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KPMG's fight-back

KPMG FORENSIC AUDITOR JOHAN VAN DER Walt's insistence that there was evidence of a "rogue" spy unit at SARS, and that negative media reports about his unit's report were planted to discredit him as a State witness at the coming trial of Jacob Zuma, have me [*and, I am sure, many others.* – Ed.] totally confused. Here's hoping Judge Nugent will clear it up.

Lumen
Plettenberg Bay

■ THE ROGUE UNIT HAD A NAME: TCEI (Tax and Customs Enforcement Investigations). Believe me this is not BS. Since disbanded, they had two tasks: investigating any tax-related fraud and covering up for anything their senior officials are involved in.

'Rogue accountant'
Free State

Racist epithets

THE LAW AGAINST RACIST EPITHETS IS not at all specific. It should be. If one person refers to another by the K-word, it is racist, regardless of the colour of the perpetrator. Referring to Caucasians as "cockroaches" should be equally punishable.

Ant K
Westville, KZN

Compensation

YOUR COLUMNIST REFERS TO A REPORT in *The Australian* in which an SA farmer who emigrated to Australia says he has South African farmer friends keen to follow him to Australia "particularly since radical February 27 laws were passed authorising land seizures from white farmers without compensation".

Really? I thought there was merely an agreement to discuss the matter. Maybe it won't happen. I can't see how the banks who are owed trillions by the farmers and really run everything, will allow expropriation without compensation.

Marylou Newdigate
Knysna

Journey into space

GOOD ON BHEKI MASHILE FOR RAISING the issue of nauseating jargon: "space" this, "space" that; "journey" this, "journey" that. However, "going forward" I trust he will be able to avoid referring to the *Sowetan* (a "South African newspaper icon") as an "iconic South African newspaper".

Bruce MacDonald
Rondebosch

■ ANOTHER ONE THAT IRRITATES ME NO end is the word "curate", so loved by journalists writing for magazines like *Garden and Home*. You don't push your furniture around to make a room look better (or perhaps worse) any more, you curate. You may even curate your supper table. For crying in a bucket!

Sophia Malan
Vredendal

Robots versus humans

RE YOUR COLUMNIST SIBISISO BIYELA'S prognostications on artificial intelligence and the robots of the future in *nose224*: my take is that robots will make humans surplus to requirements and at that point, humans will kill one another.

Paul Kerton
Twitter

Or maybe they'll just stay at home and knit or play Pokemon? – Ed.

Hooray for Harold!

HAROLD STRACHAN'S ARTICLES DEFINITELY get better the older he is. Can't wait for him to reach 100. Perhaps King Henry will send him a congratulatory telegram via cleft stick?

Gregory Beykirch
Pinetown

■ PLEASE, PLEASE TELL US HAROLD IS immortal and will continue writing for you.

Allan Burton
Sandton

■ HAROLD'S COLUMN IN *NOSE224* WAS THE best yet!

Vic de Valdorff
Muizenberg

Cambist quandary

I WOULD NORMALLY NOT HAVE BEEN attracted to any investment that offered the returns that Cambist did [19.5% p.a.], but given the weight of their TV campaign, I fell into the trap. My initial investment of R250,000 was met with returns as advertised – this was in 2015 – but for the last 15 months I have received a monthly dividend of just R167 [*just over 1% per annum*].

None of my correspondence has elicited any reply and phones are not answered. There appears to have been some form of criminal action here?

Gavin Walker
Porterville

Go to the editorial about Cambist under the headline "The moral rot in unsecured lending" (nose179, September 2014) and ponder. Enough said. – Ed.

Herbal fix for poor media profits

MEDIA 24 AND CAXTON THINK NOTHING OF making money out of "Herbalist" ads which they themselves agree are not believable.

When I started looking into this years ago, the then editor of Caxton's *The Citizen* agreed with me that the ads were not believable. More recently Media 24's ombudsman George Claassen went further. When I pointed out these ads make claims that cannot possibly be true, he replied, "I agree, many of these ads are totally misleading and even fraudulent." I gathered his firm relies on the "buyer beware" section of our law because, since then, the papers now carry disclaimers in connection with these ads.

Surely it is wrong to print ads that make claims that you know conclusively can't be true? It's like driving your car down the wrong side of a motorway with a sign on the back saying: "My attorney assures me that I am not responsible for any accidents because it is the duty of other motorists to watch where they are driving."

Jon Abbott
Cape Town

Coalition chaos and sting in tail

HERE IS MY RESPONSE TO YOUR invitation to comment on Leon Schreiber's predictions regarding the future prospects of coalition government in South Africa.

Most South Africans tend to see the downsides of whatever we have, and the upsides of what exists far away – the “grass is ever greener on the other side of the fence” syndrome.

In a nutshell, frequent coalitions will have different problems to our five-years-at-a-time governance system, but just as many.

So far, a dominant one-party system has meant that South Africa has enjoyed all the benefits of a proportional representation system – a wider diversity of parties and views in Parliament, provinces and municipalities – without the disadvantages. The same would apply if the DA ruled South Africa and the ANC ruled the Western Cape.

For decades, proportional representation meant that Italy had collapsing government coalitions, on average, every second year. South African schoolchildren can easily memorise the names of all prime ministers and presidents since 1910. Only Google could record all the prime ministers Italy has had since returning to a democracy after WW2.

Israel's Knesset [*Parliament*] is alongside South Africa the world's purest example of proportional representation system. It has resulted in the smallest, most extremist party in the ruling coalition (whether fundamentalists or hyper-ethnic) becoming the tail that wags the dog. The government, under threat of a walkout and losing power, has to cave in to extremist policies of one kind or another on the occupied West Bank.

Oudtshoorn provides a sombre warning of what happens when you have a hung council for a year, with the failure of parties to form a coalition. Corruption ran riot while the council was paralysed, until there were not even funds to repair potholes. The municipality was living off the Cango Caves tourist revenue,

while running down the caves with no maintenance.

Oudtshoorn has only 100,000 residents. If the same happened in Cape Town, with 3,900,000 residents, or greater Johannesburg, with close on five million people, we would face a crisis of major magnitude.

If the national government refused to take over a malfunctioning municipality under section 100 of our Constitution, due to a national coalition deadlock, the crisis would worsen. In Lebanon's coalition government, not even rubbish could be collected for over a year.

In conclusion, our current problems, such as the arrogance of incumbency, would just be replaced by different ones. Further, the results of coalition politics – that no voter can get the policy they voted for – can lead to cynicism and a dropout of voters, who become alienated from what they see as an elite, distant political class, a revolving door, but all homogeneous.

This alienation against what is viewed as a homogeneous, revolving door, single political establishment, is part of the causes that led to Brexit, and a populist backlash against the EU.

In the unlikely event I win your prize, I don't drink. A bottle of red Grapetiser will be appreciated.

Keith Gottschalk
Claremont, Cape Town

Keith Gottschalk is a retired political scientist from the University of the Western Cape. Your bottle of Grapetiser is on its way, while we celebrate your success with the forfeited bottle of Graham Beck bubbly! – Ed.

To Vodacom's Ethics Committee

DEAR SIRS, YOUR ORGANISATION EXISTS solely because of its customers. You hold the jobs you do, solely because of your organisation's customers. You all hold positions on Vodacom's Ethics and Governance Committee. Your organisation's ethos is stated on your website as “Vodacom is committed to the highest standards of business integrity, ethics and professionalism”.



Gus Ferguson
(Noseweek 4, Oct 1993)

The highly contentious issue of allowing your mobile platform to be used by WASPs [*Wireless Application Service Providers*] is constantly being brought to your attention in *Noseweek* and by the thousands of customers who call your customer care line daily, and yet you fail to introduce safeguards to protect the very customers on which your business is solely reliant and to which you owe a duty of care. Your actions and inaction are criminal.

As a customer and shareholder who has been defrauded by as yet unknown WASPs, and charged for “content” and “entertainment” services which escalate monthly, I can give you first-hand feedback and assurance that:

- There is no double opt-in procedure in place;
- Your call centre personnel appear to be jaded and numbed by WASP complaints;
- When logging a complaint, customers are told they will get feedback in 7 to 14 working days, as that is how long it will take the

Letters

IT department to investigate and get back to the customer – which suggests they have a backlog of complaints to deal with;

- The customer is unable to log a complaint with the WASP Association unless and until Vodacom has identified the WASPs concerned;

- Customer care invariably suggest it is up to the customer to pursue the matter via WASPA, to try and obtain a refund;

- It would appear that even after that, a full refund from the WASP concerned will not be forthcoming as a portion of the profit has already been retained by Vodacom;

- So the customer will still have to try to get the remainder refunded from Vodacom itself, a near impossible and entirely frustrating process.

I am “lucky”: I have a contract. I have internet access. I am able to retrieve my itemised bill (for which I pay you R15 a month), and study it to see how and when I am being defrauded. How and to what extent are your less privileged “pay as you

go” customers being defrauded? How does this align with your stated company ethos?

Do you have answers to these questions? If not, you should all be seriously considering the committees you sit on, the roles you are playing and the legal consequences of director’s fiduciary duty. I have sat on committees such as these. I understand the legal implications and responsibilities involved. They are not light, and you should not take them lightly.

You cannot plead ignorance. The time has long come to act. What will you do?

Kate Farina

Johannesburg

Farina is a lawyer. For many years she served on Sasol’s ethics and corporate governance committee.

■ AMAZING, HOW DATA AND AIR TIME evaporate even when you are not using your phone. Bloody thieves, how can they be stopped?!

Colin Krause

Twitter

■ THERE WAS A TIME WHEN THEY USED TO milk my airtime each and every day. When I manually checked what is eating my airtime it would say I am not subscribed to any service – until I decided to call them and complain. It didn’t even take a minute to remove the parasite WASP.

Nyoresh

Twitter

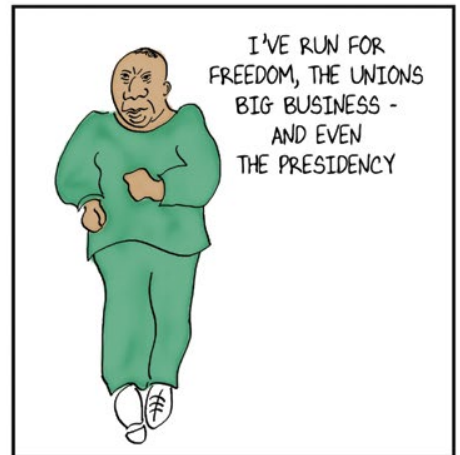
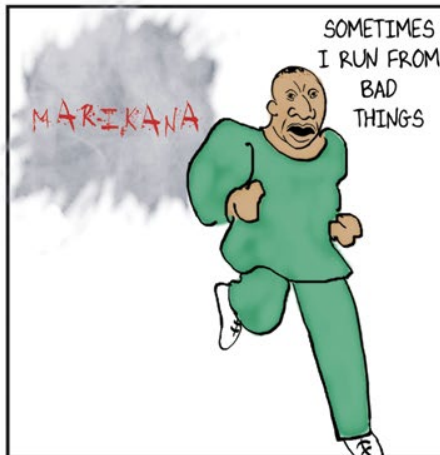
Watch it, within a month the airtime milkman will be back. The only way they’ll be stopped is when one or two of them are jailed for fraud and theft and fined MANY millions – small change to them.) – Ed.

■ I DID A STUDY ON VODACOM, MTN and Telkom about 15 years ago. If you look at their annual financial reports around that time you will see that, together, they averaged around R25 billion annual profit after tax within South Africa – around R70mil per day. Not sure what they make currently. Crazy figures though.

Buddy Wells

Twitter

Stent



Stent June 2018

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Editorial

A sentimental moment

THIS MONTH, WHEN NOSEWEEK celebrates its 25th anniversary, I feel entitled to be a bit sentimental; to remember those early days when most of our subscribers were friends – or soon became friends; when we now and then stuffed magazines into envelopes for posting at the kitchen table.

Publication was erratic for the first few years, particularly when the lying millionaire dentist from Pennsylvania, Dr Robert Hall, kept us distracted by suing us for a million for humorously revealing the truth about his life of ill-funded fakery. (He lost the case after two years of preparation and a seven-week high court trial, and his offshore trusts ended up paying R2 million in costs. MHDSRIP.)

The inspiration we derived from the UK's *Private Eye* was most obvious in our first 40 issues when our covers, in imitation of theirs, were satirical. Shortly before the first *Noseweek* appeared, Jane Raphaely, founding editor of South Africa's most popular women's magazine, *Fairlady*, decided to see how many male readers she could recruit by placing a picture of Madonna, dressed only in a few leather straps, on her cover.

Issue One of *Noseweek* went on sale with Jane's head (and pearls) phot-shopped on to the full-frontal nude body of a famous French artist's model posing for the more famous, earnestly studious-looking artist, Matisse. In a bubble she asked "But doctor, will it improve my circulation?" It did ours.

Another had Tony Leon, on a visit to the Sotho homeland, echoing John F Kennedy's famous Berlin speech. His bubble read "Ich bin ein Quaqua", unexpectedly on point now, considering the latest newsworthy controversy about racist labelling. On the cover of *nose36* we

had friend Patricia de Lille clutching my then still infant daughter, cutely asking her: "Isn't it time you started your own party?" Hul-lo-o.

But our content was not satirical, which was a problem: too many South Africans did/do not understand satire; they missed the joke and took our covers literally, then to accuse us of purveying fake news. Those who did get the satire, promptly decided that the outrageously true stories we carried were mere satire too, written for the laughs.

Most prescient of all from those early stories was the lead in Issue One, which revealed how Sea Point property millionaire Norman Benjamin, a small man with a quaintly folksy manner of speech, coupled with a touch of Yiddish humour, lost a couple of million on an offshore scheme that some shady German businessmen persuaded him would assist him in getting a few tax-free millions, undetected, to his "poor daughter Rosemary" in Texas.

