**GAUTENG Jozi DA rewards ANC crony** 

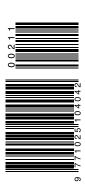
**SHAKA INTERNATIONAL** An airport desperately seeking passengers

**ACCOUNTING GAMES** Still ducking and dodging over JCI

**NEWS YOU'RE NOT SUPPOSED TO KNOW** 

# R45 (inc VAT)





211 **MAY** 2017





Your favourite magazine is now available on your iPad and PC

SARS put R100m 12-year squeeze on innocent mar



# **Making mischief**

Page 26

### Letters

**Editorial** 

30 Smalls

### **COLUMNS**

26 Books

27 Down and Out

**28** Letter from Umiindi

29 Last Word

### **FEATURES**

# **6 Notes & Updates**

Teflon Two stick it to SARS ■ EnviroServ owns up (finally) ■ Physician, heal thyself

# 8 No accounting for JCI

Allan Gray and Investec still ducking and dodging

# 10 FNB safety deposit box heists

More questions than answers

# **12** Dines Gihwala to pay up big time

Past finally catches up with disgraced roque attorney

## 15 Valuable friends

Jozi DA embraces ANC crony with R100m tender

# **18** A cut and paste job

How Ekurhuleni planning chiefs covered their tracks after permitting illegal school opening

## 21 Durban's tender Mafia

City's construction industry under siege from groups of armed raiders

# **24** King Shaka International

An airport desperately seeking passengers

# **AVAILABLE** ON YOUR **TABLET**

# Download your digital edition today

both single issues and subscriptions available

PLUS never miss a copy with back issues available to download and store

DOWNLOAD YOUR DIGITAL **EDITION AT** www.noseweek.co.za or 5 021 686 0570

# Mayor's forgotten his promises

DID YOU READ NOSE 210, SOLLY Msimanga? What a damning indictment of your tough-talking and promises as the new DA Mayor of Tshwane. What a shame!

Lucy Pearl Klein via Twitter

# **Shaming the law profession**

THE ARTICLE "COURTING DISASTER" (nose210), on some of the main "players" in the Pietermaritzburg law profession, led me to wonder what the many honourable lawyers such as the late Leslie Weinberg who practised there, would think of the current scene. Have these people no shame?

**Lew Rood** Rondebosch

# Can we trust our 'guardians'?

As an avid reader of *Noseweek*, I wonder whether your sleuths have uncovered anything on the robbery at the State Security headquarters in Pretoria a while back. Amazing, given the vast amount of dollars involved, that the matter has gone quiet – or is it possibly a matter of the "guardians of law and order" at the top enjoying the rewards of their labour?

**Alex Hegland**Johannesburg

Fair question. - Ed.

# What news of Protector's report?

What is happening with the Public Protector's State Capture Report?

Linda Algie

via Twitter

Another fair question. – Ed.

# Fake agave's bitter aftertaste

Since Noseweek's story "Sweet Talk" in March (nose209) about the production of dodgy Agave produced in St Francis Bay by Brian Neary, we have received several emails from him and from his ex-wife Hanlie Rothmann.

"You have been fed false information by a disgruntled former employee who was fired for theft of petty cash funds and a company iPhone, and is being charged by the SAPS, and by my ex-wife Hanlie who is bitter and resentful and cannot stomach the idea that I have moved on in my life..." Neary wrote to Noseweek."In the last two years Hanlie has received R34,000 per month in a divorce settlement. Now that this has come to an end, she has demanded I continue paying, failing which she threatened to disrupt and discredit my business activities – which she has done.

We deal in various products including Xylitol, Agave, Table Sugar, Erythritol, Cocoa powder and Fructose and purchase some stock from Tongaat and other suppliers. But for Noseweek to state our products are not pure is devoid of all truth. In your wisdom you have taken the words of a thief and a fraudster and so damaged my company's image. I am giving you the opportunity to withdraw your article and place on record that these assumptions you have come to are not necessarily truthful, failing which we will with all due force take Noseweek to Court and sue for many Millions.

"Your article has cost us a National client who cancelled our contract to supply Xylitol powder. This was worth R18 million per annum in turnover.

"I expect that due to your actions we will probably lose many clients; sadly most just buy plain sugar from us."

In conclusion, he declared: "If you had taken time to visit our factory before jumping to conclusions, I am sure this unpleasantness would not have occurred."

**Brian Neary** 

Neary appears to have forgotten that, far from inviting him to view the factory, when approached for comment, he told Noseweek's reporter to "do what you want to do. I am not going to talk to you. Go fuck yourself. Alright?" and then hung up.

The salient points in Noseweek's article were the fraudulent organic Agave certificates flagged by the US Department of Agriculture, naming Neary; the suspension of the current organic certificate; and comments made by staff, farmers and the SAPS.

Rothmann was not interviewed for our story, however Noseweek did report on a letter she'd sent to Neary's customers. She now confirms there was a divorce agreement but contends it had been broken by Neary "time and time again". She says all she wants is her money and, feeling short-changed, she decided to expose Neary's crooked enterprise with her public letter.

Noseweek has noted Rothmann only decided to expose the allegedly fraudulent Agave business after she stopped receiving a share of the proceeds.

When thieves fall out, the truth will out, is one way of looking at it. Hell hath no fury... is another. – Ed.







# noseweek

### Editor

**Martin Welz** editor@noseweek.co.za

### **Assistant Editor**

Jonathan Erasmus

# **Special Correspondent**

Jack Lundin

# Designer

Tony Pinchuck

### Consultant

Len Ashton

# Sub-editor

Fiona Harrison

### Contributors

Len Ashton, Sue Barkly, Niki Moore, Ciaran Ryan, Harold Strachan, Anne Susskind

### **Cartoonists**

Dr Jack, Stacey Stent

#### Accounts

Nicci van Doesburgh accounts@noseweek.co.za

### Subscriptions

Maud Petersen lbs@noseweek.co.z

# Advertising

ads@noseweek.co.za

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

Disclaimer: While every reasonable effort is taken to ensure the accuracy and soundness of the contents of this publication, neither the authors nor the publisher will bear any responsibility for the consequences of any actions based on information contained. Printed and Published by Chaucer Publications (Pty) Ltd.



### **SUBSCRIPTION RATES**

### Print

SA only R410
Neighbouring states (airmail) R600
Europe, Americas and Australasia R740

Internet edition

l vear

Combined

Print+Internet (SA only)

R510

R298

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

**Via Internet** (pay by credit card): www.noseweek.co.za

Email subs@noseweek.co.za

### **Further information**

**Call** (021) 686 0570; **fax** 021 686 0573 or **email** info@noseweek.co.za

# Editorial

# The cost of news

HORTLY BEFORE WRITING THIS, I START my day, as usual, by attending to the day's emails. I immediately delete 72, most of them unsolicited marketing. The remaining 21 I keep for further consideration. By the end of the morning I will probably only have kept 10.

At best, that's only 24% news with a 76% ad-load. That's a heavy load! Still worse: in the age of newspapers, the ads were funding the news gathering. Now none of it contributes to the cost of news. It's not even such a great deal for the advertiser: most ad emails and Tweets are discarded without being opened.

The loss of advertising revenue has had dire consequences for news gatherers and consumers alike. That is quickly demonstrated when I move on to an email that interests me: from *BusinessLive*, the online version of *Business Day*. Top of its list of news offerings is headlined:

Gareth Van Onselen: Jacob Zuma's 10 most reckless comments as president. Below that is the teaser line: "Zuma uses racial scapegoats, appeals for a patriotic press, paternalistic tribalism and Biblical threats to mask his failure and ANC's giant patronage machine."

Interesting. I want to read more, but all I get is a pop-up screen announcing: "This article is reserved for our subscribers."

Never mind, I've gathered enough of value from those few lines not to want to actually pay for more. In fact I've retrieved a whole news bulletin for nothing! Even if this exercise immediately reminds me of the derelict street person who trawls our neighbourhood's rubbish bins each Thursday for edible scraps. Or throwaway bits to sell for recycling, as I am doing here.

There's more in this "bin": Hilary Joffe's piece headlined "Great show, but magic will eventually fail" and the teaser: "The dividends were a welcome windfall, but it was a windfall that should have raised red flags immediately". That's a bit like finding a wrapper with a delicious smell, but absolutely nothing in it to eat. How infuriating! Particularly since it, too, is blocked from further reading; "reserved" for subscribers.

Sufficiently tantalised while being deprived of any satisfaction whatsoever,

I read on: "We have several subscription options to help you enjoy the best of our content every day, including exclusive *Financial Times* articles, *Morningstar* financial data and full digital access to *The Wall Street Journal.*"

Hunger drives me on. I click on "subscribe" and discover that to get the whole online "economy" package – a selection from all their publications, excluding *The Wall Street Journal* – will cost me R120 a month. Adding *The Wall Street Journal* ups the cost to R349 a month. R4,200 a year; what most South Africans earn in a month.

Then the really interesting discovery: if you happen to prefer your serious news in print, on paper, the cost of getting the whole local-only package delivered to your post box is R750 a month – more than six times the cost of the online digital package! R25,000-odd a year – more than half a year's wages for most South Africans.

Some 95% of ANC voters will not be getting the news produced by the Times Media's business publications and *The Wall Street Journal*. Conclusion: in our democracy, these publications are irrelevant.

The next bin also shows promise. *Moneyweb Today*'s email comes with the subject line: "Tax revolt: The frustration is growing", followed by a still-more-depressing teaser: "But SARS has the upper hand." It's all about boycotting the taxman as a means of boycotting Zuma and the Treasury's favourite beneficiaries, the Guptas.

But my interest in a tax revolt was triggered by something else. On the same day, also by email, I receive a surprise Payroll Taxes Notice of Assessment from SARS investigations division in Alberton. The payment "period" to which this "internal revised" assessment refers is April 2006 - eleven years ago. The "assessment summary" says that Noseweek should have paid over R18,345.21 in PAYE but only paid R6,087-odd. We are given 21 days to pay the difference. The problem: we have kept no documentation that long. Who has? Is SARS so desperate that it's throwing the requirement of "fair and reasonable administrative action" to the wind?

The frustration is growing.

The Editor

# Notes & Updates

# Teflon Two stick it to SARS

urban's Teflon Two, S'bu and Shauwn Mpisane, who owe the taxman more than R203 million, are once again set to oppose SARS's attachment of their homes, farms, luxury vehicles, businesses and trust fund.

The couple's assets were attached in November last year. The case was meant to be heard in March but has now been postponed *sine die* (indefinitely).

SARS attached their goods on the basis that the Mpisanes were "dissipating" their assets and had "frustrated SARS" in its ability to collect taxes effectively. This included offloading assets into a newly formed trust and setting up front companies to transfer



assets out of indebted companies.

The tax authority also felt it had been conned by the couple who, when unable to get a tax-clearance certificate for their flagship company Zikhulise Cleaning Maintenance & Trading (ZCMT), created a new entity under a similar-sounding name, Zikhulise Group, which had a clean tax bill of health. This was in order to qualify for more – often dubious – multi-million-rand government construction contracts while using their existing infrastructure.

"The legality of this conduct is questionable," SARS contended in founding papers. ■

# EnviroServ owns up (finally)

that it was the source of the "toxic" fumes that are making many local residents ill, EnviroServ Waste Management's hazardous landfill west of Durban has been ordered to suspend "acceptance, treatment and disposal" of waste. The waste destined for the Shongweni site will now be sent to other facilities.

In a letter to clients, EnviroServ said it has "another landfill that we will use in Durban and Holfontein [near Benoni]".

The suspension is the result of a directive issued on 4 April by the Department of Environmental Affairs (DEA). The decision has been a year coming after *Noseweek* broke the story exactly 12 months ago (noses199; 200;203;204;205&210).

Local residents have complained of suffering nosebleeds, nausea, vomiting, sinusitis, bronchitis, asthma and other health-related conditions, and remain convinced these ailments are caused by the "toxic fumes" from the landfill.

In April *Noseweek* reported that children at a facility near the site had complained of headaches, migraines and nausea. *Noseweek* has seen affidavits compiled by doctors in the area in which they say they believe the illnesses experienced in the affected areas are because of the fumes.

In a statement outlining the reasons for the directive, DEA spokesman Albie Modise said that there was still an "unacceptably high level of landfill gases being emitted" from the Shongweni landfill site.

"The decision to suspend the Waste Management Licence (WML) is therefore one of the significant steps to a permanent solution to this catastrophic situation," said Modise. He added that it was the department's view there was a potential threat to human health and/or the environment.

