



Not for Sale to Persons Under the Age of 18.



Siemens greases the palms

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Letters

Man, o man!

If you unscramble the letters of "Caster Semenya" you get: "Yes a secret man."

Antoine

Mas de Panis, France

Just for the record

Thank you for allowing us to download the electronic version of the September edition of noseweek. Our blind and print-handicapped library members, who eagerly await our books, and particularly the recorded edition of noseweek, are victims of

Ray of hope

My copy of *nose*119 arrived more than a week late because of the postal strike. No government department should be allowed to have a union affiliation, let alone go on irrational strikes which are totally disruptive of the economy.

I agree that the source of the problem is a weak government. One cannot point to a single government department which is not in disarray or involved in some form of illegal activity.

So we go on moaning

Waiting for full service

For two weeks I have been every day to my local post office (Northway, Durban North) to collect post. The attitude of the newly installed all-black staff, on my asking when we can expect full service to be restored is, simply: "Screw you, pal ... we actually don't give a damn".

Johnny Everitt

Durba

Daily lives coming unstuck

Your comments about where "the real problem lies" is

selves with him for selfpromotion? Maybe I should write to Merv and suggest that it be part of King MMXXICMXXII (a)?

Emil Rorke aka King Zero

Muizenbera

Medical suicide

"Visit safer South Africa" in nose118, refers. I'll say things aren't a lot better in the UK. According to your figures, there are 120 iatrogenic deaths per 100,000 there, compared to 75 in the US. Not that anybody will ever confirm it, but I'm prepared to bet that the number in RSA is many times higher. And if they ever implement the hare-brained NHI scheme, double that again. My doctor once said to me: 'If you want to commit suicide, just check into a government hospital'.

Tony Lavine

Linbro Park, Gauteng

So you'd rather Discovery Health paid for your death bed lie-in, and not the taxpayer. As a taxpayer, I'll go along with that. – Ed.

Getting in a Twisp

Being a Twisp smoker, I read with interest your article about Twisp e-cigarettes (electronic cigarettes). Scientific American's report regarding the FDA findings is a bit one-sided. Thanks to articles like yours, I did a fair amount of research before exchanging my deadly smoking habit for another, less deadly one!

The FDA apparently analysed 18 cartridges from two companies – but there are many, many companies out there. Look at website rodutobaccotruth.blogspot. com/2009/07/fda-crusadeagainst-e-cigarettes.html for a more detailed insight into the FDA findings. According to Twisp, Twisp liquids do not contain substandard ingredients which would show traces of diethylene glycol (cheap propylene glycol) and nitrosamines (tobacco

My doctor once said: 'If you want to commit suicide, just check into a government hospital'

the postal strike and we are grateful for this gesture of expediting the latest edition to us.

We will be recording nose119 immediately and sending it to our library members. It is on their behalf that I thank you.

Pauline Hoffman

National Director Tape Aids For The Blind, Durban as there is little else to do except to hope that, one day, something will click into place and allow South Africa to become an efficient and vibrant state. At least noseweek offers a ray of hope by demonstrating that it is not afraid to tackle problems head-on.

Deneys Sutton

Pater Noster

worth some investigation. One could start with a score card ala M&G; it would be interesting to ascertain just how many aspects of our daily lives are coming unstuck at the incompetent hands of the present administration.

Rod Morgan

Kelvin, Johannesburg

Still prefer hard copy

Because of the postal strike I had not received my latest noseweek, and was rather peeved. Then, along came your kind offer of access to the September issue online. I still prefer the hard copy, but thank you for looking after your subscribers.

Sue Wingrove

Glenwood, Durban

King of the castle

I had a look at the Mervyn E King website, as suggested in your editorial (nose119) — and I think you're just jealous because you don't have a pic of yourself embracing Nelson Mandela on your website.

Talking of which, don't you think that the ex-President should levy royalties on those celebs great and small who use photos of them-

Gus



residue) – these were the two main culprits in the FDA report (and yes – I chose to believe Twisp). E-cigarettes have been around since 2004 and are considered 95% safer than traditional cigarettes, with no second-hand smoke effects to others.

Even Dr Joel L Nitzkin, chair of the Tobacco Control Group for the American Association of Public Health Physicians has written to the incoming director of the FDA asking them to reconsider their stance on e-cigarettes.

In closing, don't shut down all the Twisp batteries yet. I am still loving mine. If you're still sceptical, here's a quote from a friend of mine who, after reading your article, said: "The e-cigarette sounds great to me: still potentially deadly – to eliminate stupid people – but safe for the innocent people around them."

Gail van Jaarsveldt

Cape Town

Malema the Mouth

Every time Julius Malema opens his mouth, I am annoyed by his blatant hate speech. Is he the real mouthpiece of the ANC? By not removing him, they are clearly advocating what he says.

Too often in the past political movements have hidden behind controversial persons such as this, whom everyone dismisses as "young and reckless", or even naive. But the reality is that what he says is getting to the youth

of the country, and influencing them negatively. The ANC may tell the nation to ignore it, but they do nothing to stop it.

So future dictators take

Jason Fivaz

Running to Canada

their first baby steps.

Re: your reminder to renew my subscription.

Much as I enjoy your monthly *skinner*, we are joining the rats leaving the sinking ship. No, not packing for Perth, we are off to Canada. Once we are there and sorted out, I will most definitely subscribe on line – impersonal, but that will have to do.

You will be hearing from me again.

Gem Trompeter

ex Constantia

Hope you haven't told any fibs in your immigration papers – or we could be seeing you again soon. In any event, we expect a full report, in due course, on how Eskimo domestic workers shape. Do you also have to lock up the sugar there? Or will you be looking for a French housemaid (wink-wink, nudgenudge)? – Ed.

How not to get screwed

Noseweek makes for a refreshing read, even in faraway Ipswich, UK. And it's nice to see that there's a strong voice against corrution in SA.

You always report on bent professionals when they have gone far down the road in their criminal activity. In the light of all the corruption by these so-called professionals, could you not publish a layman's guide to what could be reportable actions?

For example: is an auditor allowed to practise while having multiple judgments for debt recorded against him?

Are accountants and auditors obliged to return documentation to clients? Is the late rendition of a client's tax return, which incurs a penalty, regarded as acceptable conduct?

A Victim Ipswich, England

PS: Might you be interested in a Cape Town southern suburbs accountant that has left a trail of unfinished business, and is currently the subject of disciplinary proceedings at the IRBA? *Male or female?* – Ed.

Someone ate our pension

With reference to your carefully researched article "The rats who ate our pensions" (nose119): Gencor pensioners have, since 1999, repeatedly complained to Sanlam regarding the poor annual pension increases granted to us. All to no avail. Even Ted Pavitt, one-time Gencor chairman, wrote to the financial director of Sanlam, in May 2003, expressing concern about the poor

Watch

Waking from his opium dreams he looks at me. Child-like, with steady curiosity, a calm surprise. Both recognition and a questioning: a girl reflected in his eyes, am I from his past, from this life or the next? He trusts me all the same, lets me hold his hand a while. but turns his head to watch the doves go about their own staccato busy-ness instead. Away from the low-voiced murmur of the corridor, the squeak of rubber soles, the swivelling wheels, to the window's play, of spanned and folded wings. Unconcerned by us, each strikes another pose swift flurry, skirmish; flutter, preen and strut as the line of sunlight rises to their ledge, bright water, a slow and even flood.

Isobel Dixon

investment performance and that the pension increase was only 2.5%. Even Mr Pavitt's efforts were ineffective.

The granting of poor pension increases is itself a serious abuse of pensioners. If Sanlam has looted possible surpluses in the Gencor group pension fund, why should we wait for their recovery when Sanlam has sufficient funds to exorbitantly reward its executives (at our expense)?

Some pensioners no longer trust Sanlam with the administration of their pensions. They now seek the right to have Sanlam pay to each pensioner the capital value of his or her own pension, as determined by independent actuaries (not by Sanlam's).

Clifford Mey & David Braude

Sandton

Perhaps it's high time that Sanlam disclosed whether or not they did indeed "extract value" from the Gencor pension fund.—Ed



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We are not amused

HIS MONTH'S COVER STORY shows how Siemens executives viewed their (standard) practice of bribing government officials – it was pragmatic; a way to do business. The company, they said, did not dictate political standards. "The customers determined our actions."

It starts innocently as "when in Rome, do as the Romans do", but often leads down a familiar racist path to "Africans are endemically corrupt and on the take, so you have to pay bribes to do business in Africa".

But, as the Siemens story quickly demonstrates, if your approach is cynical enough the whole world is endemically corrupt: The president of Germany can be corrupted (hello Mr Kohl), Norwegian army officers can be persuaded to take bribes, British cabinet ministers can be persuaded to think it's OK to milk their parliamentary expense accounts of hundreds of thousands of pounds.

It is probably true to say that most of us are corruptible. Which makes it all the more important that we should not be led into temptation. To succumb to temptation, is to succumb to the devil; to lead another into temptation is to play the devil.

In the Siemens case it is the corruptors who are really frightening. They sit back in the office and plan it as an intellectual exercise "for the company": they work out the niceties of offshore banking, they devise elaborate money-laundering schemes. When a difficulty arises with the scheme, they adjourn to the local pub to discuss it over a beer and *bratwurst*. All very *gemütlich*.

That's really sick: they're sociopaths!

Civilized people would have wanted to forget that, 65-odd years ago, Siemens put its engineering skills to designing really efficient gas ovens capable of cremating hundreds of bodies at a time. Maybe we shouldn't forget.

Dear Reader

The whole German system appears to be on their side. An organised, deliberate scheme of bribery conducted over decades; more than a billion Euros (R13bn) spent on thousands of bribes in four years — and noone from Siemens goes to jail. Not one. They get charged with "cheating" their own company — because their company didn't know, you see. Now there's a laugh! And then walk away with a fine (that the company, in all probability, pays) and a year or two of probation

Now that Siemens has spent just over two billion Euros on fines and legal fees, it wants to "draw a line" under the whole affair. Move on. It's just another financial transaction: We've paid our money, so now can we go home, please?

Not yet. They still haven't told us how much they paid to whom in South Africa. We hope they will. (We have some ideas of our own on the subject which we may yet get to share with readers, too.)

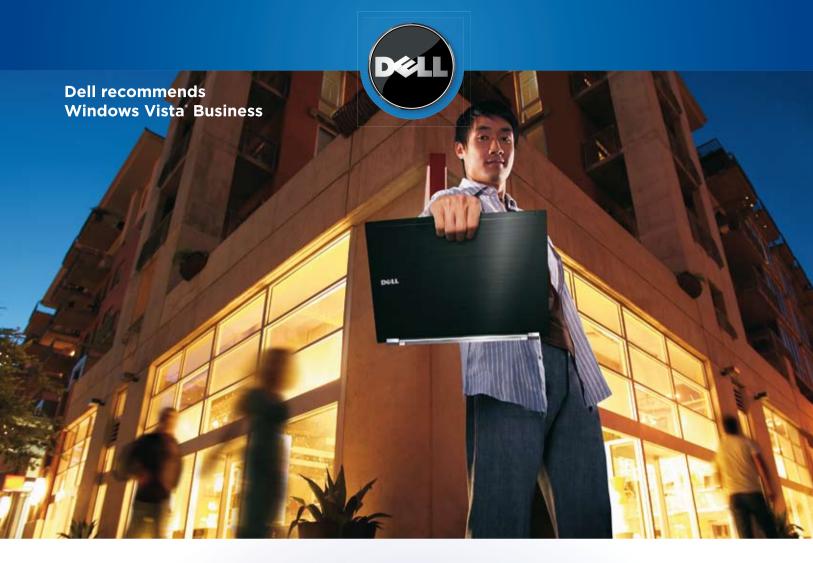
Ah, and then there's the final insult: "Nobody was hurt, except maybe the taxpayers of the country," a Siemens executive is quoted as saying about the hugely over-priced billion dollar contracts they obtained by bribery and corruption. We'll have a lot more to say about that subject in our next issue. In the meantime try telling that to the millions of South African who are unemployable and starving because they've had no schooling or training, because there aren't schools with properly trained and properly paid teachers, because the government has spent all the available money on keeping their friends at Siemens happy - and the "consultancy fees" flowing.

Investec's leak soup

omething strange happened on the way to the palace: we passed some men from the National Intelligence Agency going the other way – to Investec head office in Sandton. A passing bird whispered in our ear that the Reserve Bank has asked the NIA to investigate the unhappy leaks from Investec into the columns of noseweek. Which suggests that Investec

and the Reserve Bank have some mysterious common interest in keeping the lid on things — whatever those things are that they would rather the rest of us didn't know about. Are we perhaps back in the age of secret Reserve Bank lifeboats? Or is it something altogether new and more exciting? We can't wait to find out.

The Editor



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puts it about

Figure it out

R NOSE WAS casually perusing a reader's monthly Absa bond statements for the last tax year (March 2008 to February 2009) when he noticed something interesting: the monthly "service fee" charged by the bank had rocketed up, and up again. Absa boasts that it has the major share of the SA bond market. Its News and Market Information Sheet of 7 November 2007 gave a specific figure: 650,000 Absa bondholders, country-wide.

Now, let's check what they didn't advertise:

In March 2008 the service fee charged on an Absa bond account was R7 per month. In May the figure went up to R13, an 85.7% increase. That held for just three months. In August it went up again: to R25, a 92.3% increase on the previous increase – or a 257.1% increase in less than 12 months.

R25 per month isn't the end of the world, you say? OK, but now multiply the monthly figure at the beginning of the year by 650,000 bonds: Absa was pocketing R4.55m plus R637,000 in VAT each month, or R54.6m plus VAT per year. Then multiply the increased fee at the end of the year by the same number of bonds - and you get a staggering R16.25m, plus R2.275m in VAT per month, or R195m to the bank, plus R27.3m in VAT to the government, per year - more than three-and-a-half times as much as the previous year.

When it comes to making easy money, the above may be the instant recipe we're all looking for. Regrettably, few of us have a client base large enough to generate such a significant increase in our income, almost unseen.

Just let an accountant, medical doctor, physiotherapist or attorney

increase his fee – or a magazine increase its cover price – by 257% within 12 months and see the uproar. Chances are, the government would intervene.

Remember, the figures above relate to only one portion of any bank's business. If all the banks have raised their bond service fees by similar percentages – and chances are they have – the overall amounts involved are truly huge.

Why has the government not acted to limit the fee increases? Because it's getting a cut of the increase: R20m in VAT on the Absa raise alone. (Remember the bulk of bondholders, private home-owners, cannot claim back the VAT.) Multiply that by the mortgage books of all the banks, and you'll understand why the government has joined the conspiracy, by keeping mum.

And have you noticed how, of late, the service fee thing has popped up in instalment sale agreements too? Hello!

No place like home

AST DECEMBER, when a friend reported how smoothly her visit had gone to the infamous ("new improved service") Wynberg Home Affairs, to apply for replacement of her ID document, Mr Nose wasn't sure whether or not to smile his crooked smile. "With the fingerprinting, they scan your prints as well as doing the normal inking," she declared.

Well, the friend phones in March to find out whether it's back from Pretoria – it's not, so she goes in to renew the temporary ID (again quick and easy – an early morning visit). Phones in June – sorry, not back yet.

Come September the friend calls again. "Didn't anyone phone you?" asks the voice on the other end. "It was rejected and sent back from Pretoria because the fingerprints weren't done properly."

When she goes in to have them done again, the friend discovers a date stamped on her rejected application – it's been sitting in a drawer at Wynberg Home Affairs for five months, since April. No, no exclamation mark on this one.

The Standard treatment

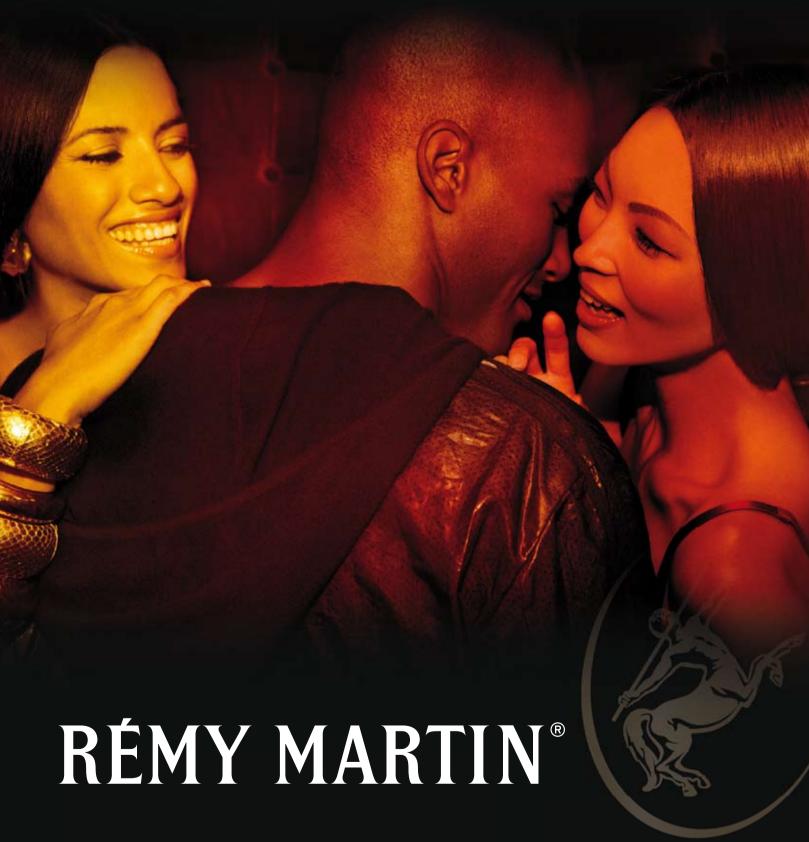
ot wanting to owe money to the bank forever, a friend of Mr Nose paid the final settlement amount at the end of June to close her credit card account. Yippee, no more payments. But, surprise, surprise, at the end of August a new statement arrived with a charge of R52.14. What for? No-one knew, but no problem, we'll reverse it, said the very kind gentleman at the call centre.

