit trust funds like Coronation

Income Fund, Investec Gilt Fund, Liberty Income Fund, Liberty Income Bond, Old Mutual Income Fund, Marriott Income Fund, or – why not? – even Standard Bank's own Gilt Fund. He scribbled the list for them on a piece of scrap paper, and explained that the bank would give them mortgage loans on their properties at only 11%, while they could earn 16% on the investments he recommended!

Hartman and Döser finally succumbed to Le Riche while visiting Cape Town in 2001, and took mortgage bonds of R3 600 000 and R8 456 000 respectively on their properties. By then, in July 2001, the bond lending rate had jumped from the very attractive 11% to 13%, but Le Riche dismissed this as "nothing to worry about". He was, he reminded them, the best in the business, with several awards from the bank to prove it.

What Le Riche proposed to the duo (and maybe many other investors) is known in the financial sector as "timing the money market" – the sort of investment that no responsible financial planner would advise his clients to go for with borrowed money.

Could it have been innocent inexperience on the part of Le Riche and the bank? Not if one takes into account how they advertise their own supposed expertise. They are certainly no amateurs at looking after their own interests. From the initial investment,

the commission-motivated Hein le Riche made a cool R541 805 – which he shared with his employer, Standard Bank.

Three months later, in September 2001, the bond rate rose to 14%, but, once again, Le Riche assured his new clients not to worry. “He explained that it was due to the New York attacks and that things would quickly revert to normal,” Hartman tells *noseweek*.



Standard Bank

Inspired. Motivated. Self-involved.

But they didn't. A year later, the mortgage loan rate had hit 17% and Le Riche's investors indeed had much to worry about: the returns on their investments were now lower than the bond rate they were having to pay Standard Bank.

Instead of advising them to redirect their investments towards settling the bonds, Le Riche now introduced a new scheme to the foreigners: they should invest in Standard Bank-associated international money market funds! He moved their investments to these funds – immediately, of course, deducting a further commission of R91 404 (which, once again, he shared with his employer, Standard Bank).

As we all now know, Standard Bank was no whizz at the foreign markets, and those investments went downhill even faster than the local ones had done.

By the time Hartman and Döser finally called it off with Standard Bank, Hartman had lost R1 665 773 and Döser, R3 751 756 – a total of R5 417 529.

They initially briefed Somerset West attorney Dieter Kulenkampff* but to no good effect – Döser says Ku-

lenkampff sat on their brief waiting for the time to elapse. “We called him several times from Germany but he, like Standard Bank, assured us that everything was under control.”

They eventually got Ken Silke in Cape Town to ask Standard Bank why it allowed Le Riche to misrepresent himself to its clients, and why the bank had encouraged him to peddle mortgage bonds for reckless purposes. Did the bank provide proper training to their brokers? Why hadn't the bank's regional manager overseen their investments and taken timeous action to contain their losses. Also, they wanted their losses reimbursed.

Standard Bank scheduled a meeting between Stuart Loxton (director of Standard Bank Financial Consultants) and Kim Siegel, a senior legal advisor from Johannesburg, with Silke in Cape Town.

Hartman says that during the meeting the Standard Bank executives agreed that their commissioned employee made what they called “a judgmental error”, but said they needed time to respond to all the queries. Two weeks later they responded – a two-sentence letter from Bowman Gilfillan Attorneys: “Our client has, after careful consideration of the matter, decided not to entertain your clients' claim and not to compensate your clients.”

The bank never did answer those questions about Le Riche's qualifications for the job – or lack of them. Informally it emerged that the bank had taken only one factor into consideration when considering a response to their unhappy clients' complaints: the three years that had passed since their man Le Riche had delivered his star financial performance. In law, any claims which Hartman and Döser might have had against the bank had “prescribed” – after three years they could no longer be enforced through a court of law.

So, it was goodbye and fuck off Messers Hartman and Döser – and thanks for the business.

Aren't South African banks really on the ball!

**Many years ago we reported how Dieter Kulenkampff had delivered a spectacular performance in cross-examining our erstwhile friend Abe Swersky at an insolvency enquiry. Several readers interpreted this as a recommendation from us and retained Kulenkampff's services – to their great cost and regret. Please note that we do not recommend any attorney's services to anyone. – Ed. [E]*

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Off the hook

DEFENCE MINISTER Mosuioa Lekota has, quite predictably, been let off the hook by forensic investigators First Consulting in its “top secret” final report into the illegal sale of surplus SANDF ammunition to the United States.

Nearly two years ago, in *nose69*, we revealed how Lekota secretly approved a proposal, by Armscor CEO Siphon Thomo, to sell 950 million rounds of surplus 7.62mm and 5.56mm ammunition to America’s Century International Arms Corp. This was in violation of a cabinet memorandum issued in 1997, which decreed that all surplus ammunition smaller than – and including – 12.7mm must henceforth be destroyed, not sold, by the state armaments agency, with any financial loss to the state deemed acceptable.

In his 17 July 2003 letter to Minister Lekota, Thomo had pointed out that if the 950 million rounds were dismantled or destroyed, in line with cabinet policy, revenue would be R12m. Selling them would bring in R104.5m. Lekota scrawled his approval to Thomo’s proposal.

First Consulting’s forensic investigation, which began in January 2005, was commissioned by defence secretary January Maselela. The firm had been registered eight months earlier and is headed by Maselela’s good friend, former Denel auditor Tebeho Moleko.



Picture: Sunday Times

Secret deal: Defence Minister Mosuioa Lekota

The report on illegal sales of surplus SANDF ammo to the US fails to mention the villains, including Defence Minister Mosuioa Lekota

In the report, Lekota doesn’t even get a mention! Indeed, though the thing has cost the taxpayer millions, study of its 109 pages bears out the suspicion aired in *nose73* that we should expect a Maselela-orchestrated whitewash.

Its disjointed content, loony logic and conspicuous failure to name villains – apart from a few whiteys such as Fred Marais (head of the Directorate Conventional Arms Control) and Boet van Staden and Johan Olivier (from Armscor) – percolate into a farcical “forensic investigation” that doesn’t shed much light on anything. Presumably that’s why every page is headed “Top Secret,” and has a distribution list of just two people: defence secretary Maselela and Military Police chief Ledwaba.

Marais, who was responsible for the

issue of surplus ammunition export permits, was suspended on full pay in November 2004. He’s been in full pay limbo ever since and tells us that his disciplinary hearing is trundling on. It’s now at the “technical argument” stage and witnesses have yet to take the stand.

As for Van Staden and Olivier and their relationship with German arms company Industriepark Spreewerk Lubben, the First Consulting’s report makes the following profound finding: “Armscor personnel Boet van Staden and Johan Olivier favoured ISL over other companies” and “Much effort was placed on selling surplus SANDF ammunition to Spreewerk Lubben rather than to highest bidders”.

Van Staden wrote to the German authorities authorising the re-exporting of surplus SANDF ammunition, which



Picture: Sunday Times

Nothing doing: Armscor CEO Siphon Thomo

led to the dispatching of 7.62mm and 5.56mm surplus rounds to “the open market”. This undermined the authority of the National Conventional Arms Control Committee and the conditions under which the contracting approval was granted.