EnviroServ and its CEO, Dean Thompson, are facing criminal charges. The first appearance in court was to have been in April.

In April, the non-profit Upper Highway Air – founded to protect the rights of residents – approached the High Court in Durban to interdict Enviro-Serv "to comply with its licence conditions and statutory obligations... to account for the advantages it has received by virtue of the contraventions" and to have "an order declared that the company or its senior executives are not 'fit and proper' to be granted a licence application, renewal or review of existing licences".

EnviroServ has consistently denied any health implications associated with the stench.

Thompson said the company is likely to appeal the DEA directive, claiming that the department is cherrypicking the data in order to come to a pre-determined conclusion.

"We shared information with the DEA relating to fresh data obtained from three real-time air quality monitors recently installed in communities surrounding the Shongweni Landfill.

"These monitors revealed the presence of high levels of sulphur dioxide (a harmful gas with a pungent odour), a gas typically produced by combustion processes, and which does not emanate from landfill sites. This, to our knowledge, has yet to be followed up by the authorities," said Thompson.

However the company's reasons for not being responsible have shifted over the past year. Initially they denied any responsibility, they then admitted to "contributing" to an odour but blamed nearby agricultural industries, sewage works and fuel pipelines as also being possible contributors.

Once these were ruled out, Enviro-Serv shifted yet again and the company blamed the regulations they were required to follow.

To counter what has now turned into an onslaught of bad press, the company has launched a website dedicated to the landfill site and has enlisted the help of brand management firm Corporate Image. ■

# Notes & Updates

# Physician, heal thyself

AST MONTH, THE PRESIDENT OF THE Health Professions Council of South Africa, Dr Kgosi Letlape, described medical aid schemes as "a crime against humanity" and suggested they should be abolished as they cannot co-exist with the government's proposed National Health Insurance (NHI) scheme.

Letlape was speaking to academics and medical professionals during a public discussion at the University of KwaZulu-Natal on whether the NHI white paper meets the human rights objectives of the Constitution.

He said private medical aids and the Medical Schemes Act would have to be abolished if the NHI is to provide universal health care access for all citizens.

"With half of South Africa's health professionals catering exclusively to only 17% of the population on medical aid schemes, the entire setup is a crime against humanity and should be abolished," he declared.

He went on to note that the privileged few who have access to medical aid – including those in government who are subscribed to it – refuse to engage, saying "hands off my medical aid".

But, he argued, universal healthcare in South Africa is possible.

"The health plan under apartheid was one of the best in the world. South African whites had health for all. By 1967 they had a system that could give somebody a heart transplant for no payment. At the point of service, there were no deductibles, the doctor was on a salary, and everyone could access health care," he was quoted saying.

However, with the introduction of the Medical Schemes Act, most medical professionals moved over to the private sector, which only caters to an "elite" 17% of the population. This meant most of the South African population have been left without quality health care and are unable to realise their constitutional rights. This was a crime against humanity, Letlape said.



Democratic Alliance Health spokesman Dr Wilmot James said in response: "No mature, sensible leader would ever dare utter such populist, reckless nonsense that medical aid, which takes care of the health of 20% of our population, amounts to genocide... it is particularly rich coming from the head of the HPCSA, an institution that UCT's Head of Health Sciences, Dr Bongani Mayosi, found to be so shockingly dysfunctional that he recommended it be rebuilt from the ground up.

"What we should be doing is expanding medical aid and health insurance to cover more and more people. As we outline in the DA's 'Our Health Plan,' we should reform both the private and the public sectors to provide the same basic package of health services, making the former more competitive and cheaper and the latter more accessible and significantly better."

In early 2009, Letlape resigned abruptly as head of the SA Medical Association, (Sama) the country's professional body for medical practitioners. His opposition to private medical insurance was one of the factors behind the vote of no-confidence that led to his resignation.

He had led Sama since 2001 and was well-known for his strong position against medical schemes, announcing in 2008 at a Sama conference that he had given up his medical scheme membership and urging others to do the same.

His declared bias caused members of Sama to be concerned about his ability to represent all doctors fairly.

His performance at the Health Professions Council of SA has been as controversial, if for different reasons.

In November 2015, Health Minister Aaron Motsoaledi made public a scathing report which found the council was "in a state of multi-system organisational dysfunction" and that its management was "unfit".

The report came out of a high-level investigation headed by UCT's Dean of the Faculty of Health Sciences, Professor Bongani Mayosi. It revealed evidence of administrative irregularities, mismanagement and poor governance at the council.

Motsoaledi promised major changes to the body, but last year doctors complained that these had not been implemented.

The council has been plagued with complaints since it was set up in 1997 – and Letlape does not seem to have made much difference.

• In early February this year a 26-year-old man, Tebogo Letlape, was booked into the Melomed Gatesville Private Hospital in Athlone, Cape Town for an orthopaedic procedure. On his admission form, his home address is given as 97 Jan Smuts Avenue, Saxonwold, Johannesburg - which happens also to be Dr Kgosi Letlape's home address. Could it be that, like most parents, when it comes to his own family, the revolutionary antiprivate-health-care activist wants only the best available... and believes that medical treatment is to be found at a private hospital - not even at one of Cape Town's more famous and celebrated public hospitals such as Groote Schuur or Tygerberg? - Sue  $Barkly \blacksquare$ 

# JCI: still ducking and dodging

# What game are Invested and Allan Gray playing with JCI's annual accounts — and why?

y MEANS OF A STRATEGIC PLAN spearheaded by Investec CEO Stephen Koseff himself, Investec, with the help of fund managers Allan Gray, contrived in August 2005 to wrench control from Brett Kebble of JCI Ltd – the hub of Kebble's criminal corporate empire.

Not long thereafter, Kebble was shot and killed by hired gunmen who claimed it was an assisted suicide. Some friends mourned his death, many more breathed a sigh of relief, assured that he would never be called to testify in a court of law.

Like all public companies, JCI is required in terms of the Companies Act to publish its audited annual accounts for approval by its shareholders within six months of the end of each financial year. Banks and auditors are supposed to be ultra compliant when it comes to company law and financial accounting. But Investec Bank and its favoured auditors, KPMG, have managed not to produce audited annual accounts for JCI for the past six years. Seeing is believing.

## First, the How:

Presented here, in chronological order, are extracts from statements that have appeared on JCI's website and in correspondence with shareholders and the Independent Regulatory Board for Auditors (IRBA) with regard to the endlessly "imminent" publication of its annual accounts. The 2011 to 2016 annual financial statements are now between 4 and 67 months overdue.

While it is intended the general reader should enjoy being taken for this two-page ride, JCI's minority shareholders are anything but amused.

JCI 2013 Annual Financial Statements (Undated): JCI Limited has a 49% investment in [historical Cape wine farm] Boschendal and it is therefore necessary to consolidate the Boschendal (Pty) Ltd accounts into JCI Ltd. Boschendal annual financial statements will only be completed late in the third quarter of this year. Consequently the Company anticipates the audited consolidated annual financial statements for the year ended 31 March 2013 will only be finalised and signed off early in the fourth quarter of 2013. (Not Done 1.)

**03 October 2013:** Further to our previous notice, the 2013 accounts should be published late in the fourth quarter. The delay is due to Boschendal's audit which has taken slightly longer than anticipated. (**Not Done 2.**)

17 December 2013: The accounting function of JCI has been outsourced to BDO Business Services and the secretarial function to Statucor. This has resulted in the staff complement at JCI being reduced to three. The consolidated JCI annual financial statements are virtually finalised. (Not So 3.)

The directors are endeavouring to negotiate a tax settlement with South African Revenue Services [SARS]. Finality of the tax amount is the reason for the accounts not being finalised... Shareholders are further advised that JCI has changed its year end from 31 March to 30 June.

Due to the complexity of the various

past and present transactions and settlements in the JCI Group, JCI has sought legal advice on numerous tax issues. The amount owing to or due by JCI to/by SARS will be finally calculated after taking such advice into account. The amount shown as income tax payable... could be significantly lower.

[Editor's note: In JCI Ltd's (unaudited) Group Annual Financial Statements for the year ended 31 March 2012, completed on 6 December 2012, "Current tax payable" is put at R52,065,000.]

22 June 2014: The 2013 Annual Financial Statements are in final preparation, the delay has been caused primarily by further extensive work that has gone into the tax situation for the last 10 years. ...the Company will still need to negotiate with SARS to achieve a settlement. The audited Annual Financial Statements will be posted on the website shortly. (Not Done 4.)

(Note: In "JCI Limited Audited Group Annual Financial Statements for the year ended 31 March 2013", issued on 8 July 2014 [the statements were not in fact auditied – and did not contain an audit report], "Current tax payable" is put at R25,000,000.)

The company has submitted the tax returns of all group companies up to date and will be meeting with SARS to finalise the amounts due to or from SARS. A provision has been raised based on what is believed by the directors to be the best estimate of the tax liability, taking account of opinions received from independent tax advisors.

9 December 2014: The financial

statements will be finalised and published as soon as the tax issues are resolved. (Not Done 5.)

- 17 August 2015: Discussions are continuing with SARS and as soon as the tax matters are resolved the Company will be in a position to complete the outstanding Annual Financial Statements. (Not Done 6.)
- 11 April 2016: The Board is happy to announce that the long outstanding tax issues have been resolved and the Company is now in a position to finalise the outstanding financial statements.

To avoid unnecessary expense it is intended to publish the Financial Statements for the year ending June 2016 together with the outstanding statements for previous years in the third quarter of 2016. (Not Done 7.)

9 May 2016: Further discussions have been held with the Auditors, KPMG, who are comfortable that all the audits for the periods 2013 to 2016 will be completed by the second week of August 2016, whereafter an AGM will be called. (Not Done 8.)

The claims against the previous auditors are progressing satisfactorily. Shareholders will be kept advised. The Randgold/Goldfields matter is proceeding and the legal process is running its course. Further updates shortly.

- 12 August 2016: Attorneys Norton Rose (for KPMG) write to IRBA: ...JCI has been left with a small finance team responsible for the preparation of financial information and for regulatory compliance. This, together with the length of time it took to finalise the complex tax dispute, has delayed the preparation of the latest financial statements. Our client (i.e. KPMG Inc) has been advised by JCI that they are likely to be completed by the end of August 2016. Our client is reasonably confident that this deadline will be met. (Not Done 9.)
- 4 October 2016: In the communication to shareholders dated 9 May 2016 it was anticipated that the audits of the Company for the outstanding periods would be completed towards the end of August 2016.

The tax settlement, concluded and signed in July 2016 [but note: it was already stated in April 2016 that the tax dispute had been resolved], has created certain accounting challenges that need to be addressed.

Following the delays in addressing

the complexities of the tax matters the auditors, KPMG, felt it necessary to lodge a Reportable Irregularity with the Independent Regulatory Board for Auditors (IRBA) and have requested a 30-day response which the Company will be providing. Further information will be provided once this response has been furnished.

(A meaningless response was provided on 27 October 2016 – thus effectively **Not Done 10.**)

- 27 October 2016: (Extract from JCI's letter to KPMG dated 18 October 2016) ...the [JCI] Board, without commitment but in good faith, will provide to your firm the Annual Financial Statement in question and any reasonably required and/or requested audit evidence as soon as possible. (No confirmation published by 28 November 2016 thus effectively Not Done 11.)
- 31 October 2016 and 17 November 2016: Shareholder DC Palmer writes requesting publication of (1) KPMG's reply to JCI's letter to them of 18 October 2016 and (2) details of KPMG requirements relating to JCI's outstanding annual financial statements that JCI is unable or unwilling to comply with. No response received.

Email from JCI to shareholder David Smyth (22 November 2016): ...there will be a meeting with the auditors today and a full response will be provided thereafter. (Not Done 12.)

5 December 2016: The audit adjustments required as a result of the tax settlement have now been agreed

Promises,
promises... How
can we possibly
believe them?

with JCI's external auditors, KPMG. The JCI team together with BDO are finalising the accounts and these should be available shortly. Once these are received they will need to be reviewed by both the directors and KPMG.

All parties remain committed to publishing the outstanding Annual Financial Statements as soon as possible. Further updates will be provided.

Noseweek's consultant observes:

JCI is suggesting that it took some eight months to agree the entries recording the tax settlement reached in April 2016 (see above) – presumably the book entries required are: debit Provision for Tax R17 million, credit Tax Over-provided R17m.

JCI also suggest that the adjustments relating to the tax settlement were the predominant reason for delaying the finalisation of the annual financial statements. The more likely reasons: the claims from Gold Fields Operations Ltd (previously Randgold) and challenges to the validity of the indemnity JCI Ltd received from Randgold & Exploration Company Ltd (at Investec's direction).

