Public Sector - Gouv. - Miscellaneous Dept.

1995

February

January - February
Money queries place Boesak post at risk

By NORMAN WEST
Political Reporter

DR. ALLAN BOESAK'S appointment to the United Nations in Geneva appeared to be slipping away from the beleaguered ambassador designate this week.

With only two weeks to go before he is due to take up the post, diplomatic sources believe the government will be compelled to act soon.

President Nelson Mandela's office, which is awaiting a report from the Danish Foundation for Peace and Justice (FPJ) on Dr. Boesak's financial conduct, maintained a very tight silence this week.

Dr. Boesak faced two more financial 'blows' this week:

The sheriff of Goodwood's magistrate's court reposessed his maroon BMW on behalf of Bankfin from a showroom where it was up for sale, and

Mercantile Bank has applied for summary judgment against him for R37 146 in rentals for telephones and switchboard equipment.

Dr. Boesak slipped quietly into Cape Town on Friday to consult his lawyers and again disappeared from public view as he prepared to select his holiday venue.

The front gate of his luxury Constantia home has been tied shut with wire.

Three vehicles belonging to the foundation's financial director, Freddie Steenkamp, are also up for sale. They are:

- A top-of-the-range yellow Nissan V6 3-litre bakkie priced at R89 950
- A red 2.5 litre converted BMW M3 Alpina, which cost about R100 000.
- A dark blue 1992 BMW M3 which cost R200 000

Derek Steenkamp has been in residence three weeks ago, lifting the lid on serious allegations of financial mismanagement of the foundation's funds.

Mr. Steenkamp has admitted to having received a personal loan of R70 000 from the foundation - for buying a house.

Dr. Boesak allegedly borrowed R100 000 from the Foundation. In 1992 he paid a deposit of R100 000 on his R580 000 Constantia home.

A document certified by the auditors of the FPJ, Mustaq Brey and Associates of Cape Town, shows that as director Dr. Boesak received a housing subsidy of R7 500 a month as part of his salary package. He serviced a R10 000 mortgage bond with it.

Dr. Boesak, former chairman of the ANC in the Western Cape, former Western Cape, Minister of Economic Affairs and now South Africa's ambassador designate to the UN in Geneva, bought the house in 1991 after his divorce from his first wife, Dorothy, in December 1990.

It was revealed this week that Danchurch Aid's preliminary investigation into the financial affairs confirmed that Dr Boesak...

More financial blows for Boesak

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borrowed at least R160 000 for his personal use.

It is preliminary and it is believed he may have borrowed more. Elie Krog, head of Danechurch Aid's international department in Copenhagen, said this week.

She said it has also been found that five other people closely linked to the FPJ's foundation management had taken loans from Danechurch Aid.

Danchurch Aid stopped funding the FPJ foundation in 1992 when it could not be accounted for.

Ironically, Elina Boesak herself lifted the lid on her husband's lavish lifestyle in an affidavit submitted during divorce proceedings in May 1992. The contents of her affidavit became public after it was quoted in Parliament by the former Minister of Population Development, Mrs. Jac Hasbe.

Mrs. Boesak said the purchase of their Dale Avenue, Constantia home for R560 000 in February 1991 involved a deposit of R100 000 in cash, transfer and legal fees of about R25 000 and renovations of another R120 000.

The carpeting cost R8 000, the parquet wood about R12 000, the dining-room suite R6 000 and one of the two leather lounge suits, R4 000.

Dr. Boesak had damaged his expensive imported Lancia in a collision and bought a replacement Bora for R70 000.

He also serviced a mortgage bond of R450 000 with instalments of about R5 000.

According to Mustaq Brey and Associates, at the time of the divorce proceedings, which were later abandoned, Dr. Boesak was earning R8 500 per month inclusive of his car allowance, but, according to the auditors, he also received R7 000 from the FPJ as a 'housing allowance'.

Mercantile Bank's claim against Dr Boesak for R37 146 relates to equipment used collectively by the FPJ and by Elina Boesak's Camelot Communications video production studio, which was funded by the Swedish International Development Agency (SIDA).

"The combi owned by Camelot communications was sold. The combi has been leased and the combi has been given back to the bank," said the Reverend Jan de Waal, chairman of FPJ trustees.

"The video equipment bought for Camelot communications is still at the Harrington street offices of Camelot Communications. We have given Sida a number of options for the future of the equipment and are waiting their decision." We appointed lawyers during the week but I cannot divulge their names as they specifically requested that I do not reveal them to the media," Mr. de Waal said.

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Boesak may yet not make it to Geneva

PRELIM INQUIRY suggests Allan can’t keep his fingers out of the till:

By Ismail Lagardien and Sapa

This could be a decisive week for Dr Allan Boesak, South Africa’s ambassador designate to the United Nations in Geneva.

On the eve of his departure to Switzerland, allegations of corruption and mismanagement of funds are mounting against the embattled ex-churchman turned politician.

Pressure is also mounting, from within ANC ranks, for President Nelson Mandela to review Boesak’s position. One of the options is to suspend Boesak’s appointment until after investigations into the allegations are completed.

It has been alleged that Boesak borrowed funds for his own use from the Foundation for Peace and Justice which he heads. The foundation serves as a conduit for foreign aid directed at community development projects.

It is also alleged that a senior employee of the FPJ, Mr. Freddie Steenkamp, had been given R700,000 with which to build a house.

In an affidavit made last year, Steenkamp — then the FPJ’s financial director — suggested there was serious mismanagement of FPJ funds.

President Nelson Mandela is, thus, faced with increasing pressure to withdraw Boesak’s appointment.

Boesak is expected to surface sometime this week (he reportedly reined his head late last week, to consult with his lawyers) when Mandela returns from vacation. The President is expected to make an announcement on Boesak’s appointment within days.

Meanwhile, things are not going well for Boesak in general. It was reported last week that his luxury German car had been repossessed and that a bank had applied for summary judgment against him.

Further, the Copenhagen-based organisation, Dan Church Aid, would not be putting any more money into any of Boesak’s organisations. SABC radio news reported that the Danish church aid was “considering” withdrawing its support.

The London Sunday Times reported this week that the secretary-general of Dan Church, Mr. Christian Balslev-Olesen, said the decision had been taken even though investigations into funds donated to the FPJ had not yet been completed.

Mr Balslev-Olesen said Dan Church Aid was trying to get back the money — an alleged R1.3 million.

A preliminary investigation by Dan Church Aid into Boesak’s financial affairs had allegedly revealed that Boesak had already spent at least R100,000 which he “borrowed” from the FPJ’s funds.

Another representative of the Dan Church organisation, Miss Elisabeth Krogh, said “The loan amount is preliminary and it is believed he may have borrowed more.”

She confirmed there were other people involved in the FPJ who had taken personal loans from official funds.

Boesak is the former leader of the ANC in the Western Cape.
**Angry ex-staff speak out on Boesak**

**Staff Reporter**

IN an angry statement one former FPI staff member claimed last night that while loans were made to some staff, they were told that "money was not available for campaigning, conferences, development projects or donations to the victims of apartheid's oppression and repression".

The former FPI staff member, a former director of a company, said he was told that by Mr Allan Boesak, the former pastor, and his aides. He said that while Boesak was not directly involved in the decision to make loans to staff, he was aware of the practice.

The loans were given to about 20 staff members, but the former staff member said that he had been told that the money was only available to those who were "loyal" to Boesak.

**Dissonance**

"Salary slips were handed to us on only one occasion and this was not a regular practice," he said. "We were told that money was not available for campaigning, conferences, development projects or donations to the victims of apartheid's oppression and repression." He said that the loans were made to staff members as a way of "keeping them in line".

The former staff member said that he was told that while Boesak was not directly involved in the decision to make loans to staff, he was aware of the practice. "He was involved in the decision," he said. "He was not directly involved, but he was aware of it." He said that while Boesak was not directly involved in the decision to make loans to staff, he was aware of the practice.

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NEWS Upset Mandela acts

Allan Boesak is out in the cold

DR ALLAN Boesak has lost his bid to become South Africa's ambassador to the United Nations in Geneva, highly-placed African National Congress sources said yesterday.

They said Boesak was facing a "fait accompli" and had been given notice by President Nelson Mandela that he should withdraw from the post.

Boesak is facing allegations of misappropriating Danish aid money channelled to his Peace and Justice Foundation.

Mandela, who is on holiday in the Transkei, met Boesak in Cape Town on Saturday.

According to the sources, an upset Mandela told Boesak he should withdraw voluntarily from the post.

Mandela said yesterday he had appointed Water Affairs and Forestry Minister Professor Kader Asmal to compile a report on the matter.

The President's announcement, made in an interview on holiday at Qunu in the Transkei, fuelled speculation that it was only a matter of time before Boesak retreated and announced his withdrawal.

The Office of the President said in a statement yesterday that Mandela was "keen to find an early, just and fair resolution of this problem" which was a "matter of public concern".

The statement did not indicate whether Mandela would rescind Boesak's appointment, nor did it indicate if Mandela was still backing Boesak for the post.

According to the Danish aid organisation Danish Church Aid, aid money intended for Boesak's Peace and Justice Foundation had been diverted to personal loans to foundation staff.

Boesak is said to have borrowed at least R100 000 for his personal use however, the organisation was unable to account for a further R2.9 million channelled to Boesak's foundation.

Boesak was not available for comment yesterday — his Constantia, Cape Town, home was deserted and the telephone was not answered. — Sapa

Sadtu criticises 'poor' results

THE South African Democratic Teachers Union yesterday said it viewed last year's matric results in a "very serious light" and urged the Government to take action to improve education in the country.

A Sadtu statement issued in Johannesburg said: "It is at this point in time that Sadtu prevails on the ANC-led Government to translate into reality its pronouncement that education is a top priority."

The union warned it would not be lulled into a sense of inactivity by "the release of high-handed policy statements that are devoid of any action".

The matric results were released last week and reflected a national pass rate of 58.1 per cent. A pass rate of 48.5 per cent was recorded among black pupils.

Sadtu attributed the "poor" pass rate to apartheid and its legacy of ethnic diversity, disparity in the funding of education and the continued administration of education by "the old bureaucracy".

The union said teachers' salaries and working conditions had to be improved to boost their morale, which would in turn contribute towards building a culture of learning and teaching.

The statement said the establishment of provincial education departments and the rationalisation and restructuring of education had to be speeded up.

"Failure by the ANC-led Government to intervene in all these areas as a matter of urgency will certainly result in the creation of conditions which are conducive to the destabilisation of education," the statement said.
Boesak ‘told to withdraw’

BY KAIZER NYATSUMBA
POLITICAL CORRESPONDENT

President Mandela has left former Western Cape ANC leader Dr Allan Boesak with no option but to step down as South Africa’s ambassador to the United Nations in Geneva.

‘Boesak has been told that he should “do the honourable thing” and withdraw his candidacy for the plum ambassadorship, reliable ANC sources said last night.

Mandela, who has been at pains to avoid a public humiliation of the former United Democratic Front patron, is understood to have told Boesak in a recent meeting that he would no longer be able to take up his position in Geneva.

According to the sources, Mandela has subsequently asked Water Affairs Minister Kader Asmal and Justice Minister Dullah Omar to be the bearers of the bad tidings to the controversy-plagued former cleric.

The sources said the two ministers had been expressly instructed to tell Boesak that it would be in his favour to announce his withdrawal from the position to avoid any further embarrassment.

Spokesmen for the president’s office have repeatedly said they are awaiting reports from donor agencies which have alleged that Boesak’s Foundation for Peace and Justice (FPJ) misappropriated funds.

But The Star understands that information reaching the president so far was such that Mandela had decreed it would be unwise for Boesak to take up his position in Geneva on February 1.

The ANC sources indicated that the information reaching Mandela had been of such a serious nature that the president had been left with no choice but to ask Boesak to withdraw.

However, in an earlier state-

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Boesak ‘told to withdraw’

From Page 1

Yesterday, presidential spokesman Parks Mankahlasa said the president would take “an appropriate decision” on Boesak’s ambassadorship only when all “relevant facts” had been presented to him.

Mankahlasa said Mandela had noted the public statements in response to allegations of financial misappropriation by Boesak and some employees of the FPJ.

The National Party yesterday also called for Boesak’s suspension.

According to reports, Boesak was yesterday held up and spoke with a hoarse voice. He “would love to have a press conference soon”, but had to honour the agreement with the Danes. According to the reports, Boesak yesterday held talks with Chris Nissen, his successor as the ANC’s Western Cape leader.

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To Page 3
Boesak case: Fears about aid for RDP

By Barry Street (ET 5/1/95)

Deputy President Thabo Mbeki and Dr Allan Boesak are to meet in Pretoria today amid growing fears in the government that international funding for the Reconstruction and Development Programme (RDP) will be jeopardised if it fails to get

The escalating controversy about the finances of Dr Boesak's Foundation for Peace and Justice (FPJ) has led to growing pressure on him to withdraw as South Africa's ambassador-designate to the UN in Geneva.

His position could be clarified at today's meeting and a statement may be issued by the President's office afterwards, Mr Mbeki's spokesman, Mr Ricky Nandoo, said.

Officially, however, Mr Mandela is awaiting two official reports, one compiled by a Johannesburg firm of attorneys, and the other by the ANC's constitutional expert and Minister of Water Affairs, Professor Kader Asmal, who said yesterday his report would be completed within the next day or two.

With growing fears within the government that international funding for the RDP will be seriously affected if the government fails to act, it is felt that the chances of Dr Boesak going to Geneva are still slim.

It was revealed yesterday that a number of FPJ trustees had resigned from the organisation over the past three years because of concern about the lack of control of funds.

It can also be disclosed that a former trustee, Professor Charles Villa-Vicencio, and the former secretary-general of the South African Council of Churches, Dr Beyers Naudé, both warned Mr Mbeki in September and October last year that there were serious financial problems in the FPJ and that their disclosure could embarrass the government.

Dr Boesak and SA — Page 8
Church silent on 'misuse' of funds

Staff Reporter

THE Bellville, South Africa

Newspaper reports that the church is continuing its silence over details surrounding a bitter three-year dispute it had with Dr. Allan Boesak over the alleged misuse of foreign funds.

The dispute arose when his former congregation, Bellingham, claimed in September 1991 that an undisclosed sum of money intended for the congregation had been misused.

Dr. Boesak had raised the money overseas when the Foundation for Peace and Justice (FPJ) was still linked to the congregation.

However, the two split in October 1990 when Dr. Boesak, as director of the FPJ, resigned from the congregation following revelations of his extramarital affair with the then-Ms Elza Botha.

Dr. Boesak's resignation apparently left the church short of cash. At the time Dr. Boesak threatened to take legal action against his former congregation if it did not make a public apology for its allegations.
Boesak speaks

'I received no loans'

BY MELANIE GOSLING

Dr Allan Boesak broke his months-long silence last night to deny any personal involvement in the alleged misappropriation of Foundation for Peace and Justice donor funds.

In a statement Dr Boesak said he had never asked for or received any loans from donor funds.

His statement comes on the eve of his meeting with Deputy President Thabo Mbeki in Pretoria today amid speculation that the ANC will put pressure on him to withdraw voluntarily as ambassador-designate to the United Nations in Geneva.

Emphasising that he was coming in his personal capacity, Dr Boesak attacked the Boesak Aid Organisation DanChurchAid and the media for what he called a "witch hunt" against him.

He also said he had not had the time to check the work of the FPU's bookkeeper.

Dr Boesak said he had been recommended to the Trustees in May 1994 that the Foundation be closed as he could not be legally involved in the FPU.

Commenting on the appointment of a government committee to probe the affair, Dr Boesak said he had had a meeting with President Nelson Mandela.

Although the media had put pressure on Mr Mandela with "irresponsible" reporting, he would respect the President's decision.

"I remain deeply disturbed by DanChurchAid's refusal to discuss the sources who made the allegations of my personal involvement in financial wrongdoing."

"DanChurchAID has the moral obligation to make these sources known if what they say is true, if there is nothing to hide."

Dr Boesak attacked the media, which he said were no longer investigating the financial reports of the FPU, but conducting a witch hunt against him.

He denied any knowledge of the alleged staff loans of hundreds of thousands of rand and said he had authorised only two loans to staff for amounts not greater than R500.

"I was not aware of loans given to staff to the extent currently alleged. I had full confidence in the bookkeeper of the FPU and working under pressure of a witch hunt against him," he said.

One former trustee, Professor Charles Nobel, said yesterday he "felt the trustees never had sufficient information to exercise control."

"There was insufficient transparency," he said.

He had left at the beginning of 1993.

Other trustees who had resigned for similar reasons were Professor Justice Brodie of the University of the Western Cape, the Rev Lionel Laws and Mr Lesley Liddell.

Prof Villa-Vicencio stressed, "At no time did I have any information of misappropriation of funds or the misuse of funds. We were just not able to get straight answers."

While he was a member of the board no housing or travel allowances or fees had been approved by the trustees.

Until yesterday, Prof Villa-Vicencio had refused to comment about the FPU or his term as a trustee.

"From my perspective, the only defensible thing for Allan to do is to withdraw his nomination. That is not to say he is guilty. He is indeed innocent until proved guilty. But withdrawal is the only honourable way out."

PETER DE WeTER reports that the Cape Times traced Mr Freddie Steenkamp to his home in Lovenstein, near Wedgemead yesterday.

Mr Steenkamp has resigned as a director in the weeks that controversy over alleged misappropriation of FPU funds has gripped the community.

Mr Steenkamp gave an affidavit to investigators looking into FPU funds. Three weeks ago, in which he admitted receiving a R700,000 loan from the FPU.

Surrounded at his home yesterday, he said he had "no comment" to make and closed the door.

A three-year-old girl at the scene was crying.

Dr Boesak, in a statement yesterday, denied the financial misappropriation.

"Complaints from the public..."

Although the officials named at the time of his resignation are still under investigation, a source close to the investigation said the FPU had received a clean bill of health.

FEARS ABOUT RDP AID - PAPA 2

KEY MAN

FPU financial director Mr Freddie Steenkamp yesterday, after being suspended from his duties, said he had no comment to make.
Boesak breaks silence

EMBATTLED ambassador designate to the United Nations in Geneva, Dr Allan Boesak, yesterday denied he misused Danish aid money donated to his Foundation for Peace and Justice.

Boesak, according to Sapa, is facing pressure to withdraw his candidacy for the Geneva post because of the accusations.

He said in a statement constant media coverage had become a "watch-hunt" and that the negative publicity forced him to break his silence.

"I emphatically deny any personal involvement in the alleged misappropriation of funds. Whatever monies received over the years by way of either donations or a salary package were given on grounds of merit and agreement. I never asked for nor received any loan."

Dr Boesak is to face a high-powered group of politicians appointed by President Mandela today.

Although no details of the group has been given, it is believed Deputy President Thabo Mbeki, Cabinet members, including Professor Kader Asmal, will be present.
Crucial talks with Boesak

BY KAIZER NYATSUMBA
POLITICAL CORRESPONDENT

Deputy President Thabo Mbeki will lead a senior ANC Government delegation in crucial talks with ambassador designate Dr Allan Boesak in Pretoria today as pressure mounts on the former ANC Western Cape leader to withdraw his candidature for the Geneva UN posting.

And last night Boesak finally spoke out on the controversy, issuing a statement in which he denied misusing foreign aid money.

A spokesman in Mbeki’s office yesterday told The Star that President Mandela had asked Mbeki to be part of a delegation to hold talks with Boesak at an undisclosed time and venue today.

Top of the agenda will be a report drawn up jointly by lawyers for the Danish aid organisation DanChurch Aid and the Foundation for Peace and Justice’s (FFJ) legal representation.

Cash scandal... Freddie Steenkamp (left) supposedly borrowed R700,000. And Allan Boesak’s chance of a posting to Geneva is fading.

ANC Western Cape leader Chris Nissen, who met Boesak to discuss the growing furor on Tuesday evening, said the report would be submitted to Mandela “so that he can decide (on) whatever action should be taken.”

“The report will deal with all the allegations. Only when a report is ready will action be taken. The public has a right to know and we in the ANC need to know what has happened and how it can only be on that basis that action is taken.”

“There is a process to deal with the controversy, and (today’s) meeting with Mr Mbeki is part of that,” Nissen said.

Boesak last night called the charges that he spent aid money for personal use a “witchhunt,” Sapa-AP reports.

But Boesak said he would respect any decision by Mandela about his future, even if it meant the withdrawal of his designation as an UN representative.

“I emphatically deny any personal involvement in the alleged misappropriation of funds,” Boesak said.

Whatever monies I received over the years by way of either donations or a salary package were given on the grounds of...
Five vehicles registered in FPJ official's name

Staff Reporter

FIVE cars — three BMWs, a vintage 1934 Ford sedan and a four-by-four bakkie — are registered in the name of Mr Freddy Steenkamp, financial director of Dr Allan Boesak's Foundation for Peace and Justice (FPJ).

The estimated value of the vehicles is over R500 000.

This was revealed yesterday in licensing papers obtained from the traffic department which showed that Mr Steenkamp owns a 1994 BMW 3 Series M3, a 1992 BMW 5 Series, a 1989 BMW 3 Series 2.5, a 1934 vintage Ford sedan and a 1994 Nissan one-ton bakkie.

According to the papers, two of the vehicles were brand new when they were registered in Mr Steenkamp's name last year — the BMW 3 Series, with an estimated value of R200 000, was registered in February and the Nissan one-ton bakkie in April.

The BMW 5 Series, with an estimated value of R250 000, was registered in September 1993, the BMW 2.5 3 Series in October last year and the vintage Ford in January.

Since the controversy erupted over the alleged misappropriation of FPJ donor funds in recent weeks, it has been alleged that Mr Steenkamp borrowed R700 000 from the foundation as a home loan.

Mr Steenkamp has consistently refused to comment on the allegations.

The bakkie and one of the BMWs are up for sale by a Cape Town motor dealer.
Fund probe in 1991: No irregularity

Staff Reporter

THE Foundation for Peace and Justice (FPJ), which Dr Allan Boesak led, had a total salary bill of just R190,000 for a year for eight staff members in 1990/91.

This was disclosed yesterday by the director of FPJ raising in Pretoria, who said he was legally unable to release the whole report which emanated from an investigation into FPJ finances over three years ago.

The salary figures are for the year to April 1991. A salary bill of R190,000 a year for eight people amounts to an average salary per person of less than R2,000 a month.

"The salary received by Dr Boesak is not known," he said.

No irregularities were found, the director said CTE/11/95.

The foundation's total income from the end of November 1989 to mid-May 1991 amounted to R1.7m, most of it coming from the Nordic countries.

The main expenditures of the FPJ were on "social upliftment of communities, and promotion of non-violent resistance against oppression", the director said.

No evidence was found of any loans being made to staff members during the period of investigation.

Meanwhile, PAC MP Ms Patricia de Lille haul yesterday against what she called an anti-apartheid industry that had developed.

"The media should look into other organisations also," she said.

"Sometimes only 15% of funding reached the beneficiaries for whom it was intended, the rest being absorbed by big offices, fax machines, vehicles and fancy salaries," she said.

"I work among the people, but I can't see the effects of that aid,"

Ms De Lille said there were about 15,000 non-governmental organisations (NGOs) in the education field in South Africa - this could be verified by World Bank statistics, she said - and many of these were funded from overseas.

Yet it was difficult to see their results on the ground.

Before RDP funds were put into NGOs, "we must be certain they will deliver the goods".

She still needed to be convinced that there were viable NGOs in this country, she said.

"We can't build the capacity of those organisations that have not proved themselves."
Boesak’s envoy job put on ice

By Joe Mdilela
Political Reporter and Sapa

The government acted on the Allan Boesak controversy yesterday by suspending his appointment as South Africa’s ambassador to the United Nations in Geneva until the alleged financial irregularities of his Foundation for Peace and Justice have been cleared up.

The decision was taken at a meeting between Dr Boesak, Deputy President Thabo Mbeki and Foreign Minister Alfred Nzo in Pretoria yesterday.

Boesak agreed to accept full moral responsibility for the financial affairs of the FJP.

The ANC leader is alleged to have received a personal loan of R100,000 from funds donated to the organisation for development projects.

Sources close to the ANC say they will not be surprised if Boesak “gets the boot”.

Thabo Mbeki’s spokesman Mr Ricky Naidoo said Mbeki is charged with getting information from Boesak.

“Mbeki will then report to President Mandela.”

Boesak is described as one of Mandela’s “favourites” and the controversy presents the President with a dilemma.

Boesak has denied “any personal involvement in the alleged misappropriation.”

Spokeswoman for Danchurch Aid Ms Elisabeth Krogh yesterday declined to say what the organisation would do to recover monies allegedly misappropriated. She said: “We won’t comment on this case. Our lawyers in South Africa are handling the matter.”