After getting reassuring legal advice from two of South Africa's largest law firms, Sonnenbergs (now Edward Nathan Sonnenbergs, also known as ENS) and Werksmans, he signed up for the elaborate offshore structure and hidden contracts. But all that good legal advice did not protect him from being fleeced of everything by his German partners. Undeterred by what the SA authorities might do when they learned of the scheme, he issued summons against Sonnenbergs and told all in the Cape Town high court. Nobody noticed – until a year later when *Noseweek* reported it, quoting verbatim from the court transcripts and court records assembled from three continents, the scheme having been so devised that the tax and exchange control authorities in any one country could not get to see the



Editorial

full picture.

His quaint, sometimes outrageous, manner of speech was so entertaining that when quoted verbatim, many readers assumed it was us being satirical; a send-up. The men from Sonnenbergs and Werksmans took the gap and laughingly told their friends and clients how amusing they found the satire in South Africa's latest magazine.

The only one who was not amused was Rosemary in Texas. She telephoned from Texas, demanding to know what I held against her. Had we been at

school together? Had she perhaps done something to offend me at school? I was still trying to work out what this was all about – I had never set eyes on Rosemary – when, clearly deeply insulted, she shrieked the answer: "I. Am. Not. Poor!"

I had to explain to her that it was her caring father who had spun the men at the Reserve Bank that story in an effort to persuade them to be indulgent of his wrongdoing. They were.

Eventually we got the message: sadly no more satirical covers.

Today, 25 years later, Norman Benjamin's story is eerily echoed in our story on page 12, although there is nothing amusing to be found in the Brakspear's story of Nedbank's offshore chicanery; of how Nedbank assisted by its lawyers – yes, the same Sonnenbergs – has lied and cheated them out of everything; "We have not only lost all we owned, but also ten years of our lives," says heroic 84-year old widow Dorothy Brakspear, representing herself in the Jersey court as she's unable to afford legal assistance. – **The Editor**

Has Cele got the stomach to clean up KZN killing fields?

MANY ARE PINNING THEIR HOPES for an end to the political violence in KwaZulu-Natal on the much-anticipated final report of the Moerane Commission of Inquiry. *Noseweek* isn't sure why.

Established by KZN premier Willie Mchunu in late 2016, commissioners Vasu Gounden, UKZN Deputy Vice Chancellor Professor Cheryl Potgieter and chairman, advocate Marumo Moerane SC, were tasked with investigating political violence in the province since 2011.

The commission heard testimony from over 60 witnesses and finished its work in March, but in a move – which one rights group told *Noseweek* was "sheer arrogance" – has to date refused to release transcripts of witness testimony to the media or to those who testified. The commission says it is too early to do so as it may endanger witnesses. It didn't explain how, by giving transcripts of their own public testimonies back to witnesses, it would endanger the lives of those witnesses.

"I want the transcript of my testimony so that I can check the commission's version. What if something was incorrectly transcribed? Are we supposed to just trust what the commission says?" one witness told *Noseweek*.

It is unclear whether the final report will be made public and if so, whether a sanitised version will be released instead of the verbatim report? Either way, placing one's hopes in the Moerane Commission is sure to leave many disappointed.

Thabiso Zulu, an outspoken ANC

activist and a self-styled corruption-buster who testified, told *Noseweek* he hoped the premier had "read the public mood" and would release the report. "If they don't release it, we have our lawyers on standby to demand its release through the courts."

Zulu also said that the killers who are mowing down primarily ANC members "are known" and that "most senior politicians know there are four bosses of hitmen in KZN" – three in the taxi industry and one in private security.

Many others have said the same thing. The names of those alleged to have solicited hits are screamed at funerals and in private meetings.

Plan B, then, for getting to the root of the killings must lie with new police minister Bheki Cele. Tough and committed, Cele has been lauded for making Lieutenant-General Nhlanhla Sibusiso Mkhwanazi the province's new acting police commissioner.

A permanent appointment cannot be made until SAPS eventually manages to boot out Lieutenant General Mmamonye Ngobeni, who is alleged to have a close relationship with controversial Durban businessman and Jacob Zuma benefactor, Thoshan Panday. She is accused of having interfered with an investigation into Panday, who was suspected of being involved in a multi-million-rand tender to provide accommodation for the police in Durban for the 2010 Fifa World Cup.

It does help that Cele hails from the province and, unlike his predecessor Fikile Mbalula, prefers actual police work to the dangerous streets of Twitter.

Cele has the respect of SAPS even

though, as commissioner, he was fired for corruption six years ago. Whether that was genuine graft or a set-up remains irrelevant to many. He is trusted on the ground, where it matters. Cele has a better understanding of the province and in particular its taxi underworld – a root cause of much of the violence.

President Cyril Ramaphosa has identified KwaZulu-Natal as a threat to national security and has set up an inter-ministerial committee to address political killings. Cele heads the committee and is joined by the ministers of State Security, Justice and Correctional Services and Defence and Military Veterans. If needs be and as a last resort, Cele can call on the army.

The inter-ministerial committee now joins legions of other special units and task teams and intra-political committees which to date have managed to do nothing at all to curb the murders.

And if, as Thabiso Zulu and countless others who have spoken to *Noseweek* allege, this is because senior ANC KZN members and police themselves are implicated, one can understand the lack of movement. There is little doubt that those pulling the bloody strings on hits can be found. *Noseweek* has been supplied with names, as have the police.

After all the other failures, will Cele have the stomach to send men in to the ANC offices, or the offices of MECs or the homes of MK vets, or taxi bosses, or municipal chambers to actually effect arrests – and open up a tangled, embarrassing mess to end KZN's history of violence as a political solution? Right now that's the big question.

Jonathan Erasmus

Notes & Updates

Report into ANC funding remains buried

THE “TRUTH” ABOUT HOW THE ANC funded its August 2016 municipal election in the Nelson Mandela Bay Metro was expected to be released in May but a forensic report conducted by the council has somehow been buried. Repeated requests for comment from the city’s DA mayor Athol Trollip – who has personally driven the investigation – were curiously unsuccessful. Trollip had said previously that the report would be tabled in May. This did not happen.

As reported in *noses* 216 and 223, key to the probe was the claim that Mohlaleng Media (Pty) Ltd, owned by Gauteng businessman Mbuso Thabethe, became the de facto procurement wing of the previous ANC-led council, enabling officials to circumvent prescribed financial reporting requirements, hide kickbacks and use council funds to pay for party expenses in the run-up to the local election.

But the matter has by no means gone away. On 4 June this year UDM leader and former deputy mayor in the Trollip-led city council, Mongameli Bobani, said in an open letter to city speaker Jonathan Lawack, that municipal manager Johann Mettler should be fired for, among others, his role in the Mohlaleng saga.

In an open letter to the council, titled “Allegations of misconduct against the city manager Mr Johann Mettler”, Bobani said the “UDM unequivocally reiterates its demand” for the alle-

gations to be tabled before council. They include “the unlawful extension of scope of work of Mohlaleng Media; irregular termination of employment contracts of senior managers; misappropriation of municipal funds; irregular appointment of Sebata Municipal Solutions; irregular appointment and improper conduct of Gray Moodliar Attorneys; political interference in municipal administration, particularly on forensic investigations and HR management matters; irregular purchasing of the Murray & Roberts building by a municipality; and the irregular commissioning of a Wi-Fi Project through High Mast Light”.

Expenditure related to the allegations against the city manager was costing the municipality “enormous amounts of money” and the sooner they were tabled in council, the better, said Bobani, adding: “This is a legal requirement that must be adhered to by everyone.”

Trollip said in response to requests for comment from *Noseweek* that the report into Mohlaleng Media had been completed, but because of the repeated delays over the past month in getting the council to pass the budget, no other matters were tabled.

He said the attorneys who were commissioned to compile the report, Brown, Braude and Vlok Inc, had given it to the city and it was ready for tabling in council which he hoped would be by mid-July at the latest. ■

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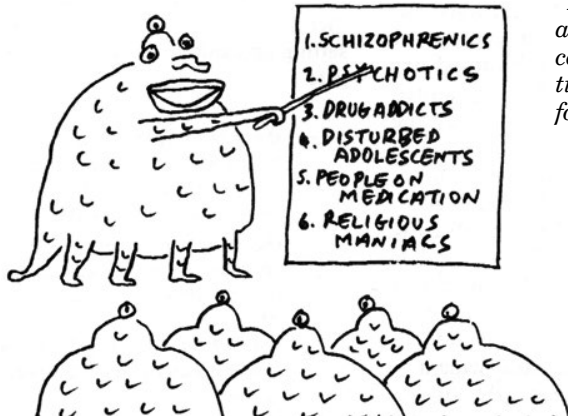
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SF for Tots



“To advance our research and frustrate detection, contact and communication is to be restricted to the following human types...”

Gus Ferguson
(Noseweek 5, Nov 1993)

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Hlaudi's minions still lurk at SABC

Angry staff say they should be demoted. By Sue Segar

IT'S BEEN JUST OVER A YEAR SINCE disastrous SABC COO Hlaudi Motsoeneng was fired after being found guilty of bringing the public broadcaster into disrepute and causing it irreparable damage.

But, say SABC insiders, even though the broadcaster has ostensibly entered a new phase and is demonstrating a commitment to change, the culture of fear and toxicity of the Motsoeneng era remains: some of his "toxic enforcers" – those heads of key departments who did his bidding whilst he was in charge – are still firmly in place and haunting the broadcaster. Many fear things are not going to get any better ahead of the 2019 general election.

On 31 May the SABC issued a statement announcing it had finally established two "high-level commissions of inquiry into editorial interference and sexual harassment", as part of its "ongoing work to transform the public broadcaster into a truly accountable and responsible corporate entity". Acting Group CEO Nomsa Philiso said: "Today we pledge that we shall work together... to build an SABC that we all want and can be proud of." The inquiries she said, would not be "inquisitorial", but aimed at "assisting the corporation to deal with serious instances of abuse of power".

The problem, say insiders who spoke to *Noseweek*, is that the Motsoeneng enforcers who are still in place have suffered no consequences for their actions and should at least be demoted. Among them are: the general manager radio news, the acting political editor, head of TV current affairs and head of news. There are others too.

"Whatever Hlaudi said, they would execute. The enforcers were in charge of implementing his decisions," says one staffer. "They were the people in charge of censoring and distorting the news. Those

very same people continue to operate in their positions and hold the same powers. Now they are passing themselves off as custodians of democracy.

"The SABC has been rebranding itself and talking about a new dawn... but that's exactly what the ANC is talking about too. How will the public broadcaster be independent enough to hold politicians to account while still choosing to be their praise singers instead of reporters? This situation does not augur well for this pre-election year. There is no new dawn here."

The late Suna Venter provided a list of enforcers in a supporting statement during the testimony of the SABC 8 before Parliament's ad hoc inquiry into the SABC board in January 2017. Venter was one of the journalists who became known as the heroic "SABC 8", who stood up against Motsoeneng. She was found dead in her Joburg flat in June last year after being diagnosed with Broken Heart Syndrome, following prolonged trauma and stress. She had been continually harassed for her outspoken position.

In a supporting statement to the committee, Venter had said: "These people are part of the network Mr Motsoeneng created to execute his decisions and agenda, specifically as it pertains to the newsroom."

Names on her list include:

- **Sebolelo Ditlhakanyane** (head of radio news and current affairs) who "gave editorial instructions that forbade analysis of certain stories, or that a praise song written for Mr Motsoeneng be played on SAFm's (and other) current affairs shows";
- Sophie Mokoena (acting political and foreign editor) "who is implicated in various instances of editorial interference, especially in television";
- **Nyana Molete** (line manager: TV news) and:

● **Nothando Maseko** (head of TV news).

These are the "main enforcers" of Motsoeneng's wishes in news management" at the public broadcaster.

Said one insider: "Interestingly, Sebolelo Ditlhakanyane appears to have suddenly found a backbone. Maybe because she needs the salary. It's completely strategic. But where's the recourse? She was put there by Hlaudi – with a nursing background. She has no vision, strategy or leadership skills and is out of her depth.

"When we tried to discuss the enforcers with the board, they said to us, 'we can't just remove them from their jobs'. The interim board and the new board have done nothing. These enforcers should be demoted, or at least they should have an opportunity to make amends. Some people at the SABC put their lives on the line by standing up and speaking out. There is such a deficit of trust, knowing that the same people who came on board because of Hlaudi are still here."

Some SABC staffers have hit out at the Parliamentary inquiry for failing to ensure that its recommendations are implemented. "They have not kept their end of the bargain by seeing this process through to the end, which is why the enforcers have not been dealt with and are still walking around with a sense of impunity and in the knowledge that they are untouchable."

IFP MP Liezl van der Merwe, said: "Even though the new board and new leadership at the SABC offer hope, we are well aware that, just because Hlaudi is there no more, does not mean the deeply entrenched culture of favouring the ANC or a faction of the ANC is over. "This is a great concern in the lead-up to the next election. We will be monitoring the SABC very closely in the coming months." ■

Nedbank offshore saga continues

After mauling widow, whingeing lawyer seeks to muzzle her. By Martin Welz

IN A LETTER ADDRESSED TO THE ROYAL Court of Jersey on 1 June 2018, Nedgroup Trust's Jersey advocate complains that "it is not understood" why Dorothy Brakspear needs the "protection" she purportedly gains by copying the press in on all her submissions to the court.

The banking group and its lawyers would clearly rather *Noseweek's* readers did not know about the flood of extremely embarrassing, potentially incriminating details in the case that are being exposed – about how incompetently and dishonestly they handled their client's offshore trust's financial affairs. So threatened are they – see "How Nedbank lied, and lied, and lied" (*nose223*) – that they want the Jersey court to convict the 84-year-old widow for contempt of court.