The accounts only went to KPMG for review more than two months later – thus effectively **Not Done 13.**)

1 March 2017: Further to the communication to shareholders published on 5 December 2016, JCI is pleased to advise that the Group Annual Financial Statements for the periods 2013 to 2016 have been provided to the external auditors, KPMG, who are in the process of carrying out their audits.

It is anticipated that the audits will be completed during March and that the Annual General Meeting will be held in April 2017. (Not Done 14.)

24 March 2017: Further to the communication published on 1 March 2017, JCI is pleased to advise that, in consultation with the Company's auditors, the audits for the years 2013 to 2016 are well advanced and the Annual General Meeting is expected to take place in June 2017.

Notice of Annual General Meeting and the signed-off Group Annual Financial Statements will be published as required and will be available on the Company's website in due course.

How can we possibly believe them?

● Why all this? See nose212! (Lest Barry Sergeant be forgotten) ■



deposit box heists from First National Bank (FNB) branches in Randburg and Parktown remain dissatisfied with the bank's response – or the absence of a response to their demands for information and proper compensation.

They have sought *Noseweek's* support in informing a wider public about their shocking discoveries and their questions that remain unanswered.

- The victims were only contacted about the robbery three to four days (on 21 December) after the incident on 18 December 2016.
- Two victims only found out because they attempted to deposit more valuables.
- Many of the victims had been unaware their boxes were moved from the Fourways branch to the Randburg branch where they were stolen.
- They discovered by "informal means" that 339 boxes were taken from the bank.
- The thieves gained entry to the Randburg bank by grinding (or by jackhammer, according to FNB CEO Lee-Anne van Zyl) their way

through an internal wall

- The gang had 12-15 hours in the bank to gain entry, remove the 339 boxes and load them up.
- The boxes were loaded into a van and removed from the premises.
- There was only one, untrained "night" guard in a guardhouse with broken CCTV cameras provided by the owner of the building complex in which the Randburg branch of FNB

that the safe door was left open by bank staff members before closing time to allow the thieves easy access

rents premises. He was locked in his guardhouse and says he saw nothing. FNB itself employed no security guard at that branch. The CCTV footage was removed from the bank's own CCTV cameras, presumably by a bank employee collaborating with the thieves.

- At the Parktown branch, the nearest security guard was stationed at the Engen garage next door. Investigators found that he assisted the thieves to gain access to the bank through a back gate and through a fire escape door. CCTV footage shows that the safe door was deliberately left open by bank staff members before closing time, allowing the thieves easy access. Images from the footage have led investigators to believe that they are the same men who previously carried out cash-in-transit heists.
- The name of the private security company is being withheld. Normal procedure would involve that they regularly check in with the guard on the premises which was clearly not done.
- An alarm went off, but the private security company that responded and somehow found nothing suspicious despite there being a guard locked in



the guardhouse next door. • There was an ATM heist at this same branch just four months previously, which should have led to improved security measures.

• The 339 victims have had minimal communication from FNB besides being asked to go to the police station

and submit an affidavit.

• One victim asked Bank Manager Barry Gordon if it was an internal or external wall that was breached and his response was: "It was an internal wall that was breached, but not many people know the layout of the bank.'

• Two elderly victims (over 70) have lost a lifetime's savings and items of great sentimental value.

- FNB refuses to comment on the security measures in place at the branch "for security reasons".
- FNB refuses to comment on the number of boxes.
- FNB refuses to communicate what and if compensation will be given to victims.

The questions the victims want answered by FNB:

• Who else was alerted that the

The private security company that responded found nothing suspicious despite there being a guard locked in the quard house next door

alarm was going off besides the private security company?

- Why was there no bank security guard on duty?
- Why did the private security company not check in with the guard?
- Why did the gang have 12-15 hours to pull off the heist?
- Why, after the previous robbery, was there no attempt to make the branch more secure?
- When do the Hawks/police plan to release more information on the progress of this investigation?
- Anyone affected by this heist is invited to get in contact with, and join, the group. For more information call Kelly Fraser on 083 287 8897 or email kellyfraser03@gmail.com.
- Shortly before going to press, Noseweek learnt that FNB had made some token gestures in the vain hope of pacifying its unhappy clients. The bank has offered to cover the cost of replacing documents such as title deeds and passports. Without making any firm commitment, it has invited clients to submit lists of items lost and their value.

FNB has said it then planned to interview each claimant individually, preparatory to making a settlement offer at the end of April. The bank has also offered to pay any excess payments (of up to R500) required by insurers when clients have submitted claims to their own insurers.



GRAPHIC DESIGN, COPYWRITING, PHOTOGRAPHY, WEB DESIGN, ILLUSTRATION, SOCIAL MEDIA & MORE





I CAN HELP YOU WITH PROBLEM TENANTS

I CAN ASSIST YOU WITH THE **RENTAL HOUSING TRIBUNAL** 

IF YOU DON'T NEED ME NOW, **YOU WILL LATER** 

JOHN: 082 901 0824



# Once celebrated, since disgraced

# Dines Gihwala to pay up big time

EAR READER, THIS STORY BEGINS way back in 1998, but listen patiently and keep in mind: the sting is in the tail. It was in that year that Cape Flats attorney Dines Gihwala was made an acting Judge of the Western Cape High Court on the recommendation of then-Minister of Justice Dullah Omar. This was, Noseweek reported at the time, after Gihwala, a one-time political opponent of his, had made a donation of R50,000 to ANC funds, and persuaded the Hindu Association of Rylands Estate to throw a festive bash in honour of the new minister - in an election

May 1999: Noseweek revealed the improper involvement of Dines Gihwala, then BEE chairman of mega-Afrikaner law firm Hofmeyr Van der Merwe (later Cliffe Dekker Hofmeyr) in the cases of hundreds of Macassar residents with claims against the chemical giant AECI, resulting from a sulphur fire that broke out at the company's premises.

Hofmeyrs were AECI's attorneys, defending the company against all the claims brought by the Macassar residents when Gihwala secretly managed to gain access to – and control of – the claimants' attorney's files – more than 600 of them – creating an obviously serious conflict of interest.

In August 2000 *Noseweek* reported how, back in 1988, Cape Town attorneys Faizal Noor and Dines Gihwala had decided it would be a good idea to go abroad to raise money for the poor and oppressed of South Africa.

This represented a remarkable and praiseworthy conversion, as neither man had previously shown any concern

# By Martin Welz

for the lot of the poor and oppressed.

They travelled to London (where they stayed at the five-star Dorchester Hotel, and called on the luminaries of the Regent's Park Mosque for introductions to rich Arabs), then flew to New York by Concorde. There they saw various well-connected people to whom they promised 25% commission on any money they could raise for this cause. How much money they raised and what causes benefited, no-one was ever told.

It was ten years later that the first serious move was made to strike Gihwala from his deviously created pedestal: in January 2010 summons was issued against Gihwala by Karim Mavji, a UK-based businessman with the vast financial resources along with the determination and patience needed to drive a case that would drag on

Noseweek readers
have long known
Dines Gihwala to
be unscrupulous
and a disreputable
opportunist

for six years – from the Western Cape High Court all the way to the Constitutional Court and back again.

The action arose from a business arrangement reached between the two men in 2003, in terms of which Mavji had entrusted Gihwala with several millions of rands for investment in South Africa.

Mavji explained that he had been led to trust Gihwala because, at the time and for several years afterwards, Gihwala was widely perceived to be a highly respected attorney and businessman and chairman of Hofmeyr Herbstein & Gihwala (another predecessor of Cliffe Dekker Hofmeyr), a major law firm.

Clearly Mavji had not been a subscriber to *Noseweek*, which reported in January 2011 that Johannesburg attorney Ian Small-Smith had also laid criminal charges against Gihwala, and that Cliffe Dekker Hofmeyr (at about the same time) quietly removed him as chairman of their firm. *Noseweek* could with fair justification declare: "These developments should come as no surprise to *Noseweek* readers: they have long known Dines Gihwala to be unscrupulous and a disreputable opportunist."

In the midst of all this, in 2011 Liberty Medical Scheme, too, discovered that Dines Gihwala was a thief and a scoundrel who was happy to defraud anyone fool enough to trust him, and issued summons against him in the North Gauteng High Court in Pretoria. That case arose from Gihwala's appointment in 2001 as curator of the Medicover 2000 Medical Aid Scheme which later, in 2010, merged with the Liberty Medical Scheme.

In the summons Gihwala was

charged with having authorised, as curator, a loan of R5 million by Medicover to a company controlled by Cape Town businessman Farrell Mark Bernberg to fund a property development. Various other companies under Bernberg's control were to provide security for the loan. All the relevant documents were drawn up by one of Gihwala's junior partners at his law firm Hofmeyr Gihwala - a serious conflict of interest.

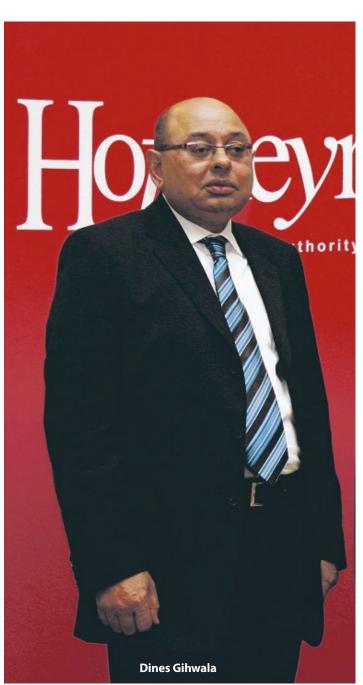
Bernberg subsequently repaid only R180,000 of the R5m owed before he was declared bankrupt. All the security offered to Medicover proved to be dud. The contracts drawn by Gihwala's law firm were all found to be flawed and unenforceable.

Not only was the loan not deemed to be prudent use of medical aid funds; Gihwala had not revealed that he was Bernberg's business associate. They were, inter alia, both directors of one of the companies that provided dud security for the loan. Far from acting with the utmost good faith, as is reguired of a curator, he had acted in a fashion calculated to gain advantage for himself at the expense of Medicover.

The medical aid fund sought repayment of the outstanding R4.8m plus interest from Gihwala and from his then law firm.

The case was subsequently taken to arbitration where a settlement was reached in 2014. The agreement includes a secrecy clause which "regrettably" prevented Liberty's attorneys Gildenhuys Lessing Malatji Inc from divulging to *Noseweek* what the terms of the settlement had been.

The Western Cape High Court delivered its judgment in Mavji's case on 26 June 2014.



The court found that Gihwala:

- failed to keep proper books of account;
- failed to allow his business partner access to the accounts;
- failed to disclose material information to his business partner;
- failed to distribute to his partner a fair share of the profits;
- preferred himself as a creditor above other creditors;

- misappropriated funds of their joint venture for his own benefit;
- made a secret profit for himself;
- was recklessly in breach of his fiduciary obligations;
- was guilty of grossly negligent conduct in making payments to himself of R2.75m as "director's remuneration", R1.1m as "surety fees" and R225,000 as "promotion fees" when he was entitled to none of these payments; and
- failed to disclose that the shareholders of a company in which he had invested his partner's funds were related to him.

The court felt that in the circumstances it had no option but to declare Gihwala a delinquent director, no longer fit to be a director of any company, or be entrusted with the fiduciary responsibility of managing any corporate entity.

In his judgment, Judge P B Fourie remarked: "It is necessary to eliminate rogue directors from operating in South Africa to protect investors, as well as boost confidence in the South African regulatory system in order to attract investments and stimulate growth."

Mavji, in the interim, has discovered evidence revealing even more frauds perpetrated by Gihwala. Further court hearings are anticipated.

Legal costs awarded against Gihwala in Mavji's favour continue to mount up.

Currently on the court roll for taxation by the taxing master at the Western Cape High Court in May is a bill from Mavji's lawyers for costs still to be paid by Gihwala totalling close on R20m.

He has already managed to pay R12m in damages awards. But then he did manage to accumulate a fair fortune as curator of Fidentia, thanks to his kind friends at the FSB who would hear no evil said of him. ■

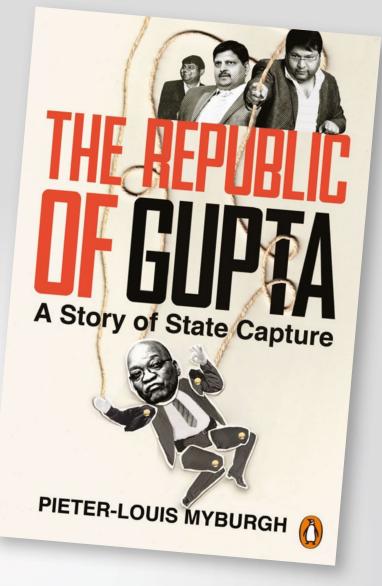
# WHAT ARE THE GUPTAS' LINKS TO FINANCE MINISTER MALUSI GIGABA?