Olivier supplied “false information” to obtain export permits. The investigators scrutinised eight 7.62mm and 51mm ammunition export permits for Spreewerk Lubben issued between 1998 and 2000. Expired marketing permits had been used, showing the end user country as Guyana. “The person liable for these criminal acts is Johan Olivier,” declares First Consulting.

First Consulting slams an arms control committee report by one Vanessa Daniell, mandated to investigate irregularities in the selling of surplus SANDF ammunition to Spreewerk. Daniell concluded that “the event was detected by Armscor and Armscor duly forced the company to comply”.



Daniell’s findings and conclusions were “baseless and uninformed,” says First Consulting. Her investigation “lacked detail and it was influenced by Boet van Staden and the person/s responsible for the irregularities.” This compliance report had a major influence on the arms control committee, to the effect that the pending investigations against Spreewerk and Armscor were stopped.

“The contrary proved however that Spreewerk and Armscor were involved in serious criminal transgressions,” say First Consulting.

Relations between First Consulting and Armscor were fractious to say the least. “For the first few weeks after the commencement of our assignment the greatest obstacle was the acquisition of documents and the (non-) cooperation of Armscor employees,” runs the report. “Since February 2005 no access could be obtained to electronic data

from Armscor. Further we had difficulty interviewing Armscor officials.”

The sharing of information and cooperation between the investigation team and the SA Police Service was also “not healthy”. General Joseph Ledwaba, Chief of Military Police, was wheeled in to act as “facilitator” between the warring parties.

On a happier note, First Consulting’s final dirge does confirm that *nose 73* got it right when we told how a Ratel armoured infantry assault vehicle was given to the King of Jordan, complete with a top secret communications system fitted with original algorithms and hopping codes. “This is a serious breach of state security,” reports First Consulting. It adds: “Armscor did its utmost to prevent any information that might incriminate Armscor or its officials reaching First Consulting’s investigators.”

What is more, the sleuths discovered that of the first 100 Ratels subsequently supplied to Jordan, some also went out with the secret algorithms. “Any Ratel and/or vehicle that is exported must be stripped of the radio equipment, navigation equipment, signalling equipment etc,” says First Consulting. “This practice is obviously for reasons of state security as said equipment contained codes, algorithms and information that is deemed top secret.”

Noseweek also got it right about “cannibalisation”. A private company, Mechanology Design Bureau, with a registered address at Zwartkop, acquired many old Ratels for re-sale and/or export, confirms First Consulting. Its investigators found that Mechanology’s personnel gained unauthorised entry into military bases to “cannibalise” non-redundant Ratels to “refurbish” the redundant Ratels they had purchased. “The SAPS investigator, Inspector Morné du Toit, obtained information that complete Ratel engines were swapped by Mechanology and Department of Defence personnel.”

First Consulting’s recommendations:

- The Directorate Conventional Arms Control needs to be completely overhauled.
- Cabinet should establish an inspectorate independent of the Department of Defence and Armscor, to be answerable to Parliament and led by “a professional civilian, ie an accountant, a senior lawyer or a retired judge”.
- An independent investigation or a commission of inquiry should examine the *de facto* and financial relationship between Armscor and the Defence Department.

Pretty tepid stuff. Why spend millions paying for top secret reports of this ilk, secretary Maselela, when you could have read it ages ago in *noseweek* – for under R30? ■



“Oh, that three billion dollars.”

White collar crime at the Blue Route

JUST ABOUT ANYONE who has had professional or business dealings with Bernard Forrer over the past 12 years would like to see the man behind bars. Instead, he is believed to be running his own business in Somerset West. Or somewhere.

Forrer, a former operations manager at the Blue Route Mall in Tokai, Cape Town, has been accused of defrauding the mall owners of millions of rands between July 1994 and August 2000. When he was finally fingered by his superiors, Jonathan Hemp and Mervyn Kaplan, he signed a confession and resigned.

The companies responsible for managing the Mall during Forrer's time there, Broll Property Management and Marriott Property Services, reported the fraud to the police, as required by law. They also claimed R3-million from their professional indemnity insurers to cover the money filched on their watch from Blue Route owners Allan Gray. Then they left it at that.

Forrer went on to charm his next employer, Paul Steinmann, owner of electrical engineering consultancy Elcon. Steinmann won't speculate about how much he lost during the 18 months Forrer worked for him, but counts among the costs the loss of important clients Forrer poached.

Since no-one else seems very interested in bringing Forrer to book, Steinmann, Hemp and Kaplan have taken it upon themselves to lay charges with the Commercial Branch of the SAPS.

They say they are determined to stop Forrer before he hoodwinks someone else.

"He has very good credentials," says Hemp, who now runs his own engineering consultancy. "He's a qualified artisan, he lectured at the Westlake Technical College, he was chairman of the governing body at Kirstenhof Primary. And he's extremely charming."

Kaplan, who is still employed by Blue Route, described Forrer's dishonesty as "a huge disappointment".

"I liked him very much. I would have trusted him with my life."

Steinmann says he regarded Forrer as a friend.

"He's a very pleasant guy. He talks



Bernard Forrer

incredibly well. He's also very, very clever."

One of Forrer's favourite tricks was to channel Blue Route orders and invoices through a company called Retreat Electrical Wholesalers, then owned by Nigel Tipping.

Forrer arranged for Tipping to pay small contractors on behalf of Blue Route in exchange for a 15% handling fee.

These "small contractors" included Standard Bank, the South Peninsula Municipal Administration and a car hire firm.

Only later would it emerge that among the items invoiced through Retreat were cellphones, TVs, a dishwasher and a Sony Playstation.

Hemp says Forrer destroyed the original invoices and sent Blue Route forgeries which reflected "fictional but plausible" purchases.

Over the years, Blue Route paid more than R2.5 million to Retreat Electrical, including handling charges. Only a fraction of the money is believed to have been spent legitimately.

Tipping says that when he questioned any of the orders, Forrer always had a plausible excuse.

"He said the car hire was because a crane had fallen on a vehicle in the parking lot and Blue Route had to provide a courtesy car for the driver while her car was repaired."

Steinmann says that during his time at Elcon, Forrer falsified invoices, manipulated the tender process and even removed Steinmann's name from the company letterhead, telling clients that he was taking over the firm because his boss was "ill and dying".

"Lies, lies, lies all the way," Steinmann says. "What he did was unforgivable."

Leonard Michau of Broll said his company "would like to see this guy locked up", but admitted that they hadn't done much to pursue the case.

"I'm still a bit disgusted, but we're not getting much help from the police. In the end, you've just got to let it go. Talking to the police is a waste of time and effort."

Even the insurers, PI Acceptances, have made no effort to recover their R3-million. The police seem equally unconcerned. When asked about the case, investigating officer Superintendent Zibekile Toni referred *noseweek* to the Provincial Communications Department. They insisted *noseweek* submit our questions in e-mail form, and then failed to respond to them.

While waiting for the long arm of the law to stretch itself far enough to collar the elusive Forrer, Hemp and Steinmann have taken it upon themselves to report his behaviour to the Engineering Council, the statutory professional body of which Forrer is a member.

Legal services manager for the council Anthony Faul said he took the allegations "very seriously".