The reason she needs the protection afforded by publication in the press, says Brakspear in her response to the latest affidavits filed by Nedgroup Trust and their South African attorney, Leonard Katz, of Edward Nathan Sonnenbergs (ENS) is simple: "Because people within the greater Nedbank Group and their agents lie so effortlessly – and to date with absolutely no consequences for them."

Noseweek published an extract (*nose223*) from the extraordinary list compiled by Mrs Brakspear of lies and misrepresentations contained in documents and sworn affidavits generated by Nedbank's Jersey trustee company, their agents and their SA lawyers. These became clear when she compared the false claims made in various affidavits they submitted to the courts over the years, with the Jersey bank's actual accounts and documentary records regarding the Jersey-registered Westley Trust, of which Brakspear and her daughter Alison are beneficiaries.

The latter records had been withheld from the Brakspears for many years and were only opened to them earlier this year on order of the Jersey court.

The Westley Trust and its Nedgroup

trustees have been at the centre of financially ruinous court proceedings both in South Africa and in Jersey that have effectively cost all the members of the Brakspear family their fortunes and ten years of their lives.

In his written response to the affidavit in which Brakspear related a devastating list of untrue statements made under oath by various Nedgroup trustees and their agents, counsel for Nedgroup Trust (Jersey) Ltd, advocate Mark Taylor, concedes: "It is acknowledged that the documentation and explanation of certain matters by the Jersey Trustee and its agents [e.g. attorney Leonard Katz and Board of Executors (BoE) director Nico Botha, since retired] has not always been a counsel of perfection.

"However, the source of any apparent inconsistency is error, a slightly loose use of language, or ex-post-facto confusion – not dishonesty.

"But," he goes on to say, "the actual implementation of transactions and the nature of the structure were understood at the time" – presumably by all these "ex-post-facto confused" individuals. Which, it transpires, is itself not a "counsel of perfection", but the latest "slightly loose use of language" by a Nedgroup agent.

There has been confusion about the "actual implementation of transactions" and the nature of the offshore "structure" since day one: Fourteen years after the event, they still cannot prove with certainty who the settlor is/was of the Westley Trust, the Jersey trust they registered in 2004. They do, however, insist that it was not Ian Brakspear, Dorothy's son who is resident in South Africa, although he is the only member of the family they were corresponding with at the time, and the one they billed (hugely) for the service.

They have from time to time named different candidates, but most recently Nedgroup Trust Jersey director and head of fiduciary services, Christopher Roscouet has stated under oath that

Ian Brakspear's sister Alison was the settlor. She, in turn has stated under oath that she was not even aware of the existence of the trust until long after its establishment, was never consulted and never agreed to or intended to establish a trust. They can produce no document to contradict her. (In most jurisdictions, without a settlor having the declared intent of establishing a trust, there can be no valid trust.)

Advocate Taylor continues: "The gist of the Brakspears' case is that the Jersey Trustee [*Nedgroup Trust, Jersey*] somehow dishonestly procured the liquidation of Westdunes 5 [*the South African company that owned a Franschhoek farm*] through fraudulent misrepresentations. There is no proper basis for such an allegation.

"At its simplest, it is clear that the sums applied towards the acquisition of the farm by Westdunes 5 were paid by or on behalf of the Jersey Trustee within the operation of the structure as set out in paragraphs 13 and 21 and those sums had to be repaid to the bank which was the source of the funds."

Which takes us to how the story began in 2003, when Ian Brakspear was presented with an investment opportunity in the form of a Franschhoek wine farm adjacent to the more famous farm belonging the Rupert and Rothschild families. He approached his bankers, Nedbank, for a loan to cover the required deposit, and a mortgage loan to cover the balance. In the course of the discussion he mentioned that he might get a guarantee for the loan from the offshore trust created by his late father – the JAM Brakspear Overseas Trust, registered on the Isle of Man – of which he was a beneficiary.

At the mention of an offshore trust, the bank official's eyes lit up and next he knew, Ian Brakspear had a home visit from Nedbank's top offshore salesman, Greg Horton. Instead of a straightforward loan arrangement with his local bank, Horton enthusiastically suggested an elaborate offshore struc-

ture that the bank would create for him which would have all sorts of long-term advantages – wink-wink, nudge-nudge – especially if his farm investment was going to be as profitable as he expected it to be. All absolutely legal and with no comebacks, Horton insisted.

Despite Horton's assurances, most informed and properly sceptical people know that offshore trusts are often just frauds designed by smart lawyers and bankers that are too secretive and complex for ordinary tax authorities and law-enforcement agencies to crack. Until the recent spate of spectacular data leaks, they have been the best means available to the very wealthy to avoid their liabilities to the taxman, their creditors and their ex-spouses.

Horton's plan: first off, the trustees of the existing Isle of Man trust were to be fired – to be replaced by a Nedgroup trustee company conveniently based on that island. Next a separate Jersey trust was to be established, the Westley Trust, also to be administered by Nedgroup trustee company – this one based on Jersey. The Westley Trust would form a company in the British Virgin Islands, to be called Westley Holdings Ltd. (*Noseweek* found the file amongst the leaked "Panama Papers". There we discovered that another Nedbank company owns all its shares and appoints all its directors.)

The Jersey trust would then borrow the money Ian required for the deposit to secure the farm, from its associated Jersey bank, today called Nedgroup Private Wealth, and on-lend this money to the new British Virgin Islands holding company. The holding company would, in turn (said to be on the advice of PricewaterhouseCoopers) use the money to purchase all the shares of a South African company called Moneybox, this being the most tax-efficient way to import offshore money without upsetting the exchange control authorities. Finally, Moneybox would invest its newly acquired share capital in the shares of a farm-owning company called Westdunes 5.

Ian Brakspear was by now in a hurry, fearing that his investment opportunity would pass him by. He approved the structure and paid the required fees. On 5 May 2004 the Westley Trust was established and all the required companies were registered. Note that, in accordance with this "structure", by the

time the money reaches South Africa it is not a loan, but rather an investment in shares, twice removed. There is no way that money can be reclaimed from the farm company as a loan, in a liquidation or otherwise.

Despite this being clear in law, senior ENS liquidations attorney Leonard Katz would attend a specially convened creditors meeting in the 2008 liquidation of Westdunes 5, as legal representative of the Jersey trustees of Westley Trust, and "prove" a claim for the amount he baldly alleged had been lent to the farm company by his clients.

He was also the legal advisor of the liquidators who were persuaded not to dispute the claim, so reducing the amount available for distribution to other, legitimate creditors. A fraud by any other name would smell as rotten.

Now re-read advocate Taylor's "simple" summary of the situation above, then ask yourself: who is to take these offshore trust "structures" seriously, if the well-paid, expert bankers and lawyers who create them turn around and suggest that, come the crunch, they can be brushed over as irrelevant legal fictions?

Also on 5 May, when a more honourable employee of the Nedgroup trustee company in Guernsey, which by then administered the original Brakspear Trust, heard of this elaborate structure to achieve a simple end, he felt impelled to write to Ian Brakspear's financial advisor, Braam Fouche: "Whilst we still have doubts over the rationale of the structure, I am not sure that we should be participating in its setting up."

And further on: "What I am about to say is completely 'off the record' and must remain as such. I am concerned at [*Nedgroup Private Wealth's*] actions so far ... I am also concerned that [*their*] motivation at the end of the day may be their fees and not the best interests of our common beneficiaries. I hope I am wrong. I am also concerned that Ian [*Brakspear*] may be blind to this fact and is motivated by his deadline rather than ensuring that the structure that is put in place now is correct. I would hate to find out somewhere down the line that we have put the beneficiaries at risk by our own actions."

The entire letter – a remarkable prophesy of what was to come – is posted on the *Noseweek* website. To be continued. ■



Standing up to rogue bankers and their lawyer Leonard Katz

FROM AN AFFIDAVIT BY DOROTHY Brakspear, filed at the Jersey court in April, in response to an earlier affidavit by ENS director Leonard Katz: "I want to start my reply with a passage from the State of the Nation Address by the new President of South Africa, Mr Cyril Ramaphosa in 2018:

'We are determined to build a society defined by decency and integrity that does not tolerate the plunder of public resources, nor the theft by corporate criminals of the hard-earned savings of ordinary people.'

"I am determined to take a stand against 'rogue corporate persons', from the Jersey Trustees [*to*] their appointed attorney in South Africa, namely Mr Leonard Katz, who have plundered Brakspear family money, and who are now desperately trying to cover up this fraudulent plunder of our family assets.

"The very reason we originally put our assets into a 'trust' was to protect Brakspear family assets from rogues like the former president of Zimbabwe, Mr Robert Mugabe.

"It seems that we have now met bigger rogues; one or more persons, from the Jersey Trustee and their South African lawyer Mr Leonard Katz." ■

Knysna fire: CSIR report confirms we got it right

Fire Chief Manuel's pine-cone theory bites the dust. By Jack Lundin

AT LAST, THE COUNCIL FOR SCIENTIFIC and Industrial Research is to confirm what *Noseweek* has been telling you for the last five months: the runaway killer fire that engulfed Knysna a year ago started as an underground smoulder caused by a lightning strike.

As *Noseweek* went to press, we learned that a special meeting of the CSIR board had been scheduled for June 21 to approve a press release and authorise the release of the long-delayed report into the cause of the disaster by scientists at its prestigious Meraka Institute. But first, yes, after that more delay while the final report is delivered to Knysna municipality and the Western Cape disaster management group, for their comments.

The CSIR's official finding, when it is eventually out in the open, will come as a blow to Knysna's chief fire officer Clinton Manuel and the town's municipal manager Kam Chetty. Last August both assured the media that Manuel's own report, which they said was driven by "proper scientific methodology" AND input from the CSIR, proved for "certain" that the devastating western fire was started by an unknown person using a pine-cone as a firelighter in a farmland clearing.

That bizarre explanation was seen by many as an attempt to deflect attention from the smouldering fire, which despite many appeals by local residents was left unattended by Manuel's fire fighters for eight weeks until freak weather conditions caused it to ignite and engulf the tourist town.

It was this cavalier use of their name by the municipal manager and fire chief which impelled the CSIR to launch its own full-scale scientific investigation into the origin of the fire that started in the forests of Elandsdraal, 20 km north-

west of Knysna, in the early hours of June 7 last year. Seven died and 1000 homes were destroyed in what Western Cape premier Helen Zille described as the biggest disaster in South Africa's history.

But although Dr Philip Frost's report was completed by last December, the CSIR insisted on holding back its release. First it was due diligence that needed to be done, then a peer review by international scientists.

While the nation waits for the latest bureaucratic bumbling to be concluded, another confirmation of the CSIR's smouldering fire verdict comes from Eskom engineer and scientist Dr Wallace Vosloo, whose farmhouse was one of the first to go. "The peer review has been completed and all have confirmed its findings – that the origin of the western fire was the lightning strike long left smouldering," he told *Noseweek* on June 12.

"A press release has already been drafted to announce its public release and its major findings."

Vosloo explained he had been given access to the CSIR's final report "to check that the information we had input was accurately reflected and understood". He added: "The CSIR team devoted a huge amount of time and resources to the project, down to buying timed international satellite picture footage – down to 18-inch resolution – which clearly shows where the fire started and how it spread. They have done an excellent job."

Meanwhile, Clinton Manuel, Knysna's chief fire officer who controversially claims that the runaway fire which devastated the tourist town a year ago was started by a man-made log fire lit by a pine cone, has quietly resigned and left the town to take up a training position with the Cape Town fire service.

Our original source for the CSIR's smouldering fire conclusion was Jean du Plessis, a Pretoria attorney, who told us that he had been shown a draft electronic copy of the scientists' report. Forensic scientist Dr David Klatzow, commissioned by AfriForum to make an independent investigation, came to the same finding: it was the smouldering fire.

As Knysna's soon-to-be deposed executive mayor Eleanore Bouw-Spies prepared to unveil a sculpture in Knysna last month to pay tribute to those who lost their lives, homes and possessions in the tragedy, down in Cape Town Clinton Manuel was settling into his new job at the Fire Training Academy.

The new head of training started off our chat with a disastrously-timed claim: of the fabled CSIR report by Dr Philip Frost of the Meraka Institute, Manuel declared: "Nobody that seen it – because it doesn't exist!"

Well, we countered, Dr Frost did give us a long telephone interview (on 1 December 2017) in which he said his report was complete and its release imminent. Manuel snorted and made it clear that in his view that *Noseweek* interview (conducted by this writer) was a work of fiction. "When I spoke to Philip Frost he said they had a totally different outcome, which I am not at liberty to discuss with you," said the fire chief.

So he stands by his theory that the western fire was started with a pine-cone? "Unfortunately, I have to," said Manuel. "My reason: I've done a very very thorough investigation. *Noseweek* has published an article and made the chief fire officer (himself) look like a complete nincompoop. But that's OK, because I'm not here to prove to *Noseweek* or your readers that what I've done, or what David Klatzow has done, is right or wrong.

"Other than to tell you this: I've

followed a very strict process that concerns fire investigation: I visited the scenes, took photographs, walked that scene for four days on the ground. Klatzow went and took the accusation of Vosloo and he failed to look at any other origins. And that's wrong, where the fire investigator does it that way, when somebody goes and takes an allegation and doesn't read the fire scene and doesn't read the pattern of the fire spread."

Manuel continued: "Klatzow did not consider the other possibilities. In fact he was never ever on the ground. He didn't even look at the smouldering fire – and the smouldering fire was still there after the fire happened. He only looked at the Vosloo allegation.

"The CSIR never interviewed me, never asked me to accompany them to where the origin of the fire was. Nobody disputed there was a lightning strike. The issue in dispute was: did it spark the fire?

"The CSIR report is of no interest to me. If Philip Frost has a report he must publish it. I've published my findings and I'm quite comfortable, looking at the different possibilities, that I've given the more detailed probable cause of the fire than anybody else has done."