What was Ajay Gupta doing on Thabo Mbeki's 'secret' advisory council?

# DID THE GUPTAS PLAY A ROLE IN JACOB ZUMA'S RISE TO POWER?

How did the Guptas capture South African cricket?

WHAT IS THEIR INTEREST IN THE CONTROVERSIAL NUCLEAR PROCUREMENT DEAL?



What influence have they had in the hiring and firing of cabinet ministers?





by the DA, has quietly awarded a tender of nearly R100 million to a company which eight years ago they accused of being part of the ANC's "crony" capitalist machine of tender rigging, jobs-for-pals, and substantial backhanders. And they don't want anything said about it.

eValuations Enhanced Property Appraisals has won the right to value nearly 900,000 properties in Johannesburg for the General Valuation Roll 2018 (GV2018). They were awarded the tender through what appears to be a dodgy process pushed through just days before the ANC lost power in the metro.

eValuations only won the contract when the first tender (under Bid A654, in which eValuations was the third-lowest bid, with the worst BBB-EE scorecard) was mysteriously with-drawn and then re-issued and re-advertised as Bid A683. When the bids came in on this round, lo and behold, eValuations came in as the lowest bid.

The only confirmation that the tender had been awarded to eValuations came

as a passing remark in an off-chance telephone conversation with a strategic advisor to the Joburg council. The advisor promised to email *Noseweek* formal comment, but never did.

eValuations' founder, a known ANC backer and KZN Teflon Club member who has been fingered in questionable contracts in Durban, is Willy Govender (see *nose*203).

Govender once boasted in a 2011 interview with *Entrepreneur Magazine* that "90%" of his growing business empire's work was from "the public sector" and that they already had a turnover of R250m which he hoped to grow to R1 billion by 2016.

In February 2009 Helen Zille, then DA leader, said eValuations and Willy Govender were part of "closed, crony politics" and that Govender had been awarded the valuation contract in Durban in 2008 because he was "a well-known backer of the ruling party".

Noseweek revealed in August 2016 (nose202) that eValuations had conveniently under-valued the properties of Johannesburg's elite, including billionaires such as the Guptas, the Op-



penheimers, Johann Rupert, Tokyo Sexwale, property tycoon Douw Steyn and Angolan warlord Bento dos Santos Kangamba. Not to speak of providing valuations of nil for billion-rand developments such as Melrose Arch – as

in the General Valuation Roll of 2013 (GV2013).

These "discrepancies", such as with Johann Rupert's valuation which was set at R0 then re-valued to R88.8m, and a Gupta-owned property that changed from a valuation of R480,000 to one of R22m – were uncovered by Howick pensioner and maverick tax crusader Dr Robert McLaren (noses 202,203&207). Later, McLaren was served a R24,000 costs order by the city's internal valuations appeal board, apparently for "wasting their time". The board had never before issued such a costs order.

The board had asked McLaren to provide information to back up his demands for higher rates for the city's uber-rich by providing information (which the city had refused to provide him with) that eValuations was allowed to ignore when doing its original valuations. As a result McLaren was forced to withdraw many of his otherwise-valid objections.

Ironically, in the GV2013 there were 94,565 valuation objections of which 71,552 were lodged by the city's own officials – an unheard-of situation in South Africa's recent valuation history. The explanation: the majority were for over-valuations of township dwellings which the then-ANC-led council realised was not likely to please their voters in Soweto.

McLaren lodged 961 objections, all of which focused on the high-end market.

Govender told *Noseweek* in a 2016 article that the overall value change as a result of the objections "was a reduction from R290bn to R284bn, the difference therefore being R6bn". He said the total value of the GV2013 was R912bn, which reflected "a less-than-1% roll re-

# eValuations merger under scrutiny

PROPOSED MERGER BEWEEN EOH Holdings, a technology services group founded by Israeli immigrant Asher Bohbot, and Willy Govender's companies: eValuations, Data World (Pty) Ltd, Data World Information Systems and Xcallibre (Pty) Ltd is the subject of a Competition Commission inquiry.

EOH is one of the fastest growing companies in the country and is gobbling up technology companies at a rapid rate. One valuer said that if the deal were allowed it would effectively "put the lock on the valuations business" which he claims eValuations had cornered through political muscle. The pending merger was lodged with the commission on 27 February 2017.

EOH is no stranger to Johannesburg residents, having had its hand in the billing crisis that rocked the city in the past decade. Last year EOH was awarded a three-year R404,656,224 contract as "Providers for the SAP Implementation/Upgrade". They have also regularly won multi-million-rand contracts in another DA-led metro, Cape Town, as well as Nelson Mandela Bay Metro and the City of Tshwane.

The company is a regular sponsor of City of Johannesburg events including the recently rained-out Joburg Open Pro-Am.

Early last year EOH paid R16.5m for a 100% share company called New African Rail (NAR), The BEE partner to French manufacturing firm Alstom who were partners in a R51bn contract to supply 3,600 new passenger carriages to the Passenger Rail Agency of SA (PRASA).

NAR's BEE shareholders, who sold before a single carriage was built, were, according to *News24*, Thalente Myeni, son of SAA chairman Dudu Myeni, Monde Africa and Sesinyi Seopela. ■

duction". In other words, they had been successful in carrying out their mandate.

Noseweek, in conjunction with the investigative journalism programme Carte Blanche, has since revealed how Johannesburg's own valuers were able to manually alter valuation rates illegally for high-end city customers – at a price. The gritty facts are detailed in a 52-page forensic report that shows how a sample of 22 high-value Johannesburg properties (together worth R885.26m) were re-valued downwards

by an average of 58% of their real value by means of forged signatures and fake documents (*nose*207).

Among those found to have benefited from this scam – although they denied any knowledge of the crooked valuations – included self-confessed KZN slumlord Ahmed Kazi, South African/Chinese business leader Li Xinzhu and Bloemfontein property developer Nic Georgiou.

The city failed to answer whether they would prosecute the customers found to be colluding with the already



criminally charged former Joburg Metro employee implicated in the fraud, Mbali Maclare.

Now the city has elected to throw a veil of secrecy over the lucrative contract awarded to eValuations for GV2018. They tried to thwart Noseweek's requests for details of the contract – first, via a Promotion of Access to Information Act (PAIA) application, then through direct questions to Rendani Tshivhase, Strategic Advisor to the city's finance boss, Prof Rabelani Dagada, a staunch libertarian and close ally of Mayor Herman Mashaba.

But despite the city's best efforts to hush up the deal, eValuations' Johannesburg office confirmed informally over the phone, that they had won the contract and had been given "a short time frame" to fulfil their mandate.

The first bid, A654, was issued on 4 December 2015, with the closing date of 21 January 2016. Five bids were received. According to the Bid Opening Register – which is available online and was also obtained via the PAIA application – DPP Valuers quoted R144m; Sizanane Consulting, R264m; Black Jills PMM Consortium, R95m; eValuations, R167m; and Inani Lempahla Consortium/ICT Works, R417m.

Bidders to whom *Noseweek* spoke said they had heard nothing further about the bid until 30 June 2016 when the bidders received a "Cancellation" letter.

"The City of Johannesburg regrettably informs you of the cancellation of the above mentioned tender due to the expiry of the validity period," said the letter sent by director of strategic supply chain management support, Setlhabi Leso.

The letter said a new bid, number A683, would be opened on 4 July and closed 1 August 2016 – just two days before the start of the country's local government elections.

The city refused to divulge any information concerning this bid as requested by *Noseweek's* PAIA application, including the bid register which should be publicly available. Furthermore there is no publicly available online record that this bid was awarded. Normally records of this nature are stored on the city's website.

However a source leaked *Noseweek* the details. The bids were as follows: DPP Valuers – R145m; Sizanane Con-

sulting – R229m; Inani Lempahla Consortium/ICT Works – R483m; Lutendo – R108,4m; Indigo – R166,7m; another firm called "Lapdot Property Consulting" – R110m; and the lowest bid was eValuations – R99,897,750, a reduction of R67.3m from their previous bid.

Out of six requests for information made in *Noseweek*'s PAIA application only a portion of one request was answered. It was submitted on 30 November 2016 and it took the city 105 days to respond. All they provided was a hodgepodge of information that made little sense. All of the documents provided were already freely available on their website.

What was denied to *Noseweek* were the minutes for both Bid A683 and Bid A654 from the Bid Specifications Committee, Bid Evaluation Committee and Bid Adjudication Committee, as well as the 90/10 Preference Point System score for each bidder: names of members of bid committees including emails, letters, notes, memos relating to the bids; any evidence that there were significant differences in tender requirements between Bid A654 and Bid A683; details of why any bidder was disqualified; details on any joint ventures between bidders and records that "evidence the withdrawal of Bid A654 including communiques with bidders, officials, and the committees".

The city claimed that providing such information contained "privileged information of third party" and its "dis-

Now the city has elected to throw a veil of secrecy over the lucrative contract awarded to eValuations



Rendani Tshivhase

closure would involve the unreasonable disclosure of personal information".

They further claimed they were not obligated by law to provide any documents containing opinions or advice such as minutes of meetings.

*Noseweek* has appealed the city's findings against the PAIA application.

The only formal confirmation by the city that eValuations had won the tender was via a short conversation with Tshivhase who, when asked who won the contract, said: "The same company who undertook the previous valuation". Probed further, he asked for questions to be emailed.

Tshivhase repeatedly missed deadlines to provide answers, despite the deadline having been extended six times. Noseweek's questions included asking for "substantive reasons" as to why Bid A654 was cancelled; whethert they had inquired into the manner in which eValuations won the tender, and why the DA seemed to be embracing ANC "crony" business. He said the reason for the delay in responding was that the answers had to be approved by the mayor's office.

The city's formal media channels ignored all questions about the tender.

● A new question for Mr Tshivhase (and the mayor's office): Might some of the Gauteng DA's major funders be amongst those favoured with nil or ultra-low valuations, allowing them to pay little or no rates on their valuable properties? – Ed. ■

# A cut and paste job

# How Ekurhuleni planning chiefs covered their tracks after permitting illegal school opening. By Jack Lundin

OUTH AFRICAN POST OFFICE CHIEFS are incensed following two secret forensic reports which, Noseweek can reveal, concluded that senior city planning officials in Gauteng's Ekurhuleni Metropolitan Municipality conspired to create "proof" that Registered Letters had been sent to residents fighting a controversial rezoning application.

Mzwandile Masina, former deputy trade minister, was elected executive mayor of the vast Ekurhuleni Metro on the strength of his vow to wipe out corruption and fraud within the council. After his inauguration speech following August's municipal elections Masina declared that there were no existing claims of corruption against any officials and promised to set up an anti-corruption body to keep things that way.

When he made his "we're clean" claim the new mayor was presumably unaware of the Post Office forensic report completed months earlier which highlighted "discrepancies to the municipality". The report concluded that senior Metro staffers had conspired to breach the Post Office's supposedly secure registered letter system in a cut-and-paste operation to create an official Post Office document. At the urging of a Post Office security chief, a Germiston resident has opened a fraud case against Ekurhuleni Metro at Kempton Park Police Station.

Post Office chiefs are intensely embarrassed by the breach, but CEO Mark Barnes declines to comment on Ekurhuleni Metro's maverick actions or say what measures the Post Office is taking to close the loophole.

The story starts with a bitter row between neighbours in once-tranquil Grace Avenue in the Germiston suburb of Lambton. Number 4 Grace Avenue, a spacious old-style property on a 2,000m² stand, has been the home for 13 years of Ken and Dalene Ellingworth. Next door at number 2 is the Dunamis Christian School, part of a flourishing local empire controlled by a wheeler-dealing pastor named Dr Hendrik Bester.

The school's main premises, for pupils up to grade 7, was previously established in nearby Piercy Avenue. Bester's Dunamis International Family Church acquired the Grace Avenue former family home in 2014 as overspill premises for the younger grade 1-3s. The extended school opened on 14 January 2015.

Senior Pastor Bester and his administrator and security chief Pastor Jaco de Swardt aren't known for their compliance with formalities. Their public health permit from the Metro's health department was withdrawn in September when a site visit by officials revealed that what De Swardt had described as a (less scrutinised) childcare centre was a fully-fledged school.