"I have met with the two complainants to hear their side of the story. But before we can proceed we need to speak to Mr Forrer. As soon as we have all the evidence, the executive committee will investigate. The process is very thorough, so it's unlikely a decision will be made for at least six months."

Faul said the most severe penalty the council could impose would be to strike a member off the roll. This would prevent him from working as a qualified engineer, which would at least be something. Unfortunately, nothing can be done while Forrer's whereabouts are unknown.

And no-one, including the police, seems to know where he is. **■**

ASA slams slimming product

THE WEIGHT-LOSS INDUSTRY suffered a rare setback last month when the Advertising Standards Authority ruled that the slimming system Peel Away the Pounds did not live up to its name, never mind its advertising.

According to the ASA, "claims that this system as a whole results in 'weight loss', that it 'burns fat' and that it 'increases metabolism' are unsubstantiated".

The ruling marks the end of years of complaints, rulings, breaches and appeals which have seen the ASA swing from one side of the argument to the other and back again.

One of the complainants, long-time scourge of the slimming industry Dr Harris Steinman, eventually asked for independent arbitration, which seems to have convinced the ASA that Peel Away the Pounds cannot deliver on its promises.

Even though HomeMark withdrew the product some months before the ruling, Dr Steinman hailed the decision as "a major, major development".

"It's a victory for consumers over bad science," he said.

Until recently, Peel Away the Pounds was advertised in South Africa as a "revolutionary" weight loss system, primarily because one of its components is a skin patch containing an iodine-rich kelp extract. It also contains a meal-replacement drink, an exercise programme and an eating plan.

The skin patch is the same as the one that was withdrawn from the US market in 2004 after the Federal Trade Commission found the marketers guilty of misleading advertising and fined them \$1-million. According to an FTC spokesperson: "Claims that patches ... can cause substantial weight loss are a red flag for falsity. Marketers should not make those claims, the media should not run them, and consumers should not buy them."

Very much the same claims were made in Peel Away's South African advertising. Local consumers were promised they could lose 1,5 to 2,6 kg a week, that "hunger pangs and craving are suppressed", that the product "turns your body into a fat burning machine" and "boosts metabolism".

A number of complainants, including Steinman and HomeMark competitor GloMail, submitted objections, and in 2004 the ASA ruled that the advertising be withdrawn.

In the following months, HomeMark was twice found to have breached the ruling.

Then, in 2005, the marketer appealed on the grounds of an expert substantiation submitted by Dr Beverley Summers, a doctor of clinical pharmacology and part-time lecturer at Medunsa.

Summers testified that the Peel Away the Pounds system "as a whole ... could support weight loss claims". The ASA was so impressed that it overturned its earlier ruling.

But Summers' substantiation has now been torn to shreds by the independent arbitrators, Drs Renee Blaauw and Edelweiss Wentzel-Viljoen of the private consultancy Nutrition LogistiX.

For starters, they said the single, 20-person, two-week pilot study which Summers used to support the product's weight-loss claims was too small and too short to yield any meaningful results.

Not only that: "The results are based on incorrect statistical methodology and incorrect interpretation of statistical calculations."

The report also dismissed Summers' substantiation of the claims for fat burning.

"The claims ... are based on the assumption that iodine is absorbed from the patches, that the iodine is available to the body in sufficient amounts to increase metabolism which in turn will burn fat. No evidence was provided."

And they weren't buying the "system as a whole" argument either.

"Although the system is marketed as a whole system in South Africa, all the evidence provided is based on the effect of iodine absorbed through the patch. There is therefore no difference between the local system and the one used in the USA. It is only a (sic) playing with words."

They said that if Summers was right in her suggestion that the patches had a placebo effect, advertising them as a "revolutionary treatment" was "misleading and incorrect".

Summers said she was only willing to respond to e-mail questions. *Noseweek*

had not received a reply from her at the time of going to press.

The MD of HomeMark, Dino Hadjipaschalis, was more forthcoming.

"These things always depend on who the arbitrator is. Sometimes it goes your way, sometimes it doesn't."

He said final proof of the product's effectiveness was that "thousands and thousands of people" had bought it, and none had claimed their money back.

"Now that it's off the market, I get phone calls every day from people who want to know why they can't find it any more.

"Why would people still want it if it doesn't work? This is an insult to the consumer's intelligence." ■

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Dream car, nightmare insurance

LAST YEAR, on 28 November, Akhona Bambata paid the deposit to DaimlerChrysler Finance Services on her dream car, a Mercedes A170, at Orbit Culemborg. Shortly thereafter the 28-year old team leader with a medical aid provider received a call from Gail Holt of Orbit asking whether or not she held a vehicle insurance policy. When Holt learned that Bambata was awaiting quotes from various insurance providers, she said that a policy was already being arranged by DaimlerChrysler's in-house provider.

Bambata liked the idea of her car financier doubling as her insurer, and besides, Holt explained that the premium would cost less than R500 a month. Welcome news indeed.

But Bambata began to wonder what was going on when Kutlwano Motshwane called from DaimlerChrysler Finance Services to verify her details – and she discovered that her premium would in fact be over R700. According

to Motshwane, the lower rate Bambata had originally been quoted was reserved for those who had previously held vehicle insurance. However, Bambata would only begin paying premiums from the beginning of January.

Bambata took possession of her Mercedes on 2 December, after making the final payment. Ten days later, without warning, the insurer attempted to debit her account for R535. This order wasn't paid because Bambata's account for payment of bills only gets funds after the twentieth of each month. The bank charged her R99 for the unpaid order.

Concerned, Bambata called her insurance agent, and Motshwane explained that the amount was a pro-rata for the two days in November. Rather baffling, since she hadn't taken possession of her car until 2 December.

She took the matter back to Gail Holt at Orbit, who agreed that the pro-rata didn't apply, and undertook to contact the insurers.

Then, on 2 January 2007, Bambata's account was debited for R1022 – way over the contracted R700. The explanation she was given was confusing to say the least: "They told me my premium had moved up from R700 to R870 because it was the new year and the extra amount went to pay the pro-rata payment for the two days in November, which they claimed I hadn't paid." But adding R535 (the pro-rata) to the premium (now R870) didn't explain the debited R1022. Bambata wrote asking for her account details to be sent to her in writing, but received no reply.

Then on 15 January 2007 the insurer attempted to debit her account for another R870. Once again, because there were no funds in this account, the bank penalised her for R99. An irritated Bambata sent an email to Holt who forwarded it to Rene Stander, DC Financial Services contact manager.

In an accompanying note, Holt wrote to Stander: "Please read our client's mail. She is really unhappy. When this occurred in December, I contacted the insurance department and they asked me to send an email stating when the client took delivery, which I did – it was on 2 December."

The date of possession did not however explain to Bambata why the insurer was attempting to debit her account twice in a month. Nor did it explain why the company wasn't telling her in writing how much she was expected to pay for the policy.

At the insurers, the matter was handed over to department team leader Enver Reddy, who asked Bambata for bank statements, and promised to arrange a refund of the two R99 bank charges.

On 30 January, she received a text message warning her that her account would be debited for R1771 "for insurance premium". When she called to enquire, the insurer said it was too late to stop the order, so she went to her bank to stop it. Later that day, in an email

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to Stander and copied to Holt and Motshwane, Bambata explained the frustrating events surrounding the policy, and gave notice to terminate her relationship with the company at the end of February. On 4 February Stander responded, apologising profusely and promising to refund the bank charges. Interestingly, the email from Stander deliberately avoided discussing the matter of termination of the policy.