So, at the end of September a new statement showed that the reversal had been done, but a new charge had been added. The bank wanted another R21.70. Another phone call to the call centre. What is this amount for? Oh it's the charge by

the branch to do the reversal. Huh? That's ridiculous – they're charging to reverse their entry that shouldn't have been there in the first place. How to get this charge cancelled? The only way was to visit the branch, queue for a "consultant" and after almost an hour be told, sorry we can't do the reversal here.

Ah, so that's how Standard Bank make their money. Luckily Mr Nose's pal has friends in high places and one call later the amount was deleted and an apology received from Standard Bank. Mind you, nothing in writing; that's just not their style.

THINGS ARE GETTING INTERESTING



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Cat among the pigeons at NSPCA

Court ruling could bring house down

THE NSPCA IS TRYING to muzzle two of its most outspoken critics in the run-up to the society's annual general meeting. Pat Werdmuller von Elgg and Francois van Wyk have both received lawyer's letters threatening them with interdicts if they don't stop making "false and/or defamatory statements" about the society and its CEO, Marcelle Meredith. The letters were signed by Meredith's friend, legal advisor and the chairperson of the NSPCA board, Jane Marston.

Werdmuller and Van Wyk, who were quoted in "Dogfight at the SPCA" (nose118), are campaigning to have Meredith sacked for incompetence, financial mismanagement and her (self-acknowledged) dictatorial personal style. Their concerns are shared by many others close to and within the movement, as well as by investigators for the Office of the Public Protector, and the University of Cape Town's Centre for Conflict Resolution.

Van Wyk, chairperson of the Wellington SPCA, believes the threat of an interdict was part of a campaign to prevent him standing for election to the NSPCA board. He is one of two nominees from the Western Cape, the other being the CEO of the powerful Cape of Good Hope SPCA in Cape Town, Allan Perrins.

Funny thing is, it was Perrins who originally persuaded Van Wyk to put his name forward, and promised him his support. "I was very surprised to hear he was standing against me. I was pissed off," Van Wyk said.

In spite of this betrayal, five of the province's 11 societies have nominated Van Wyk, and he is confident he could win over more before the AGM. "Good Hope already has a representative on the board. The other societies know it's in their interest to have at least one director from a small town, who understands their problems," he said.

"But I think Meredith wants to suspend me. Or at least put me in bad standing so they can disqualify my nomination." Indeed. Within days of receiving the lawyer's letter by email, Van Wyk's Wellington outfit received a surprise visit of inspection from NSPCA liaison officer Megan Loxton, another of Meredith's chums. Van Wyk is sure Loxton's report will contain a whole list of transgressions and result in "a truck-

load of 30-day letters", a form of reprimand that Meredith is accused of using to put her critics in bad standing, so depriving them of the right to participate in meetings. The AGM takes place on 17 and 18 October.

Both Van Wyk and Werdmuller von Elgg say they will oppose the interdict if it comes to court. Werdmuller, the 82-year-old former chairperson of the McGregor SPCA, who now runs her own animal welfare service in the village, insisted there had been "no lies, no defamation".

"I've been saying the same things since 2006. Why does Meredith suddenly want to shut me up? She is obviously trying to muzzle her critics before the AGM".

In defiance, Werdmuller has circulated a statement to all South African SPCAs, the World Society for the Protection of Animals, the Department of Agriculture, the Office of the Public Protector and selected media, alleging that Meredith performed badly in a skills assessment conducted following a recommendation from the Centre for Conflict Resolution. The statement claims the psychologist's report was sent in error to Allan Perrins at the Good Hope SPCA, and that Perrins let slip, to an unnamed third party, that "the report was highly critical of Meredith's abilities and personality profile to be in the CEO position".

In his response to Werdmuller, which he copied to *noseweek*, Perrins denied having said any such thing. "Dear Pat, Please desist with the distribution of this rubbish," he writes. "It is nothing more than sensationalism which could only have emanated from a single, disgruntled, cowardly source who I can only imagine has a huge personal axe to grind with certain individuals in the SPCA profession, including me".

Werdmuller says the statement "can be confirmed by several parties" and that she will produce affidavits if required. Speaking from her bed, where she is recovering from an operation, she said she had received support from SPCA members around the country, and would continue her campaign "to the bitter end".

Noseweek had no reply from Perrins to questions about his change of heart regarding Van Wyk's board nomination. Nor could we elicit comment from Marcelle Meredith or Jane Marston.

TUCKED AWAY in the property section of the Weekend Argus early last month was a report that noseweek readers should find most gratifying: The Grahamstown High Court has ruled that Rhodes tax professor Matthew Lester's Kenton-on-Sea property development is illegal.

Readers will recall how, in 2002, Lester erected an additional house, of arrogant proportions, on the same site as his parents' modest old holiday cottage, in the process obliterating his neighbours' sea view. He subsequently accepted in court proceedings, in 2006, that it did not comply with the law. Lester then applied to the provincial MEC for local government in the Eastern Cape to sanction his breach of the law – which that worthy carelessly proceeded to do, without bothering to consult the neighbours.

Now the court has ruled that these plans could not be approved, and has substituted the MEC's decision with its own, namely, that the application by Lester for the removal of the restrictive conditions be refused.

The application to court was brought by a neighbour, James Haslam, and was supported by the Kenton-on-Sea Ratepayers' Association.

The *Argus* report quotes the association's chairman, Doug Walters, saying: "The court has once again confirmed that restrictive conditions in the title deeds of township properties cannot be removed arbitrarily, without proper consultation with other affected property owners. Restrictive conditions are inserted in title deeds to provide for the orderly and controlled development of a township."

Lester's neighbour has now initiated court action against Ndlambe municipality to force it to implement the National Building Regulations Act, which requires that, if building plans are not properly approved, the local authority is required to take steps to have the illegally erected structures demolished.

Freedom – after 13 years in jail

IMMY DE LANGE, whose story was told on these pages, has finally been paroled. After months of legal battles to get the Parole Board to grant him an audience, it took the board just under an hour, on 2 September, to determine that, after 13 years behind bars, he should be released from Leeuwkop prison.

In 1996 Jimmy was presented to court as a drug dealer who had shot dead 19-year-old drug junky Meloney Kriel when she tried to rob him for money with which to clear her drug debts. Nose92 reported the findings of our own investigations, and raised questions on the role played by Captain Hansie Prinsloo of the Pretoria Murder and Robbery Squad. Noses61&83 had fingered Prinsloo for producing wit-

nesses to bolster a faked charge of arson against a fire-insurance claimant.

Over a year after that first *nose*92 story, *noseweek* stumbled on a report filed to the Department of Correctional Services by the same Captain Prinsloo, while acting as investigating officer on the case, where he described Jimmy as a "pathological liar... and manipulative drug dealer who spent his leisure time taking drugs" (*nose*106). That was all the Parole Board needed at the time to decline any early release of this apparently wrongly-convicted man.

Unlike during his trial in 1996, for Jimmy's Parole Board interview he was supported by a battery of advocates from private practice and the Wits law clinic. Talking to *noseweek* from Leeuwkop prison, an emotional

Jimmy said: "I'm grateful to all who cared to look into my case, and especially your team in Cape Town. I can never afford to pay you for your time and tenacity."

Asked what he plans to do with his life, Jimmy replied: "I'm being released but I won't be free. With the legal services afforded me by well-wishers, it will be my mission to clear my name. My attorneys have obtained loads of evidence that could be used to help overturn my conviction. The truth is I shot the deceased, but only after she repeatedly shot at me. It was self-defence but the cops decided to have me prosecuted for my fatal shots. I'm sorry that she died, but I shouldn't be entirely blamed for it. I was convicted on false charges.

"After clearing my name, I'll return full-time to UNISA to complete the honours degree in accounting which I started while in prison."

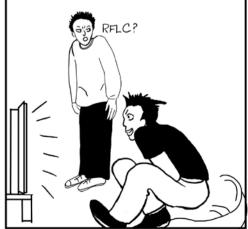
Stent













BRIBERY..

Just another line item at Siemens

The German multinational greased palms all over the world as a matter of course, say Siri Schubert and T. Christian Miller. How likely is it that South Africa escaped their largesse?



half asleep in bed when his doorbell rang early one morning in November 2006.

Still in his pyjamas, he peeked out his bedroom window, hurried downstairs and flung open the front door. Standing before him in the cool, crisp dark were six German police officers and a prosecutor. They held a warrant for his arrest

At that moment, Siekaczek (pronounced See-kah-chek), a stout, greying former accountant for Siemens AG, the German engineering giant, knew that his secret life had ended.

"I know what this is about," he told the officers crowded around his door. "I have been expecting you."

The first thing they asked for was the key to his safety deposit box, he recalls. A short while later, he was driven to jail, to be locked away for two weeks in investigative custody. Siekaczek had already decided to cooperate fully with the investigation. He produced 38 file folders with documents he had collected over the previous two years and had stored in a secret place (not his safety deposit box). The documents illustrated the type of shadowy dealings that had been going on within Siemens for decades – but mainly they served to prove he was not the only senior company executive who knew of and approved the bribes. Those folders proved a treasure trove for the prosecutors.

To understand how Siemens, one of the world's biggest companies, ended up paying \$1.6bn in the largest fine for bribery in modern corporate history, it's worth delving into Reinhard Siekaczek's unusual journey.

According to German and US court records, Seikaczek, as a mid-level executive at Siemens, had been one of several people who arranged a torrent of payments that streamed to well-placed government officials around the globe, from Vietnam to Venezuela, from Italy to Israel, to Russia, Nigeria and Bangladesh.

What is striking about Siekaczek's account of those dealings, which flowed through a web of secret bank accounts and shadowy consultants, is how entrenched corruption had become at a sprawling, sophisticated corporation that, externally, embraced the nostrums of a transparent global marketplace built on legitimate business transactions.

Siekaczek says that, from 2002 to 2006, he oversaw an annual bribery budget within his own division of about \$40m to \$50m. Company managers and sales staff used the slush fund to cosy up to corrupt government officials, worldwide. The bribe payments, he says, were vital to maintaining the competitiveness

Join the dots...

■ In 1991 and 1992 Michael Addinall, at the time a project manager for Siemens, was stationed at the military airport at Molepolole, working on a defence project known as 15-13-23.

Siemens management (two individuals are named in a dossier compiled by Addinall) provided R250,000 as bribe money to the owner of a local clearing agency, Morgan Oagile, to obtain a zero-rated customs duty and VAT permit, which Oagile procured from a senior military contact in Botswana.

Siemens Southern Africa's response when asked for comment in April 2004: "Siemens management is not aware of any suspect payments made on this project [15-13-23], or any other."

- More recently, concerns were raised in Parliament over the 2007 snatch by Siemens of the controversial tender to implement Home Affairs' "Who Am I Online" project, which had mysteriously soared in cost from an original R780m to R2bn. Then Home Affairs Minister Nosiviwe Mapisa-Nqakula referred the deal to the auditor-general for investigation.
- Before SABC CEO Dali Mpofu was suspended in 2008 he was in hot water for signing a R330m digital migration contract with Siemens. The SABC board accused Mpofu of signing the contract (in September 2006) without following procedure or having the required authority.

■ In a 2006 profile, the Financial Mail wrote: "With 60% of Siemens's business coming from state institutions, maintaining sound relationships with government is a crucial part of the company's modus operandi. Siemens's local executive director of corporate affairs and stakeholder relations. Bheki Khumalo. would seem to be ideally suited to the job. Until last year he was in then President Thabo Mbeki's inner circle as his spokesman. His contacts in government are second to none. Previous CEO Klaus Döring is one of the businessmen who meet regularly with Mbeki."

■ In pre-election 2008 Siegfried Russwurm, chairman of Siemens SA, warned that changes in political direction by a Zuma government might prompt Siemens to "redirect its investment plans".

Eight months later, in July this year, a relieved Russwurm was praising the Zuma administration for not "chopping and changing" its policies. Siemens had so far won orders worth R11bn to upgrade infrastructure projects linked to the 2010 World Cup, as well as an order worth €18m (about R220m) to supply IT software to 37 South African hospitals and 300 clinics over the next three years.

■ Siemens SA, with about 2000 employees, last year generated revenue worth €600m (more than R7.2bn and new orders for €720m (more than R8.6bn).

of Siemens overseas, particularly in Siekazcek's subsidiary, which sold telecommunications equipment. "It was about keeping the business unit alive and not jeopardising thousands of jobs overnight," he said in an interview.

Siemens executives saw it as a prag-

matic way to do business: The company was "not in the practice of dictating political standards".

"Nobody was hurt, except maybe the taxpayers of the country [where the project was being built]", one Siemens executive said. "The customers determined our actions." [See Editorial on p6.]

Siemens is hardly the only corporate giant caught in prosecutors' cross-hairs. Three decades after the US Congress passed a law barring American companies from paying bribes to secure foreign business, law enforcement authorities around the world are bearing down on major enterprises, like Daimler and Johnson & Johnson, with scores of cases now under investigation. Both those companies declined comment, citing continuing investiga-

Albert J Stanley, a legendary figure in the oil patch, and the former chief executive of the KBR subsidiary of Halliburton (former US Vice President Dick Cheney's company), recently pleaded guilty to charges of paying bribes and skimming millions for himself. He was sentenced to a seven-year jail term.

But the Siemens case is notable for its breadth, the sums of money involved, and the raw organisational zeal with which the company employed bribes to secure contracts. It is also a model of something that was once extremely rare: cross-border cooperation among law-enforcement officials.

German prosecutors initially opened the Siemens case in 2005; US authorities followed a year later. (The company's shares are traded on the New York Stock Exchange, so it is subject to US law. More significantly, the company, with 20,000 employees in the US and 386,000 worldwide, competes around the world with US firms who demand that their government ensures an "even playing field".)

In its settlement in December last year with the US Justice Department and the Securities and Exchange Commission, Siemens pleaded guilty to violating accounting provisions of the Foreign Corrupt Practices Act, which outlaws bribery outside of the US.

Although court documents are salted throughout with the word "bribes," the US Justice Depart-

ment allowed Siemens to plead to accounting violations because it cooperated with the investigation, and because pleading to bribery violations would have barred Siemens from bidding on government contracts in the United States. In a major recession, no government wants to be seen to be responsible for closing down a major employer.

But Siemens doesn't dispute the US government's account of its actions:

Matthew Friedrich of the Justice Department's criminal division, called corruption at Siemens "systematic and widespread." Joseph Persichini Jr, the director of the FBI's Washington field office, which led the investigation, called it "massive, wilful and carefully orchestrated"

Siekaczek's telecommunications unit was awash in easy money. It paid \$5m in bribes to win a mobile phone contract in Bangladesh, to the son of the prime minister at the time, and other senior officials, according to court documents. Siekaczek's group also made \$12.7m in

payments to senior officials in Nigeria, for government contracts. Court documents show that the telecommunications unit paid more than \$800m of the \$1.4bn in illegal payments that Siemens made between 2001 and 2007.

In Argentina, another Siemens subsidiary paid at least \$40m in bribes to win a \$1bn contract to produce national identity cards.

e the produce national identity cards. price of

In Israel, the company provided \$20m to senior government officials to secure a contract to build power plants. In Venezuela, it was \$16m for urban rail lines. In China, \$14m for medical equipment. And in Iraq, \$1.7m to Saddam Hussein and his cronies. [See sidebar p15.]

How were bribes paid?

Extra payments were added to the price of a contract for the personal

use of government officials in foreign countries. Sometimes, luxurious gifts such as Rolex watches or treatments in European clinics were provided to a foreign official's wife, children or family. In the 1990s, the payments often involved large amounts of cash that Siemens employees were authorised to withdraw from an account at Deutsche Bank or Dresdner Bank in downtown Munich. The money was then carried in a briefcase or suitcase to a branch of DG Bank or Hypo Bank a few blocks away. Or it was deposited in accounts in Salzburg or Innsbruck in Austria. "A Siemens

Corruption by other means

N THE GREAT DEPRESSION that followed WWI, various European manufacturers of heavy electrical plant and equipment, such as generators for power stations, and equipment for long distance power transmission lines, secretly got together to collude at fixing prices, rigging tenders, and allocating markets. The cartel's activities were interrupted by WW II, but within weeks of VE Day in 1945, English Electric met with its brethren from Germany (Siemens and AEG), Sweden (ASEA), Switzerland (Brown-Boveri - now Oerlikon-Brown-Boveri) – and similar from France, Holland, Austria and Spain. Operating from an office in Switzerland, the (illegal) cartel flourished in the three decades after WW II, towards the end recruiting some of its new Japanese partners to join the secret fold.