From his comments and accusations, it seems that Clinton Manuel was:

- Accusing Noseweek of manufacturing fake news by inventing an interview with Dr Philip Frost which never took place, or in which Dr Frost was grievously misquoted.
- Accusing attorney Jean du Plessis of never having seen Frost's draft report, or distorted its contents.
- Accusing Dr David Klatzow of making a lazy, incompetent and inaccurate report for AfriForum.

Dr Klatzow's response: "I am not interested in a slanging match with the former fire chief. I am confident the final CSIR report will exonerate my findings."

[Jack Lundin's working transcript of his recorded telephone interview with the CSIR's Dr Philip Frost, which fire chief Clinton Manuel believes was invented, may be read in full on our internet site. – Ed.]

So what, officially, has the CSIR had to say about its long overdue and extremely sensitive report on the cause of the Elandskraal fire? Five months ago, in January, David Mandaha, CSIR's media manager, told *Noseweek* it "has not been

Manuel on the move

AS NEW HEAD OF TRAINING FOR CAPE Town's Fire & Rescue Service, the brief of Clinton Manuel (right) covers 1300 staff members in 30 fire stations. A fire-fighter for 30 years, he comes from Cape Town and his passion has always been staff training. In Knysna his role was an operational one. "I'm not going to say that I never enjoyed it," he says carefully. "It had its own challenges.

"When I went there the fire service was under resourced and the staff never had any training. About 71% of them didn't have the minimum requirement of Firefighter 1. When I left, 100% of them were trained. They never had the latest equipment. Now they've got a new fire engine that I had refurbished. It's about taking your expertise, your knowledge, and adding value to a small organisation. In that sense I'm quite pleased. I added value."



"Was it the Great Fire of last June, and the controversy it has provoked, that caused him to leave Knysna?" "No," he replies. "My family (he has a wife and two children) never relocated with me to Knysna. That's why I left (to rejoin them in Cape Town). I made the decision to leave even before the Knysna fire." ■

finalised and is currently going through the necessary processes, including being peer reviewed by external reviewers. Once all that is done, the CSIR will release the report."

Mandaha took great exception to my "Knysna fire smokescreen" jotting on our internet edition that month with its suggestions of a cover-up and that Philip Frost had been gagged by his superiors, who were busy preparing a sanitised version of his findings. "The CSIR further reiterates that the report will be released once all the processes have been finalised," he said back then.

This April we again asked for a release date. "The report is currently under international peer review process and no date or time-line has been set for its release," was the reply.

We fired off another request: Which individuals and scientific bodies are doing the international peer review? No response. What's the big secret there?

In the meantime, Jean du Plessis, the Pretoria attorney who told *Noseweek* he'd been shown Frost's draft report, has served "Section 3" notices (of intention to sue an organ of state) on Knysna Municipality and Eden District Council. Du Plessis is looking for R21m damages on behalf of the Elandskraal community for the authorities' failure to extinguish

the western fire.

And the insurance companies have been counting the cost. Old Mutual Insure tells us they've paid out "in excess of R600m". Santam says they received 767 claims totalling R823m; Outsurance more than 1000 claims totalling R150m. Hollard failed to give us a figure, but previously admitted to claims of R260m.

That's R1.8bn in claims to just four insurers. Of these, only Old Mutual Insure admits to serving Section 3 while it "assesses its position".

How many Section 3 notices has Knysna Municipality received? "The matter has been referred to the municipality's insurer," says a spokesperson. "At this stage we are unable to make any media statements until our insurers have completed their investigations."

Until a new fire chief is appointed, Wayne Sternsdorf, station commander at Sedgefield, is acting fire chief at Knysna. It was Sternsdorf who attended the Elandskraal smouldering fire on April 12, eight weeks before the runaway conflagration. He told a resident that the smoulder was in an inaccessible area, gave him contact details for the Southern Cape Fire Protection Association and told him to build a fire-break. ■

KZN tenders: the dicey stick it to the dodgy

Two companies – each as politically connected as the other – have it out in court over awarding of contract. By Jonathan Erasmus

DUBE TRADEPORT – A KZN-RUN parastatal long viewed as a cash cow of the politically connected, has just stuck it to a construction company long viewed as a recipient of dodgy tenders because of its connections.

On 21 May this year Judge Graham Lopes of the High Court in Durban ruled that the Dube TradePort Corporation was right in not awarding a 2016 tender for a bulk earthworks contract, valued at approximately R500 million, to Pinetown-based Aqua Transport and Plant Hire (Pty) Ltd but rather to Rokwil (Pty) Ltd from upmarket Kloof in Durban. Dube TradePort is situated at King Shaka International Airport.

Aqua was also rebuked by Judge Lopes because their “heads of argument are replete with nouns and adjectives designed to impugn the integrity” of both Rokwil and TradePort CEO Hamish Erskine.

Aqua brought the application to the high court in June 2017 after they lost the tender and a subsequent internal appeal. They were represented by Kemp J Kemp SC (Jacob Zuma’s favoured counsel) and Advocate Sarah Pudifin-Jones instructed by Naicker and Naidoo Attorneys.

“In my view it is both unfair and undesirable that review proceedings are brought to court on the basis of spurious allegations of impropriety, without the facts to back them,” said Lopes.

Lopes made Aqua pay everyone’s legal costs stating the multiple accusations they made in their Heads of Argument – effectively calling

everyone else lying, swindling, cheating crooks – was poor form without producing a shred of evidence.

TradePort was represented by TG Madonsela SC and BS Khuzwayo instructed by SD Moloï and Associates. Rokwil was represented by LB Broster SC and MZF Suleman instructed by Pedersen & Associates.

What Aqua had claimed was that Rokwil had colluded with a “consultant” to make sure they won the tender. They also claimed TradePort boss Erskine had not been objective when handling their appeal against Rokwil’s award, accusing him of being “judge and jury”.

But even though Kemp withdrew a number of claims of “impropriety” against Rokwil and Erskine he did state: “Something odd took place”. And he was right.

On 24 October 2016 Dube TradePort’s Bid Evaluation Committee recommended to the Bid Adjudication Committee to award the earthworks contract to Aqua.

To get the award the bidders went through three elimination phases. Phase One had focused on compliance; Phase Two saw them judged on functionality which included access to plant, earthworks experience and the experience of the site agent; and Phase 3 judged price along with their Black Economic Empowerment scorecard. At each phase bidders were eliminated. At the beginning of Phase Three five bidders remained, among them Aqua and Rokwil.

But on 25 October 2016 the adjudication committee “raised concerns” and sent the report back to the evalu-

ation committee. They were concerned whether Aqua’s “construction programme was realistic, whether it had the relevant experience, and they questioned Aqua’s methodology”. Their concerns all related to issues raised in Phase Two.

The evaluation committee then re-looked at all the bids and went through the process from Phase One to Three.

The committee eliminated Aqua in Phase Two by reducing that phase’s score from 71.1 to 58.1. In order to progress to Phase Three, Aqua needed to score above 70 points. No new documents were entered. They had simply looked at the same set of evidence and found sufficient cause to reduce Aqua’s score by 18%.

Rokwil was recommended by the evaluation committee and the adjudication committee accepted it on 28 October 2016. According to Aqua, they were further concerned that Rokwil was not the second-best scoring candidate, leapfrogging another group called Sisonke Joint Venture.

Also among Aqua’s contentions was that no one else’s score changed.

While Kemp withdrew a number of claims of “impropriety”, in the context of Dube TradePort’s history (*noses* 197, 214), they are not far-fetched.

Furthermore the Department of Economic Development and Tourism, a KZN provincial ministry which has oversight of TradePort is a hotbed for corruption and has been accused of meddling in TradePort’s tender process before. Its former MEC, Mike Mabuyakhulu (*noses* 145, 154, 186 & 197) is now facing



TradePort CEO Hamish Erskine (left); and former KZN Economic Development and Tourism MEC Mike Mabuyakhulu

serious allegations of looting R29m (nose221) from provincial coffers under the guise of hosting a jazz festival that never took place, while he was MEC. He is accused along with senior staff in that department and has appeared before the Durban Commercial Crimes Court.

However Aqua is no saint and hugely politically connected, so any accusation that Rokwil and TradePort had illegally influenced the decision of the evaluation committee could, hypothetically, have been flipped “replete with nouns and adjectives designed to impugn [their] integrity” had they won the contract.

Aqua is owned by Kevin Naicker, a hard-nosed businessman who has no scruples about taking matters into his own hands. According to the Institute for Poverty, Land and Agrarian Studies (PLAAS) shortly after buying a farm called Annidale outside Pietermaritzburg in 2015, Naicker illegally evicted 55 families living as labour tenants on the farm. He dumped them on another farm.

The politically connected Aqua was also awarded one of three contracts, totalling R45m to rehabilitate the road that passes Jacob Zuma’s Nkandla residence. Incidentally, Aqua had rented equipment to some of the initial “emerging” contractors who first built the road, doing the job so poorly that it crumbled underfoot.

Over the years they have also won

a host of controversial contracts throughout KwaZulu-Natal usually providing water tankers to cash-strapped, corruption riddled municipalities. Perhaps their most high-profile incident was when they were

Aqua was rebuked by Judge Lopes because their ‘heads of argument are replete with nouns and adjectives designed to impugn the integrity’ of both Rokwil and TradePort CEO

accused of corruption involving Pikitup – the Johannesburg waste collection service provider.

Prior to being awarded a R262m contract from Pikitup in June 2013, the waste company had commissioned a forensic investigation by Ernst & Young to look into companies with whom they were doing business, including Aqua. Among the report’s recommendations was that Aqua be charged with fraud.

The Pikitup boss Amanda Nair was suspended on this issue but later cleared in early 2015. However her reputation never fully recovered and a year later she was removed for other reasons. Noticeably Aqua has not been criminally charged. Despite requests, Pikitup would not give reasons why no criminal charges had been laid.

The owner of Rokwil is Durban-based entrepreneur property developer Rod Stainton, who hails from the small Zululand village of Gingindlovu, once known for its railway yards and lucrative sugarcane farming.

In 2012 Stainton was involved in a bitter commission dispute with South Africa’s most famous racist estate agent Vicki Momberg. In a weird twist of fate, that matter was also heard by Judge Lopes.

In the dispute Momberg accused Wenlin Trust, which Stainton said he controlled, of failing to meet its obligations of giving her sole mandate for a Kloof property development and diddling her out of R267,847.56 in commission payments.

Judge Lopes found in favour of the trust but said of Stainton he “was not impressed with... [Stainton] ...who gave evidence for the trust”.

“[He] frequently did not answer the question, and resorted to rambling explanations in an attempt to neutralise the effect of questions put to him,” said Judge Lopes.

As for Momberg, who represented herself, the writing was on the wall.

“She refused to answer questions and constantly launched into speeches which had nothing to do with the question put to her... She constantly spoke over the top of persons asking questions and frequently interrupted when questions were being asked”.

Aqua is considering appealing Judge Lopes’s latest decision. ■

Justice in Lalla Land

Could evaporation of sex case against St Alban's teacher have anything to do with his father's well-placed connections? By Jack Lundin

A TORRID MYSTERY HANGS LIKE the Sword of Damocles over swanky St Alban's College, the expensive diocesan school for boys in Pretoria's Lynnwood Glen, following the abrupt departure more than two years ago of sports teacher and trusted boarding house aide Sasha Lalla.

Lalla is the son of Lieutenant-General Raymond Lalla, former police crime intelligence chief and divisional commissioner, detective services. At the time he held – and still holds – a senior position in the SA Revenue Service.

Sasha Lalla, a popular teacher and water polo coach at St Alban's, resigned abruptly in November 2015 and in a newsletter the then headmaster Tom Hamilton told parents that an unnamed male teacher had been interviewed following allegations of a sexual nature. "The staff member confirmed there was truth to the allegations and he subsequently resigned from his position," wrote Hamilton.

Although police were informed, the identity of the teacher and his powerful family connections were kept



Former St Alban's head Tom Hamilton (left) and his successor Shane Kidwell

secret. Bishop Jo Seoka, then chairman of the school's Foundation board of trustees, was told only that the teacher's father was a "well-known person". Two months later *Noseweek* named Sasha Lalla (*nose195*) and told how

video surveillance cameras caught the teacher making nocturnal visits to a dormitory in MacRobert boarding house. Two boys required counselling after complaining that the night-time prowler had abused them.

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In a media statement Hamilton said that allegations of inappropriate behaviour by a staff member had been reported to police and that no further comment would be offered.

Noseweek has now learned that after Lalla's confession to the headmaster, a high-powered firm of Randburg attorneys was retained to act for him and the school wavered under its furious assault and accusations of constructive dismissal. So before any internal disciplinary hearing could take place it was decided to accept the teacher's resignation and quietly let him go.

After 16 years as head, Hamilton opted for early retirement at the end of 2016. When *Noseweek* asked new headmaster Shane Kidwell last month for the result of the police investigation, Kidwell issued a single-sentence statement: "St Alban's College has no knowledge of the current whereabouts of the individual concerned and, according to our knowledge, the investigation and judicial process was finalised."

This gem of obfuscation was glaringly incomplete. Was Kidwell seeking to mislead? The term "judicial process" is generally taken to mean a judgment in a court of law by a member of the judiciary. The deliberate use of the term by Kidwell clearly gave the impression that the departed teacher had faced justice and the matter was now finalised and done with. But what was the decision of the court? Was Lalla found guilty or innocent? And if he was convicted, what was his punishment?

Noseweek's request for answers brought a stern letter from the school's attorneys, the Pretoria law firm of Macintosh Cross & Farquharson ("Established 1882"). Partner Latham Dixon informed us that the headmaster "has no inclination to become embroiled in further correspondence". The college, said Dixon, had "given their full support in the investigation and judicial process".

But what happened to Sasha Lalla? "At this point in time I cannot tell you," replied Dixon. "We followed procedure and the National Prosecuting Authority communicated with us and said the matter is finalised." Dixon added that the school decided not to pursue it; there was "no need for it".