But that was not the end of her problems. Even after Bambata had changed her insurance provider (as from 1 March), Daimler Chrysler tried to debit her account. On 27 February she received a text message informing her that they were going to debit her account for R2671.

She called Reddy who promised to check with their underwriters. "I had

to personally visit my bank again to cancel all debit orders from DaimlerChrysler. These people think they can debit my account whenever they feel, like and for whatever amount."

Enver Reddy explained to *noseweek* that there had been a breakdown in communication between the insurance department which administers policies and the underwriting department responsible for payments, including refunds. According to Reddy this was chiefly due to staff changes and shortages and a backlog of work over the December period. The administrative chaos seems to have led to Bambata being debited instead of credited at the end of January.

Reddy assured *noseweek* that the underwriters were "busy as we speak" with arranging a refund of all amounts owing to Bambata. ■

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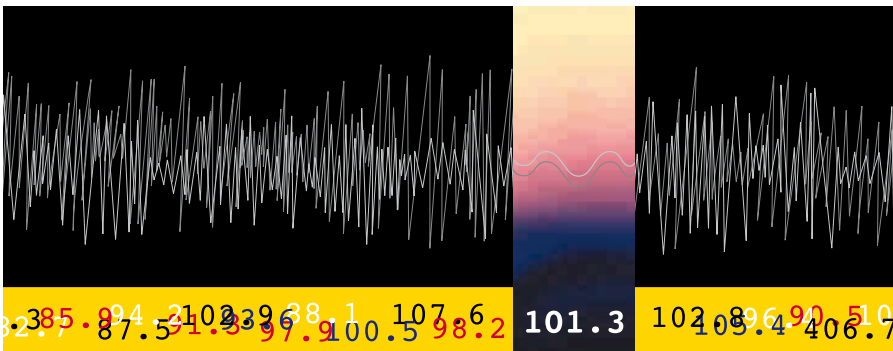
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Mielie power

WOO HOO – the international fascination with biofuel has reached these shores. And wow, are we lucky: with our 4x4s tanked with biofuels we can career around without messing with the climate; biofuels will rescue Africa's farmers and save the planet! What a score.

Sold on industry PR, and with some careful foreign diplomatic prodding, government has declared the biofuels industry a pillar of its Accelerated and Shared Growth Initiative for South Africa (ASGISA). Seems they'll soon be mandating all liquid fuels to contain a percentage of biofuel, and we'll all be careering smugly into a greener future.

NoseArk, as usual, insists on being a spoiler. We like to check the driver's credentials – and the brakes – before jumping onto a speeding bandwagon. Look them over, as we have, and you too will come to the sobering realisation that SA's current biofuels strategy will have us driving wildly down the wrong track.

Biofuels are fuels made from biomass, in other words from recently-living organisms (plant or animal) or their metabolic byproducts (such as cow manure), so their "wow-factor" is that they are "green" – renewable and environmentally friendly. The argument is that although burning them does release carbon into the atmosphere, that carbon was originally pulled out of the atmosphere by the living organisms as they were growing, so biofuels simply cycle carbon that was already in the atmosphere anyway. (Whereas burning coal or oil-based fuels releases carbon that was originally locked safely away underground.) So biofuels don't add to the total amount of carbon in the atmosphere.

Government's Draft Biofuels Industrial Strategy focuses on bio-ethanol and bio-diesel, the latter being a diesel-equivalent that can be used in normal, unmodified diesel engines, and which is made from oily plants like sunflowers, rapeseed (canola) and peanuts. It can be freely mixed with "normal" (fossil-fuel) diesel.

Bio-ethanol is ethanol – the alcohol in booze – produced from sugarcane or maize (and others, but we won't go into that here). It can be mixed with normal petrol at various ratios, depending on the type of engine used. Adding a little ethanol to petrol makes it burn cleaner and raises the octane rating, thus functioning as an "anti-knock" agent, like lead, but less poisonous. Generally,

unmodified petrol engines happily guzzle a blend of up to 10% ethanol. Slightly modified engines can use blends that are mostly ethanol, like the E85 alcohol fuel used in Brazil, which is 85% ethanol and 15% petrol.

Government's Biofuels Strategy argues that because biofuels are "climate-friendly", using them can earn us hundreds of millions of Rands in "carbon credits" from rich European nations, who will be paying us to combat climate change for them. And, it's claimed, biofuels can save us money by being substituted for foreign-produced oil. Furthermore, by creating new demand for agricultural products, biofuels will create jobs in rural areas.

To build support for these propositions, government commissioned a National Biofuels Study, aimed at reckoning the pros and cons of developing an industry, and evaluating ways of doing this.

The first thing that strikes one about the 116-page National Biofuels Study document, is that it doesn't say who wrote it. It's also particularly worrying to see a "learned" report on a technical subject that carries almost no references. And – oops – no bibliography: hundreds of facts and figures are tossed about without mention of their sources. Were this a first-year university essay, it would be thrown impatiently in the bin.

Put on the sceptic's hat, read a little deeper, and you rapidly find that the study is basically a whitewash. It glosses over, or simply avoids, many of the major social and environmental problems with biofuels, and virtually ignores glaring problems connected with the biofuels industrial development strategy being pushed by the state. It's bullshit designed to favour vested interests, and, scarily, intended as the basis for multi-billion rand decisions about our country's future.

For a start, take the issue of "energy balance". Obviously, growing and processing biofuels itself takes energy – diesel for tractors, electricity to make fertilisers, coal or electricity to run biofuel factories, diesel for tanker trucks, and so on. Not to speak of the large amounts of energy required for infrastructure, like farm equipment and factories, called "embedded energy". The totality of this energy must be subtracted from any energy provided by the biofuel before one can declare an "energy profit"; that is, that one has a "positive energy balance".

Linked to this is the key question of which source feedstock gets used for bio-ethanol

The government Biofuels Study has been designed to benefit big corporations – screw the environment and the 'second economy'



Fuelish: Kiss those carbon credits goodbye

manufacture. The study focuses heavily on maize, which, it claims, is a good bet because the ethanol process technology for maize is well-established, and prices low enough to make it cost-effective. And, so the study claims: millions of hectares of “under-utilised” land in SA can be ploughed to grow more maize.

But what the study glosses over is the fact that, in terms of “energy profit”, maize is actually a very poor feedstock from which to make biofuel with current technologies. The most optimistic energy balance studies give it a figure of about 1.3 – you only get a third more energy out of the ethanol than you put in to make it. More comprehensive studies, which include the embedded energy in farm equipment and so on, show ethanol from maize to be a losing proposition – you get less energy from the ethanol than you put in to make it. And if while making biofuel you release into the atmosphere lots of fossil carbon, you can kiss EU carbon credits goodbye.

In contrast, by the way, ethanol from sugarcane has an energy balance figure of about 6, a 500% “energy profit”. Petroleum is even more of a winner in this respect. Pumping and refining oil takes much less energy than growing and refining biofuel crops.

Then there are the food price impacts.