Shortly after the overspill school opened, neighbour Ken Ellingworth, 63, who owns a business repairing garbage trucks, discovered that the new prefab block of four classrooms in the garden had been put up without planning permission. Worse, the erf on which the school stood was still zoned as residential. Dunamis Christian School was operating illegally.

On top of that, his wife's daytime peace was disturbed by the ear-splitting din of up to 100 young children charging around the next-door garden in their twice-daily classroom breaks. Ellingworth and eight other local residents, mostly from the nearby Larnaca Palms townhouse complex, filed objections to the belated rezoning application lodged with Ekurhuleni Metro's

city planning department. The application was to be considered by a Metro development tribunal on 20 November 2015. Legally the Metro must give objectors 14 days advance notification of hearings – these notices routinely going out by registered letter.

But, claims Ken Ellingworth, no registered letters went out this time so that the objectors were unaware of the tribunal hearing. Ellingworth says City Planning only gave him the date in an email a week earlier when he called for the school to be closed until rezoning had taken place. After establishing that none of his eight fellow objectors had received their notifications, Ellingworth decided not to attend the tribunal hearing "on principle".

The seven-strong Development Tribunal was chaired by DA councillor Shadow Shabangu. Seven Metro officials sat in attendance, including three from city planning: Development Tribunal head Gift Motsepe, Glyn Kelly and Yvonne van Deventer.

Tribunal minutes record that only one written submission, by Hareklea Markides, was read out "on behalf of the objectors". The solitary objector, hailed from Larnaca Palms and, says Ken Ellingworth, her complaint was "pretty tepid". Certainly nothing like his own lengthy submission which detailed a host of illegalities: no planning permission for the classroom block, the school having been running for 10 months before rezoning, offloading children on the public road etc.

Objectors may attend but not speak at development tribunals. Had they been present, the objecting nine could at least have ensured that their written submissions were ventilated. In their absence, rezoning consent for Bester's little school went through on the nod – without even objections.



Ken Ellingworth was convinced planners deliberately omitted their objections – which is why they had faked "evidence" that the objectors were notified. And there was big money involved; by turning a blind eye, officials had allowed the school to operate illegally for 10 months – and rake in income of up to R2m.

If the objectors hadn't received their registered letters it was all the fault of the Post Office, said Tribunal head Gift Motsepe. Ten days after the hearing Motsepe assured Ellingworth that all nine had been properly notified. "Unfortunately this office cannot be held liable for any misgivings [sic] by the Post Office," he told Ellingworth.

Tribunal chair, Shadow Shabangu, a part-time councillor who draws a salary from the Metro, tells *Noseweek*: "All nine objectors were notified as per Township Ordinance via Post Office and we have proof of that, even though there is an objection with regards to the stamp from the Post Office."

An objection re the stamp? Be patient. Read on.

Ellingworth demanded proof of registered letter posting. Eleven days after the tribunal hearing this was provided to him on the orders of Glyn Kelly by his colleague Yvonne van Deventer. It came in the form of an official Post Office list of registered

letters on which the names and addresses of all nine objectors were listed by one Alicia of Ekurhuleni Metro. Each addressee had been allocated a tracking number and the list bore the PO's date stamp: 30 October 2015.

But Ellingworth's close scrutiny showed that lines on the form didn't quite match up and the signature of the Post Office's accepting officer, teller no 2, looked decidedly odd.

The following day saw Ellingworth at Kempton Park Post Office, where teller no 2 declared indignantly that the signature on the list was indeed not hers. The branch manager SE Booysen was called. Ms Booysen

The teller declared indignantly that the signature on the list was indeed not hers



went off to consult the system, which showed the Metro had only brought one batch of registered letters to them that 30 October. And it wasn't his.

The manager gave Ellingworth a copy of the list of registered letters concerning that unconnected batch, which had also been completed and signed by the same Alicia. Teller no 2 confirmed that this list did bear her genuine signature.

A shocked Booysen told Ellingworth that she was escalating the matter to the Post Office's forensic department. She gave Ellingworth a letter confirming that the registered letter purportedly mailed to him (tracking number RC 094 719 368 ZA) had not been received in her Post Office for registered posting, as claimed by the Metro.

Armed with Booysen's disclaimer, Ellingworth confronted city planning chiefs at their Kempton Park head-quarters. At the meeting with officials Tshepiso Lentsoane, Gift Motsepe, Yvonne van Deventer and Glyn Kelly, he told them the matter could be easily resolved:

"Show me the original of the document," he challenged. "There was a stunned silence," recalls Ellingworth. "That was the end of the meeting." (Planning officials later told the Metro's internal audit department that the original could not be found.)

Ten days after the meeting Glyn Kelly emailed Ellingworth – again, it was all the fault of the Post Office. "The registered letters were in fact received by the Kempton Park Post Office on 30 October 2015, i.e. 22 days prior to the hearing date scheduled for 20 November 2015," Kelly assured Ellingworth. "Unfortunately, this office cannot be held liable for any misgiv-

ings [*That same odd phrase!* – Ed] by the Post Office and is furthermore not responsible as to how it manages its delivery of registered mail."

Ekurhuleni Metro's legal department pitched in too: "We maintain that the objectors were notified of the hearing," Davey Frank, executive manager; corporate legal services, told Ellingworth's attorney. "The notification letters were posted at the Kempton Park Office and receipt of the letters was acknowledged by the Kempton Park Post Office. This is evident from the stamp that appears on the list of registered letters.

"As the Ekurhuleni Metropolitan Municipality we confirm that we have complied with the 14 day notification period as stipulated in Section 131 (2) of the Town Planning and Townships Ordinance of 1986."

But Post Office chiefs weren't going to take this lying down. They ordered a forensic probe, which was conducted by Pieter Grobler, a veteran Post Office investigator in Security and Investigation Services. Grobler's report (Ref. HD 2826505) concludes that the List of Registered Letters sent to Ken Ellingworth as proof of posting by Ekurhuleni Metro was a forgery.

Grobler also told Ellingworth: "No proof of posting could be found at

# The list of registered letters sent to Ken Ellingworth as proof of posting by Ekurhuleni Metro was a forgery

Kempton Park Post Office. The item was not handed in over the counter. Discrepancies were found on the proof of posting by the municipality. These discrepancies were highlighted to the Municipality."

In September, furious that Metro planners were blaming the Post Office for non-delivery of the registered letters, "Vossie" Vos, acting general manager of Post Office Security and Investigation Services, urged Ellingworth to lodge a fraud complaint with the police. Vos assured Ellingworth that his unit's investigator, Pieter Grobler, would accompany him to the police station and submit a separate

statement "as a witness to the forgery, uttering and fraud pertaining to the rezoning aspect".

Ellingworth, escorted by Grobler, duly opened case No. 283/9/2016 against Ekurhuleni Metro Council at Kempton Park Police Station several days later.

Security chief Vossie Vos tells *Noseweek* that the Post Office regards the alleged forgery as "very serious". He adds: "From our side we've done what we can do internally. The SAPS now needs to drive the process in terms of the alleged fraud by the municipality." Vos says that names of individuals identified in Grobler's forensic investigation have been provided to the police.

Post Office CEO Mark Barnes declines to discuss the whole embarrassing business. "The Post Office Security and Investigation division conducted an internal investigation which uncovered sufficient information to warrant a police investigation," says a statement from his Communication department. "Unfortunately we are not able to provide the media with the SAPO investigation report as this currently forms the basis of the SAPS investigation on the matter."

A SAPS spokesperson says the case is under investigation by the Commercial Branch in Germiston. "No suspect has been arrested yet."

As for the second secret forensic investigation, conducted by Ekurhuleni Metro's own internal audit department, *Noseweek* has established that it also concludes the disputed List of Registered Letters is a forgery. Dirang Modimakwane, the senior forensic auditor who wrote report Ref. 025 FOR 15/16 says that his conclusion is supported by an external handwriting expert.

*Noseweek* emailed a copy of the disputed list to Ekurhuleni's legal department and asked if Davey Frank, executive manager; corporate legal services, finally accepts it is a forgery. No response.

Today Dunamis Christian School (fees R2,200/month, R100 penalty if instalments not paid by the 2nd of the month), is in vibrant and full-decibel swing down in Grace Avenue, Germiston, although its colourful driving force, Snr Pastor Dr Hendrik Bester, is not available for interview. ■

# Your fraud is in the post

THE POST OFFICE TAKES GREAT PRIDE in the security of its Registered Letters system. But *Noseweek's* story demonstrates its vulnerability to fraud.

Ekurhuleni, the fourth-largest metropolitan municipality in the country, sprawls from Germiston in the west to Springs and Nigel in the east. It embraces OR Tambo international airport and is SA's manufacturing hub.

Major customers, including corporations and bodies such as Ekurhuleni Metro, have mail rooms in which they are entrusted to make up their own batches of Registered Letter postings. For this the Post Office provides them with large rolls of duplicated tracking numbers and its official List of Registered Letters

form for completion.

These bulk registered letter mailings, however, have no security until the dispatching customer deposits them at a Post Office and their accompanying List of Registered Letters is signed and date-stamped by the accepting officer. Only then do they enter the Post Office "stream" and become trackable – and safe.

Sensitive documents and valuables worth millions are annually entrusted to the SA Post Office's Registered Letter system, on the utility's guarantee of security.

The courts accept the official Registered Letter List as legal proof of posting. Now it emerges that, with a little cut-and-pasting, this "proof" isn't worth the paper on which it appears.



The Durban construction industry is under siege from a shadowy 'tender mafia' of armed 'businessmen' who invade construction sites, close them down, and demand a 'ransom' before work can resume. By Niki Moore

Tulu-Natal's AmaDelangokubona Business Forum were heard in December 2015 when contractors in Umlazi suspended refuse removal in the township, saying they were underpaid. The contractors, claiming to be members of the Forum, shut down municipal refuse depots and threatened violence if their demand for a pay increase was not met. For a month, the rubbish piled up in Umlazi while the city tried to solve the impasse.

Things took a sinister turn in January last year when city contractors began receiving death threats if they turned up for work. Forum members laid siege to the municipality's electricity depots, threatening to kill workers, and then targeted road repair crews, storm water depots and maintenance teams. Senior managers also received death threats. Workers were beaten up, shot at, and had equipment and cellphones stolen.

A source, who insisted on anonymity, told Durban newspaper *The Daily News* that crews had become terrified of going into certain areas. "If there is a critical job that needs to be done, we have to organise police escorts," he said. "People are scared to go to work. These guys are armed and tell people they will be killed."

Forum chair Nathi "Bhamuza" Mnyandu, the self-declared spokesman for the group, confirmed that they were intimidating workers, but would not give their reasons.

The municipal siege ended in February last year when the ANC leadership in the city intervened. The attacks and threats stopped. The Forum held a joint press conference with the regional ANC and the eThekwini Municipality, announcing that Forum members merely wanted access to economic opportunities.

However, DA caucus leader in eThekwini, Zwakele Mnwango, described Forum members as "thugs" and said that instead of negotiating with them the city should be arresting them.

"These groups are bringing pure anarchy to the city," he told the *Daily News* at the time. "It seems that all you have to do to get a contract now is to go out there and intimidate people doing the work. The scary thing is that the people who are doing this are known. They should not be negotiated with, they should be arrested," he said.

A week later, gangs of armed men closed down the construction site of the city's proposed Mount Edgecombe Road interchange, stopping work for several weeks at an estimated cost of R600,000 per day. City management intervened once again and reached a confidential agreement with the group. The site re-opened shortly afterwards.

By May last year, the group had targeted eight construction sites around the city. A construction company owner who insisted on remaining anonymous told *The Mercury* newspaper that a few minibuses would arrive on

site with armed men on board. They would demand to see "the boss".

"Each of the men would have their own company and they would tell you that you must employ skilled and unskilled workers from them. On top of that you must give each of them R5,000 a fortnight to ensure there are no disruptions. That money is nothing but protection fees," he said.

At one construction site the group of men gave the owner of the company an AK-47 bullet and said the bullet was worth R17. They told him that it was the cost of his life if he did not comply.

Construction companies did not call the police, instead seeking legal advice from lawyers. They also notified the Master Builders Association and the SA Institute of Civil Engineers (SAICE) in hopes that they would exert some political pressure on city management to rein in the "business forum". They got short shrift.

"They just told us to beef up security on site and at our houses, in case we were targeted at home," one construction company owner told the *Daily* News.

A letter from the Master Builders Association KZN to members in May said they had received reports of disruptions at various sites throughout the province.