South Africa, Brazil and India were prime targets as markets where super-profits could be generated by means of collusive tendering practices. Eskom, the then new SABC-TV, SA Railways and Harbours, and SA Posts and Telecommunications proved to be some

of the cartel's most lucrative targets; with rigged tenders the latter paid up to 40% more than open market prices. Siemens was a major beneficiary on all fronts.

This only became public knowledge in the late 1970s, when the cartel's cover was finally blown by a US Senate investigation. By then, South African officials were so embedded with their European suppliers, that the disclosures were simply ignored.

So much for history.

In its annual report for 2007 (published in 2008) Siemens AG dealt at length with its worldwide corruption woes, and spelt out the elaborate and costly measures it was instituting to clean up the Augean stables.

But right at the end of that long essay on how tens of thousands of Siemens employees are being "trained" not to bribe clients, the report changes tack, to report another unhappy aspect of its established business practices; one not mentioned in the corruption trials that have made foreign newspaper headlines.

"In addition to the [bribery cases] de-

scribed above, we are also involved in a number of anti-trust and other legal proceedings," the Siemens annual report declares matter-of-factly, as if these were all in the normal course of business. The list of incidents, that all took place within that single 12-month period should leave outside observers in no doubt that the European electrical cartel has survived, in spirit if not in fact, into the twenty-first century – and that Siemens has remained as committed as ever to collusive dealing and market rigging.

These are some of the "anti-trust violations" under investigation by various competition authorities:

- The Japanese Fair Trade Commission searched the offices of more than ten producers of healthcare equipment, including Siemens Asahi Medical Technologies Ltd., in connection with possible anti-trust violations.
- In Illinois, USA, Siemens Medical Solutions USA, Inc. pleaded guilty to a single criminal charge of obstruction of justice, and agreed to pay a \$1m fine and restitution

employee testified during the trial that one suitcase load of cash he had had to carry had been so heavy he subsequently suffered from back problems," says Baemler-Hoesl, the lead prosecutor in the case.

The back-breaking sum must have been substantial. "You don't need a large suitcase for one million euros," comments Siekaczek. "200,000 Euros can comfortably be carried in a coat pocket." Siemens employees walking around downtown Munich with several hundreds of thousands of euros, or dollars or Swiss francs was not uncommon, he adds. He clearly knows about these things.

While Seikaczek and friends might have dismissed the ultimate victims of their systematic bribery as mere "taxpayers" in distant lands, prosecutors have argued to good effect that the bribes caused great anger among competitors who were shut out of contracts, and led to the citizens of poor countries paying more than they should have for necessities like schools, roads, power plants and hospitals.

Because government contracting is an opaque process and losers don't typically file formal protests, it's difficult to know the identity of competitors who lost out to Siemens. US companies have long complained, however, that they face an uneven playing field in competing overseas.

Ben Heineman, a former general counsel at General Electric and a member of the American chapter of Transparency International, says the enforcement of some anti-bribery conventions remains scatter-shot. "Until you have energetic enforcement by the developed-world nations, you won't get strong anti-bribery programmes or high-integrity corporate culture," he said.

Evidence produced in the Security Exchange Commission's case suggests that Siemens paid its heftiest bribes in China, Russia, Argentina, Israel and Venezuela. (That US prosecutors focused on bribe payments that had, somewhere along the way, been channelled through banks within their jurisdiction, might explain why South Africa, also a probable target, doesn't feature on their list.)

"Crimes of official corruption threaten the integrity of the global marketplace and undermine the rule of law in the host countries," said Lori Weinstein, the US Justice Department prosecutor who oversaw the Siemens case.

All told, Siemens was to pay more than \$2.6bn to clear its name: \$1.6bn

of \$1.5m.

- In France several companies active in the field of suburban trains, including Siemens Transportation Systems in Paris, are being investigated.
- In Norway, companies active in the field of office security, including Siemens Building Technologies AS, are under investigation.
- The European Commission launched an investigation involving European producers of power transformers, including Siemens AG and VA Tech (which Siemens acquired in July 2005). Power transformers are major components in electric transmission systems.
- Siemens AG and VA Tech filed an appeal against the decisions of the European Commission to fine them for alleged anti-trust violations in the European market for high-voltage gas-insulated switchgear a major component for turnkey power substations between 1988 and 2004.
- In Brazil, New Zealand, the Czech Republic, Slovakia and **South Africa** for the same possible anti-trust violations.
- In Poland, against Siemens Poland regarding contracts for the maintenance of diagnostic medical equipment.
 - In Turkey, a €6m fine for Siemens Turkey

for anti-trust violations in the traffic lights market. Siemens could be debarred from participating in public sector tender offers in Turkey for a one-to two-year period. Siemens Turkey has appealed.

In Hungary, a competition court reduced fines imposed on Siemens AG from €320,000 to €120,000 and on VA Tech from €640,000 to €110,000.

But, it transpires, Siemens has omitted from its list the one that really sums it all up: the one that Wikipedia records in its history of the company. According to Wikipedia:

"In January 2007 Siemens was fined €396m by the European Commission for rigging EU electricity markets through a cartel involving 11 companies – ABB, Alstom, Fuji, Hitachi Japan, AE Power Systems, Mitsubishi Electric Corp, Schneider, Areva, Toshiba and VA Tech. According to the commission, 'between 1988 and 2004, the companies rigged bids for procurement contracts, fixed prices, allocated projects to each other, shared markets and exchanged commercially important and confidential information'.

"Siemens was given the highest fine of €396m, more than half of the total, for its alleged leadership role in the incident."

A world of opportunity

land, Italy, and Greece, relating to allegations that Siemens employees opened slush fund accounts abroad by siphoning money from Siemens accounts via off-shore companies and their own accounts.

Milan and Darmstadt prosecutors are investigating allegations that former Siemens employees provided improper benefits to former employees of Enel in connection with Enel contracts. In Italy, legal proceedings against two former employees ended with a plea bargain in November 2006. Prosecutors in Darmstadt brought charges against two other former employees not covered by the plea bargain. In May 2007, the court in Darmstadt sentenced one former employee to two years in prison, suspended on probation, on counts of commercial bribery and embezzlement. Another former employee was sentenced to nine months in prison, suspended, for aiding and abetting commercial bribery. Siemens AG was ordered to disgorge €38m of profits.

In 2004 the public prosecutor in Wuppertal began investigating Siemens employees regarding allegations of bribery related to the award of an EU contract for the refurbishment of a power plant in Serbia in 2002. The investigation is ongoing, as are others around the world. Some examples:

- There are numerous public corruption-related investigations in several regions and provinces of China, involving several divisions of Siemens
- Siemens Hungary are being investigated by Hungarian authorities in connection with suspicious payments related to consulting agreements with a number of "shell" companies, and bribery relating to a contract for the delivery of communication equipment to the Hungarian Armed Forces.
- In Kalimantan Province, Indonesia, the head of Siemens Medical division has been charged with bribery, fraud, and overcharging related to a contract for the delivery of medical equipment to a hospital in 2003.
- The Norwegian government is investigating allegations of bribery and overcharging of the Norwegian Department of Defence related to a contract for the delivery of communication equipment in 2001.
- The prosecutor in Milan is investigating allegations that two employees of Siemens Italy made illegal payments to employees of the stateowned gas and power group ENI.
- In the USA, (in addition to the case related in our main story) Siemens was being investigated for possible violations of US law in connection with the Oil-for-Food programme.

"As a result of the above described matters and in accordance with its policy of cooperation, Siemens contacted the World Bank and offered to assist in any matter that might be of interest to the World Bank's Department of Institutional Integrity," said the Siemens annual report. The real reason: Many third world countries pay for projects commissioned from the likes of Siemens with World Bank loans, and, in theory, delinquent companies such as Siemens should to be blacklisted from benefiting from such loans.

in fines and fees in Germany and the United States, and more than \$1bn in fees for internal investigations and reforms. That's a record sum – but it's well to keep in mind that it's barely more than 2% of the \$108bn in revenue that the company earned last year alone.

Siemens's general counsel, Peter Solmssen, in an interview outside a marble-lined courtroom in Washington, said the company acknowledged that bribes were at the heart of the case. "This is the end of a difficult chapter in the company's history," he told the assembled media. "We're glad to get it behind us."

Other observers might be less sanguine in their expectations of a company that has depended for decades on bribes for its worldwide success.

In July last year in Germany, Siekaczek was found guilty on 48 counts of "criminal breach of trust", and was sentenced to a fine of 108,000 euros (over R1m), plus two years on probation – a mild sentence, considering the pivotal role he played in a long-standing international criminal conspiracy.

During a lengthy interview in Munich, a few blocks from the Siemens world headquarters, Siekaczek provided an insider's account of corruption at the company. The interview was his first with the English-language media.

Siekaczek isn't a stereotype of a white-collar villain. There are no Ferraris in his driveway, or villas in Monaco. He dresses in jeans, loafers and leather jackets. With white hair and gold-rimmed glasses, he passes for a kindly grandfather — albeit one who can discuss the advantages of offshore bank accounts as easily as last night's soccer match.

Siemens began bribing long before Reinhard Siekaczek applied his accounting skills to the task of organising the payments. The sprawling company was one of the first true multi-national corporations, having run overseas operations since the 1800s. It currently generates 80% of its revenue outside Germany, and throughout its history has been part of an elite global club, which essentially controlled business in different parts of the globe. (In fact, the company was a founder member of the European electrical cartel, which was secretly established in the 1930s – see box on p14.)

According to American prosecutors, after World War II had left the company shattered, its factories bombed and its trademark patents confiscated, the company, just to survive, turned to markets in less developed countries. Bribery became a reliable and ubiquitous sales technique. (As did market rigging and price fixing.)

If you ask who built any particular telephone network in Africa, chances are the answer will be Siemens. Power plants in the Middle East? Generators and switchgear most likely also built by Siemens.

"Bribery was Siemens's business

model," said Uwe Dolata of the German association of crime investigators. "Siemens had institutionalised corruption."

Siemens was hardly alone. Germany is the world's leading exporter of manufactured goods, and German companies are especially dependent on export markets. "You have to wonder whether the success abroad [of German firms] can be attributed at least in part to bribery," Dolata said. "Whenever a lot of money is involved, we tend to see high rates of corruption."

South Africa experienced this with its arms purchases in the 1990s. Siemens was a member of several German consortia that, against all the odds, "won" multi-billion rand contracts for the supply of frigates and submarines to the SA Navy.

Before 1999, bribes were deductible as business expenses under the German tax code, and paying off a foreign government official was not a criminal offence. Inside Siemens, bribes were referred to as "NA" — a German abbreviation for the phrase "nützliche Aufwendungen", which means "useful expenditure." Siemens bribed wherever executives felt the money was needed, paying off officials not only in countries known for government corruption, like Nigeria, but also in countries with reputations for transparency, like Norway, according to court records.

(The company also used payola to install management-friendly union representatives in the Siemens' Munich headquarters. "The company's philosophy seems to have been: We can buy anything," says Dolata.)

The payment of substantial "commissions" to agents or consultants, for no apparent services rendered – so that the agent could use the money to pay off government officials – seems to have been a long-standing practice at Siemens. (This appears also to have been a method used by British and German arms suppliers in South Africa.)

"I first noticed that Siemens paid large commissions in the mid-90s," recalls Siekaczek. When asked what the money was for, he remembers being told that these payments were "customary in the export business" — but he was cautioned that the practice should not be discussed publicly. One of Siekaczek's former colleagues, who asked not to be identified, con-

Son of Bangladesh ex-PM charged

N MARCH, ARAFAT "Koko" Rahman, son of former Prime Minister Khaleda Zia, was charged in a Bangladesh court with laundering nearly \$2m in kickbacks, including \$180,000 from Siemens Corporation.

Arafat was considered untouchable between 2001 and 2006, when his mother held office. This is the first case involving foreign bribery initiated under the new government, and could result in a jail sentence of seven years for Rahman, if found guilty.

The case also sheds light on how bribery by some of the world's richest companies directly contributes to instability in the developing world.

To help beat its competitors for a \$40m government telecom contract, Siemens hired a Bangladeshi consultant with links to the prime minister's son, as well as the telecoms minister. A payment of \$180,000

was sent to Arafat Rahman's Singapore bank account.

Siemens admitted to paying bribes not only to Arafat Rahman, but also to telecoms minister Aminul Haque, who fled office – and arrest – in 2006.

Haque was sentenced in absentia in 2007 to 31 years in prison for patronising a terrorist group, Jama'tul Mujahideen Bangladesh. According to evidence in that case, Haque used the group to eliminate members of political opposition groups as part of a national campaign of violence that left dozens dead.

"The [multinational companies] don't care who they're giving money to, or what effect it will have on the life of ordinary people," contends Sultana Kamal, a leading human rights activist in Dhaka.

Based on an April 2009 report in the Christian
 Science Monitor

firmed that nobody at Siemens openly talked about bribes – or Schmiergeld ("grease money"). "We used the terms 'bonus payments', 'fees' or 'useful expenses' – with a wink."

In February 1999, more than twenty years after the US Congress passed the Foreign Corrupt Practices Act—the world's first comprehensive ban on bribing foreign officials—Germany finally subscribed to the Organisation for Economic Co-operation and Development's convention banning such bribes. Inside Siemens, however, not much changed at first.

"I don't think German companies took the new laws seriously," says Siekaczek. "We signed and filed away

To handle the business side of bribery, the executives turned to Siekaczek, a man renowned for his personal honesty

the forms, somewhat amused about the new regulation," he says.

In 2000 authorities in Austria and Switzerland began recording suspiciously large sums of dollars flowing from Siemens to offshore bank accounts. But nothing came of this. Not immediately, anyway.

Siemens managers had instituted a compliance programme, but it was generally treated with contempt: it existed on paper alone – a toothless internal anti-corruption system that did little to punish wrongdoers. (In 2002, a Norwegian Siemens employee noticed financial irregularities in a deal with the Norwegian military. Per Ygnve Monsen contacted senior Siemens officials – who got him fired.)

Siekaczek's business unit remained one of the most egregious offenders.

Did he think he and his colleagues would ever be caught? "I would never have thought I'd go to jail for my company," Siekaczek said. "But we did joke amongst ourselves that if our actions ever came to light, we'd all go to jail together and there would be enough

people to play a game of cards."

More seriously? Siekaczek expected Siemens's management would take care of any such problem: "People discussed the possibility that the head of compliance could go to the sauna with a politician and clear up the matter," he says.

Equally naive seemed a system that relied on yellow post-it notes for the two signatures required for every money transfer order issued by Siemens. (Executives believed that Siekaczek would remove the yellow post-its in case of a police raid, to protect his higher-ups. "A childish system," he now acknowledges.)

In 2002, a money laundering inves-

tigation in Liechtenstein did finally shake the sense of security that relied on postits and sauna visits. Managers in the telecommunications group decided to deal with the possibility of a crackdown: they would have to make its bribery procedures more difficult to detect.

On a winter's evening that year, five executives from the telecommunications

group met for dinner at *Der Alte Wirt* ("The Old Innkeeper"), a traditional Bavarian restaurant in a Munich suburb. According to Siekazcek, surrounded by dark wooden panels and posters celebrating German engineering, the group discussed how better to disguise its payments, while making sure that employees didn't pocket the money.

To handle the business side of bribery, the executives turned to Siekaczek, a man renowned within the company for his personal honesty, his deep company loyalty — and his experiences in the shadowy world of illegal bribery.

"It had nothing to do with being lawabiding, because we all knew what we did was unlawful," said Siekaczek. "What mattered here was that the person put in charge was stable and wouldn't go astray."

Siekaczek reluctantly accepted the job. If Siemens didn't pay bribes, he believed it would lose contracts and its employees might lose their jobs.

There was also a logistics issue.



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Bribes were already built into the contracts for many complex, multiyear logistics projects. The company had paid so much money in so many places that bribery simply could not be stopped overnight.

"We thought we had to do it," Siekaczek said. "Otherwise, we'd ruin the company."

He describes himself as "the man in the middle," "the banker", or, with tongue in cheek, "the master of disaster." But, he said, he never set up a bribe. Nor did he directly hand over money to a corrupt official.

German prosecutors have found no evidence that he personally enriched himself

"I was not the man responsible for bribery," he said. "I organised the cash."

Siekaczek set things in motion by moving money out of accounts in Austria to Liechtenstein and Switzerland, where bank secrecy laws provided greater cover and anonymity. He said he also reached out to a trustee in Switzerland, who set up front companies to conceal money trails from Siemens to offshore bank accounts in Dubai and the British Virgin Islands.

Each year, managers in Siekaczek's unit set aside a budget of about \$40m to \$50m for the payment of bribes. [The ultimate amounts appear to have been a lot higher.] For Greece alone, Siemens budgeted \$10m to \$15m a year. Bribes were as high as 40% of

the contract cost in especially corrupt countries. Typically, amounts ranged from 5% percent to 6% of a contract's value.