If the price of maize-for-ethanol is higher than that of maize-for-food, farmers will switch, and as maize-for-food becomes scarcer in the market, its price will rise. The study fluffs this by telling us it has modelled the possible staple maize price rise – but then doesn’t give us the numbers, nor say how their model was constructed. It does tell us that milk will go up 7.5% and beef by 9.6% per annum according to their “preliminary calculations”. (Let the poor pay more.) The price of Mexico’s staple, maize tortilla, rose up to 60% in mere weeks in January this year, after maize prices in the US market rose 86% during 2006 because of the demand from ethanol plants. (On second thoughts, starve the poor. Who needs ‘em?)

It also takes a helluva lot of land to grow the feedstocks for biofuels (a recent study says that the European Union would have to turn over a brain-shaking 70% of its farmland to get only 10% of its liquid fuel from bio-sources). SA’s study tellingly avoids a calculation of how much land is needed to produce a decent amount of biofuel – and the environmental impacts of this. Yet the audience at a recent Eastern Cape Provincial Biofuels Task Team presentation were amazed to learn that the Eastern Cape Development Corporation

(a parastatal) was concluding a back-room biodiesel deal with Monsanto to turn half a million hectares of that province (mostly in the former Transkei) into herbicide-soaked genetically-modified canola monoculture at a cost of billions to the state. The exact terms of the deal are not for public consumption.

In short, the biofuels bandwagon is speeding around with the wrong map. It doesn’t take much reflection to realise why.

Another corporate benefactor of the biofuels programme is likely to be Sasol, who produce massive amounts of ethanol as a co-product of their oil-from-coal. Though not bio-ethanol, their ethanol is chemically identical, and allowing them to sell it as a petrol additive will hugely increase the price they get for it.

Small surprise, then, to learn from a little bird that the author of the Biofuels Study was a certain Raoul Goosen, until recently the technical services manager of Sasol. We checked a Word document version of the Study in our possession, and sure enough, in the document’s properties the author is given as “rg”. Goosen is now an independent consultant trading under the name Sustainable Progressive Solutions, evangelising biofuels at conferences around the country.

Whitewash, greenwash, washed up; whatever you call it, the government Biofuels Study has been designed to benefit big corporations – screw the environment and the “second economy”. Environmental and social justice groups around the country are slowly waking up to this and the feeling in some green circles is that protracted biofuel battles are looming.

Greens should be more than a little relieved to note that the first battle might well be going against the corporates and their government supporters – several pilot biofuels projects are already collapsing. *Rapport* tells us that Ethanol Africa, a company meant to build SA’s first maize-ethanol plant in Bothaville in the Free State, cannot account for R24 million invested by local farmers. The foundations of the factory have not been laid, and the only workers on site are two bored security guards.

Business Report details the implosion of a large biodiesel project near Mafikeng: all workers hired to tend various types of oil-producing plants have been laid off while the North West provincial government and Diprojeke, a private company, argue over ownership. The plants are now dying.

“Tie your own rope, folks” is all we have to say! **W**



Left: Patrick Curtis (best set design), Susan Danford (best actress), Arts Minister Pallo Jordan and Claire Watling (best supporting actress); **above:** Lynne & Yusuf Ganief, CEO of the Cape Town Festival

wonder Bill Flynn fell for her ... where IS Bill tonight, by the way, and is that Jana's daughter she's with? Trouble in paradise...?" And then the bit where they try in vain to get Marc Lottering's attention as he races by in his white satin blazer and blue denims, pink gums bared for the fans, and only get lucky when they spot Helen Zille making her serene way towards them. "Doesn't she look sensational in her Mao jacket in burgundy shantung? Solidarity with the people..."

T'S WHEN VIRGINIA DAVIDS' CRYSTAL clear soprano voice launches into *My Hart Verlang Na Die Stilte van die Wye Wuivende Veld* that the realisation dawns.

Though the Fleur du Cap Theatre Awards have moved into a more glitzy league than the original presentation lunches, this 40-year-old Cape event will never be on the same slick stretch of turf as the Oscars. For which, I, for one, am grateful.

Not that the intention isn't there. They're now kicking it off with a jolly Red Carpet Arrival, or *Rooi Tapyt Aankoms*, as it's de-



Bites and pieces

Hilary Prendini Toffoli

scribed in the glossy black-and-gold programme – itself impressively classy. It lists an endless number of entertainment troupes, internationally sourced canapés and even an entire sushi station manned by the “7th best sushi chef in the world”. Plus a photo line-up of all 55 nominees.

Thankfully, however, the *Rooi Tapyt Aankoms* doesn't include two flip TV types twittering into their microphones about the guests trying not to trip over their HipHop ballgowns as they climb the Artscape steps.

So far we've been spared the commentary: “Don't you love Jana Cilliers' stunning new hairdo? It really shows off her glorious bone structure. No

Left: Namibian 'Amazon' Nianell; **right:** Helen Cooper of the Kalk Bay Theatre with Nicholas Pauling (best actor) & netballer Lushinka Scott





(I did hear someone remark that couturier “Jenny le Roux’s getting her right.”)

For a start, we don’t have enough celebrities to pull off the Hollywood thing. And, anyway, this award is part of Distell’s Corporate Social Responsibility Programme, so gravitas, not gossip, is the tone.

Rooted in the Stellenbosch wine-lands, straddling past and future, it’s an award that’s busy negotiating its role in the country’s cultural hotch-potch. Which means that no matter how loudly the more internationally-orientated members of the audience might whinge about the deliciously old-fashioned flavour of some of tonight’s entertainment, that’s an inevitable part of the package.

Uninvited guests pay R150 and can expect a similar mixed bag every year. Along with the tango dancers, and the high-volume hotties like Watershed and its clean-cut, thinking-girl’s-crum-pet lead singer Craig Hinds, there are high-stamping Xhosa routines with acres of jiggling flesh, serious opera singers like Virginia Davids belting it out in bejewelled black chiffon with an endearing gang of old toppies from what looks like the church choir, and the bizarre likes of that beef-fed Namibian, the Amazonian Nianell.

This *boeremeisie* has a voice almost as powerful as that of the Peruvian Yma Sumac (which could span five octaves). While she does her thing seated at the grand piano, a troupe of frantic Isadora Duncan types flail about on stage, much as they did on Matie



Left: Mark Hoeben & Ina Wichterich of Tango of Cape Town; **above:** Val Deelman, diva Virginia Davids, Elizabeth Sass and Serena Hugh; **below:** Gys de Villiers and Lerato Moloi



stages in the eighties. (Rumour has it Nianell’s expecting triplets, which might explain why she’s not doing any flailing about herself.)

As for the award presentations, they turn out to be painless, performed with speed and grace by the blue-eyed boy of *kykNet*, singer-songwriter Coenie de Villiers. When Matthew Ribnick’s wife Geraldine Naidoo collects his award for Best Performance in a One-Hander for *Hoot*, she reads his speech unseen and blushes sweetly at the bit where he tells her he loves her. (10 minutes later she, too, gets an award – for best indigenous play.)