Pushed further, Dixon said: "The NPA did investigations and what the outcome was I cannot tell you. I cannot



St Alban's College in Pretoria

confirm or deny that they actually prosecuted."

We asked the attorney for the name of the official at the NPA who told them that the Lalla matter had been finalised. Dixon consulted with St Alban's and headmaster Kidwell clearly saw it as an opportunity for some deal-making. Dixon came back, saying his instructions were to furnish us with the contact details of the relevant individuals in the office of the National

Director of Public Protections "on the condition that you focus your report on the matter at hand and refrain from any additional comments concerning third parties, as the reputation of said individual and our client (the school) is beyond reproach".

The office of the national director! From this, it seemed that the Lalla case had escalated to the desk of head honcho Shaun Abrahams. Or had his top aides, deputy national director Nomgcobo Jiba and special director Lawrence Mrwebi, both struck off the roll of advocates and presently battling findings that they are not fit and proper to hold their positions, been involved in deciding Sasha Lalla's fate?

Back in the '80s his father Raymond Lalla was head of military intelligence in the ANC's armed wing, Umkhonto we Sizwe. Lalla was also a member of Operation Vula, Mac Maharaj's secret unit set up to plan and finance violent revolution. His subsequent 16-year police career saw him soar through the ranks to divisional commissioner. But his links with criminals like Hazel Crane (*nose91*) and accusations of nepotism after employing his daughter in Crime Intelligence, made him a controversial figure.

When the Scorpions moved against national police commissioner Jackie Selebi it was Lalla's efforts to discredit the elite crime-busting unit that many considered pivotal to the Scorpions' demise in 2009.

Before any internal disciplinary hearing could take place it was decided to accept the teacher's resignation and quietly let him go

Two years later Ray Lalla resigned from SAPS and in a strategic move joined the SA Revenue Services, which was littered with old Vula comrades such as Ivan Pillay (the Vula boys' tentacles embrace the institutions of state to this day). Deputy Commissioner Pillay headed SARS's investigations arm, where Lalla held the title senior manager, special projects.

Today Pillay, with former investigators Johann van Loggerenberg and Skollie van Rensburg, are on trial for corruption in connection with an alleged rogue unit said to have operated illegally at SARS.

Raymond Lalla is still with the revenue service, tucked away in the little-known Fraud Investigation unit. Formed in 2016 after the departure of Pillay and Van Loggerenberg, the new-broom crime busters (acting head Gobi Makhanya) works closely with the SA Police Service and the National Prosecuting Authority probing and prosecuting SARS staff involved in criminal activities.

It took a week for attorney Latham Dixon to dig his Lalla file out of archives. But finally he came up with a letter from the NPA that announced their decision. It's not from the national director's office, though, it's from Vhusi Nonyana, Control Prosecutor at Pretoria Regional Court. Nevertheless, it contains some bombshell news.

Dated 6 July 2016 – eight months after the alleged dormitory offence – Nonyana said that Brooklyn Case 788/11/2015 was *nolle prosequi* (Latin for “we shall no longer prosecute”).

The control prosecutor listed his reasons for deciding to drop the case:

- A1 and A2 (the boys who complained) which was further clari-

fied in A11 and A12 (affidavits) did not see the person who committed the offence;

- At this stage it cannot be said conclusively that Mr Lalla was the perpetrator; and

- There is no suspect who can be positively linked to this case.

Nolle prosequi may amount to a dismissal of charges by the National Prosecuting Authority, but it is not an acquittal and a defendant can be indicted again at any time. Under Section 7 of the Criminal Justice Act a *nolle prosequi* also leaves the way open for any aggrieved individual – parents of the boys or the school – to bring a private prosecution.

Certainly St Alban's has no shortage of funds to do so. Although a non-profit diocesan school, it charges hefty fees – currently R229,410/year for boarders. And new pupils must pay an additional enrolment levy of R65,770. In 2016 the surplus (for which read profit) from fees and levy was a healthy R8.63m.

But instead, headmaster Shane Kidwell – he previously had a five-year spell as deputy head, so he's an old hand with the school's singular manoeuvres – tried to pull the wool over our eyes with his “it's-all-over” line. Is that what he tells everyone? Is St Alban's still scared of General Lalla?

Former headmaster Tom Hamilton, who sent the 2015 newsletter to parents stating that a male teacher had confessed to “allegations of a sexual nature”, is now CEO of the Royal Bafokeng Institute, mandated to deliver quality education and training to the platinum-rich Bafokeng tribe in Rustenburg. Hamilton did not respond to our request for clarity on the un-named teacher's admission.

There are subdued mutterings in Pretoria over the NPA's decision to drop the Sasha Lalla case. Many are convinced that powerful family connections played a part. “That's a reasonable inference to draw,” says one well-placed source.

Bishop Jo Seoka, now retired from the Pretoria diocese and replaced as chairman of the St Alban's Foundation by his successor, Bishop Allan Kannemeyer, says: “This thing just disappeared, because the father of the teacher was well connected with the previous (Zuma) regime.

“My source in the school remembers the incident very well. He says it was a political issue at the end of the day. There were fears that it could cause a lot of problems for the school.

“It should have gone to court, it was quite a serious matter. Somebody should have been tried and proved right or wrong.

“Just to let it fall down the drain is not very helpful for the safety of the children. It can of course be reactivated. There are a lot of issues now about abuse in this country.”

Noseweek tried to make contact with Sasha Lalla for his side of the story. In the St Alban's College affair he was represented by Peter Harris, partner in the high-powered boutique law firm of Harris Nupen Molebatsi.

Harris, who has conducted numerous commissions of inquiry and forensic investigations for national and provincial government and other state owned institutions, could not put us in touch. “In relation to my clients, all of their details are confidential.”

Asked to comment on NPA's *nolle prosequi*, Harris said: “I can't speak on any of my clients' behalf.” ■

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How to defuse SA's ticking time bomb

A basic income grant is a necessity, not a luxury, if the country is to avoid a social catastrophe for all its citizens – according to DA MP Karen Jooste

WHEN, IN MAY, THE ANC rejected a recommendation that the Child Support Grant be raised to match that of the food poverty line, DA MP Karen Jooste felt a surge of “ice cold hatred” for those voting against the proposal.

It was the third time that Parliament's Appropriations Committee had decided against recommending the proposed social grants increase. A key reason given was that it would be “too much work” to amend the Appropriations bill. The child support grant stands at R400/month while the food poverty line (FPL) is set at R441/month. The FPL is the rand value below which individuals are unable to buy or consume enough food to supply them with the minimum per-capita-per-day energy requirement for adequate health.

Jooste, who grew up in Kimberley and became an MP in 2014, representing Northern Cape, sees South Africa's poverty levels as “a ticking time-bomb”. Governments, she says, either choose socio-economic policies that let people die, or that promote life. “The ANC government had chosen a set of unfair ‘let-die’ policies.”

A sociologist with an MA cum laude from the University of Stellenbosch, Jooste recently completed a paper, “New Socio-Economic Policy for South Africa that Promotes Life,” in which she advocates “cash transfers” as a

socially just way to protect people from absolute poverty in a context of mass unemployment and extreme violence. In it she proposes a pilot study to test policies that would provide an equal basic level of social security for all. It also examines how a basic income disbursement should be financed in a time of dire economic conditions.

Mapping out a solution at a recent session of Parliament's Appropriations Committee, it was explained how the extra R5 billion needed to realise the enhanced child benefit payments could be found by re-prioritising or re-apportioning 0.6% of the current Appropriations budget. Examples given include freezing VIP protection spending and Prestige Policy (prestige accommodation and protocol responsibilities for state functions) as well as imposing a 5% cost containment on advertising and communications.

“Given the fact that four children die of severe acute malnutrition every day; that 27% of under-fives are stunted and a staggering 76% of children are not receiving a diet adequate in nutrition, I don't think this is asking too much,” says Jooste. “I feel a very urgent need to mobilise across sectors because if we don't embark on this new policy set, the pace at which the country is deteriorating is going to increase exponentially. The bigger the decline, the higher the likelihood of ever-more populist, chauvinistic leaders. We live in an extremely



Karen Jooste

unequal and violent society. The more that basic social insecurity increases, the more unequal and violent our society will become.”

Jooste will present her groundbreaking document in August to an international conference in Finland

– which has conducted its own Universal Basic Income experiment (see box) – on the subject: “Rethinking Socio-Economic Development and the ‘Welfare State’ in the 21st Century.” Before then, she hopes to share her treatise with key stakeholders in South Africa. Jooste points out that, 24 years into democracy the government has an annual budget of R1.5 trillion, yet only 105,000 people earn more than R60,000 a month, while 30 million people have to live on less than R1,000 a month – statistics provided by Moeletsi Mbeki and Stats SA.

“Having access to so little money results in people having short, unfulfilling lives, characterised by hunger, malnutrition and violence; millions go to bed hungry; four children die every day of malnutrition-related causes; millions look for work, but cannot find a job. This results in frustration and anger, particularly amongst men.

“Women and children bear the brunt of this rage. Every day, three women and two children are killed by somebody they know. Forty-one percent of reported rape victims are children.

“What is needed is a move from South Africa’s ‘let-die’ approach, to a ‘let-live’ approach, through a new set of socio-economic policies that values all life, responds to immediate and long-term needs and places basic security at its core.”

Jooste says South Africa’s current socio-economic policy set, which is used to speak to basic social security, consists of Black Economic Empowerment, (BEE) the Expanded Public Works Programme (EPWP) and social grants – must be rethought.

“Politicians across the board are usually quick to point out the importance of equality but fail to stipulate whether it is achieved through employment equity, nationalisation, free education, equal opportunities and/or access to land.”

Jooste draws substantially from the work of Professor Guy Standing of the School of Oriental and African Studies (SOAS), University of London, who argues convincingly that it is basic security which should be equalised. “Basic security is a fundamental human need and without it, people cannot function rationally.”

Basic security is, in fact, the founda-

The government has an annual budget of R1.5 trillion, yet only 105,000 people earn more than R60,000 a month, while 30m people live on less than R1,000-a-month

tion of all freedom, says Jooste. “The values of freedom, fairness and opportunity, and the rights enshrined in the Bill of Rights are denied those who do not have access to adequate food and shelter and/or have to endure physical violence. That is why the Constitution entrenches the right of everyone to have access to social security, including – if they are unable to support themselves and their dependents – access to appropriate social assistance.”

Appropriate social assistance, says Jooste, should therefore speak to the biggest problem – namely a lack of a basic amount of cash to buy the food their bodies need, to remove themselves from physically dangerous situations, to buy airtime; or pay for transport. Millions cannot buy assets, do not qualify for credit and are forced to borrow from loan sharks. They cannot take economic risks, plan for the future or save. They cannot lift their children out of the poverty trap as they cannot afford nutritious food, good schools or school clothes and shoes. They don’t even have enough money to bury a loved one.”

Jooste says economic growth

does not automatically translate into job creation – “though both are important, they are not sufficient”.

Despite these realities, says Jooste, the ANC still governs the country with a considerable majority. “It is the only party that has come up with a set of socio-economic policies that promises basic social security to all the majority black voters, if not in practice, at least in theory. A promise of social security is better than nothing. The current socio-economic policy set targets black South Africans and comprises at its core, Black Economic Empowerment (BEE), Expanded Public Works Programmes (EPWP) and social grants, but will later be augmented by national health insurance (NHI) and a mandatory social security contribution.”

Jooste warns however that basic security is set to decline fast because of the type of socio-economic policies being implemented, which, she says “are becoming increasingly financially unsustainable, do not allow the economy to grow and facilitate corruption, while the public sector wage bill is ballooning (R580bn this year) whilst the quality of service is questionable.

“The R50bn shortfall in the budget is increasing and the repayment of debt-servicing costs alone has now increased to R500m-a-day. At the same time, the EPWP programme and grant system are inadequate to lift people out of poverty.

“Another factor causing the rapid decline of basic security is that South Africa is ill-prepared for automation, to which 41% of jobs are currently susceptible. Workers need to be tech-savvy and continuously learn and adapt. This is very worrying considering that 78% of Grade 4 learners cannot read for meaning and about 80% of all learners do not have the minimum competency in mathematics appropriate for their grade.

“This ‘insecurity’ is fertile ground for populist leaders and the election of ‘big men’ who are perceived to be able to restore order/security. South Africans vote for – and run the risk of being governed by – ever-more authoritarian, chauvinistic leaders as insecurity increases.”

Jooste says that despite South Africa’s having a far-reaching grant system, providing 18 million unconditional cash transfers each month, the

two most profound shortcomings are that the child grant is no longer linked to what it costs to feed a child and that able-bodied persons don't qualify for any grant even though socio-economic conditions are dire.

"Even though it is a 'right', social assistance is allocated according to an unjust system of welfare grants and workfare assistance [*workfare* refers to pushing welfare recipients into jobs] that focuses on selectivity, arbitrary decisions by the state and unfair conditions.

"Able-bodied persons are denied social assistance based on the assumption they should be able to find a job. However, 'wage employment' has been in decline since the early '70s and has reached unprecedentedly low levels."

Jooste says that the Basic Income Grant Coalition, which briefed the Committee on Social Development in 2002, found that a basic income grant was affordable and had massive potential to reduce poverty, promote human development and promote economic development.

"With the Expanded Public Works Programme remaining the only available option for millions of unemployed able-bodied people, there is an urgent need for something else. It goes without saying that the economy must grow and jobs should be created. Increasing business confidence and fixed investment by the private sector is crucial. The education system needs to be fixed and an environment must be created where small-to-medium businesses can flourish."

Emphasising entrepreneurship has limitations, says Jooste. "Successful entrepreneurship in South Africa is estimated at 5%. It is often not a lack of skill that stops people from being entrepreneurs, but a lack of cash. Particularly in rural towns, a person might have a stunning idea, the skill and start-up capital but almost nobody in the town has money to buy the product or use the service. Cash-flow in communities is as important as start-up capital.