The most common method of bribery involved hiring an outside consultant to help "win" a contract. This was typically a local resident with

ties to ruling leaders. Siemens paid a fee to the consultant, who in turn delivered the cash to the ultimate recipient. (See Bangladesh box story on p16.)

Siemens has acknowledged having had more than 2,700 business consultant agreements, worldwide. Those consultants were at the heart of the bribery scheme, sending millions to government officials. (After the scandal broke, the company terminated nearly half of them for not having a "valid business purpose".)

Siekazcek was painfully aware that he was acting illegally. To accumulate evidence that he didn't act alone, he and a colleague began copying documents stored in a basement at Siemens's headquarters in Munich, that detailed the payments.

In 2004, Siemens executives told him that he had to sign a document stating he had followed the company's compliance rules. Reluctantly, he signed, but resigned from his job soon thereafter. He continued to work for Siemens as a consultant, before finally resigning in 2006. As legal pressure mounted, he heard rumours that Siemens was setting him up for a fall.

Siekaczek is uncertain about the impact of the Siemens case. After all, he said, bribery and corruption are still widespread

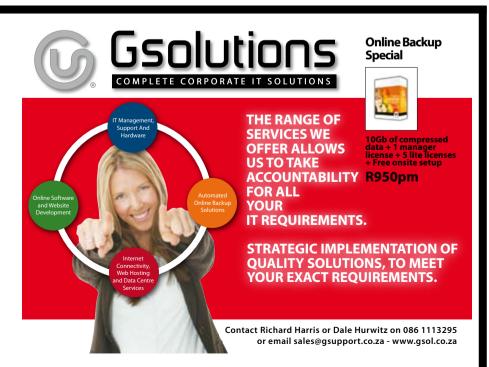
"I was deeply disappointed. But I told myself that people were going to be surprised when their plan failed," Siekaczek recalled. "It wasn't going to be possible to make me the only one guilty, because dozens of people in the business unit were involved. Nobody was going to believe that one person did this on his own."

Investigators in several countries had begun examining suspicious banking transactions. Prosecutors in Italy, Liechtenstein and Switzerland sent requests for help to counterparts in Germany, providing lists of suspect Siemens employees. When those six policemen knocked on Siekaczek's door on the morning of 15 November 2006, some 200 other officers were also sweeping across Germany, into Siemens's headquarters in Munich and the homes of several executives.

In addition to Siekaczek's detailed payment records, investigators secured five terabytes of data from Siemens's offices — a mother lode of information, equivalent to five million books.

Officials in the United States also began investigating the case shortly after the raids became public.

Knowing that it faced steep fines unless it cooperated, Siemens hired an American law firm, Debevoise & Plimpton, to conduct an internal investigation and to work with federal



investigators.

As German and American investigators worked together to develop leads, Debevoise and its partners set more than 300 lawyers, forensic analysts and staff members to untangling thousands of payments across the globe. According to court records, American investigators and the Debevoise lawyers conducted more than 1,700 interviews in 34 countries. They collected more than 100 million documents, creating special facilities in China and Germany to house the records from that single investigation. Debevoise and an outside auditor racked up 1.5 million billable hours, according to court documents. They could only have scanned the documents in that time.

Siemens has said that the internal inquiry and related restructurings have cost it more than \$1bn. (About R7.5bn.)

Siemens officials "made it crystal clear that they wanted us to get to the bottom of this and follow it wherever the evidence led," said Bruce Yannett, a Debevoise partner.

At the same time, Siemens worked hard to purge the company of some senior managers and to reform company policies. Several senior managers have been arrested. Klaus Kleinfeld, the company's CEO, resigned in April 2007. He has denied wrongdoing and is now head of Alcoa, the aluminium giant. Alcoa said that the company fully supports Mr Kleinfeld and declined to comment further.

According to a Bloomberg report,

Siemens AG would demand that Kleinfeld, former chairman Heinrich von Pierer and nine other former officials pay damages for failing to halt a bribery scandal that has plagued the company since 2006.

Siemens would also be seeking compensation from former management board member Johannes Feldmayer (who allegedly authorised bribes to trade unionists) and former chief financial officer Heinz-Joachim Neubuerger.

Siemens is seeking 20 million euros from Feldmayer, according to a report by *Suddeutsche Zeitung*.

"It's the first time that the supervisory board of a company decided to sue practically the whole old management board," said Manuel Theisen, a business professor at Munich University. "That's a paradigm shift.'

Earlier this year, Siemens's current chief executive, Peter Loescher, vowed to make Siemens "state of the art" in anti-corruption measures.

"Operational excellence and ethical behaviour are not a contradiction in terms," the company said in a statement. "We must get the best business — and the clean business."

Siemens still faces legal uncertainties. The US Justice Department and German officials said that investigations were continuing and that current and former company officials might face prosecution.

Legal experts say Siemens is the latest in a string of high-profile cases that are changing attitudes about corruption. Still, they said, much work remains.

"I am not saying the fight against bribing foreign public officials is a fight full of roses and victories," said Nicola Bonucci, the director of legal affairs for the Organisation for Economic Cooperation and Development, which monitors the global economy. "But I am convinced that it is something more and more people are taking seriously."

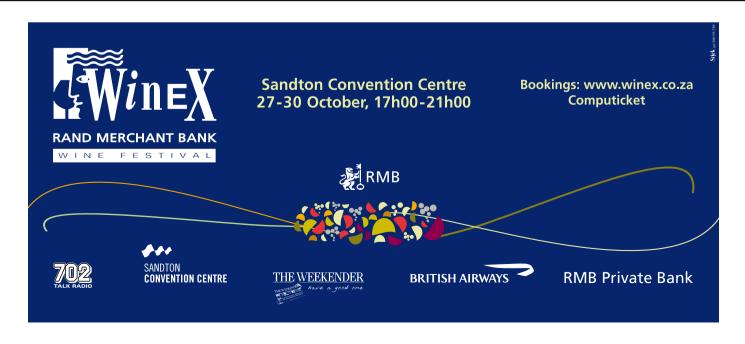
For his part, Reinhard Siekaczek is uncertain about the impact of the Siemens case. After all, he said, bribery and corruption are still widespread.

"People will only say about Siemens that they were unlucky; that they broke the 11th commandment – the one that says 'Thou shalt not get caught'."

Our next issue will tell the overwhelmingly obvious and less obvious questions we have put to Siemens South Africa and Siemens AG – and give their answers.

After all, as its website so boldly declares: "Siemens answers the world's toughest questions."

■ This report is the result of a joint investigation of international bribery by PBS Frontline, ProPublica and the Investigative Reporting Program at UC Berkeley. A shorter version of this story appeared in the New York Times on 21 December 2008, under the headline "At Siemens, Bribery Was Just a Line Item". A PBS Frontline documentary, "Black Money", based on the authors' interviews and research, was broadcast on PBS on 7 April, 2009. More information and new developments can be found at www.pbs. org/frontlineworld/stories/bribe. The version published here includes additional material by noseweek writers.



Abuse or mercy?

Two sides of the horrific refugee crisis dispute at Jozi's Central Methodist Church

Street, in downtown Joburg, you are confronted by a very long queue. These are people waiting for medical treatment – for TB, for chest infections, skin disorders, for any number of HIV-related opportunistic diseases. All signs of the difficult lot of displaced people forced to live in desperate conditions – most of them are refugees.

The queue disappears underground, where doctors and counsellors from *Médecins Sans Frontières* fight a daily battle against a sea of sickness. The clinic is wedged against the walls of the Central Methodist Church which houses 3,500 people, mainly "economic exiles" from Zimbabwe.

A few strides and you've reached the crowded entrance to the church complex. Here hawkers are grilling fish and mealies, meat curries bubble on paraffin stoves and vetkoek are piled on huge enamel plates. But it's not the food you smell first. It's the stench of stale urine, sweat and crap that hits full on.

As the *noseweek* team passes through the throng at the entrance, cops begin beating a man about the face — apparently he lives in the church, and they've just arrested him for theft.

Noseweek is here to investigate allegations of rape and child abuse. gangsterism and sex for favours, and we quickly learn that all this is indeed happening at the church – and more. An evidently exhausted Bishop Paul Verryn, who presides over the houseof-worship-come-ghetto, conceals nothing. "We opened our doors as a shelter five years ago when we found that refugees were coming in from fairly protected environments and finding themselves on the streets of Johannesburg - which are particularly violent. Alienated from their country, often traumatised or tortured, these people would have their shoes stolen off their feet. Bewildered, they would need a place to go to find their sanity.'

By 2007 the church was already home to 800 refugees, but the xeno-phobic attacks of 2008 saw the number mushroom to around 2,000. By July

2009 the headcount was 3,500. This in a building that, at best, could accommodate 1000.

Only 20 security guards are on hand to maintain order. "This place teeters on the edge of violence on a daily basis," says Verryn, who acknowledges that he may no longer have the control he once exercised over the shelter. "It is a moveable feast and there are days when this place is in a state of utter chaos."

The most vulnerable in this overcrowded squalor are 110 unaccompanied minors, as well as other children, including some 70 babies and 50 toddlers. The children are at the centre of a battle between Verryn and the "Johannesburg Child Advocacy Forum", whose members include representatives of Childline, Sophiatown Community Psychological Services, Big Shoes, Usindiso, Kidshaven, CoRMSA, and Save the Children UK.

Declaring that the children are at risk from abuse and neglect at the church, the forum say Verryn is "paralysing any attempt to carry out the child protection interventions called for by the law of the country." They say he denies child care workers access to the church, and allege that children at the building may have been sexually abused, are routinely exposed to violence, alcohol abuse and have witnessed security guards sjambokking people – even across the church altar.

"This is a failure on the part of the church to protect vulnerable children when it is in their best interests to do so," alleges social worker Liebe Kellen, who was contracted by Sophiatown Community Psychological services to work at the church.

"The way things are being handled at the church does not comply with the requirements of the Child Care Act. People are having sex all over the place and toddlers are imitating what they are seeing. Verryn has lost control



of the situation and the place is clearly a disaster waiting to happen. Maybe Verryn wants to be this all-encompassing father figure, but it is not working – to the detriment of the children who are sheltered there."

Verryn responds by saying that Kellen may have a personal axe to grind, given that she removed children from the church without his permission, or the consent of the church, and was subsequently barred from the premises. Following this, Verryn now allows only government agencies and UNICEF to work with the people housed on the church premises.

Gloria Mohamba, a candidate child care worker in training at an aid organisation, which has now been barred from the church, said that, when accompanying some teenagers to a party at the church, she was robbed, and youths were given alcohol on the premises. "When I entered the building people were sitting on the stairs drinking. Even the teenagers were drinking. One person told me he was a teacher at the church school," says Mohamba. "These people were drunk."

Verryn denies the sjambokking incident, despite affidavits to the contrary. "I am not saying it's impossible, just highly unlikely, given there is a net over the altar which stands high off the ground and is unstable." Of allegations of abuse and violence, Verryn says he is not aware of the particular incidents being alleged, but that anything is possible. "Every conceivable social problem that you could imagine is here, from child abuse to stealing, to sex on the steps. It happens. This is a dire situation. The guards are instructed not to use force, but this is not always enforced. Then the police are supposed to patrol the area daily. However, they are at once helpful and brutal," says Verryn, adding that all criminal acts are reported to the police.

Sara Hjalmarson, project co-ordinator for *Médecins Sans Frontières* Johannesburg, says over the past month her organisation hasn't seen cases of child abuse, but she has been in attendance for only a month. "We do have counsellors that are constantly speaking to the children. We do treat incidents of sexual abuse at the clinic, but we don't differentiate between cases from the church and those of people who live outside the church. We obviously see a lot of cases of abuse because there is a lot going on."

Hjalmarson maintains that although



Bishop Paul Verryn

the church is a flawed place of shelter, the refugees have no other recourse. "The church is not the ideal space, but the asylum-seekers are staying there because they have no other option. The South African government, and organisations like the United Nations High Commissioner for Refugees, have an obligation to protect refugees and asylum-seekers, as does the City of Johannesburg. They have failed that mandate – these people have come to seek asylum in this country and are offered very little, if any, protection."

UNICEF child protection specialist Heidi Loening-Voysey concurs, saying that the situation is a result of South Africa's social systems already being overwhelmed before refugees began arriving in large numbers. "We have over three million orphans in our country as it is, and we are unable to sort them out. In the face of the dire need of our own children, it is very difficult to respond to refugees. How are the government and City of Johannesburg going to accommodate some 200,000 unaccompanied children living in and around this city?

"The Department of Social Development is responsible for the child protection systems. Then the City of Johannesburg has a huge responsibility for safety on our streets. The homeless people and crowds have created a sense of insecurity and it's in the city's interest to ensure that they have homes and are cared for. As a society we need to be cognisant that South Africans were provided with assistance in neighbouring countries during the years of our struggle. The least we can do is reciprocate, particularly to Zimbabweans, who are in such an economic crisis. However everyone is turning a blind eve, or pointing fingers and criticising, without being accountable."

UNICEF, says Loening-Voysey, is working with the Central Methodist Church to ensure the environment is child-friendly and safe. "There have been allegations of abuse, which is why we are so motivated to ensure there are child- and youthcare workers allocated to the children. We are training people to look out for abuse, to prevent it and respond to it. The childcare workers help ensure the children's quarters are cleaner, that children are under adult supervision all the time. They are also there to ensure children get their fair share of the food and that the food is nutritious."

Verryn insists that much has been done in recent months to change the children's situation, following the intervention by the Johannesburg Child Advocacy Forum. "The children were living in the vestry and chapel, but have now been moved to the fourth floor of the building. We have been working with UNICEF and the National Association of Child Care Workers to create better living conditions and care for the children."

The overcrowding, and a lack of ablution facilities, have led to terrible living conditions. As *noseweek* visited the different sections, residents reported that the infant mortality rate was very high, claiming that around ten babies died had over the previous month. TB is rife, as are HIV opportunistic and sexual diseases.

One section of the building is occupied exclusively by male youths, and is called Soweto. In this "gangland", noseweek was told, young boys swop sex for food, for a couple of rand, or for alcohol.

It is all too easy to accuse Verryn, or make out that the church is somehow at fault – as many are wont to do. But while fingers are being pointed, no one has come up with alternative places of shelter – or stepped in to help alleviate the situation. Verryn appears to be doing the best he can, rarely leaving the church before 3am as he staves off a tsunami of challenges, as he attempts the impossible – to bring order to violent chaos.

Meanwhile the authorities, both government and the City of Johannesburg, are failing their mandate to protect our own children – never mind resolve the desperate plight of those forced to flee to what they imagined was a better life, only to find themselves fighting for their lives and dignity in South Africa's own "war of the streets".



High on the Hogg

How Jim Jones ripped off his website employer and then spun the story

the recent public spat between JSE-listed website operator Moneyweb and its former employee Jim Jones, fiery ex-editor of Business Day.

Jones, now 67, lives mostly in France, but still has the occasional freelance piece published in *Business Times* — the business section of the mass circulation *Sunday Times*. And on 23 August *Business Times* ran a provocatively dismal article under Jones's byline, headed "Questions over *Moneyweb* price fall — Black shareholders of media company unhappy and a block of shares seeks the right buyer".

The article kicked off: "What lies behind the 30%-odd collapse in the share price of media-sector tiddler and website operator *Moneyweb* over the past few weeks?"

There was withering mention of a "shambolic" performance – "tumbling" advertising revenues and the "astounding deterioration" of the debtors book during the past year's first half". Net current assets had been in steady decline and advertising support "flattered by bulking up with free display ads".

Asked Jones: "Where is the inves-

tor interest in a mom-and-pop store [founders Alec and Louise Hogg] that provides good living for mom and pop, but little for anyone else?"

Jones cited "rumours" that a large block of *Moneyweb* shares was looking for a new owner – and hinted that BEE partner Isingqi Holdings was looking to offload its 15.16 millionshare stake. "The BEE shareholders have virtually no influence on the affairs of a company ... which is almost entirely staffed by white people," wrote the scribe. "*Moneyweb's* black shareholders have not been entirely happy with their investment's lousy performance and their minimal influence over the company's direction."

In a final swipe, Jones pointed out that Hogg's former wife Louise "has retained her well-paid board position [R30,000/month], though she has been living in Ireland."

A former mining engineer turned financial journalist, Jim Jones edited *Business Day* for 10 years, until he was replaced by Peter Bruce in 2000. It was a colourful decade, and when he left a colleague wrote in the newspaper: "The main difficulty for those around him was restraining his determination to nail every crook and expose every

fraudster by the end of the month. Jim has mellowed now, his joyful beginnings a bit dampened by such boring necessities as meeting budgets (well, almost), and staying out of court."

After a spell in the doldrums, Jones joined *Moneyweb* as a freelancer in September 2003, with a brief to train youngsters on its internship programme. When the staff of *Moneyweb's Mineweb* team left *en masse* a year later, CEO Alec Hogg asked Jones to take over as the website's editor.