"This situation seems to be impacting negatively on the completion of contracts and the financial aspects thereof. Even more so, our report indicates acts of violence and intimidation on site. We are requesting that our members supply details of such encounters to the association, as this is a matter of urgency," the letter said.

Attorney Peter Barnard, of law firm Cox Yeats, said in an interview with the *Daily News* that he had been approached by a number of clients in the construction industry who wanted to put a stop to the Delangokubona Business Forum.

"However, everyone I've spoken to is nervous and doesn't want to put their name to anything," he told the newspaper. "I can only go to court if I have a mandate from someone. Nobody wants to give me a mandate because they are all worried about the ramifications.

Barnard said after arriving on site and demanding work, Delangokubona Business Forum also dictated to contractors what rate their workers should be paid.

"If they are told their work is substandard, apparently their response is, "That is your problem, you sort it out.' They are seriously damaging an industry that is already struggling in the current economic climate" he said, adding that most construction companies were trying to "co-operate and co-exist with the Forum".

Forum chair Mnyandu admitted they were demanding work from construction companies.

"All we are doing is ensuring these white and Indian companies comply with BEE. They must do the right thing," he said. The members of the Forum, he said, were all ex-prisoners who had served time for Schedule 6 crimes (which include murder, rape and armed robbery). They were looking for "legitimate work" so that they did not have to go back to committing crime.

Asked by a *Daily News* reporter what would happen to those who refused to comply, Mnyandu said: "If they do not stop, they will get in trouble. We will give them direction and show them the constitution that we are using. If they still do not comply, ay, my friend, I can't tell you over the phone what we will do."

The name Delangokubona is a Zulu word that very loosely translates into "Here comes trouble", and is regarded as an aggressive and warlike phrase.

The members of the Forum, he said, were all ex-convicts who had served time for crimes which include murder, rape and robbery

According to their Facebook page, they charge R1,000 for membership, which entitles members to a card, and a listing on their "database".

In June 2016, *The Mercury* newspaper reported that Elias Mechanicos Building and Civil Engineering sought an interdict against the group.

The construction company had been building a R120m city fleet facility for the eThekwini Municipality in Springfield Park. One afternoon a group of 15 to 20 men frog-marched the security guard to the main office and demanded to see management. They wanted 10% of the contract value subcontracted to them. If their demands were not met, they would shut down the site.

The company went to the High Court in Durban for an urgent interdict. In his affidavit, quantity surveyor Declan Weyers said the group arrived on Monday "unannounced".

"I was taken aback by the sheer numbers... I became intimidated as soon as we went into the spare office. All 15 crammed themselves in and began interrogating me.

"They were constantly talking over the top of each other, they were rude and quite aggressive. In the back of my mind I was questioning who on earth these people were."

He said he had tried to explain that there was a procedure through which the company had been instructed by the employer (the municipality) to work with the ward councillor and two community liaison officers for the appointment of local labour. In response, one of the group said they knew the representative of the municipality and there would be no difficulties.

Weyers said he was shaking when they left, their parting shot being "we will shut the site down". The police were contacted but had failed to respond, so the company appointed two private security companies.

Shortly afterward, the Durban Chamber of Commerce issued a press release, expressing concern about the existence of the "so-called Delangokubona Business Forum": "...not only at the brazen and wanton violent nature of this group and its bullying tactics, but also at the apparent unwillingness or inability of the security establishment to take the necessary decisive action to stop what is a violent crime.

"This can only be described as a form of industrial terrorism and no citizen of eThekwini is unaffected by this. It is a matter of national importance.

"Action must be taken to establish a SAPS special task team working in conjunction with National Intelligence and, if necessary, the SANDF, to tackle this head on."

In response, KZN Premier Willies Mchunu vowed to "crush" the rogue business forum. "We assure you that with cooperation from the private sector, they can be crushed overnight. We will be there," Mchunu said.

But Forum chair Mnyandu was not perturbed by Mchunu's threats. "Those people must not play political ball games with us, we are not politicians. That premier just came in, he does not know us," Mnyandu told *The Mercury*.

"We are not mad in the head, they paint us as such because they want to benefit alone, and we have researched this and know officials use companies as fronts for their own pockets," he said.

In October 2016 construction company Group Five went to court to prevent the Forum from closing down renovations to Kingsway Hospital in Amanzimtoti. Site manager Raj Poolchand said in an affidavit that around ten forum members had arrived unannounced on site. Forum chair Mnyandu had said to Poolchand that the group had noticed the construction work and wanted "a few slices of the Group Five loaf".

Poolchand said he had explained that the work was highly specialised and could not be re-assigned.

"They were irate," Poolchand said in his affidavit, adding: "They said they were trying to be reasonable, but that one phone call could result in 500 people being mobilised outside the hospital, who would start burning tyres, rioting and otherwise make it impossible for work to go on."

This worried him, he added, as they were trying to keep the hospital operating normally and such a disruption could have dire consequences for patients' lives.

The Forum did not oppose the interdict nor appear in court. But by the end of 2016 the forum's "business model" was proving so successful that it had spawned several other similar "forums" that used the same tactics.

# An R8bn resort site near Sibaya Casino was stormed by armed men, who demanded 40% of the work

In November 2016 these groups invaded other construction sites. An R8bn residential and hotel resort project near Sibaya Casino on the North Coast was stormed by armed men, who demanded 40% of the work of the project. Once again the construction company interdicted the forums from disrupting construction. A week later, it was the turn of the KwaDukuza Municipality. They cited Delangokubona members, as well as a new group called Umzansi wa Darkie, who they said had been "storming building and/ or engineering sites" over the past eighteen months.

In January 2017 the group, now calling themselves the Federation of KZN Business Forums, were active again. This time the target was the proposed R1.8bn renovation to Durban's Suncoast casino. Suncoast executive director Mike Dowsley told the *Daily News* that they had decided to shut down the site while negotiations with the group were in progress.

The secretary of this new expanded group, Mfundo Mseleku, told the *Daily News* that stopping the work was the only way to get contracts.

"We've had success in achieving this in the construction of the Umlazi Mega City Mall and its current extension project, the building of new residences at Mangosuthu University of Technology and the R603 road in Umbumbulu," said Mseleku.

Robert Ndlela, representing the Federation for Radical Economic Transformation – which claims to have 60,000 members and is now an umbrella grouping for all these rapidly expanding forums – was quoted in *The Mercury* as saying that he was surprised by the allegations of intimidation. All they wanted, he said, was for companies to work with them and mentor them.

Despite furious rumblings from provincial government, Acting Premier, Economic Development and Tourism MEC Sihle Zikalala, Community Safety and Liaison MEC Mxolisi Kaunda, and city management, no apparent action has been taken against these groups.

"If people feel they have been denied an opportunity, we will engage with them and that applies to projects that are either government or private sector. But once there is vandalism, we will not be found wanting; we will mobilise all partners in the Economic Council to understand that firmness is firmness," said KZN Economic Development MEC Sihle Zikalala in a press statement.

The eThekwini Municipality appeared confused by a request for comment. "That was all done by the previous city manager," explained an anonymous person in the city's communication department. "No-one now is doing anything."

The municipality is in disarray following factional battles in the council, with no communications officer and only acting staff in senior positions.

Sipho Khumalo, spokesman for MEC for Transport and Community Safety, said that the issue was not regarded as a criminal matter, but rather an economic and development matter.

"You must speak to the MEC for that department," he said. "We do not regard these as criminal offences because no complaints have been laid with the police."

Numerous attempts were made to get comment from the Premier's office, the office of the MEC for Economic Development, the eThekwini Municipality, and the Federation of KZN Business Forums, without success. The person who answered the phone number for the Federation on their Facebook page explained that they do not talk to journalists.



IRST COSTED AT R3.15 BILLION, BY the time Durban's King Shaka International Airport was completed in 2010, it had cost anything between R7.6bn and R9bn. This kind of cost overrun is chicken feed when stacked against Eskom's Medupi and Kusile power stations, but it set in motion a chain of events that helps explain some of the bizarre decisions coming out of Airports Company of SA (ACSA).

King Shaka is one of the nine airports managed by ACSA.

In February, Minister of Transport Dipuo Peters fired half the board of ACSA, ostensibly to strengthen it, but left in place CEO Bongani Maseko who was fingered last year in a forensic report that detailed several instances of procurement irregularities.

This is just one instance of political interference in the running of ACSA. A far graver interference was the decision in 2006 to force ACSA to build the King Shaka International Airport without a feasibility study having been carried out and in defiance of all commercial logic. This decision lumbered ACSA with crippling debt which it has been forced to service ever since.

In March this year, minority BEE shareholders in ACSA brought an application before the High Court in Pretoria challenging the "commercially illogical" decision by the airports regulator to lower tariffs by 35.5%, which would cut revenue by R1.8 billion by 2018 and remove all prospect of the company's being able to declare a dividend to shareholders.

The tariffs went into effect on 1 April, but the matter has now been placed under judicial review. These tariffs benefit airline operators and passengers, but not ACSA shareholders, who long ago gave up hoping for a

# **By Ciaran Ryan**

decent return on their investment.

Just a few years ago, in 2011, when ACSA had completed a massive airport upgrade programme, it was granted a staggering 133% increase in tariffs by the regulator. Why would ACSA now apply for a reduction in tariffs? None of this makes much sense unless, as minority shareholders have argued, one understands that ACSA has abandoned its commercial mandate due to political meddling.

Minorities want nothing more than to sell their shares back to the state and have been trying for years to do so at something approaching fair value. Instead they have been offered 40% of net asset value.

The only buyer for these shares is the government which, nearly 20 years ago, lured investors into ACSA with promises of privatisation and an eventual listing on the stock exchange.

Based on these promises, it got Aeroporti di Roma (ADR) to purchase 20% of the company for about R890m in 1998, or R8.19 a share. This valued ACSA at about R4bn at the time. When it became clear the government had no intention of listing ACSA, ADR sold its shares to the Public Investment Corporation (PIC) for R16.75 a share, making a decent return on its investment. No such luck for the minorities, who have now turned to the courts for relief.

ACSA is 74.6% owned by the state, 20% by the Public Investment Corporation, 1.2% by staff and 4.2% by five empowerment companies. It is the empowerment companies that are peeved at the direction the company has taken. They paid R172m for their shares in 1998, almost all of it borrowed. By 2006 they had received dividend in-

come of R109m, which is less than a third of the R350m cost of borrowings they incurred to take up their shares.

A 2012 report by auditors Ernst & Young suggested the financiers who backed the empowerment shareholders were keen to foreclose on the underlying ACSA shares, but that this would have a negative effect on perceptions of ACSA and the empowerment deal.

If minority shareholders are disgusted with the crumbs they have been tossed by ACSA, why would the PIC be inspired to purchase ADR's 20% shareholding, unless it is subject to the same political interference as ACSA?

To sweeten the deal for the PIC, ACSA paid out a special dividend of R1.79 a share shortly after PIC acquired its shareholding in the company. The PIC invests public sector funds "based on investment mandates set by each of these clients and approved by the Financial Services Board (FSB)," according to its website. "Our goal is to not only meet, but exceed our clients' expectations and our shareholders' investment objectives through thorough research, careful risk analysis and stringent compliance practices." How's that for a laugh!

Many of ACSA's difficulties can be traced back to 2006, when then-Minister of Transport Jeff Radebe decided that Durban needed a new airport and announced plans to go ahead with the building of the King Shaka International Airport (KSIA) at La Mercy in Durban. This was to be followed by the decommissioning of the pre-existing Durban International Airport.

Back in 2006, with the 2010 World Cup looming, ACSA embarked on a massive upgrade of its airport infrastructure. Radebe did not consult ACSA about the government's decision to build KSIA – which is odd since



ACSA would be responsible for running the airport and therefore lumbered with the cost, which we now know nearly trebled from the original estimates. The consequences of that decision have suffocated ACSA's financial viability and effectively forced it to abandon the commercial mandate it is required by law to uphold. To all intents and purposes, ACSA no longer operates as a company but as a developmental arm of the government, determined to advance the ambitions of the modern Zulu empire.

In 2006, ACSA had interest-bearing borrowings of R118m, equivalent to 5.4% of revenue. Today, borrowings exceed R10bn, more than 117% of revenue. Most of this increase in borrowings relates to the construction of KSIA. In 2013 the Presidential Review Committee of State-Owned Enterprises likewise challenged the logic of building the airport: "It was clear that the commercial viability of ACSA was negatively affected by the pursuit of a national interest. ACSA carried the lion's share of the funding that was required, and the regulator forced ACSA to rely on borrowed funds."