"A way must be found to put more money into more people's pockets at grass-roots level." Jooste suggests phasing in an empowerment grant to able-bodied unemployed people as a different way of doing BEE. "This way, the vast gap in the social assistance



IN RECENT YEARS THERE HAS BEEN A surge of interest in the idea of basic income grant (BIG) as a right. The World Bank estimates that in 2014 cash transfer programmes of various types reached 720 million people in 130 developing countries.

In Africa, 40 African countries are now implementing some form of grant system. In India, the finance ministers of the states of Jammu and Kashmir announced in January 2017 their intention to phase in a basic income. It is also being considered on a national level.

In 2016 the government of Mexico City committed to looking into the introduction of a BIG.

This followed an earlier recommendation by the UN Economic Commission for Latin America and the Caribbean encouraging member states to do so.

These developments follow pilots and analyses of cash transfer programmes globally. A BIG pilot programme has been under way in Finland. Other pilots are planned in various Dutch municipalities, the Canadian province of Ontario, the US state of California, as well as in Kenya and Uganda. There are prominent politicians in England, Scotland, New Zealand, Taiwan and South Korea, among others, who favour a basic income grant. ■

system is closed and, at the same time, the cash transfer will empower the beneficiaries and stimulate the local economy. Small towns literally come alive on pay day. People know what products and services are used in their town and there is always some level of skill in rural communities.

"As in South Africa, India's public debates on grants have been contentious. Many prefer food subsidies or the guaranteed work scheme, similar to the EPWP. Yet 350 million people live in poverty despite these initiatives and despite two decades of high economic growth.

"As such, in 2011, two pilot studies to test the impact of BIGs were

started. Randomised control studies over 18 months compared the results in households and villages receiving basic incomes with the results in 12 other control villages where nobody received the grant. Some key findings, according to Prof Standing, include:

- Beneficiaries used money to improve their housing, latrines, walls and roofs, and to take precautions against malaria;
- Nutrition was improved. There was a reduction in the incidence of seasonal illness, a greater use of private health care and, overall, a marked improvement in the health energy of children;
- Better health helped to explain

the improved school attendance and performance which was also the result of families being able to buy necessities like shoes and pay for transport to school;

- There was a shift from government ration shops to markets, made possible by increased cash flow;

- Many people made various small investments such as buying more and better seeds, sewing machines and establishing little shops where items and produce was sold or equipment was repaired (this was associated with more production, and higher incomes);

- Contrary to what is often believed, basic income increased labour and work in a number of ways: there was a shift from casual wage labour to more 'self-employed' farming and business activity, there was less 'distress-driven out-migration' and a marked reduction in 'bonded labour';

- Those with the basic income were also more likely to reduce debt and less likely to go into greater debt. One reason was that beneficiaries had less need to borrow for short-term purposes at exorbitant interest rates. Even though families were desperately poor, many managed to save some money.

"These findings are compatible with those of other similar studies," says Jooste. "Even in our country, extensive research on the child grant shows that its success, small as it is, can be attributed to its being a reliable income, and since it is paid on a continuous basis it allows mothers to plan, save, negotiate risks and make investments.

"Studies show that poor South Africans use a small increase in their income differently to the way better-off people would assume. Poor people in general try to use extra money to make more money. They know how to make profitable investments but simply do not have the money and cannot borrow the small amounts needed to, for example, buy in bulk to re-sell, build a chicken coop, or construct a back room to rent out – things they know will work in their town.

"Affordability is of course an important consideration. However, three points need to be mentioned:

- It is of utmost importance to first agree on the principle of basic security – having enough money to eat and be physically safe – as the foun-

Basic income is a social justice issue, implemented as part of a package of policies that serve to equalise basic security in a highly unequal society

dation of all freedom, with a basic income therefore being a right and a social justice issue before affordability is discussed. These two issues should not be conflated because affordability is often used as a cheap argument against issues that should be argued on principle.

- By contrast, the current socio-economic policy set (BEE, EPWP and social grants) will continue to facilitate insecurity and will become increasingly expensive. They will be augmented by NHI and a mandatory social security contribution in the near future that will only aggravate the situation.

- Ever-more populist policy initiatives will arise to stem the tide of public unrest and keep the ANC in control of national government.

"Simply put, South Africa's time is up. In the past month the governing party has already started to promise free higher education and the expropriation of land without compensation. The opposition cannot afford not to suggest basic income as part of a new socio-economic policy set.

"Basic income is not suggested as a panacea for poverty alleviation, an alternative to welfare or a way to get more votes. It is a social justice issue, implemented as part of a package of policies that serve to equalise basic security in a highly unequal society in order for all South Africans to be able to experience freedom, fairness and opportunity. Agreeing on this in principle allows for creative thinking around affordability."

Jooste notes: "The current BEE model comes at great cost. It functions on two levels, employment equity and preferential procurement. Employment equity is most profound in the public sector where black people are more likely to be employed than any other race group. This sector has ballooned over the last 24 years. Its growth should have been justified by the need for specific services or goods and not for 'job creation'.

"It is true that the black middle class has expanded as a result but the public-sector wage bill stands at a staggering R550bn a year. Moreover, it is debatable whether the payment of salaries in departments that form part of the 'social wage' should be seen as a benefit to the poor – and the quality of services often leaves much to be desired. Money spent on the social wage does not mean a poor child has a text book in school or that the local clinic has medicine for a sick baby.

"In turn, preferential procurement requires that the state discriminates in favour of black-owned companies in awarding tenders. A point system is used to determine the extent that a company 'empowers' black people, with procurement being the strongest component. The system has become complex, increasing costs for almost 65% of South African businesses.

"According to Grant Thornton's International Business Report 2016, more than 76% of businesses reported increased costs due to the employment of outside consultants, 44% appointed in-house BEE teams and 41% enlisted specialist service providers to assist with procurement as well as other requirements. This is over and above of the actual cost of BEE.

"Apart from this, BEE is generally considered to foster corruption, discourage investment, hamper economic growth and waste skills. It

is distrusted by most South Africans because it is an inherently unfair system that only benefits a connected few who have inside knowledge of government initiatives.

“One of the major beneficiaries of the system is current billionaire president, Cyril Ramaphosa. An evaluation of BEE ownership deals since 2001 by Intellidex shows that R317bn has been transferred to black South Africans by the top 100 companies on the JSE (the overall value of these deals is of course very much higher and was estimated at R6,000bn in 2013). Subsequently, some black business people have become super rich in a very short time. Many of these black business elite are politically connected.

“It goes without saying that a close relationship between a small group of economic and political elite, facilitated through BEE legislation, deepens corruption. The current BEE model has little to do with the empowerment of the roughly 30 million black South Africans who make ends meet with less than a R1,000 a month. The system is designed to benefit the new elite by tapping into the profitability of established business. It is a sort of millionaire’s welfare system for the connected, while offering piecemeal programmes with little financial value, such a minimum wage, EPWP and grants, to silence the rest.

“There is an urgent need in South Africa to move from a ‘let-die’ to a ‘let-live’ policy that cherishes all life and recognises the inherent value of people over and above their ability to work. Such a policy must address both immediate and long-term needs and aim to equalise basic security.”

Jooste says opposition parties should highlight the shortcomings in delivering basic security of the current socio-economic policy set and offer a policy alternative. “If this does not happen urgently, South Africa will be governed by ever-more tyrannical leaders and there will be no stopping the rapid decline of socio-economic conditions. Basic income needs to compliment economic growth and the creation of work.

“In the first phase of this new policy set, the child grant needs to be aligned to an objective measure of what it costs to feed a child, followed by the phasing-in of an empowerment grant

as an alternative to the BEE model. This will result in a more appropriate and socially just social-assistance system which recognises that even though many people want to work, they will not find a job. The empowerment grant is not a substitute for wage employment or a grant given to people while between jobs. It is an unconditional cash transfer to people to live, be productive and to creatively use their talents to make a living.

“The introduction of the BIG can creatively be funded in a win-win situation,” says Jooste. “The most effective way to spend on the poor is to give money to them directly. Everyone deserves a basic amount of cash in order to eat and be physically safe. This is true empowerment, the only just way to creatively grow and transform the economy in a context of mass unemployment and extreme violence.

“The fact that the ANC chooses in the early 2000s to deny all South Africans a basic income despite the incredible evidence in its favour, including its affordability, surely constitutes the biggest crime since democracy. Basic

The empowerment grant is an unconditional cash transfer to people to live, be productive and to creatively use their talents to make a living

security is the basis of all freedom. How to ensure that everybody has it, is the real question 21st Century politicians should answer. We need politicians who care, who value all life, who believe in the goodness of humankind and who fight for everyone.”

Jooste cites the book *Give a Man a Fish: Reflections on the New Politics of Distribution* by anthropologist James Ferguson, published in 2015, as having helped form her convictions about social welfare. She has also been inspired by the books of anthropologist Prof Tania Murray Li of the University of Toronto, Canada.

Jooste is also a strong supporter of the views of Prof Guy Standing, academic and author on social justice, who has been most influential in describing a “new class” of people: the Precariat, sometimes referred to as “surplus” populations – the rapidly growing class of people who are simply “not needed” by the system anymore, with automation among the causes.

She says she has been in contact with Prof Standing, who is willing to oversee the pilot study, or rather, randomised controlled studies where the “empowerment grant” will be tested on two rural towns in the Western Cape, with the results compared over two years.

Standing is also co-founder of the Basic Income Earth Network (BIEN) with a mission to “offer education to the wider public about... basic income as idea, institution, and public policy practice”. BIEN organises public conferences around the world on an annual basis “in which empirical research and new ideas are disseminated and discussed”.

Jooste says the empowerment grant can be funded by setting an objective measure such as the Statistics SA Food Poverty Line.

“To phase in an empowerment grant, approximately R47bn a year is needed. “It can be funded without being a tax on the worker: first, by eliciting an annual saving of R5bn (less than 1% of total government expenditure).” This, she says, would be a temporary solution “but it does start the process”. Financing over the longer term is a subject for elaboration in a future *Noseweek* report.

Jooste says her proposal is currently being discussed in the DA. ■

Turning Facebook likes into action

How technology was used to upend Cape Town's punitive water tariff. By Jonathan Erasmus

ONE OF THE BIGGEST CHALLENGES faced by social activists is transforming a Facebook "like" or Twitter re-tweet into real-world action. In the advertising world it is referred to as the conversion rate – taking a person from being merely interested to actually casting a vote or making a purchase.

This "conversion rate" has spawned entire industries along with consultants, armies of specialists and researchers to help drive commerce.

For activists and nonprofit organisations around the world finding a method that helps the public engage successfully on issues is the goal.

Johannesburg resident Rob Hutchinson, who helped launch one of South Africa's most prominent nonprofits, the Organisation for Undoing Tax Abuse (OUTA), believes he may have just found South African's "sweet spot". And like all good ideas, it's quite simple. It all started in early January when Hutchinson had just left OUTA after a public fallout with the executive, most notably OUTA's managing director Wayne Duvenage.

Meanwhile, Cape Town was in the midst of its worst water crisis in 100 years, with strict usage conditions imposed on residents who drastically reduced their personal consumption. Their anger was highly visible on social media when the city proposed adding a punitive charge of R150-a-month to the water bills of 52,510 Capetonians in order to plug the R1.6-billion loss in revenue the council had suffered from reduced water

consumption. The public submission deadline was 15 January 2018.

Hutchinson, along with Sandra Dickson, a Cape Town-based activist, saw the opportunity and launched www.DearCapeTown.co.za – a website dedicated to activating public participation on local government issues in Cape Town.

The concept was simple. Residents would visit the site, input some basic details, name and email address, and make a submission in the comment box. When they pushed "send", an email would go directly to the designated City of Cape Town email address, and a copy to their own email address. The city would receive the email as if it had been sent by the resident. The website offered a brief summary of the issue and cut out the hassle for the resident to find the contact details. It also made it incredibly easy to share on social media under the punchy "Dear Cape Town" name.

The uptake was incredible. Over 55,000 people used the site's comment portal in the space of two weeks and the city was forced to abandon the tariff, acknowledging that it was because of the submissions.

"In 2014, while at OUTA, I went through the process of making a submission concerning an amendment to the AARTO Act (Administrative Adjudication of Road Traffic Offences) and I realised how cumbersome the process was. We then put a simple form on the OUTA website to help people make submissions but we never took the idea further. It was this



Cape Town activist Sandra Dickson

idea I revisited and reinvented," said Hutchinson.

The *Dear Cape Town* site has since facilitated 43,000 comments concerning the city's draft water bylaw amendment and more than 37,000 comments concerning the draft 2018/19 budget, the latter running into 1,860 pages at last count.

"Through the database of registered users we asked residents who had the skills and time, to please interpret the draft budget for us. Several took on the task, breaking it down into sections. This allowed us to provide a summary of the budget on the site and allowed Capetonians to make informed submissions," said Hutchinson.

At a special council sitting in May the city council acknowledged having received a huge response to matters concerning electricity, water, rates and social issues and promised to incorporate this into the budget.

Despite this success within such



Rob Hutchinson

a short period, Hutchinson still believes the city has not responded to the complaints in the spirit of the Promotion of Administrative Justice Act (PAJA) – an empowering piece of legislation that requires government to respond to individual comments.

“We must complain, we must challenge. We must go through the channels. They must comply. The city knows it will become a game of ‘if you have the money go to court’. If government agencies do not take the PAJA seriously then mass public participation will be seriously weakened.”

Hutchinson has since launched *Dear* websites in all major cities, “from Tshwane to eThekweni” (Durban) as well as *Dear South Africa* – an overarching website taking on issues of national interest, which in May alone had 18.6 million visits. He has also entered into a partnership – which is still being developed – with the Thuli Madonsela Foundation whose focus is to “defend and deepen democracy”.