“Boesak agreed to accept full moral responsibility for the financial affairs of the Foundation for Peace and Justice”

Dr Allan Boesak - Geneva ambassadorship suspended.

See page 8
THE BOESAK AFFAIR

Testing the ANC

Allan Boesak's appointment as ambassador to the UN in Geneva will depend on the outcome of an investigation by Johannesberg attorneys into allegations of mismanagement of Scandinavian aid money by his Foundation for Peace & Justice (FPJ). Until then, President Nelson Mandela is unlikely to take any action, in spite of calls by opposition parties to suspend Boesak's appointment pending clarification of the funding row.

Mandela's spokesman, Parks Mankahhla, says the row is between Boesak and a non-governmental organisation. While Mandela expects to be kept informed of progress in the investigation, he has no plans to take any action at this stage. Mankahhla denied a report this week that Mandela had decided to appoint his own investigation into the FPJ. A statement from Mandela's office last week noted the allegations against the FPJ but said no formal representations had been received by the President.

Suspicious silence

Boesak's appointment to Geneva took effect on January 1, but he is apparently still in SA. He has been unavailable for interviews since the FPJ row erupted in mid-December. His silence has heightened suspicion that the allegations are not without foundation.

The investigation into the FPJ is being carried out by attorneys appointed by the non-governmental Danchurch Aid, which financed the FPJ. It is understood that information about the FPJ's financial affairs were fed to Danchurch Aid by a disgruntled former FPJ staff member.

The allegations of financial mismanagement and inappropriate use of aid funds involve nearly R3m, including personal loans of R100,000 to Boesak and R700,000 to FPJ financial director and long-time Boesak confidant Freddie Steenkamp; a R4,500-a-month housing subsidy for Boesak; and a grant of R750,000 to a video production company run by Boesak's wife, Elna, for the production of a series of voter education videos (of which only one was made). Both Boesak and Steenkamp are well known for their extravagant lifestyle, which included luxury motorcars and houses in Cape Town's upmarket suburbs.

Danchurch Aid has also alleged that the FPJ's auditors tried to conceal unauthorised loans to staff members. The allegations have been denied by the auditors.

Danchurch Aid secretary-general Christian Balslev-Olesen told the Cape Times last week that he hoped for SA's sake that the row was not simply allowed to pass over

undermining government's stated commitment to transparency in all issues of public interest.
The Boesak Affair

Testing the ANC

Allan Boesak’s appointment as ambassador to the UN in Geneva will depend on the outcome of an investigation by Johannesburg attorneys into allegations of mismanagement of Scandinavian aid money by his Foundation for Peace & Justice (FPJ).

Until then, President Nelson Mandela is unlikely to take any action, in spite of calls by opposition parties to suspend Boesak’s appointment pending clarification of the funding row.

Mandela’s spokesman, Park Mankahla, says the row is between Boesak and a non-governmental organisation. While Mandela expects to be kept informed of progress in the investigation, he has no plans to take any action at this stage.

Mankahla denied a report this week that Mandela had decided to appoint his own investigation into the FPJ. A statement from Mandela’s office last week noted the allegations against the FPJ, but said no formal representations had been received by the President.

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Danchurch Aid secretary-general Christian Baltzv-Olesen told the Cape Times last week that he hoped for SA’s sake that the row was not simply allowed to pass over

"as this is unacceptable to any non-government organisation and the international community."

It also emerged this week that FPJ has no more money. A cheque for R25 000 issued to a church in Loxton in the Karoo for community projects was bounced due to lack of funds.

Three luxury cars owned by Steenkamp are on the market and Boesak’s BMW, which was also on the market, was repossessed last week because he was allegedly R5 000 in arrears on payments. Boesak’s luxury house in Constantia was deserted this week. He is believed to be staying somewhere on the Cape south coast near the Little Brak River.

The handling of the row is an important test for both Mandela and the ANC. Boesak, the leader of the ANC in the Western Cape before his recent appointment to Geneva, is the most senior member of the organisation to be embroiled in serious allegations of financial irregularities since the election.

Though the Western Cape ANC is normally backing Boesak in the face of calls for his suspension, he has never been particularly popular in the region and the allegations have further alienated him from other Cape leaders.

His apparent reluctance to answer any questions about FPJ affairs is also seriously undermining government’s stated commitment to transparency in all issues of public interest.

Awaiting a new order

Government must act soon on its overdue plans to restructure the SA Police Service (SAPS). Police morale, which has been low for years, can only get worse with the lingering uncertainty. Reports of a looming “shake-up” in the service have served only to sow further disillusionment, particularly in the white officers corps. Some experienced and well-qualified officers have decided to quit.

President Nelson Mandela may replace the present Commissioner, General Johan van der Merwe, when he appoints a new National Commissioner to head the service in the next month or two. The FM has learnt that Van der Merwe (58) may not want the job and could ask to go into retirement instead.

Gauteng Regional Commissioner Koos Cahli has been tipped for the National Commissionership. He holds a Masters degree in Police Administration and has risen through the ranks.

Van der Merwe’s security police background is said to count against him, as it does against most of the current police hierarchy. Only a handful of the present 50 all-male police generals do not come from the security ranks and only three are black. There does not appear to be any black police officer qualified or experienced enough for the top position.

But the shake-up will go far deeper than the mere shuffling of officials. The entire police service has to be restructured into a national service, with nine semi-autonomous provincial services, each under command of a regional commissioner appointed by the National Commissioner in consultation with each provincial MEC for Safety and Security. The service is now an amalgam of the 11 old apartheid forces — hardly a formula for cohesion.

Safety and Security Minister Sydney Mufamadi has stressed that the new SAPS must be more representative of the population — in other words, more black and women officers. He has also made clear that he intends to appoint civilians to many senior positions, if suitably qualified officers are not available.

Another priority is the “demilitarisation” of the service — doing away with the military ranking system and instilling civilian-sounding titles to encourage the
Boesak’s Geneva job on hold

BY KAIZER NYATSUMBA
POLITICAL CORRESPONDENT

Controversy-dogged former ANC Western Cape leader Dr Allan Boesak will not be going to Geneva unless the furor over the allegations of misuse of donor funds is resolved.

The announcement, which comes after reports this week that President Mandela had told Boesak to withdraw his candidacy for the plum diplomatic posting because of the allegations against him, was made by Deputy President Thabo Mbeki yesterday.

In a short statement issued after meeting Boesak, Mbeki said it had been agreed that he former cleric and United Democratic Front patron "would not take up his post as ambassador to the UN in Geneva until these issues (of alleged misappropriation of funds) had been satisfactorily resolved".

Foreign Affairs Minister Alfred Nzo, who also attended the crucial talks, will report to Mandela "as soon as the reports of the auditors of Durban church Aid and other such intended additional reports become available", Mbeki said.

Boesak’s successor or his stand-in in Geneva was not announced. Boesak was due to take up his new job on February 1.

It was reported this week that Mandela, who has committed his Government to fighting corruption, had left Boesak with no option but to step down as the country’s ambassador to Geneva because of the serious nature of the allegations against him.

Mandela, who has been at pains to avoid a public humiliation of Boesak, is understood to have told Boesak last week that he would no longer be able to take up his new position.

However, both Boesak and Water Affairs and Forestry Minister Kader Asmal — believed to be one of two ministers delegated by Mandela to persuade the charismatic former cleric to withdraw — have strenuously denied that the president had advised Boesak to stand down.

Boesak has categorically denied any wrongdoing on his part.

He said he had no intention of voluntarily withdrawing from the ambassadorship, adding that the matter was in Mandela’s hands.

Mbeki said Boesak had used the meeting to report on the allegations pertaining to his Foundation for Peace and Justice (FPJ), and insisted that he was not aware of any fraudulent activity.

"It was agreed by the meeting that it was important that independent audits of the FPJ be carried out as soon as possible," Mbeki said.

Shaky foundation
Shaky Foundation for High Ideals

Surf's Political Star Flounders as his career over allegations of the misuse of donor funds is rescinded. The

Arian Boswak will not be going to Geneva — unless the more

Edited by David Walker
A world name fades to near-invisibility as the double burst

A recent name fades to near-invisibility as the double burst

The new nation is born

In the midst of all of this, a new nation is born. The new nation is called the Double Burst. It is a nation that was created by a series of events that took place in the late 20th century. The Double Burst is a nation that is known for its unique culture and its unique economy. The Double Burst is a nation that is known for its unique politics and its unique history. The Double Burst is a nation that is known for its unique people and its unique places. The Double Burst is a nation that is known for its unique traditions and its unique celebrations. The Double Burst is a nation that is known for its unique nature and its unique landscapes. The Double Burst is a nation that is known for its unique sports and its unique entertainment. The Double Burst is a nation that is known for its unique food and its unique beverages. The Double Burst is a nation that is known for its unique fashion and its unique style. The Double Burst is a nation that is known for its unique architecture and its unique buildings. The Double Burst is a nation that is known for its unique transportation and its unique vehicles. The Double Burst is a nation that is known for its unique technology and its unique devices. The Double Burst is a nation that is known for its unique health and its unique medicine. The Double Burst is a nation that is known for its unique education and its unique schools. The Double Burst is a nation that is known for its unique arts and its unique artists. The Double Burst is a nation that is known for its unique science and its unique discoveries. The Double Burst is a nation that is known for its unique engineering and its unique inventions. The Double Burst is a nation that is known for its unique law and its unique justice. The Double Burst is a nation that is known for its unique religion and its unique beliefs. The Double Burst is a nation that is known for its unique family and its unique relationships. The Double Burst is a nation that is known for its unique community and its unique neighborhoods. The Double Burst is a nation that is known for its unique economy and its unique industries. The Double Burst is a nation that is known for its unique government and its unique politics. The Double Burst is a nation that is known for its unique society and its unique culture. The Double Burst is a nation that is known for its unique history and its unique stories. The Double Burst is a nation that is known for its unique future and its unique possibilities.
THE BOESAK AFFAIR

A burnt-out case

The question that needs to be asked about Allan Boesak, the clergyman turned politician who is about to become a diplomat, is not whether he is fit for an ambassadorial appointment in Geneva (he patently is not), but whether the job should exist at all.

Switzerland is one of the most expensive countries in the world in which to live. Yet we, who genuflect each day to what we call the RDP, support three ambassadors in that mountain kingdom of limited importance.

There is the ambassador to the country itself, who lives in Berne. There is the former director-general in the Finance Department, Gerhard Croeser, who enjoys the rank of ambassador without portfolio. Exactly what he does in Zurich is hard to find out. He demed emphatically at a conference in Spain in September that his job was to raise money for SA.

Then, of course, there is the ambassador to the UN agencies in Geneva, the position to which Boesak aspires and to which he brings neither the professional skills of a diplomat nor the special policy insights of one familiar with international issues.

The diplomatic community that hovers around the UN agencies in Geneva is the largest and most useless corpus of Sybarite drones outside of the New York-Washington axis. To be sure, Boesak will feel entirely at home within it. He will be able to live — at SA taxpayers’ expense — at the standard to which he has become accustomed as an ex-freedom fighter in Constantia, a Cape Town suburb not previously noted as a sanctuary for “struggle” politicians.

The cost of that life style in Geneva to the SA fiscus would build innumerable houses in Guguletu and the diplomatic duties there could easily be split between the ambassador to Switzerland, even if he has to travel more frequently to New York, and the ambassador to the Swiss banks in Zurich, aka Croeser. The former should be in a position to handle the humanitarian issues and the latter the financial ones, especially our dealings with Gatt.

There is no doubt that, in future, negotiations with Gatt (or the World Trade Organisation, into which this general agreement is about to be metamorphised) are going to loom large in our economic life. Such negotiations are going to demand a cool head and understanding not only of world trade but the economic implications of free trade.

If we do not negotiate in Geneva with skill and perspicacity, we could invite serious retaliation against us by substantial trading partners. Our man in Geneva in this respect should be no figurehead relying on the advice of officials. He should be in a position to brief our Cabinet with authority and economic insight.

Boesak’s endeavours in the past have been given expression more in hotel tariffs than import tariffs. His affairs of the past do not place him in a position from which he can bring strong moral accomplishment to humanitarian negotiations through the UN agencies.

As a politician and leader of the ANC in the Cape, he has accomplished nothing. In fact, he lost the provincial election to a representative of the very party that stripped his own people of their land rights and franchise and would have condemned them to perpetual poverty.

There is grave doubt now whether, as an instrument of dispensing Scandinavian largesse, he was any more successful. Elsewhere in this edition we spell out in detail the financial dealings for which he has as yet provided no explanation other than a blanket denial.

The suspicion is that to the Mandela government he is an embarrassment — and that, politically to the ANC, the cost of maintaining him in style in Geneva is worth the candle. And we would go along with that reasoning, if it would not also prejudice what might be accomplished, though temporarily, through the RDP.

Perhaps the hardest lesson that a fledgling democratic government has to learn is that its political interest does not necessarily coincide with the public interest. Perhaps the Boesak incident will bring that fact home to the Cabinet. If it does, at least something will have been accomplished from this tawdry affair — and at long last the money of the innocents in Scandinavia will have achieved some good.

The problem for government now is what to do with him. To expect any Christian congregation to accept him as its moral arbiter would be an act of gross hypocrisy, though the World Council of Churches is usually open to negotiation on such matters.

In ancient Rome he would have been offered a sword and, thereafter, a statue. And perhaps, metaphorically speaking, that is the only honourable way out. Is there still a Trappist monastery in the Transkei where a former pillar of the church and column on the back page of the Sunday Times might earn redemption?
CAPE TOWN — Controversy surrounding Allan Boesak intensified yesterday with claims that he "ploughed hundreds of thousands of rands into a top-secret rural development trust hidden from his donors and trustees".

The claims were made in a report in the Weekly Mail & Guardian.

Contacted for information about the alleged secret trust, National Rural Development Forum director Freddie Engels said he had not heard of it.

The Weekly Mail & Guardian report said the newspaper had "discovered" that Boesak and some of his close colleagues had set up a trust for "business operations, so secret that his donors and trustees didn't know about it".

The claims follow the Government's decision to stay Boesak's appointment as ambassador to the United Nations in Geneva pending the outcome of investigations into allegations of financial mismanagement at his Foundation for Peace and Justice.

The Weekly Mail & Guardian report said the foundation had "ploughed hundreds of thousands of rands into its Rural Ministries and Development Trust (RM&DT)" without the knowledge of trustees or funders and that even RM&DT trustees were not fully informed of all its activities.

It said the trust was intended to operate various business interests, including the King's Hotel in East London, to help fund the foundation's charitable work.

Four trustees

This was seen as a way to secure financial self-sufficiency for development projects as foreign funding appeared to be drying up.

Sources were quoted as saying that at least R400 000 of foundation money had been "lost" through the RM&DT, which was allegedly set up by four trustees: Boesak, foundation treasurer Freddie Steenkamp, Cape Town advocate Dendzi Polokwane and associate Norma Michal.

A former trustee, the report said, was not aware of the trust having received any money or carrying out any development projects. However, the newspaper said it had "reliably learnt" of an account at First National Bank in Bellville in the name of RM&DT "which on at least one occasion was used to settle foundation debts".

Former employees of the foundation claimed not to have been aware that Steenkamp owned five flashy cars. They knew only that he owned one German-marque vehicle, led a high-society lifestyle, had a house in an exclusive suburb and regularly entertained friends at exclusive restaurants.

It is not known whether Boesak knew of Steenkamp's lifestyle or whether he authorised an alleged R700 000 loan to Steenkamp. Boesak could not be reached for comment.
Business scheme cost Boesak fund R300 000

By PATRIC GROBERNOUNG
and PETER DE JONGH

A HIGH-FLYING scheme intended to make millions ended up costing Dr Allan Boesak's Foundation for Peace and Justice (FPJ) R300 000 intended for social upliftment projects.

The project, by the Comrades for Christ organization, to turn East London's Kings Hotel beachfront site into a profit-making workers' co-operative employing returning exiles, turned into a financial disaster.

Comrades for Christ used the foundation and the Cross Times Trust in Cape Town to secure financial guarantees for the plan to build a three-star hotel and conference centre.

Lured by the prospect of making millions in commissions, thefoundations' money was spent on "lawyers, drawing up contracts, plans and transport." The dreams of riches came to naught when the deal collapsed in 1999 after investors, operating through Bank Fuerst in Indonesia, received on a R16 million loan agreement.

Berend Schuitema, founder of Comrades for Christ in East London, said this week that a bid in 1993 by Dr Boesak to persuade Indonesian president General Suharto to intervene with the bank's owners, the Indonesian royal family, to have the funds released, had failed.

Dr Boesak at facing allegations of misappropriating Dutch aid funds channeled to the foundation for social upliftment projects.

Dr Boesak has denied any personal wrongdoing, but the controversy has placed his appointment as South Africa's ambassador to the United Nations in Geneva under a suspicious cloud.

Mr Schuitema accused the Cross Times Trust and Dr Boesak's foundation of being so determined to turn a handsome profit from the project that they "badly hijacked the whole thing."

"They were claiming millions in commissions if the whole thing had come off," he said.

Mr Schuitema said the foundation had spent a large part of the money on sponsoring air tickets. A lot of travel was involved," he said.

He conceded that the deal worked, Comrades for Christ's work would have benefited, but said that, in fact, it had suffered badly, losing R50 000 and having its reputation damaged.

He blamed the failure of the deal on the loss of the loan guarantee, insisting, however, that this was not the fault of the foundation or the Cross Times Trust.

"But the idea of big groups moving around with money supposed to be going to people on the ground did leave a funny feeling," he said.

Hannes Siebert, director of the now-defunct Cross Times Trust, said the foundation had spent R300 000 on "lawyers, drawing up contracts, plans and transport" and had secured the foreign loan.

He said a Jordanian broker, Ahmed Mustapha Al-Masri, who had arranged the Indonesian loan, had been jailed in France for three years for fraud when he failed to deliver the funds after being paid more than R2.5 million by the background project's London partners.

He insisted that no money from South Africa was paid to the broker.

Al-Masri, who claimed to be a member of the Jordanian royal family, met Mr Siebert and the London partners in 1999 and showed them bank drafts for the required amount.

When the money failed to appear charges were laid against Al-Masri in France.

Mr Siebert said he was still hoping the money would be released, as he, the Cross Times and Dr Boesak's foundation, had lost money Cross Times, a Christian magazine, had been forced to close because of the affair.

Had the project succeeded it would have benefited Comrades for Christ, Cross Times, the Unemployed Workers' Union in East London and Dr Boesak's Rural Ministry and Development Trust (RMDT).

The development trust was intended to operate business to generate profits which would fund the foundation's charitable projects.

It is alleged that R500 000 of FPJ money was lost in the development trust.

Mr Schuitema and Mr Siebert said the key development trust official involved with the Kings Hotel project had been Norman Michael, an RMDT trustee and currently a spokesman for Dr Boesak. Mr Michael could not be reached for comment.

After the Comrades for Christ plan collapsed, the site was sold to Murray and Roberts Construction for R65 million and in 1999 a luxury centre and shops were built on the site by Grader Developments.
Boesak drawing envoy's salary

Cape Town — Allan Boesak has not been "left high and dry" without a salary — as some of his friends claim — while his appointment as ambassador to the UN in Geneva is on hold due to the controversy over an aid foundation he ran.

It was confirmed yesterday that he has been paid an ambassador’s salary since December 1.

"He will continue to be paid until we receive further instructions," a spokesman for the Department for Foreign Affairs said yesterday.

Boesak was due to take up office as South Africa's ambassador to the United Nations in Geneva on February 1 — when he would also have qualified for generous residential and entertainment allowances.

But his appointment was suspended last week until all investigations into the finances of his Foundation for Peace and Justice are completed.

Boesak received his last cheque as MEC for economic affairs in the Western Cape on November 15, after he signed a contract accepting his appointment as UN ambassador.

His successor as Western Cape leader of the ANC, the Rev. Chris Nissen, said it was correct procedure for Boesak to resign.

Last week other Boesak associates claimed he had been "left high and dry" and he'd had no income for "several months."

Speculation about his financial problems was fuelled when it became known a bank repossessed his car.
Boesak says he's broke

AS the controversy surrounding Dr Allan Boesak grows, the former ANC Western Cape leader has disclosed that he is in financial difficulty.

However, he still believes he will take up his post as South Africa's ambassador to the United Nations in Geneva.

He made this statement on his return to Cape Town following a hastily convened meeting with Deputy President Thabo Mbeki and other top ANC members in Pretoria on Thursday.

The meeting followed allegations that Boesak and other Foundation for Peace and Justice officials misappropriated large amounts of the R4 million granted to the foundation by Scandinavian donor organisations.

About R2.9 million could not be accounted for.

After the meeting Mbeki announced that Boesak's posting to Geneva would be suspended until independent audits of the foundation had been released.

According to Boesak, many ANC leaders have told him "to hang in there". He mentioned Deputy Minister of Defence Ronnie Kasrils, Eastern Transvaal Premier Matthew Phosa and Western Cape ANC leader Chris Nissen who accompanied him.

Sapa reports that Boesak met Mandela in Cape Town last week and was told Mandela felt that the funding information had left Boesak with little option but to stand down.
FPF funds lost in aborted enterprise
‘No reprieve’ for Adriaan Vlok

By Joe Mulhlela
Political Reporter

Former minister of law and order Mr Adriaan Vlok will not be undeterred from prosecution for his alleged involvement in the Khotso House bombing of seven years ago.

Spokesperson for the Ministry of Justice, Ms Sue de Villiers, said Minister Dullah Omar had no intention of considering an application for his denies. However, this did not stop Vlok from lodging an application for consideration for contempt of court.

No provision.

There was also no provision for automatic indemnity in terms of the law, "so that Mr Vlok will have to file an application for indemnity in the normal way." De Villiers said Omar's attitude towards the Vlok issue was that when there was prima facie evidence of an offence, charges should be preferred.

On whether Vlok had applied for indemnity, she said no such application had been received by the minister's office.

The latest development contradicts a report attributed to the Commissioner of Police, General Johan van der Merwe.

He was quoted as having said that Vlok's charges would be withdrawn "because they were political in nature.

But now that the Ministry of Justice has a different attitude, this effectively puts paid to Vlok's hopes of enjoying indemnity.

Newspaper reports also quoted van der Merwe as saying the offence Vlok allegedly committed dated from before October 8, 1990 — the cut-off date for all cases to be considered for amnesty.

Vlok, who was minister of law and order at the time, is said to have co-conspired police who were involved in "third force" activities for "a job well done" for the bombing of Khotso House, which housed the South African Council of Churches and several anti-apartheid groups.

Police affidavits

Lawyers for Human Rights has confirmed it had in its possession affidavits by senior police officers which contained testimony that "a cabinet minister had co-conspired for a job well done."

Boesak is on part pay

AMBASSADOR-DESIGNATE to the United Nations in Geneva Dr Allan Boesak is not receiving his full ambassador's salary, the Department of Foreign Affairs said yesterday.

"Dr Boesak does not qualify for and is not receiving his full ambassadorial salary in South Africa as he has not yet taken up his post," the department said.

Boesak's Foundation for Peace and Justice is the subject of an inquiry following claims that Danish aid money intended for FJP socio-economic upliftment projects was diverted for the personal use of FJP staff.

At a meeting in Pretoria last Thursday between Deputy President Thabo Mbeki, Foreign Affairs Minister Alfred Nzo and Boesak, it was agreed that Boesak would not take up his appointment in Geneva until the FJP controversy had been "satisfactorily resolved."

Statement

The department's statement said it was able to confirm that a contractual agreement between Boesak and the Government began on December 1, 1994.

"In terms of this contract he qualifies for a salary at the level of a director in the public service until such time as he takes up his post as South Africa's permanent representative at the UN in Geneva."

"The department wishes to emphasise that it is normal practice for contractual diplomatic appointments to undergo a period of orientation prior to assuming duty abroad. This also applies in the case of Dr Boesak."

"The department would also like to state that with regard to contractual diplomatic appointments it acts as the Government's agency."

"In the case of Dr Boesak, the department will continue to honour the terms of the contract until instructed otherwise by the Government."

Boesak's Foundation for Peace and Justice has denied any wrongdoing. The Danish government has also denied any involvement in the controversy.
Cleric thought to be getting R130 000 a year

Boesak won’t have to pay back salary

BY BRONWYN LITTLETON

Even if investigations find that Dr Allan Boesak is unsuitable for the plum post of South Africa’s ambassador to the UN in Geneva, he will not have to pay back the salary he has received from the Department of Foreign Affairs since December 1.

A Foreign Affairs spokesman confirmed yesterday that Boesak had received a salary comparable to that of a director in the public service.

"It is not true that Dr Boesak has been paid an ambassador’s salary," she added.

The spokesman confirmed that Boesak was receiving a director’s level salary — believed to be about R130 000 a year — since he signed a contract on December 1.