Robert Finlayson is not there either to collect his award for Best Performance in a Musical for *Jesus Christ Superstar*. But his actor friend Claire

David Kramer pays tribute to Taliep Pietersen

Berlein reads his speech dedicating the award to his parents, winemaker Walter Finlayson and his wife Gill – “who’ve always hoped their son might find a proper job.” In tune with the retro-style of the evening, best supporting actress (for her role as Feste in *Twelfth Night*), Claire Watling launches her acceptance speech with the announcement that her mother told her that, if she won an award, she was allowed to say “fuck” – once. On cue, the retro section of the audience roars.

Len Ashton wittily introduces a Special Merit Award for Percy Tucker, the inspired inventor of Computicket, first of its kind. “I just got tired of queuing,” says the spry 78-year-old, eliciting one of those standing ovations that Cape-tonians go in for nowadays to prove they’re not as riddled with apathy as everyone thinks.

Collecting his Best Supporting Actor award for his role as Sir Toby Belch in *Twelfth Night*, Nicholas Ellenbogen does a hilarious bit of stand-up – “I was a white egret in a pair of long yellow stockings” – when describing his first encounter with the Minister of Arts and Culture, Pallo Jordan, who’s opened this evening.

But it’s David Kramer’s tribute to his gifted long-time partner and friend Taliep Pietersen, followed by a moving video of the murdered musician in rehearsal for *Ghoema* – fooling about with the cast, and mouthing the songs along with them from the stalls – that brings tears to the eyes of even this jaded cynic. What a loss for us all.

Afterwards at the party, Kramer gives me his take on Pietersen’s death. Though everyone knows who did it, he says, the police have no evidence.

Yet life goes on. Kramer tells me he’s taking one of his *Karoo Kitaar Blues* performers to Seattle. Meanwhile all around me people are launching into the oysters, the biggest and juiciest I’ve seen in ages. For that alone, says someone, Distell’s Irma Albers deserves a medal.

All in all, a jolly lekker party. **W**





Goats and grapes

ANY READER IS BETTER than the much-feared none, so I was pleased to get an email from a wine industry colleague who claimed to have seen my abashed thoughts on coffee expertise in this column a few months back. “I want”, Emile said, “to try the coffee that gets crapped out by some bean-eating bird. Perhaps we shall one day see a vinous version.”

Vinous version, indeed: there are already wines tasting as though the grapes might well have been swallowed by, and fermented within, some dubious feathered creature. And there is Delheim’s Spatzendreck, featuring on its appalling label (which won, as Delheim’s website proudly proclaims, a Worst Label award in 1970) a perky sparrow blithely defecating into a wine barrel.

The story of this whimsy goes back half a century to the early wine-making days of Spatz (“Sparrow” in German) Sperling. He was told, by a friend more truthful than diplomatic, that a particular proud creation tasted “like dreck”. Not the first or last winemaker determined to make a critic drink her own words, Sperling bottled the first Spatzendreck in 1961. Nearly fifty years on, how nice it is that parts of our wine industry can still muster enough humour and charm to see to it that such historic products are still around, in defiance of good taste and international standards of excellence.

The wine itself? It tastes like ... er, sweetish, grapey stuff.

As to those excreted coffee beans, I’d vaguely heard the story but thought the defecators involved were goats rather than birds. This suggestion made Emile retract (“Do you know what some people do to goats? I don’t want to get mixed up in that.”). In fact, I learn that this gourmet curiosity involves an Indonesian animal called the luak, which adores the fruit of the coffee bush. Its digestive process usefully removes the tough stuff around the bean, thereby imparting a certain something, as you might imagine. Sumatran villagers rootle around in luak droppings, collect the beans and sell them to connoisseurs for a vast price.

Sadly, it’s hard to envisage transferring this methodology to top-end wine production – but then, wine producers manage to get ridiculous prices even without such murkily romantic origins for their grapes.

The goat story I’d been confused by is one



The French authorities protested, and started legal action – the effect being not only to make everyone laugh derisively, but also to give the wine lots of free publicity

of those once-upon-a-time tales about the discovery of coffee. In Arabia (or perhaps Ethiopia) lived dull Kaldi the goatherd and his equally world-weary goats. One day Kaldi found his charges gleefully dancing about, having consumed the berries from a nearby shrub. Investigation and experimentation soon led to Kaldi dancing too, with the rest of the world not long behind.

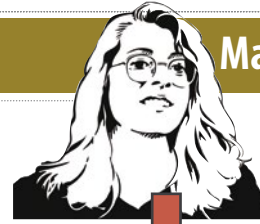
No-one beats us winelovers at gleeful dancing, of course.

And no-one beats Charles Back of Fairview when it comes to making lucrative connections between goats and grapes. In the forms of cheese and wine, they have long been offered by Fairview in a pretty big way. Then the Goats do Roam Wine Company emerged to push the goat-wine link, expanding from one original pun: a wine named to have a laugh at (and gently exploit) one of Europe’s best-known wine appellations, Côtes du Rhône.

The anxious French authorities protested, and obligingly started legal action – the effect being not only to make everyone laugh derisively, but also to give the wine lots of free publicity. There are now nine wines in the range, which is doing substantial business around the world. I tried them all recently, and was just moderately disappointed in some. Favourites were probably the superior level Goats do Roam wines, both white and red versions (“in Villages” is added to these latter names) – but at R72 and R50 respectively, they’re pricey, though juicy and interesting.

Better value might be the latest red offering: Goatfather (R52), whose splendidly absurd label features a Mafioso goat trying to look like Marlon Brando. The opportunistically claimed Italian connection lies in some of the varieties used (babera and primitivo), which contribute to a richly tasty and individual offering. There are also Goat Door Chardonnay, Bored Doe and Goat Rotie (Côte d’Or, Bordeaux, Côte-Rôtie – gedditt?), with labels wittily related to the appropriate French traditions.

All worth trying, but for better value leave the tourist bustle at Fairview and go a few farms down the same road in Paarl to Landskroon for the characterful Paul de Villiers range. Certainly the Shiraz and Reserve I tried recently have a touch of real class, but are modestly unshowy and good drinking; at under R50, excellent buys. No kidding. **TJ**



You gotta laugh

IN 1852, to the consternation of some and the amusement of others, several articles lampooning prominent citizens appeared in the *Hannibal Journal*, creating quite a stir. It was the work of teenage Samuel Clemens, aka Mark Twain, who had been put in charge of his uncle's newspaper while he was away. His uncle was angry and upset – until he realized his readership had increased enormously. Twain later explained that he did it “not because they had done anything to deserve it, but merely because I thought it was my duty to make the paper lively.”

Today, perhaps more than ever before, we need satire. We live in a world of senseless wars, crooked politicians and a few Anna Nicole Smiths too many. One can be forgiven for concluding that the evening news has become just another vehicle for mass entertainment, designed to appeal to the lowest common denominator.

Consider the Internet. For the first time in history Average Joe has immediate access to “experts” defending every point of view under the sun. Are you in need of “talking points” to defend your latest heartfelt opinion or most ingrained prejudice? Focus-group-tested arguments in favour of your chosen position are only a keystroke away. And you get this information for free, thanks to the ubiquitous World Wide Web.

One might argue that our almost unlimited access to unchecked information has made us the least informed generation since Gutenberg invented the printing press.

It's so counter-intuitive, it's funny. And perhaps that's why satirical journalism or “fake news” has become so popular. It is the antidote to hypocrisy and lies. It exposes the skollies dressed as politicians and the stenographers posing as journalists, by making us laugh at absurdities that, sans the satirist's pen, are all too easy to accept or ignore.