Within this network he is building partnerships with what are termed “expert coalitions” in various spheres ranging from water to education. The most successful coalition group is the “Energy Expert Coalition”, led by energy analyst Ted Blom who is also

a former OUTA employee who led the energy portfolio.

This energy coalition is a voluntary group of people skilled in the industry who have given expert advice to South Africans on issues such as Eskom’s proposed 33% increase (114,000 comments have been generated) to the

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National Energy Regulator’s bizarre attempt to regulate solar panels (25,180 comments submitted).

The *Dear...* sites are helping the public to comment on, among others, the proposal to change the names of several South African airports (12,202 comments). But by far its biggest success has been to help submit 192,000 comments concerning the Constitutional Review Committee to examine Section 25 of the Constitution to see whether it is possible to “expropriate land in the public interest without compensation”.

Hutchinson said there are at least 10-15 new public participation processes underway every month across the country. “We have found a way of overcoming apathy in a very strange way. I’ve struggled for over a decade to get people to turn a Facebook ‘like’ into action. This approach has embraced the armchair activist. At least 30% of people who visit our sites participate. We have a database of over 600,000 active people. We don’t attempt to direct the public to a specific type of comment, although in some instances, the proposals are just so outrageous it is difficult not to do so,” he said.

With a background as a designer and creative working in the competitive Johannesburg advertising space, Hutchinson said he turned his attention to public activism as a labour of love. “It hasn’t been easy, with no consistent salary coming in and my wife has been very supportive. However my philosophy has always been that if your decision to do anything is solely based on monetary reward, it’s the wrong decision. I always ask myself if I can do something without money. I then tell the joke: ‘What’s the quickest way to quieten an activist? Give them a job’.

“The whole idea is to encourage collaboration. Everything must come from the communities. My vision is that it will become the missing link between government and society. The only way to make sure this happens is to make it accessible and free. It can only lead to a better country that is transparent.”

● The public can pledge support for or donate to Hutchinson’s cause at www.DearSouthAfrica.co.za or any of the related *Dear* websites. ■



Angolan tycoon's frozen funds highlight KPMG's role in offshore secrecy

Jean-Claude Bastos

Global accounting giant helped businessman move tens of millions of dollars offshore. By Will Fitzgibbon

MAURITIUS AUTHORITIES HAVE frozen 91 bank accounts linked to investor Jean-Claude Bastos, a key figure from the Paradise Papers who has close connections to Angola's former leaders. [See *nose200: A most unsaintly president.*]

The Mauritius Supreme Court froze the accounts in four judgments issued this month as part of probes involving Bastos [also known as *Jean-Claude Bastos de Morais*] and a \$3 billion Angolan sovereign wealth fund investment, according to Mauritian newspaper *L'Express*.

Mauritius's offshore regulator also suspended the licences of seven investment companies linked to Bastos's management company, Quantum Global, based in Zurich.

The response by authorities is the latest fallout from the publication of the Paradise Papers by

the International Consortium of Investigative Journalists (ICIJ) in November 2017.

The Paradise Papers not only uncovered details about Bastos and Quantum Global's management of Angola's fund but identified their association with global accounting giant KPMG.

KPMG worked with Bastos and Quantum Management in Mauritius as tens of millions of dollars were shuffled by them from Angola to Mauritius and beyond.

The Paradise Papers revealed that Quantum Global established seven entities in Mauritius to manage billions of dollars on behalf of the Angolan government fund after similar proposals in Jersey and the Isle of Man were turned down or dropped.

Bastos and Quantum Global, like many other offshore players, benefited

from close relationships with lawyers and bankers as well as accounting giant KPMG. ICIJ has recently published documents that underscore these ties.

After the Paradise Papers broke, Angola dismissed the sovereign wealth fund's board and set up a supervisory committee to improve the fund's oversight. In April, the fund confirmed that it would no longer do business with Quantum Global.

Bastos is a friend and business mentor of José Filomeno dos Santos, the son of Angola's former president and former chairman of Angola's sovereign wealth fund.

In January, Angola's new president João Lourenço sacked Dos Santos as the fund chairman. Prosecutors later charged Dos Santos with fraud relating to a \$500 million transaction from the central bank.

Dos Santos and Bastos have denied

accusations of wrongdoing. Bastos and Quantum Global deny any involvement in the allegedly fraudulent transaction.

In a statement, Quantum Global said its activities are in line with laws in Angola, Switzerland and Mauritius. "We remain confident and resolute in our ability to defend ourselves vigorously against the unwarranted attacks on our reputation," the company said.

Quantum Global announced it had requested an "exhaustive explanation" and an impartial inquiry into the Mauritian regulator's decision.

The Mauritius Supreme Court froze one account with Mauritius Commercial Bank, two accounts with the State Bank of Mauritius (SBM) and 22 with Afrasia Bank Mauritius.

Number 19 on the Supreme Court's list of Afrasia bank accounts is one belonging to the British Virgin Islands (BVI) company Capoinvest Limited, which has featured in reporting by ICIJ.

In 2015, Afrasia proposed that Capoinvest Limited open a bank account in Mauritius, according to emails from the Paradise Papers. Angola's government investment fund later paid \$20m to acquire shares in the BVI company, files reveal.

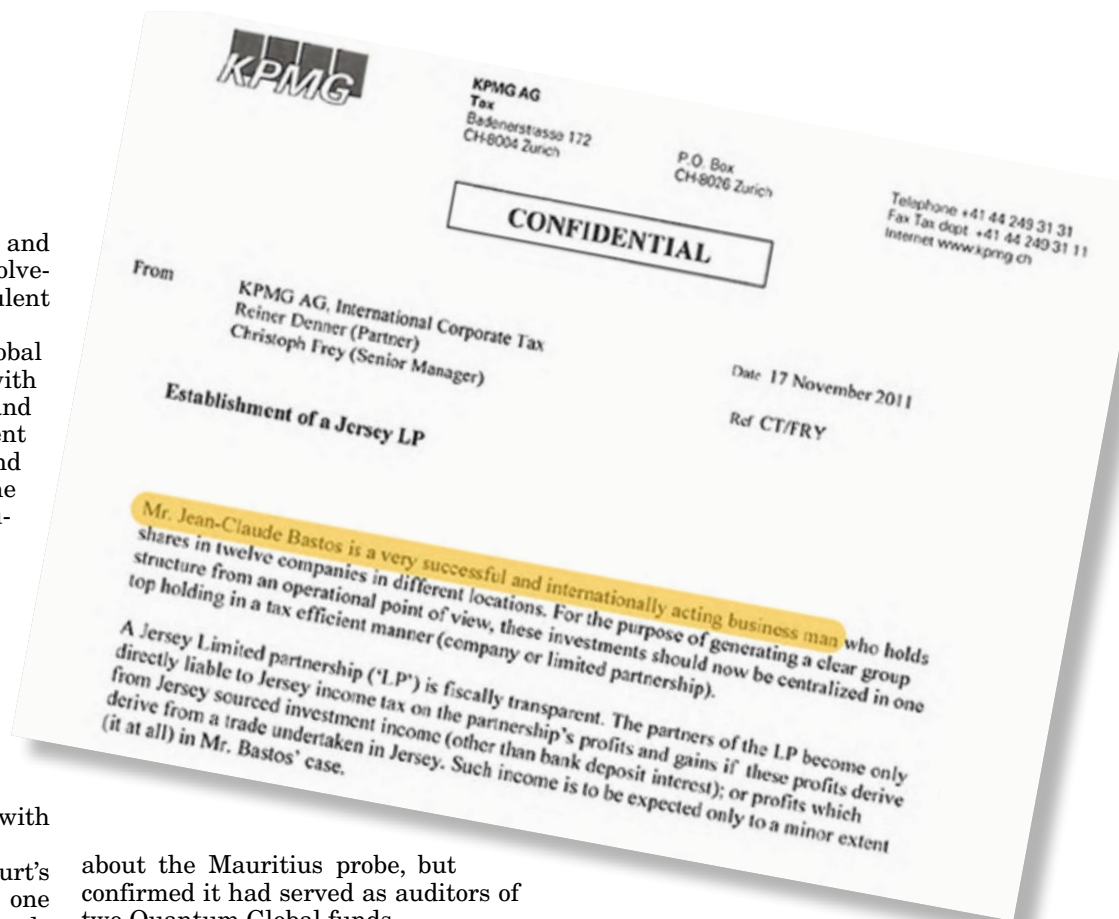
Afrasia told ICIJ that it had "received a Court Order to which we are complying" and could not comment further.

In response to questions about due diligence and action taken in relation to accounts linked to Bastos and Quantum Global, Mauritius Commercial Bank told ICIJ "this individual is currently subjected to inquiry in Mauritius" and that it could not comment.

SBM told ICIJ that "there is an investigation in progress, and we will be able to give more details once the investigation is completed".

KPMG's Mauritius office advised on tax structures, helped structure Quantum Global's offshore assets and audited companies for years, according to emails, bank account statements and financial reports from the Paradise Papers.

KPMG said it was "unable to comment" on its relationship with Bastos. It refused to answer questions



about the Mauritius probe, but confirmed it had served as auditors of two Quantum Global funds.

The Paradise Papers also reveal that KPMG agreed to work with Bastos and Quantum Global even as other offshore specialists in Jersey and the Isle of Man found his Angolan business too risky.

In late 2011, Bastos's advisers approached offshore law firm Appleby in Jersey and the Isle of Man about

helping the Angolan-Swiss entrepreneur set up an offshore company to manage his taxes and his interests in Quantum Global.

One employee at Appleby's office in Jersey had concerns. "We would need to understand the source of wealth and source of funds," the lawyer wrote to colleagues in an email. "What the assets are, where they are located, how are they currently held etc. Also if as you suggest one of the assets may include an interest in a commercial shipping port in Angola, this would unfortunately not meet our risk."

In response, an Appleby employee in Switzerland suggested that Bastos's close relationship with KPMG was a good sign. In addition to working for Quantum Global, KPMG also served as Bastos's personal tax adviser, according to one email.

"I assume we can also take a certain amount of comfort from the fact that KPMG are advisers to the client and his businesses," wrote the managing partner in Zurich.

Bastos ultimately dropped the Jersey proposal, according to emails between lawyers who wrote that Bastos believed he had "lost a couple of weeks faffing".

Mauritius regulators have opened an investigation into Bastos and Quantum Global's investments, according to *L'Express*. ■

KPMG's Mauritius office advised on tax structures, helped structure Quantum Global's offshore assets and audited companies for years

Luxembourg court sets aside whistleblower's conviction

PwC sought jail for its employees and a fine for journalist who spilled beans on tax avoidance

ON MAY 15 THE LUXEMBOURG Court of Appeal finally set aside PricewaterhouseCoopers (PwC) employee Antoine Deltour's 2016 theft conviction for having leaked the international audit firm's client files – 28,000 pages of tax files – that precipitated the so-called LuxLeaks scandal.

The court found that in terms of European Union laws, he was protected from prosecution as he qualified as a legitimate whistleblower in the public interest.

The document leak exposed the shocking extent of tax avoidance practices in Luxembourg used by scores of major multinational corporations to avoid tax and precipitated an EU-wide scandal in 2014.

But it was not Amazon, Pepsi, McDonalds, Deutsche Bank, Ikea, energy provider EON, Apple, Heinz, FedEx, Disney, or any of the other 330-odd multinational corporations that managed to secure huge tax breaks worth billions of Euros in Luxembourg, that were put on trial.

Nor was it the politicians that have promoted such activities for decades, or the tax official Marius Kohl at whose desk the bulk of these sweetheart "tax rulings" were dispensed.

Instead, in April 2016, Deltour, his colleague Raphaël Halet and journalist Édouard Perrin were put on trial in the Grand Duchy's high court, charged with theft, illegally accessing a computer database and passing on "trade secrets", as well as aiding and abetting those acts.

According to Luxembourg law, the three faced up to ten years in prison.

The prosecution wanted 18-month jail sentences for the PwC whistleblowers and a fine for journalist Perrin.

Observers anticipated that the court would attempt to save face by delivering a minimum sentence – a harsh penalty would only have done further political damage. Some were astonished that the accounting firm PwC even pressed charges. Wasn't the scandal itself embarrassing enough?

In Luxembourg, 80% of all "intellectual property" is tax-free, as a consequence a lot of these companies have been amassing their vast profits in the grand duchy.

Perrin, a French TV journalist, was

the first person to publish the story back in 2012. But it was not until 2014, when German newspapers picked up on the affair and the newly elected president of the European Commission, Jean-Claude Juncker, came under massive pressure, that it became a full-blown scandal.

Juncker, who had been prime minister as well as finance minister in Luxembourg, tolerated if not pushed such practices for years. Nevertheless, he swore there was nothing illegal about such business deals and scraped past removal from office when the scandal broke.

Meanwhile, an investigating committee in the European Parliament is attempting to clear up the affair, and EU finance ministers have agreed on various policy changes.

French Finance Minister Michel Sapin expressed "solidarity" with the whistleblowers, saying they, and in particular Deltour, were defending the public interest. "It's thanks to him that we've been able to put an end to the opacity that prevented European countries from fully knowing the tax status of a number of large companies in Luxembourg," Sapin told the French National Assembly.

"Whoever comes forth with information that is in the public interest must be protected," said Fabio De Masi, a European parliamentarian who was scheduled to testify for the defence. "Many Europeans know that Antoine Deltour did the right thing. He should be honoured for his actions, not persecuted. But justice will be served."

Two months later the two main accused were found guilty. Deltour

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Luxembourg**



PwC employees Raphaël Halet (top left) and Antoine Deltour (above) received custodial sentences, which were later reduced. Deltour was ultimately cleared.