Payment will continue until a decision is taken on the ambassador’s post to the United Nations in Geneva.

Salaries for ambassadors vary according to the posting.

It is believed the ambassador to the UN in Geneva is paid the same as a director, plus perks including housing.

Boesak was due to take up the Geneva post on February 1. But his appointment was effectively suspended last week until investigations into the finances of his Foundation for Peace and Justice were completed.

A spokesman for the department said yesterday it was common practice to pay "a head office salary" during orientation and before a diplomatic post was taken up.

"Dr Boesak has been undergoing orientation since December 1 and has been paid accordingly."

He had been to New York as part of his orientation, which would continue until a decision was taken on the Geneva post.

If he were found unfit for the post, the “break clause” in his contract would come into effect and the contract would simply be severed without Boesak having to repay any of the money paid to him over the past two months.

The spokesman refused to divulge further information on the contract or on Boesak’s salary.
Govt pays Boesak while investigation continues

AMBASSADOR-designate to the UN in Geneva, Allan Boesak, was not receiving a full ambassador's salary, the Foreign Affairs Department said yesterday.

"Boesak does not qualify for his full ambassadorial salary in SA as he has not yet taken up his post," a statement said.

"In terms of this contract he qualifies for a salary at the level of a director in the public service until such time as he takes up his post as SA's permanent representative at the UN in Geneva."

Boesak's Foundation for Peace and Justice is the subject of an inquiry following claims that Danish aid money intended for socioeconomic upliftment projects was diverted for the personal use of foundation staff. At a meeting in Pretoria on Thursday between Deputy President Thabo Mbeki, Foreign Affairs Minister Alfred Nzo and Boesak it was agreed that Boesak would not take up his appointment until the controversy had been satisfactorily resolved.

Scramble for local council seats

JOCKEYING for positions by non-statutory organisations in holding up the establishment of local transitional councils in KwaZulu/Natal, says provincial local government minister Peter Miller.

At present, there are 13 transitional councils in the province, including Mamathe, Dundee, Isipingo, Gxambu, KwaMashu, and Kokstad.

Miller said a proclamation setting up the Durban Metropolitan Council was being fine-tuned and would be gazetted, hopefully before January 12. He said the jockeying for positions on the interim municipal structures by non-statutory organisations - bodies which had not been involved in local government in the past - had necessitated "wide arbitration" by his ministry.

Several committees had been set up to arbitrate over the allocation of municipal seats to non-statutory organisations.

Tourism booms after election

SA tourism had jumped to a record high by September last year, with an increase of 21.6% in overseas visitors for that month over the previous year's September figures, a Central Statistical Service survey reported yesterday.

Rapid increases in the number of visitors began shortly after the April elections. September recorded about 10,000 more visitors than April, bringing the total for the period to more than 60,400.

CSS figures for the last quarter of 1994 were unavailable.

More than 60% of visitors were holiday-makers, 20% entered for business purposes and about 5% for work. Europe accounted for more than half the visitors and the Americas and Asia followed at nearly 30%.
F R A N K F U R T — D e p u t y P r e s i d e n t T h a b o M b e k i , c o u r t e d G e r m a n b a n k e r s a n d b u s i n e s s r e p r e s e n t a t i v e s y e r t e r d a y , s a y i n g h i s n e w l y u n i t e d c o u n t r y w a s c o m m i t t e d t o i m p r o v i n g a n d s a f e g u a r d i n g f o r e i g n i n v e s t m e n t .

"W e w o u l d l i k e t o s e e S o u t h A f r i c a a s o n e o f t h e l e a d i n g g r o w t h p o i n t s i n t h e w o r l d e c o n o m y w h e r e i t s h o u l d b e p o s s i b l e f o r i n v e s t o r s t o m a k e a p r o f i t a n d c o n t r i b u t e t o o u r c o m p e t i t i v e n e s s," M b e k i s a i d . M b e k i , s p e a k i n g o n t h e s e c o n d d a y o f a f i v e - d a y t o u r a i m e d a t r e a s u r i n g w a r y i n v e s t o r s , s a i d h i s g o v e r n m e n t w a s t a l k i n g t o B o n n a b o u t a p r o g r a m m e t o s a f e g u a r d f o r e i g n i n v e s t m e n t s .

M b e k i s a i d h i s g o v e r n m e n t w a s a i m i n g t o i m p r o v e i n v e s t m e n t c o n d i t i o n s ; c i t i n g l o w e d c o r p o r a t e t a x , p l a n s t o i m p r o v e , e d u c a t i o n a n d g e n e r a l s k i l l l e v e l s , a n d e f f o r t s t o p r o m o t e r e g i o n a l p o l i t i c a l a n d e c o n o m i c s t a b i l i t y .

"W e n e e d t o f a v o u r c a p i t a l e x p e n d i t u r e t h a t i s n e c e s s a r y a n d o b v i o u s , " M b e k i s a i d . M b e k i p r a i s e d t h e a b i l i t y o f t h e g o v e r n m e n t ' s t h r e e p a r t i e s " w h i c h w e r e i n t h e p a s t a t e a c h o t h e r ' s t h r o a t s " t o f u n c t i o n t o g e t h e r , c a l l i n g i t a n i m p o r t a n t s t a b i l i t y f a c t o r .

H e a s s u r e d h i s a u d i e n c e t h a t t h e g o v e r n m e n t w a s p u l l i n g t o g e t h e r a n d t h a t t h e r e w a s s o l i d c o n s e n s u s o n f i n a n c e p o l i c y a n d r e d u c i n g e x c e s s i v e p u b l i c e x p e n d i t u r e . H e a l s o d a n g l e d t h e c a r r o t o f p o s s i b l e p r i v a t i z a t i o n s a m o n g S o u t h A f r i c a ' s e x t e n s i v e s t a t e h o l d i n g s w h i c h h e n o t e d i n c l u d e d t e l e c o m m u n i c a t i o n s , p o w e r , a n d a i r l i n e a n d — "I d o n ' t k n o w w h y . " — a d i a m o n d m i n e . M b e k i , a d d r e s s i n g f e a r s o f s p i r a l i n g w a g e c o s t s , s a i d t h e g o v e r n m e n t w a s a i m i n g t o b u i l d " o c c u p a t i o n a l s t r u c t u r e b e t w e e n l a b o u r — a n d b u s i n e s s l e a d e r s a n d r e d e f i n e w a g e n e g o t i a t i o n s . " —

R e u t e r
FPJ given R\(_{\frac{1}{2}}\)m from SA funders

By ELIAS MALUKEKE
of Sapa

JOHANNESBURG — Dr Allan Boesak's Foundation for Peace and Justice (FPJ) received more than R500 000 from the South African-based Equal Opportunity Foundation (EOF) of which he was a trustee. EOF documents made available this week show the FPJ received the grants in 1988 and 1989. The FPJ also received substantial donations from the Community Education Trust (CET), which was also headed by EOF executive director Professor John Mmolotsa Makhene.

The EOF was established by political leaders in January, 1986 to raise funds for disadvantaged communities and for the upliftment of black education. The EOF's main donors were local and foreign multi-nationals which injected millions into its trust account. Coca-Cola in Atlanta, US, alone donated about $10 million (about R30m).

Other donors were Ford Motor Corporation and International Business Machines (IBM).

Boesak receives ‘special treatment’

By CHRIS BATEMAN

THE personal approach to Dr Allan Boesak by Cape Town's city treasurer Mr Eddie Landsberg to secure payment of arrears in electricity bills was unacceptable special treatment, exco chairman Mr Arthur Winkler said yesterday.

Town clerk Mr Keith Nicol said council policy was that when customers had not been disconnected for 15 months and arrears exceeded R150, “we give them a call.” This was usually done by their public relations department but Mr Landsberg “handled this one personally.”

Dr Boesak was appointed an EOF trustee in 1988 after he had negotiated with Coca-Cola for funds. The Community Education Trust donated more than R800 000 to the FPJ in 1989. The FPJ is being investigated after one of its major donors, the Danish charity DanChurch Aid, made claims of misappropriation of funds. DanChurch Aid gave more than R2.9m to the FPJ for needy causes. Efforts to locate Dr Boesak and Prof Makhene for comment yesterday were unsuccessful.
Boesak pays electricity bill arrears

Mbeki confers with Danchurch officials

Dr Allan Boesak's Foundation for Peace and Justice has been making headlines recently. The foundation, which was established by political and community leaders in January 1986, has been working to raise funds for disadvantaged communities and to uplift the education sector.

**Negotiated**

The foundation received a large donation from the South African-based Equal Opportunity Foundation, of which Boesak was a trustee. The EOF, which operates under the name South African Equal Opportunity Foundation, has a long history of supporting community projects and has made significant contributions to the education sector.

The EOF has been involved in negotiations with Coca-Cola for funds to support community projects. According to records of the EOF's 1998/99 financial year, several payments ranging from R150,000 to R200,000 were made to the EOF. Minutes of a meeting in 1989 indicate that further negotiations were needed to ensure that the payments were made.

The Community Education Trust also donated more than R250,000 to the EOF in 1989. The donation was made in support of the foundation's work in education and community development.

Boesak was appointed an EOF trustee in 1988 after he had negotiated with Coca-Cola for funds. According to reports, the foundation has made significant contributions to the education sector and has played a vital role in supporting community projects.

The EOF's main donors were local and foreign multinationals which injected millions into its trust account. Coca-Cola in Atlanta, US, alone donated about R35 million.

Other donors were Ford Motor Corporation and IBM.

The EOF is being investigated after claims were made of misappropriation of funds by one of its major donors, the Danish charity Danchurch Aid.

Boesak, whose appointment as ambassador to the United Nations in Geneva was put on ice last week pending the Danchurch Aid investigation, has denied any wrongdoing.

Efforts to locate Boesak and Mkhize for comment yesterday were unsuccessful.
Boesak trust 'not registered with court'

CAPE TOWN — The Rural Minstries and Development Trust set up by UN ambassa-
dor-designate Allan Boesak has not been
registered with the Master of the Supreme
Court, according to SABC radio news.

It was reported at the weekend that the
trust was set up by Boesak’s Foundation
for Peace and Justice without the know-
ledge of donors or trustees. Attorneys say
it is customary to register such trusts,
otherwise trustees cannot to act validly.

Boesak and his colleagues allegedly
ploughed hundreds of thousands of rands
into the trust, set up to operate various
business interests including an East Lon-
don hotel. Profits were intended to fund the
foundation. Sources alleged that at least
R400 000 of foundation money was lost
through the trust. (269)

The trust was reportedly established by
Boesak, foundation treasurer Freddie
Steenkamp, Cape Town advocate Denzil
Potgieter and Boesak’s spokesman, Nor-
man Michaels. ED 1/11/95

Boesak’s appointment as ambassador to
the UN in Geneva has been suspended by
government pending investigations. He
could not be reached for comment. — Sapa.
Boesak: Financial documents missing

He said Caravan Projects was approached by the FPJ and asked to submit a proposal for funding. When they put forward a proposal for R108 000, they were asked to “make it bigger” — by as much as R389 000. Mr Hoorn said:

“Accounts of financial dealings between the organisation and the FPJ are contained in the missing documents, according to Mr Hoorn.”

Mr Hoorn told Weekend Argus the missing documents involved correspondence about a fieldworker they wished to appoint.

Caravan Projects had requested funding from the FPJ for the fieldworker who would build up pre-school and paralegal structures in the area.

Dr Boesak’s foundation agreed to pay the fieldworker’s salary, buy a house for her and provide her travel expenses,” he said.

A house for the fieldworker was found for R32 000 in Carnarvon, and the financial director of the FPJ, Freddie Steenkamp, wrote to the organisation about it.

“He said Dr Boesak would personally give R18 000 towards the house and the FPJ the other R22 000, but we would have to pay back the money at R4 000 a month,” he said.

The cash-strapped organisation had found it “strange” that they should have to pay back the foreign donation and had refused to do so, said Mr Hoorn.

The house had then been bought by the FPJ and Caravan Projects had been informed it would eventually be given to the Nedo Gerf Church.

Dr Boesak was the minister of the former Sondlingkerk in Bellville South at the time and people involved in the project had been unhappy that Dr Boesak might have been “feathered that nest”, said Mr Hoorn.

Mr Hoorn said the documents were believed to have gone missing from the Caravan Projects offices this week.

See Page 2
Boesak scandal ‘a stick to beat’ ANC

GLYNNIS UNDERHILL (251) 12/1/95
Weekend Argus Reporter

The controversy surrounding the financial affairs of Allan Boesak and his Foundation for Peace and Justice was being used by political enemies of the ANC as “a stick to beat us”, said ANC national executive committee member Toni Yengeni.

The daily “bombardment” of headlines about Dr Boesak, former leader of the ANC in the Western Cape, was hampering the local government election campaign that was under way, said Mr Yengeni.

An investigation by the Weekly Mail and Guardian threw Dr Boesak into a fresh scandal yesterday amid allegations that he had “ploughed hundreds of thousands of rands” into a top-secret trust hidden from his donors and trustees at the foundation.

The report claims that Dr Boesak and some of his close colleagues set up a trust for “business operations”, intended to produce profits to help fund the foundation’s charitable work.

This is the latest in a series of allegations of financial mismanagement plaguing the ambassador-designate to the United Nations in Geneva.

Mr Yengeni said it was hard not to suspect a hidden agenda behind the exposure given to the unfolding story in the media over the past four weeks.

“Everybody knows that the previous government unlicensed off funds abroad. Yet I’ve never seen any in-depth investigation into these stories like the one that has been conducted around Dr Boesak.

That is not to say the allegations against Dr Boesak or the Foundation for Peace and Justice don’t hold water — they may well be there. The investigation should sort all that out,” he said.

The meeting this week between Deputy President Thabo Mbeki and Foreign Minister Alfred Nzo and Dr Boesak had been “constructive” and had created an air of transparency, said Mr Yengeni.

“We are all hoping that the investigation results will be out as soon as possible.”

Dr Boesak’s position in Geneva has been put on hold by the government pending the outcome of investigations into the allegations of mismanagement at the foundation.

The investigation by three Nordic funding agencies into the use of R2,7 million of foreign funding to the foundation is continuing.

Yesterday the general secretary of the Danish aid agency Danchurch Aid, Christian Balslev-Olesen, said he had “no idea at this stage” when the investigation would be concluded.

Claims that foreign aid agencies had ploughed “much more than they are admitting” into the foundation and were “severely embarrassed” by the scandal were denied.

Church of Norway consul of foreign relations Eyvind Aalborg denied that its aid agency had ploughed up to R5 million into Dr Boesak’s foundation over the past few years.

“From 1988 to 1992 we gave about R300 000 each year in foreign funding to the foundation and we were happy, until recently, with its accounting records,” he said.

“It would have proved impossible for us to delve behind the audited reports and we had no reason to suspect anything. We are now co-operating with the investigation and waiting to see what happens,” said Mr Aalborg.
No FPJ funds for rural trust

Staff Report

THERE was no "sinister purpose" behind the establishment of the Rural Ministries and Development Trust, says Dr Allan Boesak's personal assistant, Mr Norman Michaels.

Mr. Michaels said yesterday the trust had been established to generate funds for rural development.

It had operated clandestinely and had received no funds from the Foundation for Peace and Justice.

Trust didn't have sinister purpose — Page 2
Trust ‘didn’t have sinister purpose’

THE Rural Ministries and Development Trust was established to generate funds for rural development and not for some “sinister purpose”, Dr Allan Boesak’s personal assistant, Mr Norman Michaels, said in a statement yesterday.

He also said the trust did not operate clandestinely and “received no funds whatsoever” from Dr Boesak’s Foundation for Peace and Justice.

The Weekly Mail & Guardian reported on Friday that the RM&DT had been set up by the FFJ without the knowledge of the foundation’s donors and trustees.

The newspaper claimed Dr Boesak and some close colleagues ploughed money into the trust, set up to operate business interests, including the King’s Hotel in East London.

Mr Michaels said yesterday the trust had written to the Danish embassy in 1992 explaining its purpose and asking for Danish funding.

The written reply had declined involvement at that stage.

The trust had been formed precisely because donor money could not be used, Mr Michaels said.

He said the King’s Hotel project was a Cross-times Trust initiative and never an RM&DT project.

“The FFJ had earlier collaborated with Cross-times Trust on producing a land struggle survey and it was on the basis of the project’s inherent grassroots benefits in terms of jobs and economic ownership by the disadvantaged that the decision by the FFJ to assist in the King’s Hotel project was made,” Mr Michaels said.
New education era ‘a success’

JOHANNESBURG — The dawn of South Africa’s new free and non-racial education was hailed as a success by officials yesterday despite allegations of racism in admissions at some Johannesburg schools.

More than six million pupils in Gauteng, Northern Transvaal and the Eastern Transvaal reported at schools in what marks the first year of a free and compulsory education system for the first 10 years of schooling.

Gauteng Ministry of Education spokesman Mr Robinson Ramaitse said yesterday the day had been a success.

Schools in Gauteng opened their doors to all races but the influx of pupils at traditionally white schools was not as great as expected Township schools, however, were inundated with applications by pupils to re-enter the system to take advantage of the free education policy.

Model C schools, some of which had admitted some black pupils before, reported a large increase in black admissions and many had to refer pupils to the government’s central admissions office.

Mr Ramaitse said the government would cut state aid to Model C schools that had vacancies but refused to admit pupils whose parents could not pay fees.

Tens of Model C schools were being investigated by the ministry after parent allegations of racism in admissions.

Application forms for entrance to Johannesburg’s Laerskool Sudheuwels, which specified that children had to submit a certificate of health showing they were free of Aids and tuberculosis, were withdrawn by the school after a public outcry yesterday and intervention by the ministry.

Problems at two schools accused of racism, Spruce Boys’ and Randfontein high schools, had been resolved by afternoon after the principals submitted reports to the ministry and explained their situation, Mr Ramaitse said.

Eastern Cape Minister for Education Ms Beauty Balinyenda said yesterday no form of entrance testing would be allowed at Model C schools in the province.

She also instructed authorities to ensure that Model C schools stuck to a ratio of about 40 pupils a teacher.

She added that more than R4 billion had been received for education in the province this year.

In Pretoria, the first school day went well because most pupils had enrolled at the end of last year when education authorities urged an early start to registration — Special Correspondent, Sapa

Asmal prepared report on FPJ ‘abuse’

By CHRIS BATEMAN

A PRELIMINARY report into alleged funding abuse by Dr Allan Boesak’s Foundation for Peace and Justice was handed to President Nelson Mandela by legal expert Professor Kader Asmal shortly before Dr Boesak’s UN ambassadorship was frozen.

Reliable sources also confirmed yesterday that Prof Asmal handed over his report just before Deputy President Thabo Mbeki spoke to Dr Boesak last week.

Prof Asmal, the Minister of Water Affairs and Forestry, lectured in law in Ireland for nearly 30 years.

Dr Boesak, who signed a contract with Foreign Affairs to start on December 1 last year, has denied any personal wrongdoing in the face of allegations by a senior FJP employee that he received an unauthorised R100 000 loan.

Link

He was due to take up his post at the UN in Geneva next month.

The posting would put him at the centre of IMF and World Bank loans, where he would be a link in processing aid to South Africa.

The Johannesburg lawyer appointed by DanChurch Aid to probe the alleged abuse of R1.5 million met FJP officials in Cape Town yesterday.

An interim report had been faxed to DanChurch Aid’s headquarters in Copenhagen, a spokesman there confirmed yesterday. The final report is expected “within days”.

Reports that the investigation had been hampered by missing documents could not be confirmed yesterday.

FJP officials and trustees, Dr Boesak and the Johannesburg lawyer were unavailable for comment yesterday.
‘Irregularities’ in Boesak’s trust

Sowetan Correspondent

**PRELIMINARY REPORT**

Faxed to Danish donors for inquiry:

Deputy President Thabo Mbeki has been told the investigation into the alleged financial mismanagement of Dr Allan Boesak’s Foundation for Peace and Justice has been hampered by missing documents, but that a final report would be available in a matter of days.

Sources close to the inquiry say a "preliminary report" has been faxed to the Danish donors who ordered the investigation. Meanwhile, Sapa reports that a trust said to have been set up by Boesak has not been registered with the Master of the Supreme Court.

According to an attorney, it is customary to register such trusts to ensure validity. Failure to register a trust was an irregularity, he said.

According to the *Weekly Mail & Guardian* on Friday, the Rural Ministries and Development Trust was set up by Boesak’s Foundation for Peace and Justice without the knowledge of donors or trustees of the foundation.

The newspaper reported Boesak and one of his close colleagues ploughed hundreds of thousands of rand into the trust, set up to operate various business interests including a hotel in East London.

The trust was reportedly established with four trustees — Boesak, FPJ treasurer Freddie Steenkamp, Cape Town advocate Denzel Potgieter and Boesak’s spokesman Norman Michaels.

The FPJ is being investigated after claims were made of misappropriation of funds by one of its major donors, the Danish charity Danschurc Aid. —

Danschurc Aid gave more than R2.9 million to the FPJ for needy causes, but much of the money was allegedly diverted to FPJ members as "staff loans." Boesak has denied any wrongdoing.
GOVERNMENT had ordered an investigation into the restructuring of the State Tender Board, but it would have to be careful to avoid the board being abused and corrupted, industry sources said this week.

A board official said yesterday the Cabinet had instructed the Public Works and Finance departments to investigate changes in the functioning of the board, including a review of the tender system and the legal framework under which it operated.

The purpose of the exercise was to assist small contractors in tendering for government contracts.

The ANC made a strong call for the board’s overhaul at its national consultative conference held in Bloemfontein recently.

Other changes being looked at are the establishment of nine provincial tender boards and one central board following the adoption of the interim constitution.

However, there is still lack of clarity over the functions and powers of the planned boards.

The official said the board’s internal investigation team, in consultation with outside parties, expected to submit a memorandum to the Cabinet by the end of next month outlining the proposed changes.

A source within the National Economic Forum said an investigation by the forum had found certain aspects of the board to be problematic.

Among these aspects was the fact that the board had very little discretion regarding the decisions made on awarding tenders.

The issue of insufficient discretion was responsible for the continuing bias of the board towards awarding many tenders to larger contractors.

"While there was general agreement within the forum that discretion must be increased, this step will have to be accompanied by strong control and monitoring measures as it may be abused and corrupted," the forum source said.

Officials may be bribed for tender favours.

Another observer said the restructuring of the State Tender Board was critical to government’s strategy of promoting the development of small business and bringing previously "economically disenfranchised groups" into the mainstream.

However, he warned that preference for small contractors could lead to disastrous results.

Such preference could see companies staying small in the incessant pursuit of privileges.

This could stall the objective of government’s construction and development programme to create more job opportunities.

"Several World Bank studies have warned against this," he said.
Boesak's hidden trust

Eleutheria Trust which funded Elza Boesak's video production company, Camelot Communications, and was unaware of any formal connection between Eleutheria and the foundation. The source said Eleutheria had apparently been set up for similar reasons as RM&D, namely to do work which might generate profits, and which therefore fell outside the foundation's ambit.

However, Camelot operated from foundation offices in Bellville and continued to use foundation premises after the operation was moved to central Cape-Town.

Comments by staff and others who had dealings with the foundation point to the following characteristics:

- Secrecy around how money was spent.
- A lack of distinction between the funds of the foundation, the trust, Eleutheria and Camelot with Boesak and Steenkamp and/or Elza Boesak holding the purse strings.
- Trustees kept in the dark.

Former foundation staff members say that all executive decisions concerning the foundation were taken by Boesak and Steenkamp.
Probes into ‘irregular’ R15.5-m Agribank loan

JOHANNESBURG — The North-West government is investigating allegations of an irregular R15.5 million loan transaction made by the province’s Agribank while the bank was under the control of former MEC for agriculture, Rocky Malebane-Metsung.

According to a report by Finance weekly Finansies en Tegniek, Mr Malebane-Metsung allegedly used his influence to grant the loan without any securities or guarantees to a Norman Escoffery, who was allegedly sought for fraud in the United States.

The North-West government said in a statement preliminary investigations into the allegations confirmed that the channels normally followed in processing applications of loans were not followed and thus irregular. Despite legal opinion given to senior Agribank officials against the granting of this loan, Mr Escoffery’s loan was still approved.

The government said it had appointed a high-powered investigating team to urgently probe and report its findings.

“The government commits itself to a transparent process in which all implicated parties will be brought to book.”

According to the Finansies en Tegniek report, Mr Escoffery used the money to buy a bankrupt foodprocessing plant called North Hills farm, situated between Pretoria and Johannesburg. The company’s name was later changed to Liberty Foods.

Agribank, founded 15 years ago by the former Bophuthatswana government and private sector investors, was managed by a board of directors until last year’s April election, when it fell under the direct control of the new North-West government’s MEC for agriculture.