The contract to build the new airport and the first phase of the Dube Tradeport, north of Durban, was won by the Ilembe Consortium, headed by Group Five and WBHO Construction. Both companies featured prominently in the Competition Commission's investigation into bid-rigging and collusive tendering in the construction industry.

ACSA was not in principle opposed to the construction of the new airport but did not consider it necessary or even viable before 2017 to 2020, which is when traffic through Durban International Airport is expected to reach five million passengers a year. Traffic volumes have yet to hit that level and

are unlikely to do so for several years. Even at these traffic volumes, the new airport would only have been viable at what turned out to be unreasonably optimistic project cost estimates.

ACSA came under heavy pressure from across the political spectrum to construct KSIA prematurely. However, as late as March 2010 its economic value was still being questioned by the CEO of the Board of Airline Representatives of South Africa, Alan Moore: "There is nothing at this airport that would have warranted the spend on the facility... The new facility was built with little or no consideration of the general aviation community and a number of operators in the Durban sector are under threat."

International Air Transport Association (IATA's) Director for Industry Charges: Fuel and Taxation, Jeff Poole, stated at the time: "Quite simply, the extravagance that is King Shaka International Airport cannot be justified. There is no sustainable business case underpinning its rushed development. Local and international airlines agree

ACSA is no longer operating as a company but as a developmental arm of the government

the airport is premature, with insufficient traffic or demand to support it. Airlines support the user-pays principle and are willing to pay for use of facilities that add value, deliver efficiencies and provide a value-for-money service. But why should they pay for construction of an airport that is not needed and that most airlines do not even plan to use? As in any other industry, surely ACSA's shareholders, who earned handsome dividends for several years, should recapitalise the company so it can fund its own capex programmes?" said Poole.

The then-Director-General of Transport George Mahlalela defended the decision to build KSIA and criticised the former CEO of ACSA for being critical of the proposal to construct it earlier than deemed necessary.

ACSA thus embarked on its capex programme without an equity injection, relying instead on a massive escalation in debt imposed on it by the government and the regulator. In 2015 ACSA's board approved capital expenditure of R52.4bn over the 10 years to 2025, despite not having the capital and that its airports were operating at only 63%-68% of design capacity and forecast returns would be insufficient to fund borrowings of R52.4bn.

"ACSA is allowed to give notice to the regulator that it intends to close an airport if it is not commercially viable, but to my knowledge ACSA has not done so in respect of KSIA. Were it to do so the regulator is required to make recommendations to the Minister of Transport and the minister may compensate ACSA for the continued operation until it becomes commercially viable. To my knowledge ACSA has not sought compensation from the government for the uneconomic KSIA," says Alun Frost, investment manager at African Harvest, one of the minority shareholders.

What's happening at ACSA is happening across the public sector. Private investors are deserting the bond auctions held by state-owned companies, leaving it to the PIC – the government's current go-to source of victim capital – to pick up what is now officially junk credit, thereby further imperilling the pensions of public servants.

The message is clear: next time a government minister comes up with a grand investment scheme, run for the hills. ■

# Books



# **Grins and groans. Funny business**

ot getting out much? Life a million shades of grey? Despair not: a dose of this rich stew of Spectator delights is the cure. Readers unacquainted with the brilliant cast of columnists who make this topical British weekly magazine a feast of character and controversy are in for a treat. And auld acquaintance will rejoice.

Subscriptions to imported publications are prohibitive these days, but at least devotees can source online pleasure. And the true devotees think it well worthwhile to shell out a crore rupees occasionally for the actual magazine, opin-

ions, cartoons, provocations and all.

The aptly titled magnum of selections from 1990 onwards, compiled by the publication's former pop music columnist Marcus
Berkmann (Pon? In a Berkmann (Pop? In a serious publication? Disgraceful!) is absolutely delicious. Pray forgive the foodie vocabulary:  $_{
m the}$ parlous state of South African journalism has left us starved of articulacy, of savouring the absurdities of life, and speaking without fear of the PC police. Spectator tolerates all manner of opinion.

The recent hysteria surrounding Helen Zille's self-evident statement about the possible existence of non-wicked whites would baffle the *Spectator* mind. Is it true, or is it not? That's the question. Truth is the criterion. *Speccie* writers present a menu of extraordinary range: intelligent, coherent, passionate, funny, often outrageous. Never boring.

From the cool reason of the editorials, to the moving THE SPECTATOR BOOK OF WIT, HUMOUR, AND MISCHIEF Edited by Marcus Berkman (Little, Brown)



and amusing antics of Jeremy Clarke's "Low Life" column; from the murderously pointed political invective of Rod Liddle to the surreal wonders of the "Dear Mary" advice column; and the unexpectedly perceptive diary notes of actress Joan Collins. Even the "Readers' Letters" make for satisfying reading.

"Dear Mary" is a legendary purveyor of wisdom, some of which might, just possibly, represent rebukes to idiocy. A worried reader writes to inquire about the right thing to do when, hampered by a champagne glass, it becomes necessary to applaud. She advises that gentlemen

unbutton the bottom three buttons on your shirt. "You will find that slapping the stomach will produce a very realistic clapping noise at the same time as helping to loosen up the proceedings".

Rod Liddle, in a memorably scathing review of hapless Ed Milliband's TV grilling by Jeremy Paxman, accuses Milliband of repeatedly ducking questions with "You can't expect me to answer that."

"The questions weren't impertinent, personal, or irrelevant. Paxo didn't ask him if he masturbated regularly." Liddle was infuriated by the fact that a politician with high ambition should evade legitimate questions, and snarled: "The nerve we have, expecting to be told stuff, expecting politicians to engage". Would that the South African voter could set Liddle on our own politicians, as they dodge and dive in the face of the mildest media inquiries.

In a mad world, *Spectator* fights for good sense, righteous protest, and as much laughter as we can squeeze out of the chaos. ■

# Down and Out

# ANNE SUSSKIND

# Goodness me. Keep trying

N A DO-GOODER FRAME OF MIND, Noseweek's intrepid correspondent [Please God, not another one! – Ed.] last year ventured out of Sydney's eastern suburbs to see if she could be of any use at the Asylum Seekers Centre in the somewhat less salubrious Newtown. Helping with communications, or teaching English, perhaps. As it turned out, there were over 2,000 volunteers on the centre's wait-list. Since then, she has applied twice and twice been knocked back for volunteer roles.

The latest email is seeking coaches to help prepare asylum seekers for job interviews: a day a week, half with the interview subject, and half researching the company and the specifics of the job being sought. But the centre warns: "Please Note: Due to our limited capacity in staffing and overwhelming number of applications received, only shortlisted applicants will be contacted." Do not call, questions and inquiries should be emailed.

One of Australia's best-loved TV presenters – South African import Anton Enus – has gone public about his bowel cancer to raise awareness of the country's second-highest cause of cancer deaths after lung cancer. Enus is definitely on the side of the angels. Described in the *Sydney Morning Herald* as "utterly handsome and extremely svelt", Enus says he has the National Bowel Cancer Screening Program to thank for detection of his illness. Available to all Australians from the age of 50, it includes a home test kit that arrives free in the mail.

The former SABC newsreader, who is said by friends to be doing well after completing radiation and chemo, recently wrote of his shock diagnosis: "The one who'd given up eating meat more than three decades before, who'd never been a smoker and no more than a glass-with-dinner kind of drinker. The one who ran marathons and whose



greatest joy was chasing a ball around a tennis court, who did yoga and had no family history of bowel cancer. And yet, there it was, plain to see... I collected the stool samples and sent them off, hoping to hear nothing more, hoping to hide somewhere within the herd. Now, aged 55, I find myself on the outer edge of that herd..."

Joburg-born Ronni Kahn's OzHarvest, which hit the 60-million mark for free delivered meals of non-perishable high-quality food to charities, has generated spin-offs in the UK (with Camilla Parker Bowles as a patron) and in New Zealand. Kahn, a former events organiser, started OzHarvest in 2004. The "food rescue charity" collects surplus food daily from delis, takeaways, boardrooms, hotels and restaurants, producers, growers, farmers and fields, and delivers it to about 600 charities nationally.

"OzHarvest has brought wagyu beef to the poor, and whole salmon, raw and cooked food from the finest restaurants, and even the leftovers from *MasterChef* and other TV cookery shows," says the *Sydney Morning Herald*. Kahn was instrumental in changing legislation in several states that had prevented food donors from supplying excess food. Now, companies and registered businesses are protected under the Civil Liabilities Amendment (Food Donations) Act and Health acts.

Making her mark in the art and design world is Dr Gene Sherman, who emigrated from Johannesburg in 1976.

In March she brought to her private gallery in Sydney an exhibition of the works of Japanese architect Shigeru Ban, best known for his work with paper, recycled carbon tubes and bamboo used for low-cost emergency housing.

Sherman's husband Brian founded the animal rights think-tank Voiceless, which champions the rights of factory-farmed animals. The couple also funds medical research – specifically, these days, into a rare genetic disorder affecting two of their grandchildren, meaning they cannot walk or talk. Every year the Shermans bring together 20-or-so researchers from around the globe and "lock them in a room together" to update each other.

With mainstream print media having collapsed in a heap, your everyday dogooder columnist has ended up working for a union whose members are on the receiving end of public service job cuts. All day I hear tales from bewildered people who'd thought they had jobs for life, now thrown on the scrap heap as privatisation of government services bite - made redundant, in corporatespeak. Those who survive the cullings complain of being over-worked, doing the jobs of two or three, and of being shunted aside for bosses who are way younger than them - and more technologically adept.

Even in Australia, far from the world's hotspots, it is starting to feel as though we are living on a time bomb. Signs of decay: MP Barnaby Joyce wants the state emblem of Victoria, Leadbeater's Possum – which was declared endangered in 2015 – taken off the list so that logging can proceed apace in the possum's favourite forests. The historic moratorium on logging in Tasmania's old growth forests may be overturned to create jobs.

And MP Peter Dutton said recently that the government "won't be bullied" by CEOs campaigning for same-sex marriage. Sigh. ■

# Letter from Umjindi

# BHEKI MASHILE



# TV trash. Spoiling the child

K NOSEY ONES, BEFORE I GET TO the rubbish that has seemingly become the norm on our television screens, a quick update on my inflated-debt battle. As I reported previously, the matter was going to be postponed. Since then it has been postponed again twice and is now due set to be heard on 31 May. The postponements were granted at my request, since I felt my attorney had not prepared properly by thoroughly familiarising himself with the necessary info: the Schedule of Particulars and the Debt Collectors Amendment Bill of 2016. Without these two pieces of legislation as our basis for argument, we have nothing, zero, goose-egg.

Ignorance of this is exactly what allows these debt collectors, particularly the law-firm ones, to fleece us.

And, as I also pointed out before, the clerks of the court – to my disgust – were not familiar with these two documents intended to assist complainants requesting a court taxation, seeing the debt-collector's costs are in line with the schedule of particulars (costs allowed as prescribed by the Department of Justice). And of course, said costs must also be in line with the Debt Collectors Amendment Bill of 2016.

Surely if the clerks cannot assist complainants properly one must make a solid argument to the court. It's not enough for the court simply to ask, why aren't you paying? They need to start asking why the debt has ballooned?

Yes, indeed, this fight I must see through. If Parliament can see the need to table and pass the bill, we need to thank parliamentarians by using it. The fight goes on.

Alrighty then, now let us look at the rubbish and smut that has become the norm in too many programmes aired particularly by our four channels accessible to everyone – e.tv and the three SABCs. A review of too many programmes aired by these four makes one wonder whether they are even

aware of the Broadcasting Complaints Commission's (BCCSA) code of conduct they claim to adhere to. The code says, in part, they must not broadcast programming intended for adult audiences before the watershed period of 9pm-5am which contains scenes of explicit violence and/or sexual conduct and/or nudity and/or grossly offensive language intended for adult audiences.

Wow, who at the SABC are the *Generations* team paying off? This show is aired at 8pm and is reportedly the most widely watched soapy. However, it has gone from featuring humorous characters such as Queen Moroka, wholesome ones such as Archie Moroka, to what can only be described as pure smut.

Storylines have included a female character subjected to S&M who commits suicide; a character who throws a woman off a balcony; and another storyline where a woman is kidnapped and held captive. Let's not forget the woman forced to sleep with a brother for the sake of the family since the other brother is sterile. Promoting this crap in this day and age? *Generations*' content makes a mockery of the fight against violence and abuse of women. Moreover its rubbish content is aired before the watershed period.

Is the SABC allowing this smut for the sake of advertising revenue that is at its max during this prime-time period, despite the fact that Gogo and the kids are watching at that time?