One of the departing *Mineweb* team was Timothy Wood, who had won a green card on the lottery and left for the US, where he continued to work for *Moneyweb*. To supplement his salary he did an approved deal with a Canadian mining industry data-base service, *InfoMine*: they could take *Mineweb* content and publish it on their site; royalty payments would go to Wood as part of his *Moneyweb* salary. Monthly payments from *InfoMine* were erratic and hardly spectacular. In June 2004 they were \$2145; the following month \$765.

Jones was hardly a success as the new editor of *Mineweb*. After his offer to ghost Harry Oppenheimer's autobiography was rejected, he wrote what a

Moneyweb staffer describes as "unbelievably heavy stuff which completely stuffed up our relationship with Anglo-American and De Beers". Ex*Financial Times* staffer Jenny Leusby was brought in to sort things out. "We were losing money on *Moneyweb* every

29 months the total it received from *InfoMine* totted up to \$20,487 – more than R200,000 at the then rate of exchange.

The payments went from HSBC New York to a HSBC Private Bank (Suisse) account in Geneva, from where they

were transferred to the PJ News Services account, at Turnstone Trusts and Securities, in Riviere Noire, Mauritius.

"After July 2004 Moneyweb didn't see another cent from InfoMine," says a Moneyweb staffer. "And during that time we really could have done with it. And the payments continued to the Mauritius account for five months after Jim was fired.

If Andy Robertson hadn't come to us and said let's have a partnership, the payments to Jim would have gone on for ever. We were horrified. You don't question the former editor of *Business Day*. You don't expect people to steal from you – least of all someone like

After taking over as editor of Mineweb Jones instructed the Canadians to make all royalty payments to his own company in Mauritius

month," recalls the staffer. "But Jenny and Jim didn't get on and in a week Jim was gone."

That was August 2006. Ironically, Jenny Leusby lasted a bare six weeks longer. "She was like a whirlwind, but hard to work with."

Four months after Jim Jones was fired, Alec Hogg was visited by the founder of *InfoMine* in Canada, former South African mining engineer Andy Robertson. Robertson liked *Mineweb* and thought there was a good partnership opportunity between them. Hogg duly booked his ticket for Vancouver to attend *InfoMine's* presentation, but before he left his *Mineweb* team told him: "Don't do it; *InfoMine* are crooks, they steal our content."

A bemused Hogg arrived in Vancouver in January 2007 and listened to *InfoMine's* boardroom presentation. "I like what you're telling me, but unfortunately you're not going to be able to work with my staff because they think you're crooks," he told the astounded directors. "You're stealing our content. You put it on your website as though it's yours."

A shell-shocked *InfoMine* executive spluttered: "But we pay you for it!"

Accountants were summoned and the evidence emerged, including an email from Jim Jones after he took over as editor of *Mineweb*. It instructed the Canadians to henceforth pay all royalty payments to the account of PJ News Services in Mauritius – Jim Jones's own company. And over some



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him who has such a high profile and with so much to lose."

Jones was called to a meeting at *Moneyweb* and asked to account for the Mauritius payments. He seemed lost for words. Several days later *Moneyweb* received a letter from Jones's attorneys: Jones alleged that Alec Hogg had verbally told him he could take the money.

Hogg was determined to take the matter to court. Jones offered to pay back half the \$20,487. Finally the whole business was swept under the carpet: Jones agreed to pay back the full amount on condition there would be no criminal charges. He made the repayment without admitting liability.

In December 2008 came the first blast from Jones in *Business Times*.

contestants. Leshilo offered Hogg 30cm of space in *Business*

Times for a "right of reply", requesting him to restrict his comments "to addressing only the material issues raised by Jim Jones's article".

This right of reply was duly published, on 13 September, under the headline "Jim Jones a naughty boy indeed". In the event, Hogg only got 16cm of text; there was some editing and two significant changes from what Hogg first wrote and what appeared.

First to go was Hogg's opening paragraph, which had read: "When journalist Jim Jones worked for *Moneyweb* he told interns if they couldn't get someone to say what their story required, they should attribute 'facts' to

fictitious 'sources'. And never check back with parties being attacked, he warned, as they might spike your article with a court interdict."

MONEYWEB

Second change: Hogg's original letter read; "The motive behind Jones's slander is revenge. He left *Moneyweb* under a cloud, and friendless, in mid-2006. And with a

resentment the size of Table Mountain after being forced to repay \$20,000 of company money which he'd diverted into a Mauritius bank account."

Business Times adjusted that final sentence to read: "And with a resentment the size of Table Mountain after a dispute over \$20,000 wrongly paid to him." Yeah, now it looked like Moneyweb's mistake — you just can't win against the Sunday Times.

As for those other Jim Jones gibes:

- Staffed almost entirely by whites? *Moneyweb* has 24 fulltime staff in South Africa, eight of whom are previously disadvantaged individuals. Of the six-person board, four are white.
- Past financial year's "shambolic performance"? At the end of June, nearly two months before Jones's article appeared in *Business Times*, *Moneyweb* reported a strong recovery in the second half to end March. Advertising revenues over the year had rallied, and operating cash flow

increased to R2.97m from R2.23m. A strong balance sheet reflected

cash holdings of R8m (R7.3m in fiscal 2008) – and zero debt. In his *Business Times* right of reply Hogg states: "*Moneyweb's* [next first half] results to end September, to be published in a few weeks, will reveal a growing business in rude health, debt free (as it has always been) and profitable."

So why did Jones's diatribe concentrate on *Moneyweb's* old first half figures — which had been unduly clobbered by the expensive settlement of a defamation action in London and the loss of First National Bank as "headline sponsor" — when the full year's available figures presented a vastly better show?

■ Unhappy black shareholders looking to offload their shares? Lindikhaya Sipoyo, chair of BEE partner Isingqi Holdings, says: "The executive management of Isingqi Holdings were disturbed by the falsehoods published in the article which appeared on page 6 of Business Times... Had he asked, Mr Jones would have been informed that we have an excellent relationship with Moneyweb, are represented on the directorate, have significant influence in the business and are fully appraised at all times of its financial and other operational performances. We are pleased at its continuing progress. We also have absolutely no intention of selling our shares in the company. In fact, if a large block of shares were available, we would be acquirers."

Sipoyo adds: "As a major shareholder in the business, we are also appraised of all the details surrounding Mr Jones's unfortunate history during the time of his employment at *Moneyweb*, and subsequent thereto."

Comments a *Business Times* staffer: "Jim left *Moneyweb* under very bad circumstances. He was really angry with them. Jim's got a bit of an issue and perhaps he wasn't the person to write that article, given his history. On the other hand, there are questions over *Moneyweb*: like why Louise Hogg is a director, still earning money from the company, though she's sitting in Ireland not doing anything?"

Jim Jones did not respond to noseweek's email requesting comment. A file containing details of the payments to PJ News Services in Mauritius has been passed to the SA Revenue Service. **D**

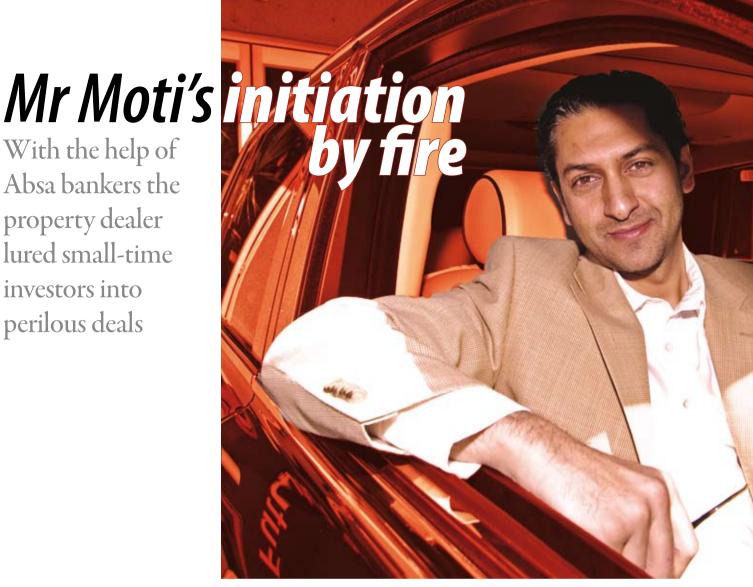
Why did Jones's diatribe concentrate on Moneyweb's first-half figures, when the full year's figures presented a vastly better show?

Contrasting advertising revenues of giant Naspers and Avusa with tiny *Moneyweb* he wrote: "The gritty reality was [*Moneyweb*'s] first half's advertising revenue crashing by more than one-fifth to R9.26m. And the rot that set in a year ago continues... Perhaps the fact that *Moneyweb* has yet to convert from being a mom-and-pop business into a properly financed one that can grow strongly can explain the difference."

Alec Hogg, who declines to talk to noseweek, feels that Jim Jones bears a grudge. Initially he intended to sue Business Times for its Jim Jones-crafted diatribe of 23 August. What Jones wrote was bullshit, he told friends. The "30% share collapse" to 33c was in a single sale of just 1000 Moneyweb shares — worth just R310. The share price almost immediately swung back to its usual levels of around 55c.

Avusa's new public editor, Thabo Leshilo, was brought in to calm the

With the help of Absa bankers the property dealer lured small-time investors into perilous deals



T HAS EMERGED that around the time that Zunaid Moti (see nose119) handed over a petrol station in Bryanston to businessman John Dryden, without letting Shell know about the deal, the controversial property developer barely escaped with his life after pulling the same stunt with a Chinese consortium led by a businessman named Eric.

Apparently Moti had earlier done a swap deal on three other Shell petrol stations (Sandton Court Motors, Champion Motors in Rivonia and Scotch Corner in Randburg) with the Chinese consortium, in part payment for 52 units in two "secure" housing complexes in Sandton and Midrand - the birth of the great Abalengani property empire.

Whether Shell repossessed these petrol stations, as they did Dryden's Riverside Motors, is not clear. But the story goes that, in about 2004, a gang of Chinese heavies cornered Moti in his Porsche at Fourways Mall Motors, poured petrol over the sharplydressed entrepreneur and threatened to set him alight. Shortly thereafter Moti acquired a bullet-proof car and his ubiquitous posse of mean-eved

And those 52 properties? Noseweek can reveal that Moti employed highly innovative methods to make millions for himself by persuading friends and employees to let him use their names to "buy" the houses at vastly inflated prices - with dodgy mortgage bonds arranged by a pal at Absa.

Back in 2002, Moti approached Aaqil Farooqi, his R5000/month manager of Riverside Motors with an investment proposal: Moti wanted to apply for a bond under Farooqi's name to buy a unit in Millennium Village in Midrand, which would be rented out to a "corporate tenant".

"He told me he already had too many properties in his name," says Faroogi. And what did Faroogi have to gain? "Moti told me it would help me establish a credit history at the banks, so opening the way to a profitable career in property speculation." Moti's story was that, after a year or so, he would sell the property at a handsome profit, and give Faroogi R100,000.

Moti had several such units, and offered them to various friends and employees, including some at his luxury car dealership, Investment Cars. He even suggested Farooqi should persuade his mother to sign for one as well, on similar terms.

Mother and son declined, but a few months later Moti came to Farooqi with a another, similar, investment offer, this time for a property in Cottonwood, a complex off Grayston Drive in Sandton. Moti would raise the bond - for approximately R250,000 to R300,000 – on Farooqi's behalf and after a year he would buy the property back and give Farooqi R100,000.

"I asked Moti how would such a loan be granted, since I earned only R5,000 per month," says Faroogi in a 2006 affidavit submitted to Absa's forensics department. "He said I should leave that up to him. A few months later he

called me over to his house in the evening to sign some (bond) documents. I asked for copies for myself and was told that I shouldn't worry, he would furnish me with copies in due time. I still haven't received them."

Moti gave Farooqi a cheque for R10,000 to cover a year's levy payments. Some eight months later Farooqi left Moti's employ, and soon after began receiving calls from managing agents Berader Properties regarding outstanding levies.

In March 2005, reads Farooqi's Absa affidavit, he received a couriered letter from Moti, asking him to sell the unit back to Moti. From the letter he learned that the outstanding bond was

for a staggering R880,000 and that Moti was going to pay R900,000 for the unit. Farooqi could not understand how the outstanding bond was so large, as his income was clearly way too small to service it – and he refused to sign. Moti told him he would thus be responsible for outstanding levies of R45,000 and the bond repayments.

Farooqi discovered that the Absa bond was granted to a company called

Farooqi wrote to Moti, thanking him for offering to settle the outstanding bond. Unfortunately for Farooqi, Moti failed to settle anything

Unit No 9 Cotwood (Pty) Ltd, whose two directors were listed as Abdool Moti (Zunaid's uncle) and Farooqi himself. The bond datasheet recorded a capital sum of R950,000 and an "additional amount" of R190,000. Monthly repayments due from Unit 9 Cotwood (Pty) Ltd would come to R12,233 – more than double Farooqi's entire salary.

"The bond was granted on both our

names, but somehow Abdool Moti resigned a day before the bond was registered," says Farooqi in his affidavit. "I find this very strange and underhand. I now question how the bond was granted when I could never qualify for such an amount. The bond loan money was not deposited into my account and now I stand as sole director of the company."

By October 2005, Absa had Farooqi placed on the ITC register for defaulting on the bond repayments. That same month Farooqi wrote to Zunaid Moti thanking him for his offer to settle the outstanding bond, which then stood at R920,000. Unfortunately for Farooqi, Moti failed

to settle anything; Absa seized the property and sold it at auction for a knockdown price. The bank then held Farooqi liable for the huge balance. When he couldn't pay, they seized his assets and had him sequestrated.

"When I tried to explain to Absa forensics and Absa's legal department they were not interested," Farooqi tells noseweek. "They told me I'd signed a document, so had no right to complain. They refused to tell me what price was realised at the auction, or who had bought the property.

"My whole life has been placed on hold, if not destroyed, because of Zunaid Moti and Absa. Because the remaining debt features against my name at [credit bureau] ITC, I can't get a respectable job."

Aaqil Farooqi's story comes as no surprise to Joburg attorney Gavin Murphy, who represented a batch of clients who bought 11 townhouses at Millennium Village from Zunaid Moti.

"Moti got the bonds through Absa," says Murphy. "My clients didn't even sign the bond application documents. How they got those bonds granted I don't know. Most of the buyers were friends of Moti's. He'd approach them and say: 'Do you want to make some money? Buy this property now and the money you'll receive from a three-year lease agreement will pay your bond repayments. Then you can sell it and make a huge profit'."

Murphy says that deeds searches revealed that Moti would pay, say, R250,000, for a property. He would then sell it to his client friend or employee for R600,000 (the inflated price financed by a bond from his pals at



FINE MUSIC RADIO 101.3

Mr Moti won't see you now

FTER OUR JOTTINGS about Zunaid Moti (noses118&119) the editor received a communication from Pedro van Gaalen, group media director of Hello World Agency. After voicing concern "over the slanted and biased content of your articles" the publicist wrote that Zunaid was very willing "and in fact welcomes the opportunity to interact with you and your reporters to give his side of the story".

We responded proposing a profile on Zunaid Moti based on an interview with him – but not please at his offices! – plus interviews with three people who were prepared to speak frankly about the great man, warts and all. We'd also like to know the situation regarding that May debt of R1.5bn to Investec: what is the total indebtedness now? Has Moti started selling his property portfolio? What's the truth about all those stories about prostitutes and strippers? The bodyguards? The boardroom beating? Etc, etc.

Van Gaalen replied stating that our revelation of Moti's May indebtedness of R1.5bn to Investec was misleading "as Investec and Abalengani have restructured the gearing to ensure the

company can see out the downturned market and continue meeting their repayments".

Addressing our concerns about meeting Moti at his office, the publicist replies: "Zunaid is not above the law and despite what you might have heard, he is not a thug. I would also be committing professional suicide if I endangered the life of any journalist, so I would never place you in such a situation. But I will definitely find somewhere where both you and Zunaid are happy and comfortable."

As noseweek prepared for the encounter a letter arrived from Zunaid Moti's sister Taz. "Certain information has come to our attention that reflects very negatively on noseweek and places your operation in a very dim light," it reads. "This information also highlights the incessant attempts noseweek continues to make to discredit Mr Moti, both in his personal capacity and his business dealings."

Any audience that Mr Moti might give *noseweek* would not be fairly portrayed or represented, opines Taz. The offer to meet and interact with Mr Moti was therefore retracted.

Absa). That's profit of R350,000 for Moti. From the profit, Moti would carry the bond for two or three years. Then he'd stop. When the clients had to start paying the bond repayments themselves, they couldn't maintain them and were forced to sell at knockdown prices.

"Apparently Moti got 52 units by doing a transaction with a Chinese gentleman where he swapped garages for these units," says Murphy.

Company registrations show 37 separate companies for 37 units at Millennium Village – Unit 3A Millennium Village, Unit 4B Millennium Village etc and 15 units at Cottonwood – Unit 1 Cotwood, Unit 2 Cotwood etc. In all 52 companies, Moti's uncle Abdool Moti is listed as a founding director –

along with each unit owner.

Attorney Murphy continues the story of the owners of the 11 units: "They ended up with these properties that were overvalued and they couldn't keep up with the bonds. They were sold at auction and I concluded an agreement [with Absa] on behalf of my clients that they would only be liable for 25% of the shortfall. If a property was sold for R500,000 and the outstanding bond was R600,000, they would only pay 25% (R25,000). So Absa took a big knock."