The bank was supposed to grant loans exclusively to farmers in the province.

According to Finansies en Tegniek, Mr Escoffery spent substantial amounts of money decorating, his company’s offices and hosted a party attended by North-West and Mozambican VIPs.

He reportedly bought a house in Pretoria and a luxury German sedan. Some of his money apparently came from a R3 million overdraft at First National Bank, which Agribank allegedly guaranteed.

Acting North West premier Johannes Teelapedi has admitted knowledge of the irregular grant, but had refused to say anything about Mr Malebane-Metsung’s alleged involvement.

Approached for comment, Mr Malebane-Metsung remained tightlipped, except to say he would respond to the allegations later. — Sapa
Tightly packaged

Unless Allan Boesak voluntarily resigns as SA’s ambassador to the UN agencies in Geneva, getting rid of him could become a complex and costly exercise for government. His contract with the Department of Foreign Affairs, which came into force on December 1 last year, ties him firmly to his job — and he appears to have no intention of loosening the knot.

Though Foreign Affairs this week declined to disclose specific details of Boesak’s contract, it is understood that only factors such as a criminal offence or bankruptcy would allow government to replace him. Any other changes would need to be by mutual consent. For example, Boesak could agree to resign if given a good settlement package. But, as the FM went to press, there was no indication this would happen.

At a meeting in Pretoria last week, Boesak acknowledged to Foreign Affairs

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CURRENT AFFAIRS

Minister Alfred Nzo and Deputy President Thabo Mbeki that he was morally responsible for the affairs of his scandal-ridden Foundation for Peace and Justice but insisted that he was not guilty of any offence. He claimed to be unaware of alleged misappropriation of aid money (Current Affairs January 6).

At the meeting, it was decided that Boesak would not take up his post in Geneva until the completion of an investigation into the foundation’s affairs by a firm of Johannesburg attorneys, appointed by Danish and organisation Dachurch Aid which funded the foundation.

It is understood that the decision to delay Boesak’s departure for Geneva followed a report to President Nelson Mandela by Water Affairs & Forestry Minister Kader Asmal and Justice Minister Dullah Omar, who had been asked for an informal assessment of the allegations against Boesak and other foundation staff and trustees. Reports last week that Asmal and Omar had been asked by Mandela to suggest to Boesak that he resign as ambassador were incorrect. It is understood that no further action will be taken until the attorneys’ report is received.

On a personal level, Boesak’s dogged reluctance to resign in spite of mounting evidence of serious maladministration is understandable. Having quit his R286 000-a-year post as MEC for Economic Affairs in the Western Cape, and with the foundation’s coffers now empty, he is believed to have no income other than his ambassador’s salary.

Full details of the substantial allowances to which Boesak would be entitled in Geneva could not be clarified this week but, until he takes up the post, he will be paid about R10 500 a month — a departmental director’s salary.
Aid Boesak didn’t pass on

Two community projects received only a fraction of aid money handed to Dr Allan Boesak’s foundation, reports Justin Pearce.

The Weekly Mail & Guardian has uncovered two incidents where only a fraction of donor money given to Dr Allan Boesak’s Foundation for Peace and Justice (FFIJ) appear to have reached the communities for which they were intended.

Documents in possession of the WM&G indicate that the Danish Ministry of Foreign Affairs granted more than half a million rand to the donor organisation DanChurch Aid, on the request of the FFIJ for use in projects in Carnarvon in the Karoo, between 1992 and 1994.

Earlier this month representatives of Caravan Community Projects in Carnarvon claimed that the organisation had received only R25 000 from the FFIJ over a period of two years.

The documents indicate that administration fees of between five and seven percent were granted to the FFIJ, with some of the donations.

In 1993 the ministry approved an FFIJ request, again on behalf of Karoo, for 402 000 Kroner (R201 000).

The FFIJ also received R70 000 earmarked for community projects in the Karoo town of Loxton during 1994, of which only R15 000 ever reached the Loxton community.

DanChurch Aid sources have confirmed that the agency’s 1994 annual report, which is still in the process of publication, records a sum of 132 000 Kroner (R70 000) was paid to the FFIJ during the course of 1994.

Jan Rieger of Loxton Community Projects, told the WM&G that the organisation had submitted a budget for R60 000 to the foundation in 1993.

The projects for which the organisation budgeted included a creche, a community vegetable garden and a shop where community members could sell home produce.

Early in 1994 the organisation received a cheque for R15 000 from the FFIJ. In December, it received a further cheque for R25 000 which could not be cashed as there was no money in the foundation’s bank account.

Rieger and Loxton Community Projects had never received any more money from the FFIJ.

Meanwhile, Norman Michaels, former personal assistant to Dr Allan Boesak, has denied that the Rural Ministries and Development Trust received money from the FFIJ, as reported in the WM&G last week.

Michaels issued a statement on Wednesday challenging a number of the claims concerning the trust.

According to the statement, the trust never had any money. Asked about the trust’s bank account, details of which are in the hands of WM&G, Michaels told the WM&G that the account had been established with donations of R100 from each of the three founding trustees.

When asked about trustee Denzil Pogge’s claim that he knew nothing about the bank account, Michaels replied that Pogge was not one of the original trustees, but had been invited to become a trustee at a later stage.

Michaels declined to comment when asked about a cheque from the trust’s Bellville bank account which was used to settle an FFIJ debt.

According to the statement, the trust was unconnected with the King’s Hotel project in East London. This was a Crosslines Trust initiative, for which the FFIJ was approached with a request for help.

The trust was established to generate funds for rural development. Michaels says the trust’s representatives wrote to the Danish embassy in 1992 to request funding, after a meeting with the then Danish ambassador to South Africa, Peter Bruckner, who had recommended they approach the embassy.

Michaels said the embassy turned down the initial request but invited the trust to apply again at a later date.

Bruckner could not be reached for comment, though his successor, Alf Jonsson, said it was unlikely that the embassy would invite requests for funding. All such requests are routinely referred to DanChurch Aid.

Jonsson said...

Transkei, Ciskei in corruption scrutiny

By RYAN CRESSWELL

EASTERN CAPE government officials are conducting far-reaching investigations into corruption and maladministration in Transkei and Ciskei.

Regenial government spokesman Prince Msutu has confirmed that the investigation into corruption in the former homelands was under way.

Public Administration and Development Planning MEC Ezra Sigwela said various investigations were being carried out at "departmental" level.

Mr Msutu said the investigation would be finished in a few months, and the findings made public.

A R300-million overdraft facility for the Transkei, and irregularities in the two homelands' armies and police forces are said to be among the key issues being investigated.

Also this week, at an 83rd anniversary meeting in East London, Deputy Minister of Environment Affairs and former Transkei military ruler Major-General Bantu Holomisa, called for a judicial commission of inquiry into past corruption in the region.

General Holomisa said allegations that he and other members of the former military council had misused public funds should be investigated. He said he was prepared to "answer to the allegations."

But Ciskei and Transkei had already been spotlighted for national-level investigations, along with other former homelands, in November, when the Minister of Finance, Chris Liebenberg, called for an inquiry into corruption in Transkei and other former homelands.

A spokesman for the office of the Public Service Commission said this week that a commission was being established and would be presided over by a judge.

He said the judicial commission would investigate and review the conclusion or amendment of contracts and terms of employment between April 27, 1983 and September 30, 1984. He said the investigation related to public servants wherever they worked in the country.

Last year, the Joint Standing Committee on Public Accounts took note of the results of a probe by the Department of State Expenditure, which pointed to the possibility of financial problems and irregularities in the former TBVC states.

It recommended that the auditor general ensure that all arrear audits be finalised and further investigations carried out in cases where effective auditing could not be accomplished within four months.

The deputy auditor general, Professor Bertie Loots, said this week his office would present an initial report on the issue to Parliament next month.

Stung by the charges of maladministration during his eight-year tenure as military boss of Transkei, General Holomisa accused former Minister of Foreign Affairs Pik Botha of waging a campaign of destabilisation against him when he ruled the Transkei.

General Holomisa claimed in a letter to the Sunday Times this week that the pressure from South Africa mounted after he attempted to help South African authorities bring to book businesspeople guilty of corruption.

"At first we co-operated with the South African government, but when the net was closing around certain big companies and individuals, tensions began to emerge."

In particular, he claims, Mr Botha sought to persuade Transkei to favour businessman Chris van Rensburg, who was then facing fraud probes in Transkei.

The pressures by Pretoria included stopping funds for development projects that had been approved by the Transkei, the late release of Transkei's annual budget, which made budgeting difficult, the failure to deliver on promises for assistance for infrastructural change; and claims that Transkei was involved in the training of Apla guerillas, a refusal to assist the territory to pay pensions, which forced it to borrow against the public service pensions.

General Holomisa said that during his tenure in office, he was also subjected to assassination attempts, coup plots, financial blackmail and non-co-operation from the South African government.
JOHANNESBURG. — Deputy President Thabo Mbeki met Danish officials to discuss allegations that Dr Allan Boesak mismanaged aid money, but the probe was still continuing so nothing significant came of the meeting, Mr Mbeki said on Saturday.

He told a news conference on his return from a five-day visit to Germany he had requested a meeting with DanChurch Aid to be briefed on the probe of the alleged misuse of funds given to Dr Boesak’s Foundation for Peace and Justice (FPJ).

“DanChurch Aid does not have any representatives in this country so they have been acting through lawyers and accountants. We thought that since we were in Europe we might want to see them and so we asked to see them to get a report as to what is going on. They briefed us, but they couldn’t give us what they might have considered a complete picture because they said that the process of discussion with Allan Boesak (and the trustees of the foundation was continuing, as was the work of the auditors, so nothing of significance came of it,” Mr Mbeki said.

The aid group is looking into allegations of the misuse of money given to the FPJ, which received 72 million Danish crowns (about R4,17m) over the past two years.

The money was donated by the Lutheran state church aid bodies of Denmark, Sweden and Norway.

Dr Boesak was due to take up office as South Africa’s ambassador to the United Nations in Geneva on February 1.

His appointment has been suspended until all investigations into the allegations are complete. — Reuters
Boesak case dropped but not ended

Cape Town — An application for summary judgment for R37 146,03 against the Foundation for Peace and Justice headed by Dr Allan Boesak was withdrawn in the Cape Town Supreme Court yesterday.

The application was withdrawn in terms of an agreement between the parties.

Lawyers for the applicants said the withdrawal was not the end of the matter and it would be pursued.

In papers before the court, a Mercantile Bank regional manager said that in his view the foundation had no bona fide defence against the claim.

Boesak and the foundation, cited as guarantors and joint principal debtors in terms of an agreement with the bank, denied owing the money. — Sapa.
"Mokaba must quit!"

THE National Party has demanded an inquiry into a report that millions of rands went missing from the National Tourism Forum while it was under the control of ANC activist Peter Mokaba.

The party, responding to a report in Beeld, said yesterday, the ANC had created the forum before last year's election and would have to take full responsibility for it.

"Mr Mokaba is presently chairman of the parliamentary standing committee for tourism and environmental conservation and should resign from the post so that the activities of the forum can be properly exposed in public.

"The NP also requests that auditors make a complete report to the Commercial Branch of the SAP so that the accusations can be properly investigated and, should it be necessary, refer the matter to the Attorney-General."

Beeld said the forum was being disbanded because it had run out of money. It had been set up with donations from the private sector to study tourism.

Auditors had reported that some major donations to the forum, of which Mokaba was chairman, could not be traced — Sapa."
THE COUNCIL of the National Tourist Forum, chaired by former ANC youth leader Peter Mokaba, has refused to approve the investigation by auditors Deloitte and Touche into "irregular payments" amounting to more than R1,250,000— including more than R40,000 to Peter Mokaba and more than R200,000 in payments to "unknown payees".

This controversial move comes after more than R3-million donated in little more than a year to the NTF "evaporated" and the NTF last month was in debt for over R330,000. This while Mokaba received an annual salary payment of almost R250,000 from September 1993 to September 1994. The donations had been meant for the promotion of tourism by the ANC-inspired non-governmental organisation.

The only item that the NTF council has approved is the invetigation of R100,000, allegedly paid to an account of Lawrence Promotions CC by NTF Marketing Director, Ciro Strugnell—who claims he later withdrew R95,000 of the money and paid it in cash to NTF executive director Ngoako Maphala. Strugnell has not been discharged and has undertaken to repay the money himself.

Maphala and fellow director John Rothschild were suspended on December 14 with pay.

Maphala has denied receiving the money—and has sent a letter of demand to the NTF demanding R150,000 in damages for defamation.

An investigation by Deloitte and Touche, mostly limited to the stolen R100,000, reported that:

- Income tax—totalling more than R200,000—had not been deducted from salaries,
- A total of R3,090,151.88 had been received from donors up to September 30 last year—but only R2,947,552.04 was recorded as having been received.
- Salary payments fluctuated significantly and, for the year from September 1993 to September 1994, totalled R1,507,448.08—nearly 58 percent of total expenditure during that period.

Peter Mokaba's salary for that period was R246,000.

In November 1993 he received two salaries of R30,000 and R16,500. Most of his salary cheques were for R16,500 a month—but in May 1994, he received three salaries of R2,000; R33,000 and R15,860.

Strugnell's normal salary appears to be R9,500, but there are some months when he was paid R29,589, R11,000, and R28,500.

"Sundry expenses" totalled R706,993—27 percent of total expenditure—and motor vehicle leases totalled R265,105; motor and travel and accommodation costs totalled R20,473.
Mokaba in R1-m probe

By Ruth Bhengu

EXECUTIVE DIRECTOR of the National Tourism Forum Mr Nggako Maphala has threatened to take his boss Mr Peter Mokaba to court if he does not frame charges or hold a disciplinary hearing against him within seven days.

The letter, which is Mr Mokaba’s possession, was issued by Maphala’s lawyers, Beder-Friedland Incorporated of Orange Grove, Johannesburg.

According to an auditors’ report at least R1.2 million cannot be accounted for.

Mokaba had allegedly received R246 000 in salary from the NTF up to September last year. He also received a further R20 000 for sundry expenses and a R12 000 monthly car allowance.

Highly placed sources in the NTF, who declined to be named for fear of reprisals, have accused Mokaba, an ANC MP, of trying to close down the forum to “hide things”.

Mokaba, who was in a meeting of the national executive committee of the ANC in Cape Town, could not be reached for comment yesterday.

Maphala was suspended with full pay by the NTF council on December 14 after a report by Johannesburg auditors Deloitte and Touche of financial irregularities within the forum.

The Deloitte and Touche’s investigation claimed that:

- Income tax of more than R200 000 had not been deducted from salaries,
- An amount of R3 090 151 was received from donors up to September 30 last year,
- Between September 1993 and September 1994 salaries totalled R1 507 448, which was almost 58 percent of the total expenditure for the period, and

- Sundry expenses amounted to R706 993 and motor vehicle leases totalled R265 105.

Motor, travel and accommodation costs were R210 473.

The inquiry was ordered by Mokaba who is chairman of National Tourism Forum.

Also suspended were other NTF directors John Rothchild and Clive Strugnell.

“We have been instructed by our clients to place your client on terms either to frame charges and hold a disciplinary inquiry within seven days of date hereof, alternatively reinstate our client within such a period,” reads the letter from Maphala’s lawyers to Mokaba’s.

“Our client considers your client’s failure and or refusal to reinstate our client as a strategy on the part of certain of your client’s members, who have some hidden agenda, to ensure that our client is not at the helm of the NTF, while such members attempt to close the organisation down.

“The chairman of the organisation has already gone on record in the Press as stating that the NTF will be dissolved, this notwithstanding the fact that no such decision was taken at the council meeting on the 18th,” reads the letter.

The letter also states that:

- The report by Deloitte and Touche was completed without Maphala being interviewed at any time.
- There is no suggestion in the report that Maphala was in any way implicated in the theft or removal of the amount of R100 420 or any lesser amount whatsoever; and
- Sundry payments to Maphala stated in the report were paid in respect of common to which he is entitled as a fundraiser.

Maphala’s attorneys said there was no reason for his suspension to continue.
irregularities

Mokaba ‘knew’ of swindle

Continued from page 1

Strugnell says he withdrew money from that account twice and paid it to Maphala in cash. In his third affidavit, also dated December 7 1994, Strugnell says he did not at any time give R95 000 to Maphala or anyone else. He said he had not told Mokaba or anyone that he had given money to Maphala.

In another document, Strugnell apologises to Mokaba and all the directors of NTF for charging the company money for information he did not pay for.

"These documents were offered to me free of charge by the company which originated them," Strugnell wrote.

"I decided to ask the NTF to pay for this information and I originated the invoice in my wife’s name so that the cheque could be issued for them. I knew that Mr Maphula did not know her name and that he would accept this name as being that of a promotions company.

"Mr Rothschild signed the cheque very reluctantly. Later when Mr Mokaba queried this transaction, I lied and told him that the company we had paid for the document was a promotional company.

"Strugnell could not be reached for comment yesterday."
Mokaba's hands are clean: auditors confirm MP's claim

From Page 1

Pierce was able to get hold of the NTF's books.

Mokaba said last November the firm phoned him in Cape Town to query some "cheques he (Pierce) did not understand."

they were signed by NTF directors Ngoako Mapula and John Rothschild and made out to Laurence Promotions.

He claims the two men told him the R100,420 in cheques were for research on behalf of the forum.

Mokaba said Rothschild had told him he was forced to sign the cheques and referred him to the marketing director, Clive Strugnell, who was a friend of a man in the market.

Mokaba said upon further investigation, the following emerged:

- There was no such research commissioned. Instead, an American-based woman who had prepared a document on tram coaches had approached the NTF for assistance, and Strugnell allegedly took the document and promised to come back to him.

- It was allegedly that document which was being passed off as the commissioned research.

- Laurence was the maiden name of Strugnell's wife, in whose bank account the R100,420 had been deposited.

- Strugnell gave Mokaba an affidavit implacating Mapula, and allegedly confessed he had deposited the money into his wife's account and later transferred it to his own account, from which R90,000 was withdrawn.

He allegedly said he had left only R10,000 for himself, but would not say what had become of the R90,000.

- NTF human resources director Pauline Ramman had shown Mokaba an affidavit allegedly prepared by Strugnell for Mapula, in which he denied having told either Mokaba or Rothschild that he had deposited R90,000 into Mapula's bank account.

- Strugnell, who was asked to resign, undertook to repay the money, and Mapula was suspended, first by Mokaba and later by the NPF council, with full pay. Mapula challenged his suspension on the grounds that it had come from Mokaba and not from the council.

In a meeting of NTF employees and directors, Mokaba announced that a three-member team of experts made up of Pierce, Reuel Khoza and a Dr. Kruegel would look at the forum with a view to restructuring it.

However, both Mokaba and Mapula have denied the allegations.

On December 13, Pierce and Mokaba were appointed new signatories of the NTF, and the ANC MP suggested that an independent firm of auditors should be appointed to take over the investigation.

On January 18 this year, Deloitte & Touche's findings were presented to the council, confirming the fraud allegations against Mapula and Strugnell, and the report's recommendations were accepted.

The council, according to Mokaba, also resolved to close the NTF with effect from January 31 because of lack of finances.

February 2 was set as the day on which the two men will be given a chance to respond to the report's findings, and Mokaba said he had informed them of this in writing.

Mokaba said he still believed a structure like the NTF was necessary to do research, engage in capacity-building in the community, introduce blacks into tourism and help the Government in the implementation of the Reconstruction and Development Programmes.

"The other guys (in the tourism industry) should not be happy that the NTF, which used to be a challenge to them, is no more, and they can go back to their old ways," Mokaba said.
Mokaba sets up probe of forum funds

JOHANNESBURG — ANC MP Mr Peter Mokaba has set up an investigation into claims that "millions of rand" donated to the National Tourism Forum (NTF), which he heads, has gone missing.

The investigation follows calls, reported at the weekend, for his resignation as chairman of the parliamentary standing committee on tourism.

But Mr Mark Fumngton, of Deloitte and Touche, the firm of auditors that has already probed alleged financial mismanagement at the NTF, said here that Mr Mokaba's hands were "clean".

And Mr Mokaba said yesterday he had been at the forefront of a fight for clean and sound administration in the forum.

Mr Fumngton said there was "certainly no information of Mr Mokaba's involvement in any wrongdoing".

In his first reaction yesterday to weekend reports about alleged fraud at the NTF, Mr Mokaba, the former ANC Youth League leader, said he had expressed his concern as early as before last year's national election about the need for the NTF to do proper book-keeping so that it could organise its budget.

He had subsequently engaged a firm to look at the NTF books, but it had complained about a lack of co-operation. It was only when he took some members of the management with him on a fund-raising tour to Hong Kong that the firm was able to get the books for auditing.
Move to favour small business

State tender system set for shake-up

THE state tender system was set for a review that would favour small and medium suppliers to ensure the economic empowerment of previously marginalised sectors, Public Works Minister Jeff Radebe said yesterday.

Launching a forum which would look into tender procedures, Radebe said current state practice tended to favour larger and better-established enterprises and did not allow emerging entrepreneurs easy access into the public sector's "mainstream procurement activities".

The business sector, while generally welcoming government steps to review state procurement procedures, believed that the task should be handled by a more broadly based forum such as the National Economic, Development and Labour Council (Nedlac).

Radebe said the forum, which would be made up of representatives from the Public Works and Finance Ministries, was expected to draft interim procedures for emerging businesses by the end of March.

Non-governmental organisations would be invited to comment between April and June before recommendations were revised, probably by the end of September.

The forum would focus on:
- User friendliness and accessibility of the procurement system, especially to small and medium enterprises,
- Alternative tender methods,
- Assisted, preferential or selective tendering,
- Review of tender documentation,
- The need for risk underwriting in specific circumstances,
- Community involvement; and
- Labour-intensive construction methods.

Theo Rawana

He said the World Bank's procurement division had recently visited SA to assess the nature and extent of the support it could give to reforming the tender system.

Finance Deputy Minister Alec Erwin said the forum should find a balance between cost-effectiveness and the reconstruction and development programme.

Tender Board chairman Jan Breitenbach said tender awards should stimulate local economies. Tender advertisements currently printed in the tender bulletin and provincial gazettes, might have to be extended to local newspapers. There would be more provincial tender boards which would be obliged to give reasons for their decisions to interested parties.

AHI economist Johan Roux said his organisation welcomed the fact that government would consult stakeholders before deciding on a new tender policy, but he was not sure that a forum was the way to go about it. "We feel the issue needs a broader forum and should be discussed at the Nedlac," he said.

The AHI welcomed accessibility of information from the Tender Board if it concerned the mechanics of tendering. But if it meant disclosing information about tenderers, then it could lead to complications because that information should be classified.

Seifsa economist Mike McDonald also said the issue should be thrown into Nedlac "because it needs a wider forum." He warned that giving the Tender Board too much discretion because that might lead to corruption. "Granting contracts to-

Tender system

companies of a certain size might be counter-productive because firms would not grow, thereby stifling job creation.

Nafcoc president Joe Hlongwane welcomed the establishment of the forum. "Government procurement represents one of the most potent instruments of empowering the disadvantaged communities."

National Black Business Caucus executive director Danusa Baloyi said the move demonstrated government's commitment to ensuring black empowerment and righting the wrongs of the past. But the caucus, which had its own procurement tender sub-committee, would monitor progress. "Right now people who have been in the Tender Board for 16 years are still there, and while the forum is taking six months to complete its work, contracts for three- or four-year jobs are being taken up."
Sol gave cash to Mokaba

By Ruth Bhengu

ANC MP Mr Peter Mokaba told Sowetan yesterday that his organisation had received money from hotel magnate Sol Kerzner.

Kerzner yesterday admitted giving financial assistance to Mokaba's National Tourism Forum.

Speaking from the Bahamas, Kerzner said: "We gave Mr Mokaba and his organisation all kinds of help, including financial assistance, guidance and encouragement. But we did not give him money as an individual," he said.

Sun International managing director in South Africa, Mr Peter Bacon, would not disclose the amount of money his company had contributed to the NTF. But he said his company was among many from the private sector that had donated money to the non-governmental organisation.

Mokaba, who said he was closing the NTF, told Sowetan he was planning to launch a new tourism organisation with a "new vision".

The staff of NTF have called for the prosecution of individuals implicated in money missing from the coffers of the organisation.

In a petition sent to the council on Wednesday, the staff also opposed the imminent closure of the NGO. "The closure of the NTF by the council because of financial irregularities is totally unacceptable," reads the appeal signed by Ms Morni Manale (director), Mr Ephraim Mogale (deputy director) and 10 other individuals.

"The law must take its course with individuals implicated in the embezzlement of funds," they say in the petition addressed to NTF deputy chairman Mr Rupert Lawlor.