Recently, it was found that a growing percentage of Americans cite “fake news” shows such as *The Daily Show* and the *Colbert Report* (www.comedycentral) as important sources of information regarding current events.

And get this: prior to the 2004 American election, the National Annenberg Election Survey of the University of Pennsylvania found that Daily Show viewers had “higher campaign knowledge than national news

Today, perhaps more than ever before, we need satire. We live in a world of senseless wars, crooked politicians and a few Anna Nicole Smiths too many

viewers and newspaper readers – even when education, party identification, following politics, watching cable news, receiving campaign information online, age, and gender are taken into consideration.” (www.annenbergpublicpolicycenter)

Ironically, people who watch “fake news” are arguably the most politically informed because it's often through laughter that the truth is revealed.

Pieter-Dirk Uys (www.evita.co.za) once said: “Truth makes people laugh. If you take things that make people angry and frightened and you confront them with it in a place of entertainment, then certain things are outed and hopefully the audience learns that it is not about fear, and they see things in a different light.” He was talking about satire on stage, but the same is true of fake news.

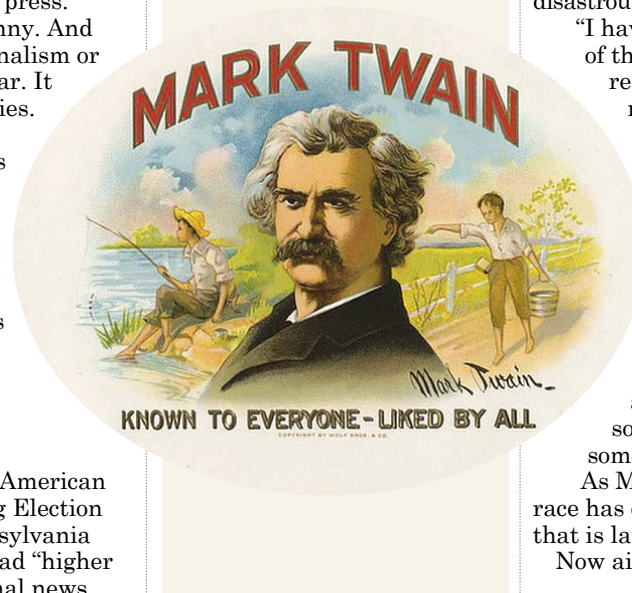
There are thousands of sites dedicated to news-based satire on the world wide web that make fun of our world today. *The Onion* (www.theonion.com/content), “where the only sacrilege is not being funny”, is arguably the most prominent. For much of the same with a South African flavour, go to Kung News (www.kungfone.com). “It's better than no news” their slogan boasts. Check out *Joe Ma se Nuus* on their website. “We're doing this to get the truth out there,” says Ma. “We've realised that if you're getting your news from the television or the paper, you're eating from the poison bowl; even the radio is under the control of the authorities and we can't afford to put the truth in the hands of government – that would be disastrous...”

“I have made a commitment to the people of this great land, I will tell them what's really going on. It may look like I'm not always right, but I don't shy away from mistakes, I embrace them, I owe the people of this country that. Too often, we've accepted what we're told by the mouthpieces of the state. That must end. It's time you got the whole truth and made up your own mind,” says Joe Ma, tongue firmly in cheek.

Perhaps humour allows us a fresh perspective. If there is something to laugh about, there is something to think about. Seriously.

As Mark Twain once said, “The human race has one really effective weapon, and that is laughter.”

Now ain't that the truth. ▣





Croc knock-off lockup

MOST PEOPLE AGREE THAT counterfeiting is a very bad thing, more heinous even than ... now what's really gross? ... conducting a loud cellphone discussion in a crowded restaurant. And most agree that we need a rigorous law to deal with it. A law that allows the authorities to seize goods thought to be counterfeit, so that criminal or civil proceedings can be brought.

So three cheers for the Counterfeit Goods Act – *Hip hip hooray for it's a jolly good law, for it's a jolly good law, for it's ... (that'll do thanks!)*

Why then are there so many stories about the search and seizure procedures for counterfeit goods being abused?

The latest of these involves Crocs (those silly plastic things which replaced shoes a year or so back). According to newspaper reports, Shoprite Checkers (or whatever that non-descript chain of shops is called these days) has sued SARS for the return of the 10 000 pairs of shoes which they seized (pop in to your local tax office and you'll notice they're all sporting bright orange footwear).

Why the seizure? Did Checkshop Ritters forget to submit a tax return? Nope, much worse – the shoes were supposedly counterfeit.

Now to confiscate 10 000 pairs of shoes is pretty serious stuff, even if the importer is a company the size of Checkrite Shoppers. So you'd think the step wasn't taken lightly. But thinking inevitably brings disappointment. Because, if Riteshop Checkers is to be believed, the magistrate who issued the warrant didn't have all the facts: letters which the company had sent to SARS denying that the goods were counterfeit were withheld from him, and it wasn't even made clear to the magistrate on what basis the shoes were deemed to be counterfeit.

And consider this: even had a full case been put to the magistrate, what are the chances that the matter would have received proper consideration? Some of our very best friends are magistrates, but it's simply a fact that very few have intellectual property law experience. And a case like this raises some tricky issues.

For example: the Counterfeit Goods Act

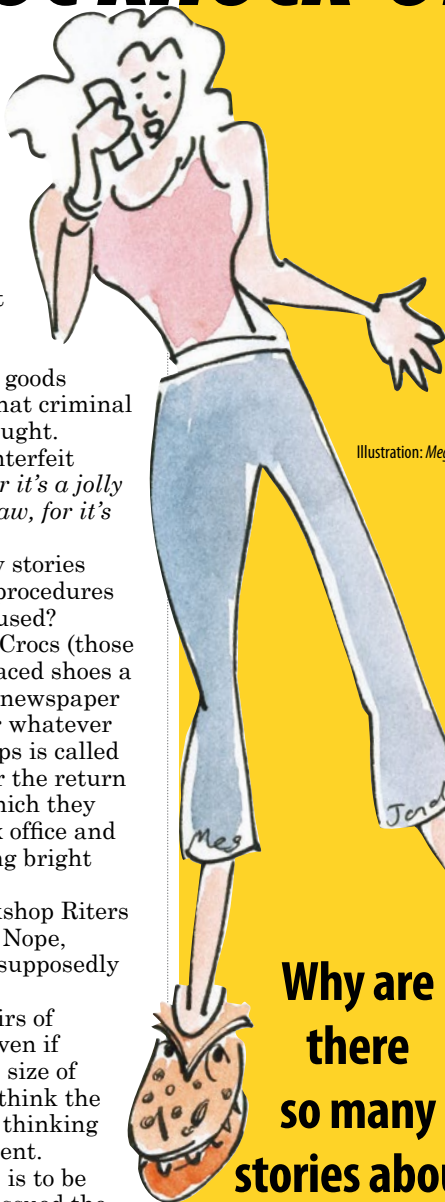


Illustration: Meg Jordi

Why are there so many stories about the search and seizure procedures for counterfeit goods being abused?

is a masterpiece of gobbledygook, but it basically provides that it is illegal to deal in counterfeit goods. Counterfeit goods are those made without the authority of the owner of a South African "intellectual property right" and which infringe that right. "Intellectual property right" is defined as a trademark, a well-known mark, a prohibited mark and anything which enjoys copyright protection in South Africa.