As, of course, did Moti's small-time friends and employees.

Murphy says that Moti's victims included "most of the salesmen at his [luxury car business] Investment Cars". A graphic designer bought two

COACHING FOR LIFE

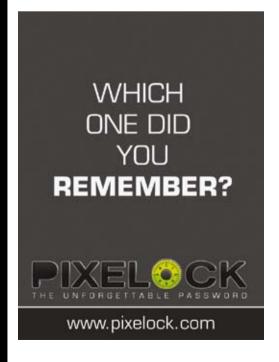
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units. The attorney describes Moti's sales routine. "Some clients would buy a top-of-the-range unit for R800,000. Then Moti would phone up and say 'I've got another unit for you and I've got a buyer for your old unit for R1.2m. Do you want another one?' They'd say yes, sign, buy another one and then the sale of the first one would never be realised.

"Absa wouldn't even look at the financial situation of the client. Moti would just get the bonds approved – and he would make the profit. He

only in effect paid R250,000 and he'd sell it for R450,000. They all went into arrears. One was a petrol attendant. He wouldn't have qualified. Their incomes were inflated by someone who completed the bond application forms so that they qualified."

All Murphy's clients "ended up with big problems". The attorney recalls the insolvency inquiry at the Master's Office over a company that owned one of the units. "Most of the files were missing and not one bank official from Absa wanted to come and testify. They all passed the buck."

He was never able to identify the individuals at Absa who approved and granted all these generous bonds. "We couldn't get the real manager who approved those loans." *Noseweek* has a fair idea who it might have been.

Back to John Dryden, who lost a bundle when he "bought" Riverside Motors from Zunaid Moti. Friends say that Moti was able to have Dryden rated as a "private bank" client at Absa, even though he had nowhere near the required R10m-worth of assets and minimum salary income the bank usually demands.

Dryden later discovered that this problem had been overcome by a fraudulent letter to Des Benecke, senior general manager of Absa Private Bank, signed merely "Auditor". This falsely informed Benecke that Dryden received a monthly drawing from his company Brewtech "in excess of R100,000 per month". The letter had been delivered to Benecke's Parktown office in an Abalengani envelope and it eased the way for Dryden to hock his house to the bank for R1.5m in order to pay out Moti.

At Absa Private Bank, Dryden dealt

Minutes later Moti flew at Dryden and administered the alleged boardroom beating

> mainly with three officials: the abovementioned Benecke, his assistant Neville van Vuuren and their supremo, Wilf Robinson, the private bank's chief executive.

> When Shell evicted him from Riverside Motors in September 2005, Dryden requested a meeting with Robinson to tell him the whole story. But Robinson refused to see him, passing him to Benecke and Van Vuuren. Several days later, when Moti summoned Dryden for a meeting at his office, Benecke and Van Vuuren were leaving as he arrived. Minutes later Moti flew at Dryden and administered the alleged boardroom beating described in our last issue.

Dryden was puzzled about why Wilf Robinson constantly avoided seeing him. In 2006, just months after Dryden and Moti's dramatic boardroom showdown, Robinson resigned from Absa Private Bank to become chief executive of Pinnacle Point, the golfing resort and hotel development company. The following May, company records show his appointment as member/director of Zunaid Moti's company Zamien Investments 67.

Last February *Business Times* revealed that Absa had lost around R1bn when it had to foreclose on single stock futures positions, after investors in Pinnacle Point defaulted on margin calls. Robinson had taken a large position himself and was left R11.8m out of pocket. He was fired as Pinnacle's chief executive in May.

Des Benecke, Robinson's former colleague at Absa Private Bank, left Absa and relocated to Cape Town, where he spent some months working in a Moti company before quitting — to join the army.

UNANI LTD, A BEE investment holding group, listed on the AltX in 2007, after raising R175m in a private share placing with select individuals, at 100c per share.

While the group has been trying to build up its operating financial services segment, the vast majority of its assets (and debt) attach to its stakes in various listed and unlisted companies – all acquired with bank loans obtained on the strength of its BEE credentials.

The trouble is that Vunani's BEE investments were made during bull market years when share prices were high. For each investment Vunani raised the equivalent debt. The subsequent market crash has left the group with BEE investments worth a fraction of what it paid for them, while the full outstanding debt remains owing.

The position is now so bad that the group's latest reported debt-to-equity ratio exceeds 8:1 (i.e. it owes eight times more than it has shareholders' funds). That put the group in breach of the terms of the loans from its bankers (quaintly described as "debt covenants").

The group's 2008 financial statements show total liabilities owing to banks of R1.489bn. The largest amount – R586.4m – is owed, you guessed it, to Investec. Standard Bank, the second largest lender, is owed R487.6m. Various other institutions (from Absa to FNB to Coronation) make up the balance.

Given this widespread exposure to the potential bankruptcy of Vunani Ltd, the company has been under "cautionary announcement" (a JSE term for when sensitive negotiations are occurring in the background) for months, while trying to restructure its debt.

(Investec's directors must be struggling to fit in meetings with Vunani, between sessions with Zunaid Moti, Dubai World, all those lie-detector tests, and now visits from the NIA as well.)

On 1 July 2009 Vunani announced that, in order to boost its assets, pay off debts and fulfill its debt covenants, it will be doing a rights offer to shareholders. This involves the issue of new shares worth R325m, at 10c each (compared to the 100c on initial AltX listing).

Even at 10c they're expensive, considering that Vunani's latest reported net asset value is only 2.4c per share, so there's been little incentive for the public to take up the rights. Which immediately puts the spotlight on the underwriter of the issue: Vunani Group, Vunani Ltd's controlling shareholder, which has underwritten the issue to the value of R313.6m. As underwriter, Vunani Group has to buy all the offered shares not bought by the public – which

Another bad day at the office

Investec has been having a torrid time of late and things don't seem to be getting better

probably means just about all of them.

As a private *un*listed company, Vunani Group's accounts, financial statements and dealings need not be made public. Its statement on how it will fund underwriting the rights issue leaves us little the wiser: "The proposal containing the principle terms on which Vunani Group will be funded to enable it to underwrite the rights offer has been accepted by Vunani Group." Except that we now know Vunani Group is being funded – by someone.

Fin24 have claimed to have it on good authority that the funds are being extended by Investec and Standard Bank – which makes sense as these two banks stand to lose most if Vunani goes bust.

In essence: Listed Vunani Ltd will use cash provided by its holding group taking up the new shares, to repay its most critical loans and outstanding interest; unlisted Vunani Group will provide the capital to repay the old loans by raising "new" loans from the same old lenders.

The banks, especially Investec, will remain with exactly the same exposure

to Vunani – but now via an unlisted company whose books are not open to public scrutiny.

While the listed Vunani Ltd looks healthier on (public) paper, its unlisted controlling shareholder, Vunani Group, has probably gone heavily into debt on terms the public should rather not know about - Investec being Investec. A cession to the bankers of the new shares as security could well be part of the latest loan deal. And, with a bit of luck (for the banks), the un-informed might soon be tempted to buy Vunani Ltd shares at more than 10c. Add to that the fact that these loans to the Vunani Group are "new", so the banks will probably not have to disclose them as risky, or write off any of them as "bad", and the appeal of the scheme starts to become apparent.

One last thing: if Vunani Group fails and its shares in Vunani Ltd are claimed by its creditors (i.e mostly Investec and Standard Bank), Vunani could lose its BEE credentials, once more discrediting this popular BEE-investment-holding model.

DA blots its Koppie book

Who authorised the Overstrand municipality to spend R25,000 on a flaky archaeological report about a local hillock?

HE DEMOCRATIC ALLIANCE has declared war on wasteful government – its website even boasts a "wasteful expenditure monitor". The purpose being, the party explains, to "monitor the ANC government's excessive expenditure", because "very often the needs of the ANC elite are put before the needs of ordinary South Africans".

It's a great pity the DA is only intereested in excessive expenditure by the ANC: with the focus a tad wider, the party might show some interest in the

following little story.



significance of the Hermanus landmark Hoy's Koppie, with particular attention to its meaning for those whom Hromnik calls "the Quena", or "Otentottu" people. He was paid a generous R25.000.

The commission was unusual for two reasons. The first should be obvious to regular readers: the manne who run the Overstrand municipality are very much to the right on the political spectrum, and research like this is unlikely to float too many of their boats. Especially given that Dr Hromnik - regarded as something of a maverick (to put it mildly) by professionals in the field - apparently managed to piss off the old white government with findings that didn't tally with the bit of apartheid folklore which

held that before 1652 there were only a few primitive types around. Hromnik was, of course, very far from being alone in challenging apartheid versions of early Southern African history and its peoples. Only he, it seems, claims Southern African peoples drew artistic and religious inspiration from contact with visitors from the Indian sub-continent.

Dr Hromnik, who describes himself as a historian and researcher, is a Slovak who has spent many years in South Africa. He's best known for claiming that Indian gold seekers came to South Africa during the 1st millennium AD, long before any European left a footprint in our sand. One implication, among several, is that metallurgy - widely accepted to have developed in Africa - was actually brought to these shores from India. Hromnik also claims that "the Quena" (whom he says called themselves the "Otentottu", and were known to Dutch settlers as the Hottentots - and who are today "mistakenly" called Khoikhoi or Khoisan), are descended from Indian fathers and Kung (San or Bushman) mothers.

Hromnik sees proof of Indian influence in shared words (he says the Quena word for priest is "suri", whereas the Tamil word is "sûri", and "karoo" is close to the Tamil word "karu"), African rock paintings (which he says show the influence of Indian mythology), and European paintings of Southern Africa, which show Indian triple-curved bows.

Hromnik's views do not sit well with local archeologists (whom he calls "the old guard"), and claims that contemporary thinking wants to keep African history pure, so denies any foreign influences.

Unfortunately noseweek can't reveal what was in Hromnik's report, because the Overstrand municipality wouldn't supply a copy. The good doctor, however, was very keen to talk about his research. Hromnik says he has been interested in Hoy's Koppie for over 20 years, because of its solitary position solitary hills are apparently worshipped in India. When a fire destroyed much of the vegetation on Hoy's Koppie in 2008, stone ruins - or "temples" as Hromnik calls them - became visible. These, says Hromnik, were astronomical in nature and have a cosmological or religious significance. Hromnik reckons "the Quena' were sufficiently advanced to know how to figure out the position of a major lunar standstill, which occurs every 18 years when the declination of the moon reaches a maximum. Hromnik claims to have found other "Quena ruins" in the "Moordenaars Karoo", near Laingsburg.

When Hermanus residents heard that they had shelled out R25,000 on research that sounded a little esoteric, they began asking questions. With no answers forthcoming, the ratepayers' body wrote to the council, expressing concern.

Their letter refers to a paper by Professor Johan Nel of Pretoria University, titled "Un-Archaeologically Speaking", in which Hromnik is apparently referred to as a "dissident historian", an "un-archaeologist", and one of those who "seem to delight [...] in finding alternative explanations of our history [...] that either have little or no factual basis".

The ratepayers also mention that two professors of archaeology from the University of Cape Town - John Parkington, PhD Cambridge, and Nikolaas van der Merwe, PhD Yale – visited Hoy's Koppie with a ratepayers' representative and, at no cost, provided "the accepted and scientific version of the civilisations of Hoy's Koppie". The professors offered to bring UCT students to Hoy's Koppie to do further research, again at no cost.

The council decided that Hromnik could sing for his supper, and asked him to respond. His four page response, dated 3 August 2009, kicks off by explaining that the correct name for Hoy's Koppie is !Xoe Surib! Areb — worth remembering when you visit Garimanas (formerly Hermanus) and want a good view of the bay. (Apparently, you may simply refer to the koppie as "The Hasty Sun Kopje".)

After asserting that he is a historian, who studied linguistics and archaeology as part of his MA from Charles University in Prague, and his PhD from Syracuse in New York, Hromnik goes on the attack. Hell, it seems, hath no fury like an academic challenged.

He describes Professor Johan Nel as a "pseudo-scholar", whose "language indicates his total ignorance of what is scientific", whose claims "are fit to be sorted out between himself and a priest in a confessional", and whose "irrational outbursts bear no relevance to the ancient history of Hoy's Koppie, which he has never studied, never written about and, most probably, has never seen".

What of the two professors who did examine the ruins on Hoy's Koppie, Parkington and Van der Merwe? According to Hromnik, neither of these gentlemen "ever studied the history or archaeology of Hoy's Koppie and never wrote any articles or books about it". On top of that, "both professors emeritus are the products of the apartheid education, both had taught for years about the primitive Bushmen or San hunters and no less primitive Hottentot or Khoisan pastoralists, whom they deliberately and by all means tried to isolate from any foreign influences, and now suddenly, after an hour's walk, they should be able to explain the civilizations of Hoy's Koppie".

Hromnik goes on to say that his research shows that Quena culture "was far from being primitive and evidently derived from their contacts with ancient India". As for the R25,000 - "the little money that the Overstrand municipality has put so far into my research has brought out no less than 2000 years of advanced but seemingly forgotten, and by archaeologists never thought of, culture of the Quena (Otentottu), which will soon become a major scholarly and tourist attraction of the Overstrand area ... the discoveries of the advanced megalithic and cosmological culture of the Quena on Hoy's Koppie will turn this small seaside town, that focuses on the whales, into a pioneering town in the field of ancient history of the indigenous Quena people .. and there is nothing that attracts foreign and even local tourists more than the revelations of ancient history".

In fact, "Hermanus and the Overstrand has never received so much for so little ... Through my research Hermanus has attained a status, soon to be fully recognised, of the oldest historical (not archaeological) living and religious site in South Africa".

More was to come. On 8 August one Sydney Opperman wrote a letter in support of Hromnik, under the header "Hromnik Bashing". Opperman says that "Hromnik's research is to me more than just a hobby... For too long the people (descendants of the Quena or Otentottu) I belong to and their history were treated as not worth researching... As a proud descendant of the Quena or Otentottu I am grateful to the Hermanus municipality and someone like Mike Walters for their initiative... They will not regret their input".

All of which brings us to the other main reason that the municipal commission is interesting. In their letter to the municipality the ratepayers asked how the commission came to be granted, whether a contract was signed, and whether there was any truth to the story that a further R25,000 would be paid for a second part of the report.

The ratepayers' association won't talk to *noseweek* but, as far as can be ascertained, no written answer was provided – though it seems that Overstrand mayor Theo Beyleveldt did ask the head of the ratepayers' association to come in for a little chat. The Overstrand municipality also wouldn't speak to *noseweek* on the matter.

Hromnik, for all the eloquence he displays when discussing his "research", was pretty unconvincing when it came to explaining the mundane facts of how he was granted the commission. He mumbled on about giving a lecture on Quena culture in Hermanus and being approached by local councillor Mike Walters, who said he should check out Hoy's Koppie. Later on he gave a talk to the council about Hoy's Koppie and was asked (he can't identify by whom) to write a report. He charged R25,000 but believes it was worth at least R500,000.

Sydney Opperman, a DA parliamentarian until April, was equally unclear, saying he "may have" spoken about Hromnik's research at DA caucuses,

where Mike Walters "may have" heard him

Hermanus residents are decidedly suspicious – they believe Walters got the commission approved without going through the proper channels, and at the instigation of Hromnik's mate Sydney Opperman. Indeed, in their letter, the ratepayers demanded that Walters repay the R25,000 to the municipality. Walters chose not to comment on the matter.

Walters, who has since moved to the Western Cape provincial parliament, has left his former fellow-councillors to do the explaining. Which may explain why the Overstrand DA is skittish about the whole thing. When the ratepayers tried to get the matter debated at a ward committee meeting they received the following response from DA councillor François Marais: "It would be extremely unwise to place this on the ward committee agenda because, as I understand it, Dr Hromnik is currently considering legal action against various unnamed parties and the ward committee may be compromised by debating it further.'

A few days later, more of the same: "I will have to bear in mind that this could or might soon be *sub judice* and, in any case, is being dealt with departmentally... I must, and will, exercise my discretion to allow it under these circumstances." Which led a ward councillor to write, in a somewhat melodramatic email: "Democracy is dead ... We are up against a granite wall of anti-democracy."

Hromnik tells *noseweek* that he hasn't threatened to sue anyone and doesn't know anything about any alleged legal proceedings. So someone's lying. Even if DA councillor Marais wasn't fabricating the existence of legal proceedings in order to avoid facing awkward questions, it was certainly mighty disingenuous to claim that he couldn't speak on the matter because Hromnik was "considering legal action against unnamed parties".

Either way, the unusual matter of Dr Hromnik's report on "Hasty Sun Koppie" doesn't look good for a political party committed to accountable government.

According to historical record, the name "Hottentot" was given to the Cape peoples by early Dutch settlers surprised by the abundant clicking sounds of their speech. "Hottentot" combined, and refashioned over time, the words stammer (hateren) and stutter (tateren). In 1670 Dutch explorer Olfert Dapper recorded: "Hottentot is a word meaning 'stutterer' or 'stammerer', applied to the people on account of their stuttering speech."