TV journalist Édouard Perrin (left, with his lawyer – on right of picture) faced a fine for his exposé of Luxembourg tax avoidance. He received several awards for his coverage of the story including Journalist of the Year at the Assises du Journalisme in France in 2016.

was sentenced to 12 months' imprisonment; his junior colleague to nine months' imprisonment. A year later a higher court reduced both sentences: Deltour's to a six-month suspended sentence and a fine of €500 euros; Hallet's to a €1,000 fine.

In January this year, the Appeal Court set aside Deltour's convictions and agreed he should be retried in accordance with European Union laws that protect whistleblowers.

Hallet was less fortunate: the appeal court found that the documents he leaked did not give him whistleblower status and upheld his €1,000 fine. In May the court delivered its final judgment: Deltour qualified as a legitimate whistleblower and was cleared

of all charges.

The first companies to take the heat of the scandal were US coffee retailer Starbucks and Italian car-maker Fiat. The EU Commission found that Starbucks in the Netherlands and Fiat's financing arm in Luxembourg used "artificial and complex methods" that "do not reflect economic reality" and thereby "unduly reduced" the taxes paid by the two companies.

EU Competition Commissioner Margrethe Vestager announced that tax rulings which "artificially reduce a company's tax burden" were illegal because they were "not in line with EU state aid rules" and gave them an unfair competitive advantage.

The EU Commission ordered the

Netherlands and Luxembourg to recover the illegal tax benefits from Starbucks and Fiat, respectively. The Commission estimated that each company could owe up to €30 million (R464m).

Next on the European Commission watchdog's agenda for investigation was McDonalds.

Luxembourg's Court of Cassation (court of last resort with scope of certifying questions of law and review in determining miscarriages of justice) rejected a verdict against former PwC employee Antoine Deltour, who in March had received a reduced six-month suspended jail sentence with a fine of €1,500 (R23,000) in the "LuxLeaks" scandal. ■



Not so stupid. Making the familiar strange

THE EPONYMOUS IDIOT OF THIS BOOK IS Selin, a 19-year old Turkish-American freshman at Harvard in the mid-nineties. Given that the author is Turkish-American and was a Harvard freshman in 1995, it seems fair to assume that much of this novel is autobiographical, though it is difficult to believe she was as clueless as her character. Rather, in spite of the surface correspondences between author and character, this is the author looking back in wry amusement and sometimes embarrassment at her younger self.

Not that Selin is an idiot in the politically incorrect sense of the word: after all, she made it to Harvard. In fact highly intelligent, she simply can't see the point of much of modern life. Things other people take for granted she finds bizarre, even surreal. "As a novelist you write about social mores," Batuman has said in an interview, "but not everything can be explained. You want to make the familiar strange and memorable again, and an easy shortcut is to make your

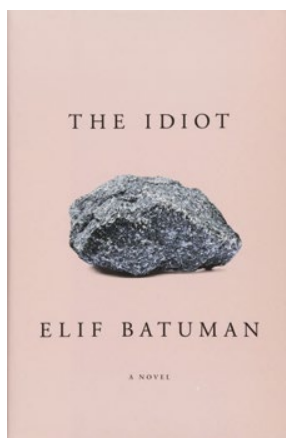
protagonist young, clueless and innocent."

Batuman's young, clueless protagonist certainly succeeds in making the familiar strange: "At a table near the door, two students were slumped over their books, either asleep or murdered. In a corner, a girl was staring at a stack of flash cards with incredible ferocity, as if she were going to eat them."

This extract is fairly typical of Batuman's procedure, or Selin's mental processes: observing a perfectly normal phenomenon like two students asleep over their books or a girl staring at a stack of cards, she makes it seem surreal and vaguely scary. Life, for Selin, as presumably for Batuman, is full of puzzling but intriguing things. Thus, suffering from a bad cold and desperate for a tissue while being interviewed for a literature seminar, she tries "to determine whether any of the rectangles in my peripheral vision was a box of tissues. Unfortunately, they were all books. The professor was talking about the differences between creative and academic writing. I kept nodding. I was thinking about the structural equivalence between a tissue box and a book: both consisted of slips of white paper in a cardboard case; yet – this was ironic – there was very little functional equivalence, especially if the book wasn't yours."

She continues, enunciating what could be taken as the ruling principle of the book: "These were the kinds of things I thought about all the time, even though they were neither pleasant nor useful. I had no idea what you were supposed to be thinking about."

Selin's deadpan reportage on the things she comes across in her freshman life is at times a devastating critique of academic pretensions. Adopting the wide-eyed gaze of an extra-terrestrial visitor astray among the mysteries of an alien culture, her uncomprehending descriptions are as barbed as they are funny. Having to read as a set text Huysmans' ultra-decadent aestheticist manifesto, *Against Nature*, she reports: "I thought maybe *Against Nature* would be



THE IDIOT
by Elif Batuman
(Jonathan Cape)



Author Elif Batuman

a book about someone who viewed things the way I did – trying to live a life unmarred by laziness, cowardice, and conformity. I was wrong; it was more a book about interior decoration. In his free moments from plumbing the subrational depths of upholstery, the main character devoted himself to ...hanging out with a jewel-encrusted tortoise, and thinking thoughts like, ‘All is syphilis.’ How was that an aesthetic life?”

Recalling her mother’s attempts at finding a meaning in a *New Yorker* short story (Batuman is a staff writer for the *New Yorker*, and must know that its short stories are notoriously unresolved, not to say pointless), Selin says: “She believed, and I did, too, that every story had a central meaning. You could get that meaning, or you could miss it completely.”

Whether Batuman still believes this is not clear from her novel. This reader, at least, could not discern anything resembling “a central meaning” – unless the sheer randomness of the events, the apparently indiscriminate recording of impressions and thoughts, constitute a central meaning. The plot, what there is of it, concerns Selin’s inconclusive infatuation with a somewhat disconnected young Hungarian mathematician, whom she follows to Hungary, where she teaches English to a series of variously gifted and ungifted students. The relationship goes nowhere, but Selin gets to travel.

Paul Laity, writing in *The Guardian*, said: “The lack of structure in the second half of *The Idiot* deliberately mirrors Selin’s lack of control over her own narrative. A decade ago, Batuman wrote a polemic against the crafted,

controlled fiction that was coming out of creative writing courses. Literature, she insisted, should encompass “all the irrelevant garbage” of life. “American writers, break out of the jail!” the essay concluded: “Write long novels, pointless novels.”

So: if this novel seems long and pointless, that’s the way the author wanted it; and if the events and thoughts recorded here seem like “irrelevant garbage”, that too, is as it should be. But Batuman did not add, as she could have: But make sure that the reader remains interested. And, perhaps oddly, *The Idiot* does keep one’s interest, more often than not by the sheer hilarious absurdity of it all. As I should perhaps have made more of earlier, for all its naive solemnity, this is a very funny book, as only a very intelligent novelist can write about an idiot. ■

Drug wars. Sanity at a price

PSYCHOLOGIST AND WRITER LAUREN Slater’s history of psychiatry is an account of psychological redemption and its shadow.

She weaves the warp of her account of her own journey out of bipolar disorder – taking a succession of drugs – into the weft of the history of medical science’s attempt to deal with mental disorders. It’s a very mixed picture; one that leaves the impression that there are no magic bullets in treating the mind, and that psychiatry remains a dark art.

She acknowledges that psychiatric drugs have healed her and allowed her to lead the productive life she has – earning a PhD in psychology and becoming a writer. But the cost has been hefty: “Psychiatric drugs have taken my life and health and ruined me, drawing death near,” says 55-year-old Slater. The direct side effects of 35 years of popping pills – a dozen different ones, because their efficacy tends to wear off over time – are, among them, memory loss, obesity, kidney disease, diabetes and open sores on her feet.

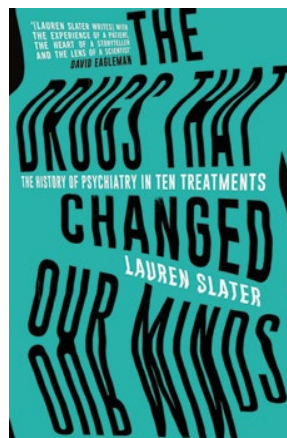
Combining science, history and storytelling she traces the evolution of psychiatric medicine through the development of ten treatments, starting with chlorpromazine, the dye methylene blue that – by accident, after various

iterations – was found in 1899 to calm manic and psychotic patients in an Italian asylum.

The history she traces appears to be very much a hit and miss affair. According to Slater, despite their sciencey sounding explanations of how drugs work on the mind, researchers still don’t fully understand their action and often pills are prescribed for conditions other than those for which they have been approved.

She argues that frequently the drugs have come first and the conditions being treated are then simply defined in relation to the effect a drug has. The diagnosis of mental illness is notoriously slippery – there are no blood tests for depression, schizophrenia or attention deficit disorder, making labelling a subjective enterprise.

In the 1950s a researcher at Roche Laboratories discovered that the TB drug iproniazid had mood-altering side-effects and proposed to his unin-



THE DRUGS THAT CHANGED OUR MINDS: A HISTORY OF PSYCHIATRY IN TEN TREATMENTS by Lauren Slater (Simon & Schuster)

terested bosses at Roche that it could be marketed as a “psychic energiser”. In the end it did go to market – as one of the first of what are now known as anti-depressants.

“Would we have been as quick to pathologise depression – if the tablets to treat it didn’t suggest sickness?” asks Slater. “A psychic energiser is Everyman’s medication, while an antidepressant seems destined for the sickest of souls.”

Slater raises many pertinent questions about the state of psychiatry and the role of Big Pharma in pushing drugs that are often the most profitable, but not the most effective.

Conversely, she concludes on a hopeful note, looking at a renewal of interest in psychedelics such as LSD, psilocybin (magic mushrooms) and MDMA (ecstasy), which were outlawed because of their associations with 1960s counter-culture, but are showing great promise in early trials for treating, amongst others, depression and post-traumatic stress. – **Tony Pinchuck**



G'day maite. Sanctimonious Aussie culture

MY GREATGRANDNEPHEW ALEX, now, he's sharp. Quick of mind and of eye, and if that's not enough he has also a wry sense of humour. Of the absurd. I wouldn't mind having him around these sombre days, but ag shame, he's in Australia. That's where niece and family went when things got just too scary in South Africa, see, and that's where on holiday I found them, all snug and safe and smiling in Seednee. But ag shame, hey, Alex was away in Canberra.

Nu? I'm off to Canberra on a mighty great Australian bus, and there he is, a youngster employed of all places in the Parliament building. His job is showing visitors around this bombastic 1988 piece of architectural bullshit symbolising access of the common man to democracy and opened by the Queen of Australia who lives in London. Also he gives a brief thumbnail picture of Australian history.

He now gives me the works. In the forecourt is a long sunken garden, rectangular, a nice fishpond in the middle with lilies and things and down the length of the walls bas-relief panels of Australia's wild animals. There they all are as in 1988: kangaroos and cockatoos and wombats and wallabies and emus and schmemus the lot, and right down the line is... is... wait for it... an Abbo. It took a South African to point it out, says Alex. Point it out to his local MP, who said well it's all part of history, you know, and one shouldn't meddle with history, it's intellectually dishonest.

Ja, says Alex, they meddle with history all right when it suits them. Nobody remembers any more those laws not long ago which said all Aboriginal children of mixed race should be taken from their mothers and transplanted in white communities to grow up white with just a teeny weeny bit of black so over the generations they would be entirely



Caucasian. Bleach out the blackness. Fuck 'em white, people said.

But where are the Aboriginals? say I to Alex. The First Nation people? I have been here seven weeks and not seen one. No, says he, you'd have to go to the back blocks or the slums, and there's not a great number of them left; but los all that, it'll only make you depressed, man. Come inside and look around.

Inside is architecturally modernist and moralistical as befits Australian sensibilities, with appropriate displays. Over here is a most artistic big diorama of Gallipoli in World War One, where 8,141 Australian soldiers died most nobly in defence of their King who lived in London. Ummm... say I, Gallipoli is in Turkey, isn't it? Ja, says Alex, but Germany was a threat to the King's Empire and Turkey's Empire likewise was a threat and so logically Turkey and Germany were allies and a threat to Australia on the opposite side of the Earth and that's why young men here should sacrifice their lives for their King who lived in London.

All the above was ten years ago – maybe twelve but all is clear in my mind. Nowadays I am able to grasp what's going on. Well, excepting one little thing, that is; how does a South Pacific nation come to be part of a North Atlantic armed force in unlawful military occupation of a sovereign country in the middle of Asia? I mean what

about Operation Slipper from 2001 to 2014 when 26,000 Australian troops were stationed in Afghanistan, 261 were injured and 41 killed for their Queen who lives in London?

All the above I give to dear readers to mull over. I myself am proper pissed off with the sanctimony of Australian culture: dull, obedient, insolent. Intellectually lazy; especially off-pissing is this image of black African savages butchering innocent Caucasian South African farmers and stealing their lands, a problem never arising for Australian farmers because their savage Caucasian ancestors simply butchered any creature that got in their way. The aboriginal *H sapiens* came in the same category of nuisance as the Tasmanian tiger.

You see, Australian culture is one of comfortable submission. There is no confrontation with imperialism. And confrontation is what gives South African culture its vigour. For sure, the victory over Apartheid was a monumental triumph after such a bitter struggle, but what really happened was that we'd got statutory racism out of the way so that the struggle for true liberation could begin: coming to grips with our imperial past, including state capturing by a gent name of C. Rhodes. You don't have to be a Marxist to see that what we need is a redistribution of wealth, and a more just system of land occupation is an obvious start.

We are not a complacent people. ■

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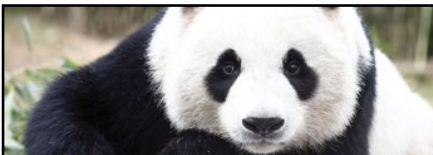
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Rose, Zuma has gone, next ANC? Love Mike.
Martin Prozesky's Porcupine Press novel *Warring Souls* is all about ethics and religion. Google Amazon.

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