Mokaba yesterday confirmed that he was closing down the organisation. "The decision to close down the NTF was taken by council because the organisation is in the red. We don't even have a cent," said Mokaba from his offices in Cape Town. "In fact we should have closed down last year. We have asked the auditors to wind up the affairs of the organisation. We will close at the end of January."
Mokaba asked to step down as tourism chief

The NP said Mr Mokaba should resign so that alleged mismanagement of the forum could be investigated without political interference.

"According to media reports Mr Mokaba contends he is not guilty of mismanagement of the forum because he requested (auditors) Deloitte and Touche to investigate its financial affairs.

"If this is what he said, (this) indicates he does not understand the responsibilities of a chairman of organisation which looks to the public for its funding."

The NP said Mr Mokaba was paid a substantial salary of R246 000 in addition to unspecified fringe benefits as chairman of the forum.

Alleged intervention by Mr Mokaba to scale down the investigation to exclude certain matters which would be dealt with internally suggested "a cover-up of fraud and corruption resulting from the mismanagement he admits to"
New revelations in Mokaba fiasco

By Ruth Bhengu

The plot of Peter Mokaba’s National Tourism Forum saga thickened yesterday as one of its former directors claimed his life had been threatened. The National Party has asked Mokaba to resign.

NP spokesman on tourism Dr Francois Jacobz said Mokaba should resign from the select committee on environmental affairs and tourism to uphold the dignity of Parliament, as he clearly had a conflict of interests.

Mokaba has denied involvement in the alleged misappropriation of funds, saying he ordered an inspection by auditors Deloitte and Touche and suspended two officials after discovering money was missing.

Dr Jacobz said Mokaba’s statement was simplistic.

He said Mokaba was paid the “substantial” annual salary of R346,000 in addition to unspecified fringe benefits to carry out his duty as chairman, including ensuring public donations were not mismanaged.

In another twist to the tale, former marketing director of the National Tourism Forum Mr Clive Strugnell, who left after R100,000 went missing from the organisation’s coffers, told Sowetan yesterday he had lied to protect his life.

Strugnell, who was reported to have been suspended with other directors for Ngosko Maphala and international affairs director John Rothchild, said he resigned on December 12 after he had been allegedly threatened by Maphala.

Maphala has denied taking the money and has instructed his lawyers to take the National Party to court.

Strugnell told auditors he had received two cheques worth R100,000 from Maphala.

The money was deposited into an account of J Lawrence Promotions allegedly on the instructions of Maphala.

The director, Strugnell, claimed he later drew R95,000 and gave it to Maphala.

Strugnell, who wrote three different affidavits, said he had lied because he was afraid of Maphala.

“When Mokaba discovered the money was missing, I went to Maphala and told him to tell the truth.

“But after two days when I realised he was not going to give me the money back, I told Mokaba that Maphala had the money,” claimed Strugnell.
Mokaba tourism finances in a mess – claim

BY BRONNYN LITTLETON

The finances of the National Tourism Forum (NTF), chaired by former ANC youth leader Peter Mokaba, are in a mess, according to Papi Kabu, the organisation’s public affairs director. He told a news conference in Johannesburg the NTF has run out of funds and will disband on January 31. Kabu said staff had been paid inconsistently.

Tax was not deducted and salaries had to be cut later to pay arrears owed to the Receiver of Revenue.

Journalists who asked about allegations of wrongdoing by Mokaba, who is also an ANC MP, were warned by NTF deputy director Ebrahim Mogale that “those who had previously attacked Mokaba with the sword and now attack him with the pen” were also attacking the ANC.

That was “something which would not be tolerated”.

Last night, the National Party called for Mokaba to stand down as chairman of the parliamentary select committee on environment affairs and tourism.

NP tourism spokesman Dr Francois Jacobz said he should step aside to allow an “untramelled” investigation into mismanagement of the non-governmental organisation.

While the controversy surrounding the NTF deepened yesterday, auditors Deloitte & Touche confirmed that the R3 090 151.88 donated to the forum before September had been placed in the forum’s bank account, but only R2 947 582.04 was actually recorded in the cashbook.

Deloitte & Touche partner in charge of forensic services Mark Pinington said this was not necessarily suspicious, but that the books had not been kept up to date and the omission was being investigated.

Pinington confirmed that donations had been anonymous because the NTF had not wanted donors to feel they had to identify with any political organisation.

Three directors were suspended at the end of last year after the auditors found that R100 000 in two cheques had apparently been paid into an unauthorised account.

The directors — Ngoako Maphula, John Rothschild and Clive Strugnell — would “definitely face the wrath of the law”, the NTF said.

Maphula has denied wrongdoing and is suing the council for defamation. A staff member tearfully told the conference that she had been present when Rothschild was forced to sign a cheque against his will.
Abuse of state cars slated

THE Pietersburg Chamber of Business has criticised the illegal use of state cars by civil servants and
praised the Northern Transvaal government's moves to curb corruption.

Chamber chairman Corrie Niel said last week's surprise raid on motorists by the traffic department, during which 206 government vehicles were recovered, showed that the government was earnest about eradicating corruption.

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Taking action against offenders means the government is serious about maintaining a clean administration," he said.

Northern Transvaal traffic department head Corrie Foure said the raid by 300 traffic officials was the start of a campaign aimed at stopping civil servants in that province from abusing government property."
Finances of tourism group were ‘a mess’

JOHANNESBURG — The financial situation at the National Tourism Forum (NTF), chaired by former ANC youth leader Mr Peter Mokaba, was “a mess”, the group’s public affairs director said this week.

Mr Papu Kabu said here the NTF would disband on January 31 because it had run out of money.

He said staff had been paid inconsistently and tax had not been deducted from their salaries. The salaries were later cut to pay the tax arrears.

Auditors Deloitte Touche confirmed that all R3 000 151.88 donated to the forum before September last year had been banked into the forum’s account, but only R2 947 532.04 was actually recorded in the cash book.

Deloitte Touche partner in charge of forensic services, Mr Mark Pinington, said this was not necessarily suspicious, but indicated the books had not been kept up to date.

Asked if the Deloitte Touche investigators had found any wrongdoing on the part of Mr Mokaba, Mr Pinington said: “The report did not indicate any misappropriation as far as the subject matter of what we have looked into.”

He confirmed that the over R2 million in donations which had not been recorded was still being investigated. — Special Correspondent
Mokaba in R246 000 pay row

Clive Sawyer
Political Correspondent
Parliament's policy-making committee on tourism could be split by a row between chairman Peter Mokaba and the National Party.

The NP has called for Mr Mokaba's resignation and has asked the African National Congress leadership for an independent inquiry after claims that:

- Mr Mokaba paid himself R246 000 annually as chairman of the National Tourism Forum, in addition to his MP's package of R159 000 a year, and
- Tax was not deducted from the salaries of Mr Mokaba and other employees.

But Mr Mokaba, hit back, accusing the NP of blowing up a non-issue in an attempt to oust him because it disapproves of his tourism policy.

This policy he has vowed to "ram down their threats" even if it means NP members walk out of the committee.

Mr Mokaba said it was time for the ANC to take the kid gloves off in its dealings with its junior partner in government. His fiery comments came days after a rift in the government of national unity was healed.

In a statement yesterday, NP spokesman Theo Alant said: "All claims made about Mr Mokaba and the tourism forum were true, he was unfit for public office and should resign from parliament immediately."

"Any public representative who controls public funds should be prepared to prove himself to the public for how the money was handled," Mr Alant said.

He called on the ANC leadership to set up a "credible" inquiry into the forum.

Mr Mokaba should step down as chair-

Man of the parliamentary committee on tourism, Mr Alant said:

Mr Mokaba said management of the forum decided salaries and he had had no say, including about his own salary.

Today Mr Mokaba hit back at the NP, saying his hands were clean while the NP had tried "to give themselves indemnities after murdering our people".

Mr Mokaba said he had initiated the probe into the forum and an independent firm of auditors had found he had done no wrong.

The attempt to link him to mismanagement of the forum showed "the political bankruptcy of the NP to find an issue where there is no issue."

He had told ANC secretary-general Cyril Ramaphosa of the probe, Mr Mokaba said.

Mokaba in big row with NP over R246 000 pay

It was not clear why the NP had chosen to ignore the findings of the auditors.

"I myself am not happy with the way we are handling the NP with kid gloves," he said.

He said he would have "applauded" the NP leader, Deputy President F W de Klerk, gone ahead with a threat to walk out of the government of national unity last week.

The statement was meant to depose him as chairman because the NP was unhappy with his policy on tourism, which was aimed at broadening its base to include black ownership.

Mr Mokaba said the spirit of the government of national unity would not be a constraint in the committee.

He would ram the policy down NP members' throats even if they then walked out of the committee.
‘Indiscipline rife among public servants’

Some not going to work at all

CLIVE SAWYER
Political Correspondent

INDISCIPLINE is rife among public servants in some parts of the country, with some not going to work at all.

Some are keeping whatever hours they feel like, and state property is being used for private purposes.

Meanwhile, the public service faces the biggest crisis in its history.

These claims were made at a seminar organised by a Constitutional Assembly theme committee yesterday.

Former director-general of the department of public administration Louis Kluiver said there were parts of the country where there was a “total lack of discipline” in the public service.

Mr Kluiver said courses were being held for old and new public servants to re-orientate them “for the immediate task ahead”.

The new South African public service must be created from more than a million employees of the former republic, homelands and self-governing territories.

Most will have to be reassigned to new central and provincial departments, while the need for a representative public service will have to be met.

Of the 1.2 million public servants to be reassigned, only about 200 000 will remain at national level.

Of these, about 150 000 are members of the defence forces, correctional services and the police.

Replying to a question, Mr Kluiver said outside influences should not be allowed to manage on an apolitical and non-partisan public service.

But he rejected a suggestion that the apartheid public service had been under the thrall of the Boerderbond.

Mr Kluiver said he had been a public servant for 33 years, and his job had included decisions on promotions and appointments.

The Boerderbond had not contacted him or attempted to influence him.

He suggested the image of the power of the Boerderbond had been built up by public servants disgruntled by losing out on key appointments.

People had claimed they were “hard done by by the Boerderbond” (“dear die Broederbonds bedender”).

Stellenbosch academic and former public servant Fanie Cloete said the public service faced the most fundamental crisis in its existence.

The inherited British tradition of a non-partisan and professional public service had been used during 40 years of apartheid to protect the interests of a particular political party.

Professor Cloete said the transformation of political and administrative culture could take decades.

Mandela to get full report on Boesak’s foundation fund row

Political Staff

PRESIDENT Mandela is expected to receive a comprehensive report on the alleged misappropriation of funds donated to Allan Boesak’s Foundation for Peace and Justice early next week, senior officials said today.

They confirmed that in the meanwhile Dr Boesak had taken leave from the Department of Foreign Affairs, citing “personal reasons”, and that the suspension of his appointment as ambassador to the United Nations offices in Geneva remained in effect.

He was technically still an employee of the department, officials said, and had undergone preliminary training for his post in Geneva. The training had been interrupted by his request to take leave.

Today officials of the Department of Foreign Affairs were unable to say for how long he would be on leave and Dr Boesak could not be reached for comment.

In earlier comments, Dr Boesak had denied wrongdoing.

“We expect to receive a comprehensive report on the Foundation for Peace and Justice in a matter of days,” an official said.

It was likely that Dr Boesak and other interested parties would be invited to comment on the report before any decision on his Geneva appointment was made.

The report is being compiled by a Johannesburg attorney who was asked by Scandinavian church organisations to investigate complaints that donations to the FPF had been misused.

The churches have alleged that at least R1.5 million was used for FPF staff housing loans and other perks instead of for upliftment projects in poor communities.
Boesak 'on leave' from department

By CHRIS BATEMAN

EMBATTLED ambassador-designate to the UN in Geneva, Dr Allan Boesak, has been granted leave by the Department of Foreign Affairs to "attend to personal matters", as the Scandinavian probe into fund abuse involving him nears conclusion.

A spokeswoman for Foreign Affairs yesterday said Dr Boesak's United Nations orientation programme involving sojourns in Pretoria and New York had ended in December.

"He has now requested leave in order to attend to personal matters," said the spokeswoman, who was unable to say when the request was made.

She said her department had been instructed to suspend Dr Boesak's February 1 posting to Geneva pending the findings by the Danchurch Aid lawyers — expected next week.

Calls to the lawyers' Cape Town hotel yesterday went unanswered.

The probe, requested by the Scandinavian development aid agencies, centres on claims that at least R1.5 million of R2.2 million in funding given to Dr Boesak's Foundation for Justice and Peace, went into staff loans.

The money was meant for social and economic upliftment of underprivileged communities.

The Swiss aid agency, Sida, also found itself in conflict with the FJP over funds for an educational video project on democracy — ploughed into a long-term scheme for which TV equipment was purchased for and used by TV producer, Mrs Elna Boesak.
Casino giants were tourism body’s big, secret donors

By DESMOND BLOW

THE NATIONAL Tourism Foundation (NTF) received most of its funding from two rival companies who hoped to get a monopoly on gambling casinos in the new South Africa.

They were Sun International and the Lebogang Group of companies based in Hong Kong. But neither knew that the other was a major contributor to the funds of the NTF.

The City Press learnt, because the NTF’s chairman, Peter Mokaba, and its general director, Albert Mapasha, decided that donors would remain anonymous.

Although Sun International MD Peter Bacon was on the NTF committee, he was not aware the Lebogang, Sun International’s strongest rival, was the donor supplying the NTF with more than three times Sun International’s monthly contribution.

Almost all the funds came from two rival companies, with Sun International giving a monthly donation of R600,000 and Lebogang supplying R300,000 a month. A small contribution came from Gold Reef City and Southern Sun supplied free facilities.

Mapasha successfully concluded the deal with Lebogang in Hong Kong, but only he and Mokaba knew the identity of the donor.

Before the April election Mokaba was re-elected to become Minister of Tourism, but he did not get the Cabinet post.

Sex slave ‘afoetus’

By NOVULA KOHALO

A BLOOD-CURDLING tale of cannibalism on the East Rand unfolded this week as a 28-year-old woman described how she was made to eat a human foetus while being kept as a sex slave.

The mentally retarded woman – who is four months pregnant – has told of being held captive in a care for two months by suspected satanists who ate human flesh and exchanged the women for sex.

She claims they killed a pregnant woman, tore out the foetus and fed her to the child’s mother.

Johannesburg clinical psychologist Johann Kaiser, who interviewed the girl after her ordeal, said her story was consistent and warranted investigation.

Mufamadi’s tough line

By SIKOLO SELLO

THE Minister of Safety and Security, Sydney Mufamadi, has thrown down the gauntlet to his KwaZulu-Natal counterparts, the Rev C J Mntusi, by declaring that the punting out period of 600 police in the province will not take place.

Mufamadi said the government will not tolerate criminality and drugs in police services – a reference to claims that among the 600 graduates are suspected criminals, including murderers.

Mufamadi’s headlines follow this week’s media statements by Justice’s spokesman on safety and security, Vetupho Ntlomo, that the province would go ahead whether the minister liked it or not.

A defiant Ntlomo said the parade would take place next Friday and that Mufamadi had no jurisdiction over police in KwaZulu.

Mufamadi also revealed that an estimated 14 recruits are read to beストクstrained with hepatitis B – a contagious disease.

Some of the trainees are said to have failed their academic qualifications while about 200 of them have not been finger-printed – a prerequisite of joining the police force to establish one does not have a criminal record.

According to Mufamadi’s last November Colleen Disraeli, the Offi
cer Commanding the Umdoni Police College, the recruits, ‘traded’ him a breakdown of discipline at the college, including blackmail and abuse of liquor.

However, when Mufamadi asked Disraeli to give him a full report on the matter, the latter failed to do so.

Disraeli is also said to have refused to cooperate with the Investigation Task Unit – a body established by Mufamadi to investigate allegations of misconduct against recruits in the KwaZulu Police and the ANC.

And the ITU acquired from Disraeli about the political background or affiliation of some of the recruit’s parents.

The recruit’s parents refused to provide that information.

Mufamadi said he found Disraeli’s response ‘alarming and obstructive’.

The provincial police commissioner has since been transferred.

The recruits also invoked the political background or affiliation of some of the recruits.

Mufamadi’s tough line

By WALLY MBELE

BUTTER race tensions within the police services have been revealed by a meeting brokered by the Gauteng MEC for Safety and Security, Jesse Duarte, between the two protesting police unions and their management at Orlando Police Station in Soweto.

The meeting was on the wake of the death of W/O Jabulani Xaba, who was shot dead during police protests at Orlando Police Station on Friday.

Although normal activity resumed tentatively at the strife-torn Orlando and Edendale Park police stations yesterday, several other stations in Soweto yesterday closed down completely or embarked on a slow campaign in support of their colleagues and demanding the removal of white officers.

The new police commissioner – to be named today – faces taking over a police service which seems set to be hit by a wave of industrial action during the next few weeks.

It is feared that the Soweto protests could spill over into other parts of the country when there are similar problems.

In a move to diffuse the tension, Duarte announced on Friday that a high

level team from his office would visit the station that afternoon.

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KABA'S GAMBLE

Mokaba's big gamble

From Page 1

Mapahla and Mokaba, long-time friends and fellow karate instructors, have fallen out. The NTF is close to closing at the end of the month amid allegations of financial irregularities. Mapahla claimed Mokaba's lack of business administration skills led to the irregularities, but Mapahla's supporters point out that after Mokaba and accountant Ian Pierce took over the accounts at the beginning of December a further R180 000 went missing.

Mapahla and his assistant, John Rothchild, have been suspended. Allegations of irregularities and Mapahla has started a R150 000 defamation action against the NTF.

Mapahla says he started the NTF and brought in Mokaba as chairman. Also brought into the company as marketing director was another karate instructor, Clive Strugnell.

Among the irregular payments made from the NTF funds was more than R45 000 paid to the Sheriff of the Supreme Court on behalf of Strugnell. The Sheriff was about to attach Strugnell's assets after he had failed to settle a debt with Southern Sun for R56 481.9 for using their karate competitors. Strugnell has also admitted to falsifying invoices for more than R100 000 which he placed in a company in his name. He claimed he paid most of this to Mapahla in cash, which Mapahla denied.

NP finance spokesman Theo Alant expressed shock on hearing that Mokaba had paid himself a R246 000 salary plus unspecified perks from NTF funds.

WHAT AN EVENT

Crowds line up

By All Maphala

They descended on the famous FNB Stadium outside Johannesburg as if it was theultimate Cape Town mosque. The crowds were so massive that the stadium was packed beyond capacity.

The stadium was packed to capacity, registering one of the largest crowds ever seen in the history of South African politics.

Political comment and analysis by [Author], [Publisher] and sub-editor

by N Dreyer, both of 25 Boscobel St, New Portland, Johannesburg.

LILY MORELL

1. [Redacted text]
2. [Redacted text]
3. [Redacted text]
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None had been received.

Klever, said Transkei authorities had promised a report would be submitted on the 1987/88 financial year by November. The 1988/89 report was due in December and the 1989/90 report in January.

The office would inform Parliament of its intention to conduct its own investigations, in collaboration with the authorities of the former homelands. The information would be submitted to Parliament in its annual report, which would be published soon.

Private auditing firms might be used under contract to the office.

Allegations of large-scale financial irregularities in Transkei in particular, would also be investigated.
Exposé of Lebowa’s rot

By Ismail Lagardien
Political Correspondent

The rotting corpse of the former self-governing territory of Lebowa continues to emit the foul stench of corruption eight months after its demise.

In a report tabled in Parliament yesterday, Auditor-General Mr HE Khever revealed gaping holes in the administrative practices and questionable spending patterns during the first six months of last year in Lebowa.

The Performance Audit focused primarily on the department of agriculture and environmental conservation’s handling of equipment, stores, agricultural development, financial control and utilisation of personnel.

In most areas, it established that control and administration was ineffective and inadequate.

No work programmes existed for personnel and no criteria test for the appointment of staff existed.

Some effects of the mismanagement and maladministration were:
- Water collection systems have lain redundant since 1987 because no feasibility study was done before they were purchased;
- Records of stock were not maintained but sound purchasing methods were always applied, which resulted in “excessive levels” of stock being held;
- Estimated losses in 11 of 14 small projects amounted to about R1.7 million;
- An erroneous promotion of a civil servant in the Lebowa administration resulted in an estimated R300 000 being spent on a single employee until June 1993;
- Budgeting was inaccurate and thus resulted in “differences of up to R10 million” between estimates and actual spending;
- Transport log sheets not properly completed, resulting in serious losses of funds, and
- Several salaries were paid to staff who did not exist.
State auditor tells of waste, overspending

BY ESTHER WAUGH
POLITICAL CORRESPONDENT

Cape Town — A litany of waste, overspending and bad administration is documented in the auditor-general's report on government departments. The report is a new measure to expose shortcomings rather than simply to check accounting methods as in the past.

It was tabled in Parliament yesterday and covers the first six months of last year.

An audit of the Department of Public Works reports that "accommodation was not always utilised in the most economical, efficient and effective manner".

Rented

The SADF had 11 years ago rented the Good Shepherd Home in Durban and by the time the lease expired in September 1993 it had paid R1,28 million for the 5,000 sq.m building — but it was never used by more than 10 permanent staff during working hours.

And in Pretoria the Hallmark building was vacated during September 1992 and only occupied again at the end of July 1993 while R3.12 million rent was paid for the vacant occupied premises.

An audit of the South African Bureau of Standards revealed that "in some instances, due to increases in the cost of testing and client resistance to tariff increases, only critical components of samples were regularly tested while other components were tested less frequently".

Failures

This meant that "the possibility of failures in products carrying the SABS mark may be increased by the practice of reduced testing".

The audit found that on March 31, 1993 the SABS carried publications worth more than R7 million.

This represented the stock requirements for more than four years.

The SA Communications Service did not "fully discharge its imposed co-ordination and monitoring function concerning government communication".

The report says during the past two years, publicity projects worth R85 million were launched by various government departments without making use of the SACS.

During the same period, the SACS launched projects totalling R19 million.

In the Office for Serious Economic Offences (OSEO) it was found that from July 1992 until June 1993 OSEO advocates were handling several prosecutions on behalf of attorneys-general.

These prosecutions were in progress before the establishment of the OSEO.

However, this resulted in important investigations, which related to serious economic offices, such as the Masterbond case, not being completed by the OSEO.

Promoted

In Lebowa, about R300,000 was paid until June 1993 to a number of senior accounting clerks who were mistakenly promoted to chief accounting clerks in 1991 because of a misinterpretation of a letter from the Public Service Commission.

A comparison between the payroll for March 1993 and the staff listings revealed that several names on the payroll were not on the staff listing.
Tales of waste and bungling

By BARRY STREEK, Political Staff

WASTE, inefficiency and mismanagement in 13 government departments and institutions were reported yesterday by the auditor-general, Mr Henri Kluever.

He made particularly devastating comments about the financial administration of three former homelands - Lebowa, Gazankulu and QwaQwa.

In a report on performance audits of government institutions tabled in Parliament yesterday, Mr Kluever revealed that:

- The Lebowa government spent R600,000 on four Japanese mobile water collection systems that have not been used since 1987 because they proved too uneconomical.
- The QwaQwa government spent R650,000 on publicity projects independently of its SA Communication Service and only some R19m on projects carried out by the service.
- The Zoological Gardens went almost R550,000 over budget on building elephant night rooms, and about 50% of the roof in the reptile park continued to leak after the roof was meant to have been repaired.
- Only 50% of government departments had a training policy that had been revised and approved by their present policy heads, and "numerous departments are unable to or do not have the expertise to deal with training independently", and
- The Office for Serious Economic Offences could not give the necessary attention to cases because of the shortage of funds, resources and personnel.

Mr Kluever acknowledged that "This manner of reporting results in the impression sometimes created that shortcomings are over-emphasised while due credit can often not be given for the many instances where no significant shortcomings have been found"
Nordic funders to meet over Boesak report

The career of Allan Boesak, South Africa's ambassador-designate to the United Nations in Geneva, will be under the spotlight next week.

GLYNNIS UNDERHILL
Weekend Argus Reporter

FUNDING organisations from Sweden, Norway and Denmark will meet lawyers in Copenhagen on Monday to study a comprehensive report covering the investigation into alleged misappropriation of foreign funds donated to Allan Boesak's Foundation for Peace and Justice (FPJ).

DanChurch Aid general secretary Christian Balsev-Olesen said yesterday the results of the investigation would be made available to FPJ trustees simultaneously.

"We hope to recover money we must still wait for the report to see exactly what we should do," said Mr Balsev-Olesen.

The career of Dr Boesak, embattled ambassador-designate to the United Nations in Geneva and the former leader of the African National Congress in the Western Cape, will be determined by the results of the investigation.

DanChurch Aid teamed up with two other funding organisations in Sweden and Norway to hire a firm of lawyers in Johannesburg to probe the use of the R2.7 million of foreign funds they made available to the FPJ.