Gavin Rajah sexes up fashion

Strip joint's boss 'horrified', as couturier to the stars uses adult show for promotion

HERE WAS SOMETHING
unusual about the
first girls to appear
on the runway of
fashion guru Gavin
Rajah's latest show during Cape Town's recent
Fashion Week.

They were pretty enough, but perhaps a little short, and a bit more, er, cuddly than one expects in an industry notorious for its eating disorders.

Even more odd, they were not togged out in the latest *haute couture*, but wearing corsets and suspenders. And they weren't

so much modelling as just standing there, while others of their number reclined on swings strung about the venue (the BMW AutoAtlantic showroom).

All was finally explained when a publicity video for Mavericks, the gentleman's club and strip joint, began playing on the big screen.

So, they weren't models after all, then.

Gavin Rajah, designer to the stars and fashion's first UNICEF goodwill ambassador, had evidently fallen into bed with the sex industry.

"I don't know what he was thinking," said one fashion veteran who attended the show. "It was unbelievably tacky."

"It was demeaning to women," said another inside source. "It's not something fashion designers want to be associated with. It's not what our industry's about."

"The man's a UN goodwill ambassador for fuck's sake. All this talk about protecting women and children ... we all know how the sex industry treats women and children."

There is nothing to suggest that Mavericks treats its employees with anything but the utmost dignity and



respect, but even owner Shane Harrison was surprised when Rajah approached him.

"It's not an obvious co-branding opportunity," he noted dryly. "I wasn't sure what he hoped to get out of it and it's not really our target market."

"He told me that he wanted to do something edgy, that he liked taking risks."

Rajah persuaded Harrison that the publicity and cachet the club would enjoy from an association with his highly fashionable name would attract a whole new class of punters.

So Harrison agreed to provide 18 dancers, lighting, smoke machines and swings. He also hired a giant screen so that he could play a 20-minute loop of Mavericks' saucy publicity video while the girls swung and strutted their stuff.

"It was all agreed. But when Gavin saw the video he started getting cold feet. He told us to cut out the more *risqué* shots.

"I didn't mind, I understood the sensitivity, but I had to take the film back to the editors, which takes time and money.

"But he still wasn't happy. He wanted

us to cut out all the topless shots and regrade it in black and white. The whole thing was just getting blander and blander. He clearly isn't as brave as he likes to pretend."

Harrison was also having trouble persuading the dancers to do the show for free.

"Part of their contract is that they do some free publicity for the club, but they're not very enthusiastic about it," he said.

Eventually, the thought of possibly scoring a Gavin Rajah outfit from the deal persuaded the girls to en-

dure a day of rehearsals and make-up, for no pay – on their day off.

But when they saw what the designer expected them to wear – old fashioned corsets and "granny pants" as the girls themselves described them – they insisted on wearing their own lingerie or nothing.

They weren't the only ones who were disappointed.

Harrison, who dragged himself from his sickbed to attend the big night says he was "horrified".

"First of all, the dancers were supposed to do a 20-minute routine at the beginning and the end of the show while our five-minute video looped on the big screen.

"But the girls just got onto the podiums, stood still for 90 seconds, and disappeared.

"Meanwhile, our video was cut right down because Gavin used the screen we paid for to show videos from all the other sponsors.

"And then he used the lighting and the special effects that we brought in for our show, which was reduced to nothing, for his show."

Harrison says the dancers alone

would have cost Rajah R100,000 while the props, equipment and special effects were worth another R30,000.

"He got it all for free. But it's my fault. I trusted him because he's a big name. I didn't get anything in writing."

Harrison said Rajah had now agreed to pay him R12,000 towards expenses.

Rajah himself brushed aside Harrison's complaint as "a misunderstanding" and said the matter had been resolved.

Nor did he agree that his humanitarian work and his "definitively feminine, delicately expressive" brand signature were at odds with a troupe of halfnaked East European sex workers.

The whole thing was part of his creative vision of "finding beauty in negative spaces", he explained.

"I'm challenging stereotypes. These people play a role in society. Why should they be invisible? Why should we judge them?"

When asked how the sight of strippers standing in their underwear was going to challenge stereotypes, he said people were free to make "whatever associations they wish".

"Once I create something, it's in the public domain. People are free to question it. When you see a work of art, you can't read the artist's mind."

He said the collection was inspired by the "fetishism and erotic subculture of New York in the 80s".

"I like to collaborate with popular culture, that's why I asked Mavericks to get involved. I always go where others fear to tread. Obviously that upsets some people.

"Anyway", he protested, "the show was not about the dancers, it was about my collection."

But according to *noseweek's* sources, the dancers were the most memorable part of the show. "It was terribly disappointing. We all know what Gavin is capable of, but this collection was a mess.

"I think he added the strippers to create hype. I think he was trying to distract people from his lacklustre designs – you know, bullshit baffles brains."

Gavin Rajah's client list includes Nelson Mandela, Graça Machel, first daughter Dudu Zuma, Beyoncé, Tyra Banks, Jodie Kidd, Cameron Diaz, Tina Turner, Tom Cruise and Mark Shuttleworth.

None of them your average strip club punter, one would think. (Except, perhaps, Tom Cruise.)

Getting to the heart of the matter

responded to what they claim was "false information which puts our firm in a negative light", in the nose118 story about Jennifer Webb's experiences with the firm, when she attempted to sue cardiac specialist Dr JJ de Wet Lubbe after her husband Gordon died during surgery at the Panorama Medi-Clinic.

Robert Krautkrämer, an attorney who dealt with the Webb case, has written as follows:

1. After we had obtained all the medical records, Mrs Webb sugested Dr Frater, whose covering letter of February 2007 to the report states:

"...Note that I
will not be giving
evidence in this
case and prefer not
to have my name
used in your negotiations." This explains why
the report was not released
to MacRoberts, and Mrs Webb
was well aware of this. There was
nothing sinister in this.

2. According to a consultation note of a consultation between Mrs Webb, Pat van den Heever and Eben Potgieter, dated 14 March 2007, Mrs Webb was taken through the report. So, too, she was then informed of the letter of Dr Lubbe, and not only when we first met in 2008. Our consultation note in the file was prepared by Eben Potgieter, who left the firm in November 2007 – I mention this in case any one wants to accuse us of fabricating the note now. Your article's note on page 17 that my comment "beggars belief" and that we as attorneys don't disclose documents is uneducated to say the least and therefore warrants an apology because it was disclosed at the appropriate time, and after we had received a medico-legal report.

3. Shortly after this we sent Dr

Lubbe a letter of demand, and kept Mrs Webb advised of the matter. Only on 14 November 2007 did MacRoberts reply and deny liability. Mrs Webb was advised, and after further correspondence she instructed us to appoint Dr Thaning. He reported to us on 8 December 2007 and was the first person/ expert who raised the question about cause of death. So yes, at the point when we received Dr Frater's report nine months earlier we had no reason to question the cause of death. I trust that this also answers your concerns as to why we never chased up an autopsy report until then.

4. On 11 June 2008
(after I had a chanceto familiarise myself with the matter) I said to Mrs Webb that "... the autopsy report is critical to determine the actual cause of death. It appears that one cannot ,at this stage, for certain, prove that your late husband's death in fact caused by a puncture

was in fact caused by a puncture to the internal mammary artery. As such I would be grateful to receive a copy of the autopsy report as soon as possible..." I received no response to this request.

5. I then, at her insistence, began nonetheless to draft the "bullish letter" as per page 16 of the article without the benefit of the autopsy report and sent it to Mrs Webb on 20 August 2007 for her comments. The same evening Mrs Webb then decided to fax me the autopsy report. On the top left, in her handwriting it says the following: "Received in Feb 2008". So despite the fact that Mrs Webb was told between March and August 2008 that the autopsy was critical, she only disclosed this to us six months later.

6. As for the "R20,000" costs she allegedly spent, her total fee actually came to R14,078.32 including all

disbursements, fees and VAT. We had not "allowed her" to incur expenses when we knew the autopsy was so important. This is blatantly untrue. We were only alerted to the fact that cause of death might be an issue 18 months after we started the process. By that time we had already collected and paid for a lever arch file of records; briefed two experts, consulted and communicated extensively. All the costs from March 2008 (which amounted to exactly R3161.80 VAT incl) could have been avoided if Mrs Webb had disclosed the report to us, like we asked her to, when she received it. Hence she only spent around R10,916.52 in investigating the matter, not a penny more. Upon receipt of the report I told Mrs Webb that if she wanted to challenge the autopsy report it would be an uphill battle of note, for which she simply did not have the funds. So even if I did want to help her further, I would not have been able to because she would not have been able to pay for an independant pathologist to opine on the matter. My hands were therefore, in any event, tied.

7. In closing, the saddest part of all of this is that the noseweek journalist told me that he wanted to write an exposé on how difficult it is to sue a doctor. I was 100% in agreement and even offered my time to help him with the article if that was his aim, because the man on street needs to know how tough it is to prove medical negligence. Instead, noseweek has published an article which merely creates an even larger abyss between plaintiffs and doctors, and does not portray an objective picture at all. It creates unwarranted and false suspicions of "covert" or "sinister" conduct between doctors and lawyers. We, who do try to help patients, are now being made out almost to "side" with the doctors. If we cannot be trusted to help such patients, who will be left to help them? No one. So, well done chaps! You've blown a wonderful opportunity of drafting an article that should and could have actually assisted and educated readers – instead you sold them an "Amy McBeal" story line.

I trust this will put things into perspective.

Robert Krautkrämer, Director Millers Incorporated Attorneys

■ Noseweek did ask Mr Krautkrämer, before publication, for comment on aspects of the story, but he did not do so. 🗷

Should the state pay victims of crime?

The government says it will answer the compensation question... eventually

HOULD THE STATE pay South Africans compensation for crimes committed against them, particularly in cases where they have suffered significant bodily injury or impairment? According to some it should, in that the right to compensation has been enshrined in the so-called Victim Charter, which is a ratification of a UN declaration, and the latter strongly urges states to provide such compensation.

Whether or not one believes this would be feasible – such claims might seriously deplete state coffers – odd tales are being told in the suburbs about police informing crime victims that the state will pay them out if they don't have insurance.

Victimologist Dr Jaco Barkhuizen, an expert in victim charters, says he's recently been inundated by calls from desperate crime victims, many of whom have lost everything, saying they've heard they have the right to compensation, and wanting to know to whom they might apply. Barkhui-

zen has no answers: the Victim Charter simply does not provide mechanisms by which the rights to restitution and compensation could be addressed, and he's had no clear answers on the matter from any government department.

The South African Service Charter for Victims of Crime was promulgated in 2007, as the ratification of the UN Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power, of 1985. Botswana was the first African country to ratify the 1985 Declaration, followed by, among others, Nigeria, Tanzania and Uganda.

The South African Victim Charter seeks to address "the serious impact of crime on victims, and its potential for undermining a victim's human rights", and enshrines seven rights of victims of crime:

- The right to be treated with fairness and with respect for dignity and privacy
 - To offer information
 - To receive information
 - To protection
 - To assistance
 - To compensation
 - To restitution.

The importance of the first five can't be underestimated, and the state has made moves to address how they might be enforced – but remains silent on the last two.

UN member states are bound by its declarations, whether they voted for them or not, but any declaration is more a set of recommendations than

a fixed list of rules. Comparing the 1985 UN declaration with our Victim Charter suggests that the South African state is being very cautious about what enshrining victim rights may commit it to practically – especially with the right to compensation.

The section on compensation in the UN declaration says that, where victims have sustained significant injury or impairment due to crime, and when "compensation is not fully avalaible from the offender or other sources,



Justice Willie Seriti

states *should endeavour* to provide financial compensation". It adds: "The establishment [...] and expansion of national funds for compensation to victims should be encouraged."

The section on compensation in the Victim Charter simply says "you have the right to compensation for loss or damage to property suffered as a result of a crime being committed against you", then goes on to say "you can request to be present at court on the date of sentencing of the accused and request the prosecutor to apply to court for a compensation order".

Given that this procedure is already laid out in sections 297 and 300 of the 1977 Criminal Procedure Act, the charter simply affirms the right to compensation, without providing mechanisms that would allow victims practically to assert that right.

A quick look at the equivalent British charter shows how a country with its budget in the right place goes about things: the British version establishes a network of official bodies to support victims of crime, including a "Criminal Injuries Compensation Authority". It says that when someone is found guilty "the court must consider ordering them to pay compensation for any loss, injury or damage you have suffered" – which must be paid before any fine. It does not provide for the state to compensate crime victims directly but it at least directs citizens to official organs of aid and support.

In proclaiming the Victim Charter in 2007, then Minister for Justice Brigitte Mabandla announced: "The Victim Charter is an important instrument for promoting justice for all. [...] Since 1994, and in keeping with the cultivation of a human rights culture, the focus has gradually shifted from an adversarial and retributive criminal justice system to that of restorative justice. Central to the concept of restorative justice is the recognition of crime as more than an offence against the state, but also as an injury or wrong done to another person."

Some commentators, however, think that arriving at a decent system of restorative justice will take a lot more than charters. Dr Jaco Barkhuizen, unable to answer how crime victims should go about asserting their rights, is a little cynical about the government's intentions as to ratifying the UN Declaration. Might its timing have had something to do with South Africa's election to the UN Security Coun-

cil at around the same time?

Barkhuizen, who teaches at Monash University of South Africa, argues that, as long as the country's criminal justice system is based on the Westminster and Roman-Dutch systems, restorative justice remains a pipedream. While accepting that the Victim Charter is a step in the right direction, Barkhuizen believes compensation shouldn't be tied to a successful prosecution or a conviction: "That's not what the UN Declaration had in mind.

"The state, which has the responsibility to protect the citizen, should compensate victims, with or without convictions [...] and where the Charter is not explicit on from whom the claims should be filed, the buck should stop with the Presidency. All claims should be filed against the Presidency."

Anyone want to have a go?

The effectiveness of the Victim Charter has been tested only once, in a case filed at a Pretoria High Court, in March this year, by six organisations, including the Centre for the Study of Violence and Reconciliation, which challenged proposed presidential pardons of convicted criminals.

In their application for an urgent interdict, the organisations argued that the secrecy in which representatives of political parties consider what names to forward to the President for possible pardons is not consistent with the terms of the Victim Charter. They urged the court to prevent the President from exercising his powers with regard to 384 applications for presidential pardons, because these were submitted for consideration without involving the victims of the crimes.

Although the Victim Charter enshrines the right of victims to be involved in matters pertaining to the possible release of those who perpetrated the crimes, the Presidency opposed the application, which was sent for adjudication by Justice Willie Seriti (see *nose*99).

In granting the interdict, Justice Seriti dealt at length with the Presidency's contention that the six organisations making the application had no standing in law to bring the application on behalf of the victims. Quoting from Section 38 of the Constitution, Justice Seriti pointed out that the organisations did indeed have the right to approach the court on behalf of the victims, as they had brought the appli-

cation "on behalf of a group of victims who might have a right to be heard by President, prior to President considering pardons". (Well said, Justice Seriti.)

On the issue of the victims' rights, the honourable judge proved to be worth his robe and wig. The Presidency had submitted that the victims of



Victimologist Dr Jaco Barkhuizen

crime were not entitled to be heard prior to the President exercising his powers. The organisations submitted that victims of crime, their families and other interested parties, have a right to participate in the pardon process and to make inputs - and Justice Seriti agreed. Citing the Victim Charter and the 1985 UN Declaration, Seriti said: "In my view, the President, prior to releasing a prisoner on pardon, must have considered all the relevant information relating to the said prisoner. The said information should include, inter alia, the prisoner's application, the inputs of victims and/or families of the victims of that particular crime and any other relevant information which might come from any interested party."

The Presidency has now appealed against Judge Seriti's ruling, saying that having to consult with victims before granting pardons to criminals would contradict the fact that President's powers are constitutionally recognised.

■ Noseweek's enquiries to government departments, on the matter of the right to compensation, got nowhere. After being sent from one department to another noseweek was finally put in contact with a Naomi Webster, said to be able to provide the official response to our questions. After lecturing *noseweek* on how to approach government departments correctly, Ms Webster told *noseweek* that she would provide "a response to your enquiry to our communication section and they will correspond with you". Alas, no communications arrived from the communications section.







Cutesey-pie kitties, or serial killers?

Feral cats survive at the cost of threatened birds and beasts

ANY PEOPLE adopt abandoned cats. There's something so intrinsically vulnerable about these creatures that it's hard to ignore them, and the care of unwanted cats has long received public support.

The first South African Society for the Prevention of Cruelty to Animals (SPCA) was formed over a century ago, and SPCAs are now established countrywide. They even have their own Act of Parliament to govern them, the Societies for the Prevention of Cruelty to Animals Act 169 of 1993, and we're all accustomed to them being around to care for neglected beasts in South Africa.

Despite the success around the world of the SPCA model, some people have a problem with the SPCA policy of humanely killing rescued animals that cannot be given a new home. The so-called "no-kill" or "pro-life" approach to animal welfare, by which healthy animals are kept on indefinitely in welfare organisation facilities, has recently become fashionable in South Africa. "No kill" animal shelters are appearing all over the place, attracting increasing support and donor rands.