But it's clear that the goods which were seized did not feature the brand name Crocs, or the crocodile logo which is used with it, but the name Sport. Yet this led the Crocs' director for product development to deduce (and assure the magistrate) that the goods must be counterfeit, because genuine Crocs goods always feature the name and the logo.

Now there's a *non sequitur* (a Latin term for bollocks) if I ever saw one.

The fact is that the shoes only become counterfeit if they infringe an intellectual property right of Crocs. And if the shoes didn't carry the name and logo that right wasn't infringed. Was some other intellectual property right involved?

As *The Law of the Brand* has explained plenty of times, product shapes can be trade marks. So perhaps this was the issue. Now this area of trademark law is increasingly controversial, and the courts are extremely reluctant to recognize trademark registrations for product shapes: the highest court in Europe held that a Philips registration for a three-headed shaver was invalid, and our Supreme Court of Appeal did the same thing for an oval tablet shape registration.

It's not entirely clear what the law on product shapes is right now. But it seems that before a court will uphold a shape trademark registration, it must be shown that the shape is significantly different from the norm and that it has been used for so long that the shape is seen by the public as a brand or distinguishing feature. Copyright law does protect product shapes but this protection is very limited – basically the law holds that where the product is more utilitarian than aesthetic there's no protection. And though we're prepared to concede that some shoes look nice (although not Crocs), for the most part we buy shoes so that

we won't get sore feet. It is possible to get a design registration for a new product shape, but there is no mention of this in the Crocs case. In any event, registered designs fall outside the list of intellectual property rights covered by the counterfeiting act.

A statement made by the Crocs' man makes us think that this may have been the basis of the seizure. He said that thousands of pairs of Crocs shoes are sold in South Africa every month and that, as such, he is "of the view that the Crocs shoe design trade mark is known to a substantial number of people in South Africa".

Now it may well be true that when people see shoes of this type they think Crocs rather than "Yuck, sweaty feet" or "Gosh I'm glad I can afford leather", but well-known mark protection is actually intended for the seriously big boys (McDonalds and Gap have both been held to qualify). In fact there's a case for saying that it only applies to marks which haven't been used here. It certainly doesn't, we think, apply to the shape of a shoe that's simply the flavour of the month.

So why exactly were the shoes seized? **11**



"Whenever Mother's Day rolls around, I regret having eaten my young."

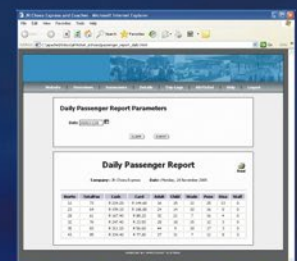
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Chestnut



Illustration: Harold Strachan

WE HAVE THIS fearsome huge rooster name of Francis, you see, size of a small turkey, long iridescent green tail feathers, great golden mantle, lurid scarlet comb and spurs like a couple of cavalry sabres, with which he leaps enraged and in vain at pied crows sitting on the garden wall eyeing his chicks. Towards sunset Francis hunts insects for his ladies, clucking and fluttering and pointing with his killer-beak at unlucky prey down in the grass. If the lady in question is a bit slow he'll pluck it out himself and feed it to her; every hen must have a bedtime snack before he shepherds them into their *hok* for the night. Then he hauls up the back stairs to perch on Susie's piano, shaking his feathers and settling down after a good defecation down the French polish.

But Susan, dear heart, we say to her, you can't just let this bloody bird shit all over such a valuable instrument, I mean Beethoven's own piano was a Broadwood, you know, I mean we did have to scrimp and scrape to get it for you, you know. All that parental nag we lay on her. Yes and Beethoven would have loved such a mascot, says she, it would go with the *Emperor Concerto*. She tickles Francis under the beak and he goes all dreamy. She sits down and plays a bit of ol' Earwig and Francis fluffs up and beds down and emits a low-resonance sort of gurgle.

At 5 a.m. it's light enough inside the house to be seen as dawn, and Francis opens his eyes and stands tiptoe on the piano and slams his goddamn wings about and yells COCK A DOO DULL DOO!! like all bedlam inside our resonant wood-and-iron shell and all curse him and cry Ar shurrup! and Footsack Francis fer Chris-sakes! and put pillows over their heads. All except me, that is; I have to seize him and fling him yelling down the back stairs to herald the bloody sunrise somewhere else. That's how I presently come to be on egg patrol, seeking the family breakfast in curious garden nooks.

It's Saturday, I phone Dougie, from Edinburgh, and his pretty lover, name of Gwen. How about tonight for a braai? say I. He's getting rapidly S African. Och shame, says he, his cousin from home is a cadet officer on a great 26 000 ton bulk carrier

called the *Vancouver Island*, presently in harbour, and he and Gwen are going to visit him on board this evening. Well why don't all three of you come here instead? say I. Well actually, says Dougie, he's got his friends ready for us too, three of them including the first mate. Well bring the whole bloody lot, say I, and he does.

Class personae are all mangled up in South Africa. Here black workers don't declare their sensibilities to white folks, only black middle-class lefties explain these sensibilities, and the white working class scarce knows what its own sensibilities are. But these lads are uncomplicated. They are Clydeside mariners from a long history of shipbuilding and seaman-ship. Me own father was an artisan in a Clyde shipyard, a metal turner, so these men are part of my old family, in a sense. And what an experience for my new family: easy talking, easy communication, and roughly of the same generation too. Young Sandy Chestnut is but seventeen.

This is what in Glasgow you would call a wee harrd mon. His hands are tools on the end of his arms. What he's used them for is anybody's guess: lifting, shoving, wrenching, fighting in the street maybe, he's got a small off-centre nose which would go with this last, perhaps. But cheerful of song and jest, and his name goes with his eyes, dark chestnuts beneath a level brow. We come indoors when the insects pester us, and sit about and drink beer and tickle Francis under his beak and exchange merry jokes about musical fowls.

And who plays the piano, then? says the First Mate, examining all the certificates in their frames up top there next to the poultry. Susie! he exclaims. Come on lass, give us a tune. But Susie is embarrassed, not about performing, she's used to that, make no mistake, but because she doesn't know the sort of prole pop music these blokes would like. That's okay, says he, play for us what YOU like, then. Well she's not coy and silly, so she does. We don't have too many chairs, Sandy sits on the floor next to the piano, leans against the wall, arms folded on knees. All are intrigued to see what a fourteen-year-old can do. Susie rifles through her pile of sheet music and chooses the *andante* movement from her favourite Mozart sonata. Starts gently with the simple melody, and as this develops, more intricate, more emphasised, I notice Sandy Chestnut has his forehead resting on his folded arms and I realise, you know ... he is quietly weeping. I can tell by the movement of his shoulders. Pretty he knows about, but how should he know something as passionate as this ever existed? In his stark childhood world? His monotonous sea-world? **■**

**But Susan,
dear heart,
we say to
her, you
can't just let
this bloody
bird shit all
over such
a valuable
instrument**

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