Allegations have been made by the FPJ's financial director, Freddie Steenkamp, that some of the foreign funding was diverted to FPJ employees in the form of staff loans.

Elisabeth Krogh, head of the international department of DanChurch Aid, said Dr Boesak was believed to have diverted R100 000 in foreign funds for personal use. Dr Boesak has maintained his innocence and denied any personal involvement in the alleged misappropriation of donor funds.

Mr Balsev-Olesen said the Nordic funding organisations and the lawyers from Johannesburg who conducted the investigation would be flying into Denmark this weekend.

Criminal action would depend on the results of the report, he said.

Mr Balsev-Olesen said he would probably be flying to Cape Town to meet lawyers and the FPJ trustees on Wednesday.

It had not yet been decided when a copy of the controversial report would be handed to President Mandela, he said.

A spokesman for President Mandela, Joel Netshitenzhe, said the president was awaiting the report.

A decision on Dr Boesak's career would be taken by the president, Deputy President Thabo Mbeki and Foreign Affairs Minister Alfred Nzo, he said.

"We have the fullest confidence we will see a copy of the report shortly," said Mr Netshitenzhe. He said a decision on Dr Boesak's career would not be taken lightly.

"The ANC has worked with Allan Boesak for many years and would not take any decision without a full investigation. An investigation will be in Dr Boesak's interests to show he has not done anything untoward," he said.

Dr Boesak's appointment to Geneva has been put on hold until the outcome of the investigation. He has taken leave from the Department of Foreign Affairs, citing "personal reasons", and could not be contacted for comment yesterday.
Kader tipped for watchdog body

JEAN LE MAY
Weekend Argus Reporter

A CODE of conduct for all members of parliament has not yet been drawn up, but names for a proposed monitoring committee have been put forward.

The question of a code of conduct has arisen following investigations into the financial affairs of at least three prominent office-bearers — Allan Boesak, whose Foundation for Peace and Justice is being investigated, Peter Mokaba MP, whose activities related to the National Tourism Forum are being probed; and provincial minister Lerumo Kalako, who is alleged to have misused state funds.

Weekend Argus has learnt that the issue was discussed at a rules committee meeting but although it is receiving attention, there has been no further progress.

However, a spokesman for Arnold Stofile, chief whip for the African National Congress, said the party had submitted names for the proposed monitoring committee, including that of Water and Forestry Affairs Minister Asmal Kader.

The proposal that a strict code of conduct for all office-bearers and MPs should be introduced was made in August last year.

A draft code of conduct drawn up by the ANC and reportedly circulated among its MPs was leaked to the Press the following month.

It proposed instant dismissal for a range of offences, from corruption to the use of an official position to obtain sexual favours.

It said MPs should make themselves available for party and official work at all times and were barred from accepting other full-time jobs.

Cabinet ministers and premiers of provinces were prohibited from playing active roles in profit-making ventures.
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Boesak soon to know his fate

By CHERYLNE IRETON
London

DANCHURCH Aid donors are meeting in Copenhagen today and tomorrow to discuss the findings of their investigation into the alleged misuse of funds by Dr Allan Boesak's Foundation for Peace and Justice.

Dr Boesak's appointment as ambassador to the United Nations in Geneva is on hold pending the outcome of the investigation.

Details of the still-secret report on the foundation's affars will be delivered to the Nordic donors by Greg Nott, the South African lawyer representing Danchurch Aid. (2FP)

They will remain under wraps until Dr Boesak has been informed of the result at a meeting in Cape Town on Thursday when he and foundation officials will be given the opportunity to discuss any allegations.

A representative of the Swedish International Development Agency will fly to South Africa for the meeting, according to Danchurch's general secretary, Christian Balslev-Olesen.

The outcome of Thursday's discussions will determine whether any meetings will be held with government officials and whether the report will be released. (5FP)

In January two members of Danchurch Aid met Deputy President Thabo Mbeki in Berlin to brief him about their investigation. They told him that outside auditors were looking at the foundation's books.

Dr Boesak has denied any personal involvement in the alleged misappropriation of funds.
Govt watchdogs to be shortlisted

A shortlist of super-watchdogs charged with exposing government corruption and protecting fundamental human rights in the new South Africa will be finalised this week.

The Public Protector will probe maladministration, abuse of power by officials and corruption.

The 11-person Human Rights Commission will enjoy wide-ranging powers to promote and guard the fundamental human rights enshrined in the constitution.

The chairperson of an ad-hoc parliamentary committee and the ANC's chief whip in the Senate, Senator Balelani Ngcuka, said at the weekend that President Nelson Mandela wanted the watchdog bodies up and running as a matter of urgency.

A large number of applications had already been received and each political party would get the opportunity to nominate candidates for Public Protector and the Human Rights Commission.

Shortlists would be finalised at a meeting on Friday and interviews for the positions would begin on February 22.

Nominations must be approved by at least 75% of the members of the National Assembly and the Senate in a joint sitting.
Tutu calls in cops

Queries into trust

By Willem Steenkamp

A "DISTRESSED and angry" Archbishop Desmond Tutu last night asked police to probe into a trust fund for child victims of apartheid administered by Dr Allan Boesak's Foundation for Peace and Justice (FPJ).

A statement issued by Archbishop Tutu and former Black Sash president Mrs Mary Burton, both trustees of the Children's Trust, said R423 000 donated in 1985 by American pop star Paul Simon "cannot be accounted for immediately".

Simon, who in the mid-1980s forged links with South African musicians for his hit Graceland album, toured the country in January 1985 and was entertained at Dr Boesak's Constantia home.

Archbishop Tutu's press spokesman Mr John Allen confirmed last night that the archbishop - who is in England - had learnt of the money's apparent disappearance at 4am yesterday and decided to draft the statement in conjunction with Mrs Burton.

The last audited financial statement of the trust was on February 28, 1985, which listed its cash reserves as R467 324 - excluding R32 000 in administrator's costs paid to the VJF for running the trust.

The last meeting of trustees was held more than two years ago.

"A preliminary investigation has indicated that no immediate record of the whereabouts of the money is available.

"We are distressed and angry that money was set aside for child victims of apartheid cannot be accounted for immediately.

"We have accordingly decided to ask the police to investigate," the statement said.

Last night police High Commissioner Colonel Raymond Dowd said allegations concerning the fund's auditors and thieving police were "too serious for us to investigate".

By Chris Bateeman

"Mishandled' sum could top R2m

HAPPIER TIMES... A beaming Dr Allan Boesak and his wife, Mrs Elina Boesak, chat to American pop star Paul Simon at their Constantia home on January 24, 1992, when Simon was in South Africa on his Graceland tour. Now there are allegations that R423 000 Simon donated to the Children's Trust, which was administered by Dr Boesak's Foundation for Peace and Justice, cannot be accounted for immediately.

The amount of foreign funds allegedly mishandled by Dr Allan Boesak's Foundation for Peace and Justice (FPJ) could be easily double what was originally cited.

This was revealed yesterday by sources close to the investigation.

Findings

The findings emerged as the final report of the Johannesburg lawyers appointed by the FPJ's Scandinavian funders was handed over to Deputy President Thabo Mbeki's office late yesterday.

The funders simultaneously began pressing over the findings in Copenhagen, with a team of Johannesburg lawyers in Denmark to give them a full briefing about their "independent" probe.

Neither the lawyers nor Mr Mbeki's office were prepared to comment, but sources said the document had been completed.

Speakers from Denmark, legal co-ordinator Mr Greg Nott declined to confirm whether the contested amount was not R15 million, as originally reported, but revealed a total of R305m.

The amount was the total given to the FPJ for social upliftment projects in poverty-stricken and other disadvantaged communities.

When the contested funds involve alleged misuse and cash loans to staff members of the FPJ during the mid-to-late 1980s.

The legal team so far have only confirmed that R21m of the funds are subject to their probe.

Mr Nott said the Danish Ministry of Foreign Affairs, Swedish embassy officials, the Old Presbyterian Centre and the Swedish, Danish and Norwegian NGO's were attending yesterday's Copenhagen briefing.

"We've given them a brief summary of the report itself, after which we'll fill them in on the FPJ's board of trustees.

"Full report

Dr Boesak's UN appointment in Geneva, due on February 1, was frozen by Mr Mandela pending the legal report.

A public statement from Dr Boesak's future and the full report are expected soon, possibly this week.
Tutu asks police to probe missing donation

CAPE TOWN — Archbishop Desmond Tutu has asked police to investigate the disappearance of R423 000 given to the Children's Trust by singer Paul Simon.

Tutu and Mary Burton of the Black Sash, two of the trust's trustees, said yesterday the trust was administered by Alan Boesak's Foundation for Peace and Justice.

They said R423 000, from the proceeds of the Graceland tour, was deposited into an account in July 1988 in the trust's name.

Investigations into Boesak's foundation indicated that the latest audited financial statement of the Children's Trust was dated February 28 1991. The trust's cash resources then stood at R467 284.

The statement also reflected that the foundation had been paid R33 000 for handling the trust. A recent "preliminary investigation" had failed to establish the whereabouts of the money.

"We are distressed and angry that money which was set aside for child victims of apartheid cannot be accounted for immediately," Tutu and Burton said.

Boesak's appointment as ambassador to the UN in Geneva has been suspended pending an investigation into allegations that the foundation misappropriated Danish aid money — Sapa.
Cape Town - Another financial storm has erupted around Dr Allan Boesak and his Foundation for Peace and Justice.

Anglican Archbishop Desmond Tutu yesterday asked police to investigate the whereabouts of R423,000 donated by rockstar Paul Simon to a charity for apartheid-disadvantaged children in South Africa.

The money was supposed to have been administered for the Children's Trust by Boesak's scandal-battered PTJ.

"We are distressed and angry that money not set aside for children victims of apartheid cannot be accounted for immediately. We have requested the police to investigate," said Tutu in a joint statement with PTJ trustee Mary Burton.

The foundation, run by Boesak, has been under investigation since 1992 and is already being investigated over the alleged mismanagement of Danish aid funds.

Boesak was due to take up his post as UN Envoy on Human Rights on February 1 but his appointment has been suspended until investigations are complete.

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Tutu calls for investigation

First National Bank account in July 1985 in the name of that trust. A preliminary investigation has indicated that no immediate record of the whereabouts of the money is available.

Boesak has denied he misused the Danish aid money, amounting to almost R8.2 million. He was not available for comment on the Simon funds.

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kwaNdebele's accounts slated

By BARRY STREEK
Political Staff

The financial accounts of the former kwaNdebele government were so bad that they could not be relied upon, auditor-general Mr Henri Kluever said yesterday.

The audit findings "once again revealed significant shortcomings in internal control systems over a wide spectrum of the government's activities and inadequately trained staff", he said in his report for the 1992/3 financial year.

"These shortcomings were of such a nature and extent that this office could not rely upon the government's financial accounting systems and accounts (259).

"It should also be noted that, owing to the unsatisfactory state of affairs, the shortcomings, reported on may not be exhaustive."

Among the "shortcomings" were:

- Five deputy ministers received R1,46 million for buying motor vehicles in October 1992 despite only being eligible for the money from April 1, 1993.
- Rental, electricity, water and service charges had not been revised, tariffs were very low when compared to the cost of the services recovered, new tariffs were proposed but never implemented and the tariffs were not published in the Government Gazette as required. At R1,749.
- Audits at magistrates' offices revealed unsatisfactory controls over receipts and licences and inadequate records of driver's licences, and.
- "There were "serious shortcomings" in the checking and control of expenditure vouchers."

A number of departments in kwaNdebele did even bother to reply to audit queries.
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Time of our lives...

This is the most difficult

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Legal inquiry finds Boesak misused funds

CAPE TOWN — A legal inquiry has concluded that ambassador-designate Allan Boesak substantially enriched himself from donor funds. The finding has drawn outraged reaction from opposition parties.

The inquiry on behalf of Danish donor organisation DanChurch Aid found that Boesak, whose posting to the UN in Geneva was suspended pending the report's publication, had prima facie acted unlawfully. Sapa-AFP reports that the inquiry found the former church leader had "enriched himself substantially" at the expense of his Foundation for Peace and Justice. The report was compiled by legal firm Bell, Dewar & Hall. The firm's attorneys refused to disclose the contents of the report, which is to be released today.

INGRID SALAGADO reports that Boesak said last night the report was one-sided and incomplete. "It was written without giving me the opportunity to respond to the allegations."

He would meet DanChurch representatives in Cape Town today to discuss the findings. Questions regarding alleged misappropriated funds donated by US singer Paul Simon should be directed to the Foundation for Peace and Justice's accountant, Freddy Steenkamp, he said. Steenkamp knew what had happened and should also take responsibility.

This followed reports that police are investigating a complaint laid by Archbishop Desmond Tutu about the disappearance of R423,000 donated by Simon to the Children's Trust. The trust is administered by the Foundation for Peace and Justice.

Lawyers involved in drawing up the report — which deals with allegations that Boesak mishandled more than R2m — and donor representatives yesterday held talks in Copenhagen.

ANC spokesman Jackson Msombo said his organisation would comment only once it had seen the report, but the ANC had a strict policy on members taking financial advantage of their positions. It would "not take kindly" to members who were involved in corruption.

NP media spokesman Cobus Dowry said the latest disclosures were further proof that Boesak was not fit to represent SA abroad. The ANC had been "surprisingly quiet" about the recent disclosures.

The ANC ought immediately to investigate accusations of financial maladministration and "extravagances" against other ANC members, including Peter Mokaba and Rocky Malebana-Melan, as well as investigate Deputy Arts and Science Minister Winnie Mandela.

DP leader Tony Leon said the church probe was a "damning indictment" of the ANC and its commitment to transparency and high standards in public life.

The report would damage government's image. The real failure was that Foreign Minister Alfred Nzo "sat by passively" and did not initiate an investigation. It was left to a foreign church organisation to produce a "damning indictment" on Boesak.

A Foreign Affairs spokesman said once the department had studied the report it would submit its findings to President Nelson Mandela's office on whether to proceed with Boesak's appointment.
BOEING took funds.

SALES REPORT

ENGAGED HIMSELF

NOT TAKING

UNITED NATIONS ambassador

BY CRIS RYAN
Winnie, fawoured daughter’s firm, Toddler’s eat

Police, may shop masters?

Johannesburg – Queen of entertainment business.

Police, may shop masters?

Johannesburg – Queen of entertainment business.

Police, may shop masters?

Police, may shop masters?
BY BRENDAN TEMPLETON
and OWN CORRESPONDENT

Controversy-racked Dr Allan Boesak is expected to mount a last-ditch bid today to save what is left of his political and diplomatic career after damning findings that he "enriched himself substantially" with aid money.

Boesak was this morning preparing to meet Deputy President Thabo Mbeki to discuss the report commissioned by Scandinavian donors DanChurch Aid. The meeting would take place in Cape Town, sources said.

Ambassador-designate Boesak's political future is expected to be known by Friday when President Mandela will have been briefed by Mbeki.

DanChurch Aid ordered the investigation after a public outcry in Denmark over allegations that Boesak's Foundation for Peace and Justice (FPJ) had misused R2.7 million donated to it. A copy of the inquiry's findings has been handed to Mbeki.

The report is due to be released publicly today, but its findings were distributed by the French news agency AFP yesterday.

A decision on Boesak's ambassadorship to Geneva was expected to be made by the end of the week, a spokesman for Mandela's office said.

The inquiry was carried out by Johannesburg attorneys Bell, Dewar and Hall.

It found Boesak had "enriched himself substantially" to the expense of the FPJ.

Boesak had "unlawfully appropriated to himself money to which he was not entitled," the report said.

It also hit out at the foundation's trustees, criticizing the "cavalier and reckless fashion" in which they carried out their duties.

Boesak also faces a probe into his Children's Trust after claims that almost R200,000 donated to it could not be accounted for.

Last night the DPP had the renewed scandal dubbed the "final straw" to strip Boesak's ambassadorial appointment to Switzerland.

To Page 3
LEGAL inquiry yesterday found that Dr Allan Boesak misappropriated money given to his aid agency by Scandinavian donors, throwing into further doubt his posting as South African ambassador to the United Nations in Geneva.

The controversial former church leader had "enriched himself substantially" at the expense of his Foundation for Peace and Justice, according to the conclusions of the inquiry conducted by a Johannesburg legal firm for the Danish donor organisation DanChurch Aid. Boesak's UN posting was put on ice by President Nelson Mandela on January 5, pending the conclusion of the inquiry.

Mandela's spokesman, Mr Parks Mankahlasa, said yesterday the President had not yet received a copy of the report, but a decision on Boesak's future would be taken before the end of the week.

"Any form of irregularity involving a government official is a matter of concern to the President," Mankahlasa said.

Late last year, DanChurch Aid teamed up with two other funding organisations in Sweden and Norway to engage Johannesburg lawyers Bell, Dewar and Hall to probe the use of R2.7-million of foreign funds donated to Boesak's foundation.

The report, to be officially released today, highlights that the "cavalier and reckless fashion" in which they carried out their duties.

It quotes a trustee, the Reverend Pierre van den Heever, as credibly acknowledging to the inquiry "We buggered it up."

The report says "loans" had been taken by staff members "without reasonable expectation to repay."

The foundation's director, Mr Freddy Steenkamp, has already admitted that he took a loan of R500 000 from the foundation.

"Freddy Steenkamp has committed serious criminal offences," the report says.

"Dr Boesak has enriched himself substantially at the expense of the foundation," it says. "His explanation to date is that he did not know how his financial affairs were being conducted by Steenkamp.

"He justifies a monthly income — far in excess of what can reasonably be expected and numerous other benefits — by saying that he left his personal affairs to Mr Steenkamp," it says.

"The fact that he is implicated by Mr Steenkamp — taken with the nature of his explanations and the huge benefits derivable from him — forces one to the unacceptable conclusion that, in the absence of plausible explanations, Dr Boesak has unlawfully appropriated to himself moneys to which he was not entitled.

"To our mind he has offered no reasonable explanation for the attitude which he has adopted."

"It will be necessary for him to give satisfactory explanations for a host of expenses which Mr Steenkamp has laid at his door, such as the settlement of (his wife) Elza Boesak's debts, the purchase of a new house and the renovations thereof and an extensive travel budget," the report adds — Sapa-AFP.

See page 6.
"BOESAK GUILTY"

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It quotes a trustee, the Reverend Pierre van den Heever, as candidly acknowledging to the inquiry: "We bugged it up."

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See page 6 —
TuTu tells of his "painful decision"

Clarence "Distress" Simon

Bosessa at Bay

Meeting accusers in last-ditch bid to save his political career

Michael Morris, Political Correspondent
SPEAKING OUT: Allan Boesak says the damaging report into funds donated by the Danish aid agency DanChurch Aid to his Foundation for Peace and Justice is “decidedly one-sided” and he has not been given an opportunity to respond.

Top detective to probe missing funds

Staff Reporter

POLICE have confirmed that top detective Rory Melnick has been appointed to investigate the apparent disappearance of R423 000 given to the Children’s Trust by American singer Paul Simon.

The fund was administered by Allan Boesak’s Foundation for Peace and Justice, and the police investigation follows a complaint by trustees Anglican Archbishop Desmond Tutu and former Black Sash president Mary Burton.

Major Melnick, a highly experienced officer in the commercial branch unit in Cape Town, has also been involved in the Masterbond investigation.

“‘We are not investigating any specific person. We are investigating the alleged disappearance of money,’” he said.

African National Congress spokesman Jackson Mthembu said: “If there is any truth in the report, the ANC will not tolerate any of its public representatives going against the ANC code of conduct, either by misappropriating funds or enriching themselves as alleged.”

National Party spokesman and MP Colm Dowey said it was “scandalous that somebody who made out that he cared for the poor and the oppressed has apparently misused his position.”

Western Cape premier Hernus Kriel said today he had taken note of the reports, “but I derive no pleasure from them.” He said he was “thinking of Dr Boesak and his family.”

Democratic Party leader Tony Leon said he was shocked, but not surprised.

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Govt reassurance on tenders

The Public Works Ministry and the Tender Board moved yesterday to allay big business fears that the review of government tender procedures would keep large contractors out of state contracts.

Board chairman Jan Breytenbach and Ministry spokesman Simi Gounden told a news briefing in Pretoria yesterday that the national economic forum had agreed in April that the Tender Board chairman and vice-chairman would come from outside government. They emphasised that the private sector would be an active partner in the new tender system.

Launching a forum to look into tender procedures last month, government said the review would favour small- and medium-sized suppliers to ensure the economic empowerment of previously marginalised sectors.

The forum, which would initially consist of parties from the public sector, was expected to draft interim procedures for emerging businesses by the end of next month. Non-governmental organisations would be invited to comment between April and June, and draft legislation would be drawn up by end-September.

Reacting to the business sector's senti-
NEWS FEATURES  Former cleric and ANC activist can kiss his ambassadorial job goodbye

The rise and fall of
Boesak the orator

By Vuyo Bavuna
Political Reporter

On countless public platforms, orator Dr Allan Boesak always made a convincing case when he presented himself as the champion of the poor, down-trodden masses. With his speeches à la Martin Luther King, his commitment and deep-seated hatred of the "corrupt" apartheid regime could not be faked. But today that image lies in tatters as a welter of evidence has been unearthed to show the former Western Cape ANC leader financed his high-living lifestyle with the money he had raised over the years for the poor.

The investigators were called in by the funders from Norway and Sweden who donated money to Boesak's Foundation for Peace and Justice (FPJ). Ironically, at the height of last year's elections, Boesak mocked the National Party by exhorting primary pupils to start their day by saying, "The National Party are crooks." That was during the electioneering campaign — but now fingers are being pointed at him.

Without the phalanx of supporters who normally rush to his defence, the former director of the FPJ cuts a lonely figure as he pleads innocence amid what amounts overwhelmingly to damning evidence against him.

His never-say-die spirit is something he acquired as the hurly-burly of the struggle. Boesak entered politics in the early 1980s when the democratic anti-apartheid struggle was desperate for leadership as many were either in jail or in exile.

With his fine oratorical skills and backing from the largely conservative-coloured, Boesak emerged as an asset that could draw spiritual followers to the struggle.

Key patron

He was one of the key patrons to set up the now defunct United Democratic Front, a loose umbrella body of organisations. True to form, Boesak became a formidable medium for the then banned African National Congress. Gradually his international stature grew — and there were rumours that he had almost become unwatchable to the police.

He became the president of the World Alliance of Reformed Churches and was instrumental in persuading the international body to declare apartheid a heresy. In 1982 Boesak set up the FPJ as a vehicle to assist impoverished apartheid victims. The body concentrated on the rural areas where it assisted development projects. In 1985, at the height of the national uprising, Boesak organised a highly publicised march to "Pret" (President) Nelson Mandela, who was then jailed in Pollsmoor Prison.

The march, which attracted thousands of people, was banned but the popularity of Boesak's call was unmistakably enormous.

In the same year, Boesak clashed with the police when he was briefly detained for trying to attend a funeral of alleged ANC guerrillas in Guguletu. He was released on bail of R20 000 and the case was later dropped.

Boesak's first encounter with controversy was when the police exposed his illicit affair with an employee of the South African Council of Churches, Mm Di Scott.

But the anti-apartheid movement, though it knew privately that the police accusation contained grains of truth, backed Boesak to the hilt. "Hands off Boesak," slogans were plastered on the walls and the police were accused of launching a campaign to discredit leaders of the democratic movement. The comrades' argument won the day. But the same defiance could not be muster ed when it emerged that Boesak was involved in yet another illicit love affair with Ellen Botha, a television personality.

He subsequently divorced his wife Dorothy, whom he had been married to for almost 21 years, and married Botha in a glittering wedding.

Pressured by the church, Boesak was forced to terminate his church positions — in the Nederduitsch Gereformeerde Sendingkerk as moderator of the church and as president of the World Alliance of Reformed Churches.

No smooth tenure

In 1990 Boesak's political career took a nosedive when he was elected chairman of the ANC's Western Cape region. Boesak had been the militant Tony Yengeni, who was accused of using the ANC's annual conference to launch attacks on President Mandela, who was then at the helm of the party. A storm broke out when Boesak was brought in as a stage manager to run the conference in 1993.

Boesak nearly resigned his chairman-ship to return to the ministry. However, the church turned down his request on the grounds that he had held a political office.

I TORN APART Allegations of embezzlement of funds further dent former cleric's image.

Initially, the ANC backed Boesak — but as the allegations grew, the ANC quietly retreated and left Boesak to face the music alone.

... This prompted Boesak to kiss and make up with the ANC — and he remained within the movement. In the run-up to the elections, the ANC put its head on a block when it elected the former cleric as the premier candidate despite objections from several quarters.

Critics argued that Boesak did not have a good grasp of democratic culture and had no empathy with the grassroots.