"No-kill" activists have also extended their work to animals outside shelters, to colonies of domestic cats turned wild. These groups of feral felines are found all over the country around reliable sources of food, like rubbish dumps or supermarkets, or anywhere do-gooders may feed them.

Feral cat colonies are not always popular. Feral cats may carry disease, and free-roaming cats, especially in concentrated numbers, are a menace to wildlife. A recent US study found that there were between 90 and 150 million feral cats and free-ranging house cats in that country, which kill at least 500 million birds a year. In

Britain the Mammal Society reckons that cats kill about 55 million birds a year. There are no figures for South Africa, but they must run into millions here, too. Many cat owners, cognisant of their own felines' habits, will realise that about five birds per year is a low figure. Other small wildlife, like lizards and shrews, commonly eaten by South African cats, are not included in these estimates.

Feral cats are often poisoned, shot or trapped, and taken to the nearest SPCA – where they languish, unadoptable because of their wild ways, until they are put down.

"No-kill" adherents say this is not kind to the cats - or even a good idea. They say that, instead of killing feral cats, we should be trapping them, sterilising them, releasing them back where they came from and feeding them. Killing feral cats, they say, merely frees up more food resources for other feral cats and creates a territorial vacuum for newcomers. The point of releasing sterilised feral cats back where they came from is that these sterilised cats keep other ferals away, and because they can't breed, the colony will eventually die out. If they are fed they will not prey on birds and other wildlife, and their ecological impact will be lessened.

This so-called trap-sterilise-release (TSR) technique sounds like a good, humane solution that reduces the impact of feral cats, causes attrition in feral cat colonies while avoiding having to kill the poor beasts. There are a couple of small problems, though: One, it doesn't work, and, two, it takes huge amounts of money away from methods that do.

According to a recent article in *Audubon*, an American conservation magazine, not a single trap-sterilise-release programme has caused any



colony to die out. This is because 71% to 94% of a feral cat colony has to be sterilised before the reproduction rate of that colony drops below replacement rate (assuming that no cats immigrate into it from elsewhere) and cats are extraordinarily difficult to trap, so no colony has reached anywhere near that percentage.

Tufcat, a trap-sterilise-release cat programme at the University of the Western Cape, told *noseweek* that

Does a cat, confined in a cage in a no-kill shelter, have a good life, or would it be better to kill it painlessly by lethal injection?

they had not managed consistently to reduce cat numbers because certain females were impossible to trap, and bred extremely quickly. Other such South African programmes did not reply to *noseweek's* questions.

Also, sterilising cats is expensive. It costs hundreds of rands to sterilise a female cat, less for a male. Because the no-kill activists have tugged so effectively at donor heartstrings, much of the cash that went to organisations like the SPCA that practise humane

killing of un-adopted cats now goes to no-kill shelters. A single no-kill cat non-profit organisation in the US, Alley Cat Allies, spends about \$4m (about R30m) every year to fund its operations, which is the interest gained from their endowed assets of \$300m (a mind-blowing R2.2bn). The growth in no-kill animal shelters in South Africa indicates that here, too, they are hoovering up donor rands.

No-kill activists also delay conserva-

tion programmes and cost them fortunes in legal fees, because they value the lives of cats higher than those of native bird and animal species. When the management of Robben Island decided to hire sharpshooters to

kill the feral cats there in 2004, because they were deemed a threat to indigenous birds, including threatened species like the African penguin, opposition from various no-kill groups caused the cat cull to be drawn out over two years. An associated European rabbit cull on the island was stopped completely for three years. As the stopstart cat cull progressed, rabbit numbers exploded – cats had been keeping their numbers in check. Thousands of rabbits consumed most of the grazing

on the island, leading to slow starvation of most of its antelope and damage to indigenous vegetation.

Domestic cats are a danger to the indigenous African wildcat. Because they are very closely related, they can interbreed. Free-ranging domestic cats move out into the veld and mate with African wildcats, and in some parts of South Africa it's becoming almost impossible to find a purebred African wildcat. Conservationists are now so worried that African wildcat will cease to exist as a pure species that they are breeding them in captivity.

Cat-lovers could perhaps ask themselves if no-kill policies in shelters and feral cat colonies are actually humane, and if encouraging large numbers of cats (both homed and not homed) helps wildlife or the animals that die to become catfood. Does a house cat, confined in a cage in a no-kill shelter, have a good life, or would it be better to nudge it painlessly into eternity by lethal injection? Might it actually be more humane (and better for the environment) for a feral cat to be killed instantly by a sharpshooter's headshot than to be trapped, subjected to a traumatising sterilisation operation, and then released back to an uncertain outdoor life?

And can we really justify favouring a single, common species, the domestic cat, over both indigenous African wild-cats and hundreds of native bird, reptile and mammal species?

'Over-zealous' Barberton prosecutor sets sights on illegal mining

ECENTLY THE MINISTER of Justice made a meal of the terrible incidents that saw a reported 82 illegal miners die in Welkom. I refer to the minister's response to that tragedy as "making a meal", because our little "Jewel of the Lowveld", Barberton, has been grappling for the past three years with an escalation of illegal mining and its attendant deaths. In the three key mines where illegals are operating, 63 had died underground by August this year. Not once has the same minister, or any other senior government official, attended to our little town's concerns regarding this escalation. This, despite the fact that illegal mining has negatively affected almost every aspect of the historic mining town's social and economic fabric.

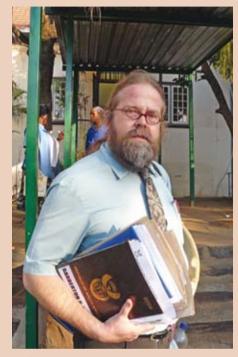
Even Barberton's once award-winning police station has been rocked by scandals, starting with police collusion with illegal mining syndicates, and culminating in the girls and boys in blue deciding to cut out the middle men so they could themselves rob the illegal miners.

On the other side of the fence, young women in Barberton's Emjindini township, lured by the illegals' glittering cash flow, were being impregnated by opportunistic miners at an alarming rate. Township homeowners were raking it in by renting rooms to illegal miners from out of town, and those with jalopies were getting paid for transport.

In short, the glitter was everywhere, and sparkled on anyone who wanted a piece of the action. That is, until "kill-joy" senior prosecutor Kim Myers decided that enough was enough.

He hasn't just pissed on the illegal miners' party, he's sent them scattering, by bringing down a veritable legal hailstorm on their golden parade, single-handedly saving Barberton's social fabric.

Beside his simple commitment to upholding the law, what set Myers off was the loss of illegal miners' lives,



Barberton Magistrate's Court senior prosecutor, Kim Myers

and the detrimental effect illegal mining has been having on the town's economy and the gold mining industry in general.

"It is estimated that illegal mining activity is depleting the mines to the extent that their lifespan will decrease from the projected 30 years to a mere ten. This will not only affect Barberton in general, but roughly 2,900 mine employees could find themselves without jobs," said Myers in an address to the court at a recent trial involving 50 accused illegal miners

"Many of you are dying underground, and you should be aware that a reported 82 like yourselves died recently in a mine in Welkom – and there are another 300 missing", he told the men on trial.

But instead of thanks for his efforts, what does he get? He stands accused of being "over-zealous" by an attorney from the Legal Aid Board.

Incensed at discovering how easily those arrested for illegal mining were being bailed out by syndicate members, Myers gradually had bail increased from R700 to R7,500, persuaded the courts to hand down direct-to-jail sentences and, adding fuel to the fire, had case dockets kept away from Barberton's tainted police station.

His "over-zealous" initiatives have seen 137 illegal miners prosecuted since September 2008, with 135 of these found guilty. Some 80 men were given direct imprisonment, with sentences averaging 18 months.

Naturally, this scenario has also presented an additional problem: further overcrowding of the local prisons. Myers has thus had to tone down his approach: just recently, ten illegal miners jumped for joy as they walked out of the Barberton Magistrate's Court after being "shown mercy".

The ten, who had entered a plea of guilty, were given suspended sentences by Magistrate Christine Kruger, following a submission by Myers.

The prosecutor told the court the suspects had been incarcerated in cells designed to hold 12 prisoners, but which were holding as many as 42. They also deserved mercy, he said, because of the lengthy period they had waited to be brought to trial. The court imposed a six-month sentence, suspended for five years.

"You are required to uphold your guarantee to the court that you will not be caught again engaging in illegal mining activity or in possession of any gold for the next five years. If you fail to do so, this court will not have mercy on you," said Magistrate Kruger

They knew what she was talking about. "I cannot believe we are out. This is not worth it. As God is my witness I'm not going back to the mines," said one of the released men.

Forget the "thin blue line" — we're thanking just one man for ensuring that the law is applied. \square

The man who just couldn't say sorry

LLAN BOESAKWAS A POWER in the land in the 1980s, particularly in the Western Cape, and notably on the Cape Flats, where his spell-binding oratory galvanised

the poor and the youth into political action. He became a well-known and respected figure in church and political circles abroad and, in concert with Archbishop Tutu, Dr Beyers Naude and banker Terry Crawford-Browne, an effective advocate of financial sanctions against the apartheid regime.

All political memoirs are to some extent self-justifying and self-indulgent, and Boesak's are no exception. Yet he can rightly claim to have played a significant part in the eventual achievement of constitutional democracy.

In this account of his role in the anti-apartheid struggle, Boesak asserts, with con-

siderable justification, that liberation was not won by exile-led military action, but by the courage and sacrifice of people inside the country. The decision of US banks not to roll over South Africa's loans in mid-1985 was, of course, also critical in forcing the National Party government to negotiate with the ANC.

In January 1983 Boesak urged the formation of a united front of churches and civil society to pursue a campaign of nonviolent resistance to the white supremacist policies of the NP government. And in August of that year he was the keynote speaker before 15,000 people at the Rocklands civic centre when the United Democratic Front was launched.

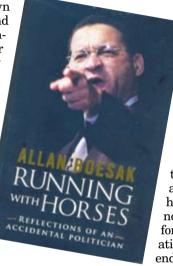
Within a few years, the UDF had grown to embrace nearly 1,000 organisations, attracting the enthusiastic support of youth and student groups, civic bodies, trade unions and women's and professional organisations. There were marches of protest across the country, drawing many thousands of people. The message of the UDF spread like wildfire, with crowds shouting slogans and singing songs of liberation.

The UDF gave the struggle a decidedly non-racial and non-violent character, opposing PW Botha's tri-cameral

GERALD SHAW REVIEWS

Running with horses: Reflections of an Accidental Politician

by Allan Boesak (Joho! Publishers)



parliament
and mounting an effective boycott of
the elections for
the coloured and
Indian "parliaments."

Were it not for the UDF, Boesak argues, the apartheid regime would not have been forced to the negotiating table before the end of that decade, the ANC would have

remained in ex- ile and the Robben Ilanders would have stayed on the island much longer.

And without the UDF, he suggests, the violence that engulfed the country during the many states of emergency of the 1980s would have been much worse.

Yet the returning ANC exiles insisted on getting rid of the UDF – having embraced it as a surrogate they now saw it as a threat. Boesak says he did not realize at the time how important it was to the ANC that the UDF be disbanded. This was a disaster for the country, he argues, and berates himself as a "coward" for acquiescing in the UDF's demise.

Already in the struggle days Boesak had clashed with Thabo Mbeki, and he appears to have become steadily disillusioned by Mbeki's top-down running of the ANC, and the ANC's Leninist doctrine of democratic centralism. He also deplored the scrapping of the Reconstruction and Development Programme (RDP) and the adoption of neo-liberal economic policies.

As well as his Christian faith, the foundation of his political philosophy, Boesak acknowledges his debt to the non-violent strategy of Steve Biko and the employ-

ment of Black Consciousness in moving towards a non-racial democracy.

I was saddened that Boesak offers no apology for his handling of donor funds, which led to his conviction on one count of fraud and two of theft. He served three years' imprisonment and was granted a presidential pardon by President Mbeki. His criminal record was expunged. His insistence on his innocence is documented in this book at some length. Readers will make up their own minds.

My own feeling, on reflection, is that Boesak's evident lack of remorse, and his seeking and acceptance of a presidential pardon, have struck another blow to our judicial system. He has returned to the Christian ministry in good standing, and, as a leader of the Cope breakaway from the ANC, seems poised to make a political come-back.

Boesak here writes as he speaks. There were times in the 1980s when his oratorical skills and his evocative Southern Baptist style stirred people very deeply and helped shape the trend of events. He is as eloquent as ever. Yet it remains to be seen whether his wizardry with words will again work its magic on political platforms.

How sad that he could not say sorry to the donors whose trust he abused – and their intended beneficiaries, who lost out to Boesak's own ambitions and to secret political plans, no matter how important he may have rated the latter. m

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Last Word

Strachan



Only you...

IFE IS AY SÄNDVICH OF SCHIDT, says Ehud Gribenis. From which we eat every day ay mouseful. If you excuce the expression, pleace.

The occasion for his laying this disgusting metaphor on me is the Saturday morning recital of music and song at the Umbilo Mall, and the reason for it is my remarking what a nice surprise it is to hear a Bach violin sonata amongst all the threadbare old Country and Western doggerel from pudgy menopausal hags who think they look like Dolly Parton. These violin, says Ehud Gribenis, is ay piece of schidt vhich I vhas unlucky to buy from ay schidtschop, name of Pibbles' Schwopschop in these same mall. He points, and there it is. Full of old lawnmowers and things, and fishing tackle which pibble sullenly schwopped after six months' battling to catch a single fish. But but but, say I, confused, surely you have an excellent Cremonatype instrument for your Bach? Aaaaah! he sighs, hangs his head and unfolds this tale of stark human tragedy.

Seems the credit crunch has hit Latvia extra hard. It is not surprising there to see a mature concert violinist playing in the streets of Riga, with his violin case open upon the pavement in hope of a couple of coins. Unsurprising too, I suppose, that a murky sort of gent should approach such violinist with a proposition he could scarce refuse: a guaranteed job playing Hungarian Gypsy music on the Blue Train, South Africa, plus big money upon arrival if... if... you guessed it, dear reader, if he would convey a certain quantity of a certain substance to Johannesburg in this violin case. A certain somebody would tap him on the shoulder at OR Tambo Airport and convey him to the Blue Train, via Soweto. So he didn't refuse. In a darkish room another murky gent squeezed whitish bundles into corners of the case and covered them over with traditional velvet and gave Ehud G a certain number of SA banknotes, plus a ticket, and stuck him on a plane to JNB International, and that was the easy part of the deal. The dreadful part was watching his lovely violin go round and round



I tell you for all their schmalz the words aren't as bloody stupid as most of the lieder I have heard the carousel on arrival whilst ugly men with handcuffs and great big pistols and ugly dogs with great big noses also stood watching it. Sniffing it. Thank God it was the Sabbath. His instrument abandoned, his hopes dashed, his nerves shattered, Ehud G staggered to the nearest taxicab and took out all the banknotes. Will these amount take me to the nearest synagogue? he asked. Exactly that amount, said the cabby, and took him there.

The hand of fortune which brought him thence to Umbilo scarce bears thinking about, but here he is, here am I, and here is a large-size woman with mid-age belly and buttocks, teenage jeans and tekkies, long dangling yellow hair and a voice so loud she is doing her love lyric without aid of a microphone, just a pop keyboard for accompaniment. She smiles with her singing lips and blows Ehud G a kiss. Only you, she sings, can make the world seem bright... Such ay strange song I have never before heard, says he. Such ay strange woman I have never before seen. She is very powerful. I nod. But after a while I start to listen to the voice and I tell vou, dear reader, it suddenly strikes me this is a voice of total purity. Like a choirboy's, no vibrato, no partials, clear as a bell with perfect pitch, and what range; she can sing from way below where I can manage to way up there where the choirboys are. And then I start hearing the words, and I tell you for all their schmalz they aren't as bloody stupid as most of the lieder I have heard, esp. that one that goes You my soul, you my heart, you my wonder, you my suffering, you my Earth whereon I wander, my Heaven you, in which I die. You are my eternity... Du bist meine Ewigkeit... und soweiter.

Mister Gribenis, say I, if fortune had dealt this lady a luckier hand she would today be singing Puccini at La Scala in Milan. Mozart in Vienna. Wagner in Bayreuth. And in Riga the greatest music ever written by human hand in the whole wide world, the B minor Mass, Johann Sebastian Almighty Bach. You think? says he. I know, say I. He listens, nods to the music. Listen to the song too, say I, the words. I must? says he. Oh you must, say I, the lady is singing them only for you, she said so. He reflects awhile. Is it? says he. Already he speaks South African, the most fundamental existential statement ever: the verb to be, a pronoun and a question mark. Is it? Does it exist?

Without any doubt, say I. She sings: Only you and you alone can thrill me like you do, and fill my heart with love for only you... He smiles at her. He is happy. **22**

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Provence Cotignac, village house,

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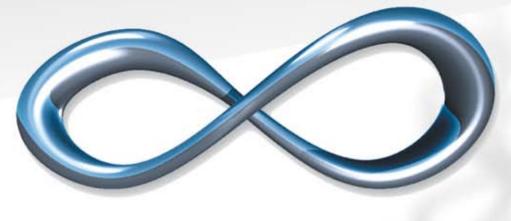
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