Let's look at another example: on 5 March, SABC 1 aired a movie – again at 8pm – starring Steven Seagal and titled *Force of Execution*. Talk about explicit nudity! The movie showed more breasts than all the chicken thighs being dumped on our shores. Not forgetting, of course, the G-string clad booties. The movie was immediately followed by the youth programme *Selimathunzi*. So much for the code ha?

And another example: in late March, with the culprit here being SABC 2, the public broadcaster aired a performance

by comic Loyiso Gwala. Although it was aired after 9pm the profanity in his act was enough to make a brother from the hood proud. It seems Loyiso cannot be funny without the f-word.

And while we are on the f-word, it would appear that nearly all the programmes — so-called telenovelas or whatever they call this locally made, extremely violence-driven rubbish such as the show *Heist*, has made the f-word a prerequisite for their scripts.

The BCCSA code also states that programmes should not be harmful. Well, Nosey ones, clearly these channels are airing harmful content. Case in point: during a recent family gathering I began using the f-word while talking to my sister and nephew, albeit using the f-word in a casual manner, Americanstyle. Since my sister and I grew up in that country, it's no big deal to say something like, Wow, he's dead? I just saw the f\*\*\*in' guy in town just a few days ago. What happened?

However, noticing that my nephew's two-year-old son was present, I immediately said "Sorry guys, I should not be using this kind of language with these kids around (there was also a young girl about the same age). My nephew responded: "Uncle, it's too late, he uses the f-word all the time." I ask, "Where is he getting this from? Certainly not from me. This is only the second time I've seen him since he was born!" My nephew's response: "He hears it on television all the time."

Yes, it is said children are very perceptive and pick up things easily. But that is not the point here. The fact is, if a two-year-old has picked up foul language from hearing it on TV then clearly we have a problem.

To the scriptwriters of local content: you guys suck. You lack imagination and creativity. All your scripts have one common theme, violence. Not to mention your obsessive use of the f-word. Do we really need more cheap shock-horror right now?

# Last Word

# HAROLD STRACHAN



# **Giraffe Braai. Tall tales**

TELL YOU, FEW THINGS ARE MESSIER to work with than that polyethylene wood glue in a squeezy plastic bottle. But for sure it's tougher than timber itself. I don a butcher-type long stripey apron and set to on a batch of artists' canvas stretcher frames down in my workshop, and sharpen up my kitchen cutlery on the grindstone while I'm about it. Tralala, I sing a cheerful song, Mozart, but this is a dull way to spend a beautiful winter morning in Durbs, man, and it's not long ere I get a bit teatime-ish and set off back to the flat for a cuppa in my lush subtropical garden.

At my parked car stands a certain Mrs Bhamjee from over the road. She coldly introduces herself. Do you kill animals? she asks. Sometimes it happens, say I, you know, cats mostly, but why do you ask? Because of your butcher's clothes and tools, says she; do you mean to tell me people eat cats? Thai people do, say I. If they bring their own it's half-price, sometimes I cut them up in small cubes to order for a special sort of curry they favour in Thailand. Immigrants from Hong Kong like snakes for a Chinese chow mein, they bring their own puffadders and mambas and stuff and I slice them up on a bandsaw like polony only narrower and thicker. Also tortoises scooped out.

Mrs Bhamjee turns down the corners of her mouth in contempt. I don't suppose you have a licence for it, says she. Well-er-no, say I, and I get paid in bank notes so I don't tell SARS either. Even when I do sacrificial goats I get paid in cash. Seven hundred rands. Small goats five hundred. You murder goats on your premises? says she with a mixture of disgust and alarm. Oh no no! say I, I put on this, my special apron, and do it in a special place of ritual at a certain temple. Many priests agree with killing the goat, you see, but get a bit squeamish when it comes to cold

steel and hot blood squirting all about so they call me in as a contractor. And you aren't squeamish about the poor suffering animal, says she with some scorn. We-e-ell, not exactly, say I; I don't use cold steel, see, I remove the head with a chain saw. Quick, quick and painless. They have this small room for it so the congregation doesn't get sprayed all over by the splash of blood, then afterwards I take a nice hot shower and it's over in half an hour. Profitable work. Last year I did a giraffe

for a Christmas braaivleis in Orania, say I. It's a communal thing there, everybody chips in and every year they buy a different species wildlife of in memory of Pres Paul Kruger who loved hunting and braais. Fuel is problematic, of course. true Afrikaners don't use supermarket charcoal, hey, but good dense traditional hardwoods: olienhout, ysterhout, that sort of brandstof, but it's scarce and a fire

including

neck would be simply too expensive, so I cut the head off at the shoulder and they turned the neck into long strips of biltong and got a record in the *Guiness Book* and the editor said they'd never heard of such a thing before.

this giraffe's

The Orania Fire Brigade doesn't use those old-time canvas hoses anymore but nylon-reinforced polypropylene which doesn't need drying out after use, so that tall drying tower that fire stations have was not in use and we hung the biltong in there with mosquito netting over the ventilation holes to keep the flies out.

The torso was problematic too, being so big, but I sawed it open down the thorax and spread it out flat like a kipper then we fixed a chain to each leg and lifted it up with a construction crane with a long arm and suspended it over

trane with a long arm and suspended it over the fire. Turned out a splendid idea, we could raise and lower the giraffe for delicate slow browning and from time to time swing it away from the fire entirely so the Fire Brigade could squirt it all over with Mev Balls se Spesiale Orania Braaispesery.

They've booked a black market hippo for next year. The Orania librarian discovered that back in the 1500s a certain monk in Moçambique applied to the Pope to have the hippo-

potamus declared a fish for the ritual Friday supper because crocodiles had cleaned out the Maputo River, and the Orania Braai Committee has now decided to put this to the taste-bud test. Of course I should have to do it in its big crate with the chain saw, but the saw may be too small and maybe I'll just turn it loose and shoot it with a rocket-propelled grenade.

I think you are an absolute b\*st\*rd says Mrs Bhamjee and I'm never going to speak to you again! A pity, say I, I was just starting to enjoy your company. ■

Smalls ads must be booked and paid for online. Book at:

www.noseweek.co.za





# SAVE R4120 ON A SINGLE COLUMN ADVERT IN NOSEWEEK DURING JUNE & JULY

WAS R8240 NOW R4120

**021 686 0570** 

(Prices above exclude VAT)

### **FOREIGN HOLIDAY ACCOMMODATION**

# PARIS FRANCE

Sunny, spacious apartment Fully equipped kitchen 5 mins from Champs Elysees, shops, restaurants, airport shuttle & metro. EnglishTV, free internet and phone. €69 per day www.pvalery.com 25 Rue Paul Valery, Paris 75016 Metro Victor Hugo

082 900 1202; Paris:+33 617 045 290 anne@pvalery.com

Paris apartment Centrally located Montorgueil (2nd) Reasonable rates, internet, TV, etc; ljqundav@qmail.com; +33 62 034 6710.

### LOCAL HOLIDAY ACCOMMODATION

**Arniston** Stunning seafront home perched on cliff top overlooking beach. Breathtaking position and panoramic sea views, 5 bedrooms, 3 en-suite, serviced; 082 706 5902.

**Bishopscourt**, Klaassens Road, 200m from Kirstenbosch Gardens Rycroft gate. Tranquil B & B in an acre of gardens; 021 762 2323; www.kleinbosheuwel.co.za

**Umhlanga** 2 bed, 2 bath stunning, serviced sea-facing apartment with DSTV; 082 900 1202; anne@pvalery.com

**Betty's Bay** House to rent, close to botanical garden. Contact David 082 545 8000; or mrdavidwinter@gmail.com

### LOCAL PROPERTY FOR SALE

Nosing around for property in Langebaan or the West Coast? Call Melanie Mouton-Creugnet 079 378 0000 or email melanie@sothebysrealty.co.za

# **FOR SALE**

Plastic pallets bought & sold. (New international legislation for exporting on wooden pallets! ISPM15);

www.premierpallets.co.za or 083 756 6897.

**Tinus & Gabriel de Jongh** paintings bought, sold and valued for estates and insurance; 021 686 4141:

dejongh@yebo.co.za, www.tinusdejongh.co.za

**Tent Pro cc** sells new army tents (5x5m and 10x5m) and dome tents. Call Philip 082 537 2894, or go to www.tentpro.co.za

**Richmond Plumbing** in Durban offers top of the range sanitaryware and taps. Call 031 572 3344.

**Electric piano** Casio – CDP- 100 in excellent condition, includes pedal. R6,000 negotiable. Call 079 517 2458.

### **WANTED**

**Wooden motor boat** with classic antique motor. Antique building material, doors, flooring, etc. Call 083 273 2014.

Your unwanted firearms, left from deceased estates or simply a bother to keep? david.klatzow@mweb.co.za is looking for a variety of weapons to add to a forensic collection used for research.

#### **SERVICES**

French sworn translator Countrywide. Experienced in mining rights, court and tribunal papers, official documents. My CV, testimonials and samples of my translations are available on request. Christine: 071 356 8279; christine@thefrenchpage.com

#### **COURSES, TUITION & COACHING**

French lessons Learn to speak, read and write French in the greater Johannesburg area with a Sorbonne-degreed, native French speaker from Paris. Private or group lessons as well as corporate clients. Christine:

071 356 8279; christine@thefrenchpage.com

### **LEGAL, INSURANCE & FINANCIAL**

Jurgens Bekker Attorneys, Bedfordview Commercial and litigation; Call 011 622 5472; jurgens@jurgensbekker.co.za

**Questioned signature** on contract or will? Alleged forgery? Forensic document examiner Cape Town; www.fdex.co.za

**Lawyer.co.za** is a new website for members of the public with extensive information about lawyers and the law in SA. Research the law, or find a law firm. Also available in Afrikaans at www.Prokureur.co.za

### **PERSONAL**

### **Happy Days!**

I can't afford you but cannot live without my Noseweek!

**Please support** poor primary schools and vocational education. University students are a privileged pampered elite.

**Looks like** the clowns are winning and they do not know that they are clowns.

### **TRAVEL & LEISURE**

**Red Door Café, Edenvale** Pop in to the boutique coffee shop for breakfast, lunch, craft beer & gin.

**Riebeek Valley Hotel** offers relaxed, easy-going service with quality food and beautiful vistas. Call 022 461 2672.



# IT'S EASY TO SUBSCRIBE

Never miss an issue...Free delivery...Enjoy massive savings





Call **021 686 0570** with your credit card or fax **021 686 0573** or **0866 773 650** 

PLEASE NOTE: Cheques are no longer accepted in payment.

SUBSCRIBE TO PRINT EDITION FOR R410 (12 ISSUES); ONLINE EDITION FOR R298 OR GET A COMBINED PRINT AND ONLINE SUBSCRIPTION FOR JUST R510!

Apart from having SA's top investigative magazine delivered to your door, you could also win one of five Ken Forrester wine packs. Subscribe now and stand in line to score.

### **CONGRATULATIONS TO MAY WINNERS:**

Christian Burschen, Riviera Ian Crowther, Zinkwazi Beach Ms Petal Krog, Merryvale James Morgan, Kloof

Terry Reynolds, Constantia



Tasting room open Monday - Friday 09:00 - 17:00 & Saturday 09:30 - 15:30

Cnr of R44 & Winery road, between Somerset West & Stellenbosch GPS: 34° 1' 39.06 "S 18° 49' 12.83" E Tel +27 (0)21 855 2374 info@kenforresterwines.com www.kenforresterwines.com



# SMALLS ADS

The deadline is the 24th of the month, two months prior to publication.

Ads are prepaid at R200 plus VAT for up to 15 words, thereafter R15 per word plus VAT

Please note that multiple (long-term bookings) are now available online.

### **BOXED ADS**

Boxed ads are 6cm (1 column) wide, and are charged at R900 for the first 3cm and R250 per additional cm (length) plus VAT. Payment is due within 30 days of invoicing

Please contact ads@noseweek.co.za to book or phone 021 686 0570.

### DISCLAIMER

Although Noseweek does reject obviously questionable ads, it can't run checks on every ad that appears in the magazine. The magazine doesn't endorse the products or services advertised and readers are urged to exercise normal caution when doing business with advertisers.

# QUALITY PUBLICATIONS CHOOSE A QUALITY PRINTER

# **COLOURTONE ARIES**

PRINTERS OF CHOICE

For all your printing, packaging and display requirements contact colourtone aries on 021 929 6700 or

www.colourtonearies.co.za info@colourtonearies.co.za



@colourtonearies

Colourtone Aries