Others argued that he lacked discipline and was not a good role model for the ANC. Boesak became the target of intense scorn in the coloured areas. Coloured and white supporters blasted out obscenities, denouncing Boesak for deserting a "klaarblijvende" man in the Western Cape. Though many reasons were cited, many people believed Boesak's leadership was one of the main factors in the ANC's loss of the election.

Boesak took the post of economic affairs minister and was also responsible for the Reconstruction and Development Programme in the region. In September he resigned his post as ANC chairman because he wanted to devote time to his regional parliamentary duties. But activists privately said he knew he was not going to be re-elected.

Later Boesak resigned from the provincial government as he fixed his eyes on a more prestigious job as ambassador to Switzerland.

Torn apart

Later last year, he was sacked by a flurry of allegations from an FPJ director that staff misused funds. The allegations included Boesak, who allegedly used R100 000 towards purchasing a house. Initially, the ANC backed Boesak and described the allegations as a vendetta against the movement and Boesak.

But as the allegations grew, the ANC quietly retreated and left Boesak to face the music alone. And after the damning disclosures, Boesak can kiss his ambassadorial job goodbye.
Boesak to face charges

The crisis for beleaguered ANC leader Dr Allan Boesak deepened yesterday when Scandinavian donor agencies announced plans to lay charges against him for allegedly misappropriating aid money.

Boesak, chairman of the Foundation for Peace and Justice, yesterday met Danish Aid representatives at the Swedish embassy in Cape Town to discuss allegations that he "enriched himself substantially" with Scandinavian donations to the foundation.

The allegations against Boesak, designated South Africa's permanent representative to the United Nations in Geneva, were made in a leaked report by Danish lawyers representing the Danish donor body that first blew the whistle on the alleged misappropriation of funds.

Despite calls for him to step down from the UN post in Geneva from parties across the political spectrum, Boesak has refused to go quietly, saying late on Tuesday that he believed he would emerge from the crisis.

"Mr Cyril Ramaphosa, secretary-general of the African National Congress, said Boesak would face a disciplinary hearing of the organisation's top structure should the allegations against him be proved. Boesak's lawyers criticised the report as "extremely shocking and irresponsible" and said that Boesak had not been given the opportunity to respond to the allegations.

The report slammed the foundation's trustees, terming the "cavalier and reckless fashion" in which they carried out their duties as "astounding". The report said loans had been taken by staff members "without reasonable expectation to repay". Foundation director Mr Freddy Steenkamp has already admitted that he took a loan of R800 000 from the foundation. "Dr Boesak has enriched himself substantially at the expense of the foundation," the report said. "His explanation to date is that he did not know how his financial affairs were being conducted by Steenkamp." It said the governing ANC "cannot remain silent, simply from further allegations that his foundation misused funds donated by the Simon Foundation.

Archbishop Desmond Tutu said that he had called in police after preliminary investigations showed no record of R423 000 donated by Simon to the Children's Trust.
Nordic donors 'will institute criminal action over misused funds'

CAPE TOWN — The Nordic donors, who funded Allan Boesak's Foundation for Peace and Justice, said yesterday they would institute criminal action against those connected with the foundation and staff who were involved with the misappropriation of funds. (231)

This was confirmed by Danish secretary-general Christian Balslev-Olesen after a meeting between donors and Boesak at the Swedish embassy in Cape Town.

Balslev-Olesen alleged Boesak had spent donor funds to pay for his wedding reception a few years ago. The biggest component of the missing funds was about R2.7m used for foundation staff loans, while the foundation's entertainment expenses were also excessive, compared with those of other non-governmental organisations.

The Nordic donors said yesterday queries raised during the investigation included payments linked to setting up Boesak's office, the purchase of his house and the renovations thereof, and his extensive travel budget. Their findings indicated that employees of the foundation, including its director, had enriched themselves substantially at the expense of the foundation.

Boesak denied last night that he used Danish aid money for his wedding or any improper purpose. Appearing on SABC's Agenda programme, he said the R100 000 deposit for his house had been received from other people overseas and it had all been above-board. The team investigating the money had asked the foundation's accountant, Freddy Steenkamp, here certain money had been used and Steenkamp had said it was for Boesak's wife. "They accepted Steenkamp's word without asking me or my wife," Boesak said.

Balslev-Olesen said donors had not been able to get a satisfactory explanation for the missing funds. The viability of civil action to recover money from the relevant parties would also be assessed.

A damaging report into the issue commissioned by donors Danish Aid and drawn up and investigated by Johannesburg attorneys Bell, Dewar & Hall, would be made available today.

Johan Brusman of the Swedish Embassy said lawyers had been instructed to hand over the report to police.

Brusman and Balslev-Olesen are scheduled to discuss the issue with Deputy President Thabo Mbeki in Pretoria today.

Balslev-Olesen said the foundation owed about R759 000 to financial institutions. Sapa reports Boesak said he would seek an urgent meeting with President Nelson Mandela to request that an independent person be appointed to evaluate the report. He was prepared to withdraw as SA's ambassador-designate to the UN in Geneva "not because I am pleading guilty, but because of the intolerable situation created by this whole matter."
Act will have to go, lawyer

By Mathatha Tsedu, Political Editor

Section 205 of the Criminal Procedure Act would have to go if legislation was enacted to protect civil servants who exposed corruption in government, a Wits University lawyer told a media conference yesterday.

Addressing delegates to the Freedom of Information Act conference at Rhodes University, Grahamstown, Ms Lene Johannessen, said that while the new Act granted protection to "whistle blowers" on corruption, there would be no need to subpoena journalists to disclose their sources "if those sources can then not be prosecuted".

The conference was opened by deputy president Thabo Mbeki on Tuesday night, who called for the transparency of the new government to be used to benefit and empower the broad public.

Mbeki said while journalists would also be able to access information freely and easily from state departments, the major focus of freeing information should be directed at citizens who would need information to use to benefit themselves and their communities.

The chairperson of the Task Team to draw up legislation on the Act, Ms Melwin Gumbi, said the hard-won democracy could not depend on the "benign attitude of our rulers."
Boesak seeks Mandela's aid

Cape-Town — Dr Allan Boesak and other Foundation for Peace and Justice (FPJ) members, who face criminal and civil action over the alleged misappropriation of aid funds, have asked for an independent assessment of evidence against them.

Boesak is to meet a representative from Danish aid organisation Danchurch Aid in Pretoria today to discuss a damning lawyers' report on the FPJ.

Danchurch Aid and other donors met Boesak in Cape Town yesterday and released a statement saying that only a quarter of the money donated by Scandinavian countries to the FPJ was spent on intended projects, with the remainder swallowed up by staff loans totalling R2.7 million.

"The donors have not found the explanation given (by Boesak) satisfactory," the statement said. If a satisfactory response were not forthcoming, they would institute legal action, said the donors.

The statement said the FPJ, of which Boesak is the director, had given him and other staff members enormous loans over a period of five years.

"The loans were used by the recipients for their own benefit. Only very limited efforts to repay the loans have been made," said the statement from Danchurch Aid, the Church of Norway's Council of Foreign Relations, the Olof Palme International Centre and the Swedish International Development Agency (Sida).

The statement said a lawyers' investigation into the FPJ

Boesak pleads for fair hearing

which the donors commissioned concluded that the trustees of the FPJ "acquired themselves of their duties to account, supervise and to avoid conflict of interests in a way that is characterised as astounding".

"The findings also indicate that employees of the foundation, including its director, have enriched themselves substantially at the expense of the foundation," it said.

Boesak said after two hours of talks with the Danish charity officials that they had made up their minds about the allegations before the meeting and he had not had a proper chance to put his side of the story.

Last night, at an impromptu press conference at his Constantia home, Boesak dismissed the meeting as a farce and said he had not been given a fair opportunity to respond to charges detailed in a report commissioned by the donors.

"The meeting yielded nothing. Danchurch and Sida had already made up their minds to lay criminal charges against the foundation and myself," he said.

"I was expected to respond in two days to a report which was compiled over three months," he added.

Boesak said he would seek an urgent meeting with President Mandela or Deputy President Thabo Mbeki to request that an independent person be appointed to evaluate the report compiled by Johannesburg attorneys on behalf of the donors.

Boesak said he was prepared to withdraw as South Africa's ambassador-designate to the United Nations in Geneva "not because I am pleading guilty, but because the intolerable situation created by this whole matter.

"Now that there is the possibility of criminal charges, which may be a long drawn-out process, my appointment to Geneva cannot go through until it is resolved," he said.

He said Athlone lawyers Moosa and Associates were assisting him "pro bono" and "cannot pay them". Political Staff, Reuters, Sapa.
Act will have to go, lawyer

By Mathatha Tsedu, Political Editor

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The chairperson of the Task Team to draw up legislation on the Act, Ms Mojanku Gomba, said the hard-won democracy could not depend on the "benign attitude of our rulers."
A DREADFUL but defiant Allan Boesak is making an initial plea to President Mandela today for a fresh hearing as police prepare to investigate criminal charges arising from the Foundation for Peace and Justice scandal.

He is meeting a meeting with Deputy-President Thabo Mbeki or Mr. Mandela to ask for an independent assessment of the evidence.

The plea came as the Scandinaemic donors, Danefarben Aids, claimed that a quarter of the money donated by Swedish companies to the FPU had been spent on travel expenses, while the remaining 75 percent was swallowed by staff bonuses totaling R3.7 million.

The donors said the charges were serious that police were being called in to investigate criminal charges and possible civil action.

The full report was expected to be released in Johannesburg today.

Mr. Mbeki met representatives of the Scandinaemic donors in Pretoria this morning. A spokesman and no decision were taken in the hour-long meeting.

In a further development today, the FPU's secretary, Mr. Breyten, and another, Ms. Breyten, denied Dr. Boesak's claim that they had not attended a meeting at his house in Johannesburg last month at which he was asked to resign.

He denied the investigation as "politically charged and aiming at a grave travesty of justice" and slammed the report as "incomplete, unverified and bordering on grave irresponsibility.

Dr. Boesak's dismissal of the allegations against him followed the meeting with Danefarben Aids. He is the former chairman of the Scandinaemic donors, who said they had not offered a satisfactory explanation.

He said later this was a lie and described the meeting with the donors as "false". It was impossible for it to take place in three months investigations in two days.

He had not been given an opportunity to defend himself during the investigation, and he and the FPU were being turned into a scapegoat.

Dr. Boesak accused that his lawyers viewed the damaging report as patently, partial and groundless and totally the work of a confused man.

He accused that with hindsight, he should have tried to be a fairer man, but he was a better manager than he was.

Speaking after meeting Dr. Boesak, Mr. Breyten said: "Such a serious matter is not going to go to the point.

"We will institute criminal action against all people connected with the foundation who may be involved in the misappropriation of money.

"We will assess the validity of real action to recover money against relevant people identified in the report."

Mr. Boesak said: "It's a tragedy that less than 33 percent of the money received was targeted. They must be people with a purpose as well as a cause."
SPEAKING OUT: Allan Boesak and his wife Elina face the Press after Nordic funders released a finding which blames him for misuse of aid funds.
Judge to probe civil service for possible irregularities

A commission of inquiry was established by Mr Acting Justice Jules Browde yesterday to investigate possible irregularities in the public service between April and September last year.

Browde said the investigation would encompass the volatile period before and after the April 27 1994 election during which people in the service “could have exploited the situation by improperly improving their own or other persons’ positions.”

The commission, comprising Browde and five other attorneys, is empowered to review and, if necessary, “reverse or alter” contracts, promotions and awards or benefits received during this period.

Browde said it was imperative that anyone who was aware of such an irregularity should provide this information to a minister of the Cabinet —

Staff Reporter
Judge warns on
govt irregularities

PRETORIA. — Any irregularity found in the awarding of a government contract or appointment and promotion in the civil service between April, 1993, and September last year may lead to it being altered of cancelled, judicial commission chairman Mr Acting Justice Jules Browde warned yesterday.

He was speaking at the first public appearance of the commission which was appointed by President Nelson Mandela last week.

The commission will have vast powers to review appointments, new contracts and promotions in the former TBVC and SA civil services between April 27, 1993, and September 30 last year.

In terms of the interim constitution, the six-man commission can only review cases brought to its attention by cabinet ministers or members of provincial executives. The public can ask a minister to raise suspected irregularities in the public service.

Hearings would be held here and be open to the public.

The commission's brief might also include investigating large gratuities paid to public servants during the period. — Sapa CT10/2/95
The lawyers' report into money missing from two trusts run by Dr Allan Boesak states that Boesak was "charming, obliging and willing to assist" the investigation - until January 27.

That was the day he discovered the lawyers had found out that money in a bank account for the Children's Trust Fund (CTF) had been moved into another Boesak organisation, the Freedom and Peace Foundation (FPF).

The CTF account was emptied in 1993 and yet the FPF charged it R10,280 in administration costs for the 1993 financial year.

Only one transaction was conducted for that fee - the one which emptied the account.

The money was donated by the American rock singer Paul Simon to help child victims of apartheid. Instead it was drained from the Children's Trust Fund account and used to repay loans for Boesak and another Foundation for Peace and Justice staff, according to the lawyers' report.

The FPF general ledger, kept by Freddy Steenkamp, shows that R447,111.90 was withdrawn from the CTF bank account and deposited in the FPF account in April 1992, where it was credited to debtors' loans.

Trust Fund account and used to repay loans for Boesak and other Foundation for Peace and Justice staff, according to the lawyers' report.

The Black Sash has refused to accept yesterday's resignation of its national president, Mary Burton. She has offered to stand down from all trusts and boards - due to the controversy over funds missing from the Children's Trust Fund. She was a trustee of the CTF which was run by Dr Allan Boesak's organisation.

Burton said yesterday that she had decided to resign as a Black Sash trustee.

Her resignation follows reports that R423,000 was donated in 1998 to the Children's Trust by American singer Paul Simon, who has been missing.

Other trustees include Archbishop Desmond Tutu, who, with Burton, asked police to investigate the CTF a few days ago.

Burton said yesterday: "The trustees of the Children's Trust Fund had not been presented with a financial statement or an audited account since 1991. I've had to demand that the books be made available to us."

I therefore believe that I must tender my resignation to other trusts and boards on which I serve."

Today she said she had not sought legal advice on her obligations as a trustee of the fund, but she had felt morally obliged to offer to stand down.

Sheena Duncan, chairman of the Black Sash Advice Office Trust which yesterday unceremoniously fired Burton, offered to resign, said Burton was "a wonderful, reliable trustee."

- Staff Reporter

Books reveal how money drained away

From Page 2

were staff loans.

The report of a legal firm's investigation into the affairs of the FPF was officially released yesterday on instructions from the Danish donors, DanChurch Aid, who ordered the investigation.

The books kept by Steenkamp (who also kept the books for the CTF) form part of the report. It concludes that Boesak "enriched himself at the expense of the foundation."

It does not separate "enrichment" from Danish funds to that from other sources, including Paul Simon's donation to CTF funds. Simon donated R423,000 from his 1988 world tour to the fund.

The report confirms what is reflected in the books. "The staff loans accounts in this year (1992) were settled by transferring the sum of R447,111.90 from the Children's Trust bank account to the (debtors' loans) account."

After writing off the staff loans, a debit balance of R62,153.91 remains in the ledger. The lawyers could not find this recorded in the balance sheet.

The money that went missing from the CTF is now the subject of a top-level police investigation.

The lawyers' report and FPF books also indicate that money was drawn from other accounts and used by Boesak and his staff.

The Urban Disciplinary account was opened by the FPF and, when law firm Bell, Dewar and Hall began its investigation, Steenkamp said he had lost the cashbook, bank statements, debits slips and most of the vouchers relevant to the account. He later agreed to reconstruct the cashbook from those receipts he could find.

The report says Boesak drew a total of R447,111.90 from this account and his wife Elma drew R149,773.

The report states: "It appears from explanations that money was used by Allan Boesak to repay debts owing by Elma Boesak for the purchase of a house in Constantia, for alterations to the house and for travel expenses."

According to the report, Steenkamp later told lawyers investigating the case that the house had been bought by his father and that he was asked to live there and entertain guests and dignitaries.

Boesak took out R1 million in loans from the various accounts administered by the FPF. Staff loans totalled R2.7 million.

The lawyers found no record of any repayments by Boesak, although small amounts were repaid by other staff members.

In 1993, R35,000 in respect of staff loans was written off to "conflict management project expenses."

Another R58,000 in respect of staff loans was written off to "Staff loans - which were taken out without any agreement over repayment - first became a feature of the records of the foundation in 1990."

This was the year Steenkamp became a full-time FPF staff member.

Boesak has dismissed the report as one-sided and said he had not been given a fair chance to respond to the allegations.

In a letter to DanChurchAid director Christian Balslev-Olesen on January 31, Boesak attacked Olesen and his legal team saying they "did not care" and were driven by "compassion and "Christian honour."

"As I have told you, I am willing to pay for any mistakes I have made. You and I know, and your legal team knows, we have not enriched myself."

"Not often have I been treated with such arrogant contempt, or has my life been played with with such casual indifference."

"I shudder to think that my future, after all these many years and the threats of a white apartheid regime, is now in the hands of such people."

No plans to stop aid, says Danes

Cape Town - Denmark will continue its financial support for the relief of the horrors of hunger and political violence in Southern Africa, the Danish ambassador here yesterday said.

Ambassador Bent Hove said in a special fund for South Africa.

Hove also said that the Royal Danish Academy for Peace and Justice (FPJ) contribution to the final draft resolution of the UN's 3rd Committee, 1994 draft resolution of the UN's 3rd Committee, 1994 resolution on a draft declaration and resolution on a draft declaration of the World Conference on Human Rights.

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Karoo centres lost thousands in aid

By CHRIS BATEMAN

ABOUT 50 projects involving early learning centres in the Karoo lost “hundreds of thousands of development rands” because Dr Allan Boesak’s Foundation for Peace and Justice (FPJ) misused Danish funding.

This was said yesterday by Mr Christian Baslev-Olesen, secretary-general of Danchurch Aid, on the eve of his departure for Copenhagen.

He was speaking just hours after he and Swedish development chief Mr Johan Brusman briefed Deputy President Thabo Mbeki, whom Mr Baslev-Olesen said “was eager to get our opinion and the full context” of their findings.

The funding probe concluded that Dr Boesak personally misused R1 million, his financial director, Mr Freddie Steenkamp, another million and five other staff members a total of R700 000.

Mr Baslev-Olesen expressed concern for “project holders” in the Karoo who “are suffering because of this (misuse of funds)”, adding “we hope to return and look into specific projects that were supposed to get funds”.

FPJ auditors Mustaq Brey and Associates yesterday demed suggestions by Dr Boesak on the SABC television programme Agenda that they had decided on his R20 000 a month salary package. Mr Brey told the Cape Times he had also received a written apology on behalf of Danchurch Aid for an earlier allegation that his company had falsified the FPJ’s financial reports.

Mr Greg Nott, legal-coordinator of the Danchurch probe, confirmed sending the letter of apology and said the comment came as a result of a “misunderstanding” by his client.
FPJ’s Steenkamp takes
cover after funders’ report

THE former financial director of Dr Allan Boesak’s
embattled Foundation for Peace and Justice, Mr
Freddie Steenkamp, appears to have gone to ground.
Attempts to reach Mr Steenkamp, accused by the
FPJ’s Scandinavian funders of stealing R1 million
and by Dr Boesak as being “the kingpin behind this
affair”, have proved unsuccessful. The funders are
considering action against certain FPJ employees.
Burton resigns all positions

Johannesburg — Black Sash national president Mrs Mary Burton resigned from all trusts and boards on which she serves yesterday, in the wake of reports that R423 000 donated in 1988 by US singer Paul Simon to the Children’s Trust, of which she is also a trustee, has gone missing.

The Children’s Trust was administered by Dr Allan Boesak’s Foundation for Peace and Justice.

She said she felt responsible for not checking the trust’s financial statements — Sapa CT 10 2/95
The report states: “It appears from explanations that money was used by Dr Boesak to repay debts owing by Mrs Elna Boesak for the purchase of a house in Constantia, for alterations to the house and for bond repayments.”

According to the report, Dr Boesak later told lawyers investigating the case that the home had been bought, as his status demanded such a home where he could entertain guests and dignitaries.

Altogether, Dr Boesak took about R1 million in loans from the various accounts administered by the PPJ. Staff loans totalled R2.3 million. The lawyers found no record of any repayments by Dr Boesak, although small amounts were repaid by other staff members.

In 1993, R5 000 in respect of staff loans was written off as “conflict management project” expenses. Another R5 000 in respect of staff loans was written off to staff costs. Staff loans – which were taken out without any agreement over repayment – first became a feature of the records of the Foundation in 1994. This was the year that Mr Steenkamp became a full-time PPJ staff member.

Dr Boesak has dismissed the report as one-sided and said that he had not been given a fair chance to respond to the allegations.

In an emotional letter to Danchurch Aid director Mr Christian Bakslv-Olesen on January 31, Dr Boesak launches into an attack on Mr Olesen and his legal team. “You don’t care. As I have told you, I am willing to pay for any mistakes I have made. You and I know I have not enriched myself.

Dr Boesak’s political and diplomatic future is now in the hands of President Nelson Mandela, who was briefed by deputy president Thabo Mbeki yesterday.

His plea for a meeting with President Mandela to discuss his future has so far fallen on deaf ears. Mr Mbeki yesterday met with a representative of the Swedish International Development Agency (SIDA), one of the Scandinavian donors who have vowed to press charges against Dr Boesak and other staff members of the PPJ.
A clause in the FJ’s trust was designed to indemnify its trustees. Justin Pearce and Pat Sidley report

The trustees of Allan Boesak’s Foundation for Peace and Justice attempted to indemnify themselves against allegations of fraud after R400,000 of Children’s Trust money had already been removed from its account into that of the Foundation. This is among the disclosures made in the evidence collected by lawyers investigating the financial affairs of the FJU on behalf of its Scandinavian funders and released on Thursday.

The foundation’s legal papers constituting the FJU as a trust were drawn up twice — its formation in 1985 and again in 1991. They were altered again in 1993 to insert a clause in which trustees stated that they would not be liable for losses caused by “improper investments” made in good faith, or caused by anyone employed by the trust even if fraud was involved.

Among the trustees at that stage was Boesak, who may face criminal prosecution for his role in the misappropriation of the money.

The investigating lawyers have slammed the conduct of the trustees who failed to ensure that the huge amounts of money involved did not go astray. The chairman of the board of trustees, Dr. Ian de Waal, has previously told the Weekly Mail & Guardian that he did not believe the trustees could be held responsible for any problems that occurred in the running of the foundation. And both de Waal and Boesak have tried to defend themselves, blaming the bookkeeper, Freddie Steenkamp, for the amounts missing.

But the lawyers investigating the case on behalf of DanChurchAid note in the 600 pages of documented evidence that the Trust Property Control Act is unlikely to preclude the validity of such an indemnity. They believe Boesak could not defend himself with the indemnity clause.

In April 1991, according to the investigators, R447,118.99 was removed from the Children’s Trust account, placed in the account of the FJU and used to credit staff loans. Very little of this money was ever used by the children for whom it was intended, despite pleas to the trust to use it for small amounts to feed starving and destitute children in townships.

In the year in which the foundation paid from the Children’s Trust such small amounts as R7,300 for “children’s reports” and R643,81 for the Bhoongolethu Child Care Centre, the FJU paid itself R53,065,02 as administration costs for running the Children’s Trust books. The report says Boesak, while initially co-operative with the investigation, suddenly appeared to become less co-operative early this year. The report suggests that it was the disclosure that the Children’s Trust money had been diverted from its intended purposes that might have accounted for Boesak’s lack of co-operation.

He had spoken to the investigating lawyers on December 23 1994 but declined an invitation to talk to them again on January 27 1995.

According to the report, Boesak, together with Steenkamp and a Mr. Mulkadan of FJU’s auditors Mustaq Brey and Associates, decided two or three years ago to increase Boesak’s monthly salary from R8,000 to R20,000. This decision was taken on the grounds that Boesak had sacrificed a lot financially for the struggle and that he had been offered overseas jobs which would have paid in excess of R20,000 a month.

A conscious effort was made to conceal the salary increase from the donors, and this was effected by paying Boesak’s home bond repayments and other accounts from FJU funds.

Boesak had often said he would like an increase in the salaries of other low-paid FJU staff but always told them there was insufficient funding for this.

The report says the auditors were aware of the disappearance of money into “staff loans”, but let this be on the understanding that those loans were a front for the funding of political activities, the “struggle bookkeeping” which channelled foreign funds to anti-apartheid activities in the 1980s.

The report confirms a WM&G report in January that Boesak and Steenkamp set up the Rural Minstries and Development Trust as a means of channelling funds to profit-making self-sustaining projects.

The RMDT was established at the request of the Cross Times Trust, which asked FJU to help secure loans to capitalise development projects. Since such funding did not fall within the scope of FJU activities, Boesak and Steenkamp set up the RMDT without the knowledge of FJU’s overseas funders. At least R441,000 of FJU money was channelled into RMDT projects.

For the Kings Hotel project in East London and the Sani Sebastian residential development project in Cape Town.

The report also indicates that the FJU purchased a house in Guguletu which is currently occupied rent-free by senator Christmas Tima.

It also tells of FJU funds being used for a trip to Egypt for Allan and Elia Boesak, a trip to Atlanta in the USA for Boesak’s personal assistant Norman Michaels, and traveling expenses for ANC election campaigners.

Among the other FJU staff members who reportedly received “loans” from the FJU are Boesak’s secretary Lucille Fester and staffs Leslie Lederl and Sandra Vlotman, who last month went to the press with allegations of mismanagement at FJU.
Human rights man tipped for public protector

SOUTH AFRICA
Kalako probe will be public

MICHAEL MORRIS
Political Correspondent

HEARINGS into allegations that Western Cape Environment Minister Lerumo Kalako misappropriated public funds during a trip to Australia will be open to the public, and the Press.

The commission of inquiry, headed by former Cape Attorney-General Niel Rossouw, will sit in open session at the Civic Centre on the Foreshore.

No date has been set for the start of the hearings, but it is likely to be next week.

The commission has until the end of February to complete its investigation and report to the provincial parliament.

Commission secretary Robby Vincent confirmed that the hearings would be open to the public and the Press.

The three-member commission was appointed by the regional parliament. Mr Kalako has denied any wrongdoing.
and missing funds

Tutu on Boesak
Tutu on Boesak, funds

(Continued from page 1)

year period to Dr Boesak himself and to several other staff members.

Dr Boesak has denied the allegations, and called the investigation one-sided and unjust.

He has accused the investigators of racism and "security police tactics.

Foundation trustees Jan de Waal and Pierre van der Heyden have also slammed the probe as "one-sided" for having depended solely on the word of foundation accountant Freddie Steenkamp.

But while Dr Boesak and colleagues have kept up a war of words against the investigation's findings, it seemed unlikely he would get a presidential audience to seek a fresh hearing.

A spokesman for President Mandela said no meeting had been scheduled with Dr Boesak. There is a suggestion, however, that a meeting might be arranged for the weekend.

The president is to be briefed on the report next week and will consult lawyers before deciding on Dr Boesak's future.

In a further development, Dr Boesak asked in a letter to overseas VIPs, including the head of the World Council of Churches and the Swedish premier, why "one of our people" had not been used in the investigation.

He slammed the use of a white legal firm.

Asked about Dr Boesak's allegations about the race of the investigating team, Archbishop Tutu said today he was sure that if there was any kind of bias in the investigation "it will come out in the wash.

Political Staff, Sapa and Reuter

ARCHBISHOP Desmond Tutu has spoken of his deep concern about the R423 000 missing from the Children's Trust, and of Allan Boesak seeking to take up his ambassadorial post in Geneva "under a cloud".

Speaking on his return from Oxford, the archbishop said his chief concern was to find the Children's Trust funds.

He said in a statement on Monday that as one of the trustees of the fund he had asked the police to investigate the whereabouts of the R423 000 donated to the Children's Trust — and administered by

Day of the fateful discovery: page 21

Dr Boesak's Foundation for Peace and Justice — by singer Paul Simon following his 1988 Graceland tour of South Africa.

Archbishop Tutu also felt that Dr Boesak should not accept the Geneva post until the scandal over the alleged misappropriation of donor funds had been settled.

"My own view is that his work would be hampered until everything is cleared.

"I would've thought that you don't want to go into any important position with a cloud of this kind hanging over you.

He added that if everything were sorted out satisfactorily he thought Dr Boesak would be the ideal person.

"He's a very gifted person and that is why my devastation and distress are so great.

"Dr Boesak has played a tremendous role in our struggle and I would want to see him cleared. I hope it will happen.

The archbishop said he was particularly anxious to get to the bottom of the missing Children's Trust funds, and to establish whether the money was recoverable.

He felt the police were probably the best people to investigate this.

He also felt co-trustee Mary Burton was being "too harsh" on herself in resigning her post on this and other charity organisations in which she was involved.

"It's not her fault. There has been no dereliction of duty on her part," Archbishop Tutu said.

He said he was quite willing to meet Dr Boesak, who he expected to be at a meeting of the Children's Trust trustees called by chairperson Mrs Burton later today.

Scandinavian donors said this week that Dr Boesak's foundation had given loans of more than R2 million over a five-

(Turn to page 4, col 8)
Boesak's fishing connection

JEAN LE MAY
Weekend Argus Reporter

ALLAN Boesak and his Foundation for Peace and Justice were in trouble with the community in the Western Cape long before the present crisis over the FPJ's Danish funding.

In particular, the FPJ's involvement in the fishing industry has led to enormous embarrassment for the African National Congress and for at least two of its most prominent personalities — Professor Jake Gerwel, director-general in President Nelson Mandela's office, and Franklin Sonne, now South African ambassador in the United States.

The FPJ connection not only caused embarrassment, it lost votes for the ANC in the April election and could lose votes in the coming municipal elections.

Fishing people have had one of the rawest deals of any community under the lash of apartheid. Traditional fishermen were edged out of their livelihood by the strangehold on fishing quotas allowed the big fishing companies. There were scandals which reached as far as the cabinet.

So, when it became known that the director of the FPJ had formed a fishing company, suspicions were aroused — even beyond the fishermen themselves — that a new generation of fat-cats was about to plunder the marine resources at the expense of ordinary fishermen.

The FPJ's links with the fishing industry were forged through Norman Michaels, foundation director (and later, when Dr Boesak became the regional Minister of Economic Affairs, his private secretary).

The FPJ claimed the credit for forming the now largely discredited fishing forum, which was established with the idea of getting fishing quotas for "disadvantaged" fishermen. Mr Michaels was appointed as the FPJ representative on it.

About the same time Mr Michaels, with Cape Town businessman Fred Robertson, formed a fishing company called SA Fishing Investment Company (Safic).

Weekend Argus established last year that Professor Gerwel, then still rector of the University of the Western Cape, and Mr Sonne, then still rector of the Peninsula Technikon, accepted invitations to become directors. Both subsequently withdrew for personal reasons — but their names remained, unknown to them, on records with the Registrar of Companies (Both names have since been removed.)

Safic was formed with the laudable intention of "restoring the rights of disadvantaged fishfolk and empowering them economically."

However, it was not clear how this was to be done, since 70 percent of shares in the company were to be sold to NGOs, churches and trade unions and 30 percent to private individuals "such as activists, professional people, parliamentarians, black families, business people etc."

Weekend Argus was unable to trace any "fisherfolk" on the board of directors, nor any way in which they were to be empowered by the formation of the company.

Safic applied for a fishing quota and did not get it. It then borrowed R5 million from Metropolitan Life — of which Mr Sonne is a director — to buy one million shares in Sea Harvest, the major fishing company whose managing director, Eckhardt Kramer, is chairman of the fishing forum.

Then the row started when the ANC found out, the shares were sold and an ANC investigation was ordered. Mr Robertson said this was because "the deal was seen as compromising our position on the fishing forum."

But word had got out in the fishing communities. The National Party made great play of it in its election campaign, and the ANC lost support where it had hoped to find it.

The ANC, and Dr Boesak, made haste to deny that he had personal connection with Safic.

But the damage was done, and this was only exacerbated when the result of the investigation was covered up — a cover-up described by Weekend Argus by a prominent ANC lawyer as "an outrage."

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ART 11/245
With the ANC Youth League's 50th birthday, a party began to fly, but the financial strains of the past year threatened to dampen the festivities. The youth league, which has traditionally been a powerhouse for ANC leadership, faced a significant challenge in managing its finances.

The situation was exacerbated by the ANC's struggle to curb corruption and maintain financial discipline. The league had recently been involved in a controversy over the use of funds, with allegations of mismanagement and squandering of resources.

In a speech at the Youth League's birthday event, President Cyril Ramaphosa urged the members to focus on the party's core values and to avoid the pitfalls of corruption. He reminded them of the sacrifices made by those who came before them and the importance of accountability and transparency.

The youth league, under the leadership of its president, Mmusi Maimane, committed to a strict adherence to the principles of good governance and the rule of law. The league pledged to work towards a future where financial discipline and integrity were the norm, not the exception.

As the party entered its golden anniversary, there were expectations of renewed vigour and a commitment to serving the people with renewed energy and enthusiasm. The ANC, under the leadership of its members, especially the youth league, was poised to take the country forward, guided by its foundational principles and values.

The ongoing struggle to maintain financial discipline and integrity was a testament to the ANC's commitment to its ideals and its determination to lead the country towards a brighter future.
Nissen: FPJ money not for personal use

GLYNNIS UNDERHILL
Weekend Argus Reporter

TOP ANC figures, including the Minister of Economic Affairs in the Western Cape and Western Cape ANC leader Chris Nissen, have expressed dismay at the handling of an SABC television news report last night which points to payments they received from the Foundation for Peace and Justice.

Rev Nissen confirmed last night that he received financial support from the foundation during the period 1988 and 1993. The money received formed part of a foundation support programme and was never for personal use, he said.

"The assistance played a crucial role in my church and community-related work. This support was facilitated by the New World Foundation, a religious and charitable trust," said Rev Nissen.

Provincial legislators in the Western Cape parliament documented as having received payments from the foundation under crisis/relief are Christmas Tinto, Johnny Issel and Vincent Diba. Others whose names crop up under crisis/relief are Calvin Smit and Mr. Neels. John Neels, head of publicity and information at the South African Civic Organisation, said he was asked by the foundation to conduct research into the socio-economic priorities in rural communities. For this and the completed report, he received expenses amounting to R$550 for six weeks work.

"I am appalled and outraged to learn that it has been suggested on television that I was involved in any impropriety involving allegations surrounding the Foundation for Peace and Justice," he said.

"Will everyone who has ever had any contact with the foundation be tarred with the same brush?" he asked.
ANC 'C used Boakye fund

Cash diverted for election expenses, claims ex-directc
More heat on Boesak

travel disbursements did not fall within the aims and objectives of the Foundation.

According to the inquiry report, various members of the ANC and several well-known personalities received money from the FPJ. These included ANC Western Cape leader Chris Nissen, Calvin Smith of the Northern Cape ANC, Senator Christmas Tinto, John Neels of the SA National Civic Organisation (Western Cape) and Johnny Issel, also of the ANC.

However, most of the funds misappropriated were paid to trustees or members of staff as "loans." Other money was allegedly lost through maladministration.

The financial manager of the FPJ, Freddie Steenkamp, "borrowed" R700 000 and Boesak R50 000 in the two years preceding February 1994.

Millions of rand in "loans" were taken by Boesak, Steenkamp, Boesak's personal secretary Lucille Pester, and to a lesser extent by other employees. Almost R3 million of FPJ funds was apparently paid out in loans between March 1990 and November 1994 - and many were written off.

Boesak used the money to buy a car, finance a house and do extensions to it, settle his wife Elina's accounts and pay for their holiday to Egypt.

Yet, according to a trustee, Leslie Liddle, Boesak denied these allegations at a meeting in 1991 and it was minuted that the FPJ had not paid for his home in Constantia and that his car was a donation. However Liddle told the inquiry that during 1992, when Boesak and his wife Elina had marital problems, Elina showed Liddle an affidavit signed by Boesak showing that he had received a large housing allowance from the Foundation.

Other disclosures in the report were:

- A "discretionary" account was opened in 1991 after discussions between Steenkamp and Boesak - and without the knowledge of the donors - to use money for business projects to help raise monies for the FPJ.
- R10 000 was paid for a visit to Atlanta by Boesak's personal assistant Norman Michaels, although the trip was not for FPJ purposes.
- Steenkamp also said the FPJ secretly established the Rural Development Ministries Trust without the knowledge of some FPJ trustees to "raise funds for (the) FPJ."
- Scolka Sello reports that President Mandela is expected to announce tomorrow whether Boesak takes up his posting as SA's Ambassador to the United Nations in Geneva.
No-one exempt from commission

By RAY HARTLEY

EVEN cabinet ministers will not be safe from the scrutiny of the Browde commission, which will soon begin investigating irregular promotions made before and after last year's elections.

"The commission chairman, acting Justice Jules Browde, told a press conference in Pretoria that all complaints handed to him by cabinet ministers or their provincial counterparts would be investigated.

"This commission is entirely independent of any department of state, we're not obliged to anybody. If somebody knows something about a minister which reveals something irregular, that complaint may be taken to another minister," Judge Browde said.

He said the commission had a wide mandate which covered:
- The conclusion or amendment of a contract;
- Any appointment or promotion;
- The award of "any term or condition of service or other benefit."

Judge Browde said irregularities reported to the commission regarding the payment of retirement gratuities were within the commission's mandate.

Having investigated complaints, the commission had vast powers to "reverse or alter the contract, appointment, promotion or award," he said.

Wrongdoings in the period from one year before to six months after the April 1994 elections fell within the commission's scope.

"The specific period encompasses the volatile period before and after the elections."

Advocates on the commission are Selby Baqwa, Leon Theron, Mokgadi Malelo, Nathan Foonan and Carol Stemaly.

(259) 255 9371

12/2/95
ANC leader got house from FPJ

THE FORMER leader of the ANC in the Western Cape, Mr Christmas Tinto, received regular payments from Allan Boesak's Foundation for Peace and Justice, and he has also lived rent-free for the past two years in a house belonging to the organisation.

This was revealed in a 600-page document compiled by lawyers who investigated financial mismanagement by the Foundation for Peace and Justice on behalf of several Nordic aid organisations.

Payments made to Mr Tinto — totaling more than R12 500 — are listed in the FPJ's records as "commissions." They were paid to Mr Tinto, who is now an ANC senator, between December 1991 and January 1995.

The foundation's financial statements also reveal payments of R5 500, on June 7, 1993, for "auto repairs," R3 100 to Standard Bank on June 1, 1993, and two other payments, on March 3 and April 30, 1993, for "consumables," all made on behalf of Mr Tinto.

According to the report, an amount of R19 247, which was drawn on the FPJ's bank account, was also paid by the Foundation to "audit" Mr Tinto's house.

According to records at the Deeds Office in Cape Town, the foundation is the registered owner of the facebrick house at 94a NY 147 Guguletu, which stands out among its less-impressive-looking neighbours.

Mr Tinto's house is listed in a statement by disgraced FPJ financial director Freddie Steenkamp as an asset of the organisation, before the organisation "lost" it on December 14, 1994.

The house was bought on December 14 for R11,289 and subsequent bonds of R75,000 and R15,000 were registered on the house last year.

A source claimed that the bonds were raised by the FPJ "as it was short of funds." The report says Mr Tinto's house is bonded to Bank of England for a total of R60,000.

On Friday, Mr Tinto's wife, Mrs Belelwana Tinto, insisted that the house belonged to her and her husband.

"We paid R75,000 for the house and it belongs to us. We bought it through the foundation," she said.

Mr Tinto is understood to have signed a deed of sale to buy the house from Bank of England last week.

Mr Tinto, an ANC stalwart, is said to have supported Dr Boesak's successful bids for the leadership of the ANC in the Western Cape in 1991 and again in 1993.

Dr Boesak succeeded Mr Tinto as ANC leader.

Mr Tinto enjoys widespread support in Cape Town's black townships. He did not make a bid for re-election in 1991 and was elected to ANC executive as an ordinary member without portfolio.

RENT FREE . . . Former leader of the ANC in the Western Cape Mr Christmas Tinto, right, has lived free for two years in this Guguletu house, which belongs to the Foundation for Peace and Justice.

Picture: AMBROSE PETERS

When approached for comment yesterday, Mr Tinto denied receiving any money from the foundation and was adamant that the organisation had not paid for his house.

"I never received any money from the Foundation for Peace and Justice.

"The Foundation for Peace and Justice did not buy my house. I bought the house from the bank. If you have any questions ask (attorney) Esa Moosa, but I have no connection with the foundation," Mr Tinto said.

Reverend Chris Nissen, the ANC's Western Cape leader, confirmed yesterday that he had received financial support from the FPJ between 1988 and 1993, although the FPJ's records show a payment of R5,000 on February 28, 1994.

"The money was part of the foundation's support programme," a spokesman for Rev Nissen said yesterday.

"This assistance played a crucial role in his church and community-related work.

Mr Johnny Israel, a Western Cape regional member of parliament, who is also listed in the report as having received payments from the FPJ, said yesterday.

"The money was for my political activities and not for my personal use."
Big spending spree by FPJ secretary

By AYESHA ISMAIL and GARY COLLINS

THOUSANDS of rands were paid out to exclusive clothing stores between 1990 and 1994 on behalf of staff members of Allan Boesak's Disgraced Foundation for Peace and Justice.

Many of the payments were made on behalf of Nocelle Fester, secretary to Dr Boesak, who was one of the authorised signatories for FPJ cheques.

While the accounts do not always give details of whose behalf payments were made, most were listed as having been made for LF (Lucelle Fester).

Allowance

According to the report released this week compiled for Nordic aid agencies, Dr Boesak told them he had agreed to a "clothing allowance for Ms Fester".

The companies to whom payments were made "all for a minimum of R250 and often more" included Stuttafords, John Orr's, Gaskells, Hilton Weiner Edgars, Truworths, Irene's Dress Boutique and Lacer Boutique.

One payment was also made to Grays clothing for R26 000 on March 16, 1990, but the accounts do not stipulate on whose behalf the payment was made.

According to the lawyer's report, Ms Fester nugget an acknowledgement in support of a R151 454.38 payable to the FPJ on demand.

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Govt summons Boesak to Pretoria for meeting

By Vuyo Bavuma
Political Reporter

The fate of embattled former ANC leader Dr Allan Boesak hung in the balance yesterday as he was called to Pretoria for a meeting with Deputy President Thabo Mbeki to decide his future.

Boesak met Mbeki and State legal advisers at the deputy president’s official residence late yesterday, but the outcome was not known at the time of going to press.

At stake is how to define what is fast becoming a major political embarrassment for both the Government and the ANC, as fresh disclosures of financial mismanagement surface daily.

Yesterday several ANC activists, including regional leader and Economic Affairs Minster Chris Nissen and Senator Christina Tinto, were implicated in the scandal. But all denied any wrong-doing.

ANC and government sources said yesterday it was now a foregone conclusion that Boesak would not get the ambassadorial posting to Geneva, which was put on hold after the allegations that he had misused R2.7 million first broke early in December.

President Nelson Mandela, who must make the final decision on Boesak’s appointment, is expected to be briefed by Mbeki today following the meeting. He is expected to announce his decision either tomorrow or on Wednesday.

Meanwhile Tinto, a veteran former United Democratic Front leader, yesterday dismissed allegations that he was living in a rent-free house which was bought with funds from Boesak’s Foundation for Peace and Justice.

He told Sowetan he bought his R75 000 house towards the end of 1992 and the FPJ merely acted as surety.

Tinto said he was still paying a monthly bond of about R1.200 and had “never received any money from the FPJ for personal use.”
Decision on UN post is expected today

ADRIAN HADLAND

CAPE TOWN - President Nelson Mandela is expected to announce a decision today on Allan Boesak's pending appointment as SA's ambassador to the UN in Geneva.

Deputy-President Thabo Mbeki, who met Boesak at the weekend, will brief Mandela on the talks and the legal firm report on alleged irregularities in the finances of Boesak's Foundation for Peace and Justice.

A presidential spokesman said at the weekend that Mandela wanted the question of the ambassadorial appointment, which was suspended until investigations into Boesak's finances had been completed, to be resolved as soon as possible.

He said it was unlikely Mandela would deal with additional claims implicating the ANC in the use of foundation funds during the election.

About R2,7m in social upliftment project donations from Nordic countries were allegedly misappropriated by foundation employees, according to a spokesman for Victor Danchakos.

Sapa reports ANC Western Cape chairman Chris Nissen yesterday denied he had received R2,000 a month from the foundation. He admitted getting R2,500 a year in "relief assistance" while working without pay for the ANC in the region.

Nissen, a Lutheran clergyman who is now

Boesak (25y)

Western Cape economic affairs minister, said the payments were arranged by Boesak's foundation and the New World Foundation. "There was an arrangement that they would support me from 1998 to December 1993."

His church had also received financial assistance from Boesak's foundation.

ANC Western Cape leaders met in Cape Town yesterday to discuss the alleged involvement of the party and several of its senior officials in the misappropriation of foundation funds for election campaign purposes, alleged by former foundation financial director Freddie Steenkamp.

Nissen said if the party had received money from the foundation it had probably submitted a request in the same way it would have for any other request. There was nothing "sinister" in the ANC receiving funds from the foundation.

Nissen said while former ANC Western Cape chairman Christmas Tinto had received financial help from the foundation, Tinto had not lived rent-free in a house owned by it.

"We don't think there is anything sinister about the fact that ANC officials received support from the foundation. The foreign funders knew that the funds were being used to assist people."

Meanwhile, the Johannesburg law firm which investigated the affairs of Boesak and the foundation has been summoned by the Office for Serious Economic Offences to hand over the foundation's books and financial statements.

The Scandinavian donors have not ruled out the possibility of instituting criminal action against foundation officials.

The report mentioned high salaries paid to foundation staff and noted that almost R2m was paid out in loans between March 1998 and November 1994. Large portions of these loans were written off.
ANC meets over funds scandal

Cape Town — Western Cape ANC leaders met in Cape Town yesterday to discuss the alleged involvement of the party and several of its senior officials in misappropriation of funds.

This followed allegations by the Foundation for Peace and Justice formed financial director Freddie Steenkamp to Danish church Aid lawyers that the ANC’s Allan Boesak had used funds for private use, and that the ANC had received funds for its election campaign.

Regional ANC chairman Chris Nissen said that if the party had received money from the foundation, it had probably submitted the same kind of request sent to other organisations.

Nissen said there was nothing sinister in the ANC receiving funds from the foundation.

He denied he had received R2 000 a month from the FPJ but said he had received R2 500 a year in relief assistance while working without pay for the ANC in the region.

Nissen, a Lutheran clergyman who is also Western Cape MEC for Economic Affairs, said the payments were arranged by the FPJ and the New World Foundation, of which FPJ chairman Jan de Waal was a trustee.

There was an arrangement that they would support me from 1988 to December 1996,” he said.

His church had also received financial assistance from the FPJ.

Western Cape ANC deputy chairman Phumzile Ngcaka said Boesak should be allowed to give his views, in public, of the scandal over missing funds.

“While we accept the investigation... we are nonetheless concerned that Allan Boesak also be afforded the opportunity to state his side of the issue in public,” she said.

Scandinavian donors said that over a five-year period, the FPJ had given loans of more than R2 million to Boesak, the foundation’s bookkeeper and several other staff members.

Although Boesak has denied any wrongdoing, his appointment as SA ambassador to the United Nations in Geneva has been suspended until the scandal is cleared up.

Boesak insisted at a meeting with Deputy President Thabo Mbeki in Pretoria yesterday that he was innocent. Mbeki is to brief President Mandela today on the legal investigation into the FPJ’s activities. Mandela is expected to make an announcement this week on Boesak’s ambassadorial appointment. — Own Correspondent, Sapa-Reuters
Winning explains, Bosnok decides,

Schematic found short.
Boesak's political fate could be sealed today

By ANTHONY JOHNSON
Political Correspondent

The political fate of Dr Allan Boesak could be sealed at a meeting this morning between President Nelson Mandela and Deputy President Thabo Mbeki at the Union Buildings.

The former ANC Western Cape leader made a last-dash bid to save his political skin yesterday at a meeting with Mr Mbeki in Pretoria at which he protested his innocence in the foreign and scandal rocking the Foundation for Peace and Justice.

Barely a day after the Office for Serious Economic Offences summoned the Johannesburg law firm that conducted the inquiry into the FPJ's affairs to hand over its books and financial statements, Dr Boesak told Mr Mbeki that he had not committed any wrongdoing.

"Dr Boesak says he is innocent and has not enriched himself," the Deputy President's spokesperson, Mr Thami Mnteni, said last night.

A spokesperson for the President's office, Mr Parks Mankashana, confirmed that Dr Boesak—who in the past has appealed for an audience with Mr Mandela to convince him of his innocence—will not be at this morning's Union Buildings meeting.

Dr Boesak is understood to be planning a press conference in Cape Town today.

Senior government sources said last night Dr Boesak's posting as ambassador to the United Nations in Geneva was "definitely out of the question".

His fate would depend on the extent to which he was judged culpable for the scandal enveloping the FPJ and now implicating prominent ANC members.

But some said that Dr Boesak would not simply be "thrown away" because the case against him did not appear to be "that cut and dried". It was possible he might be offered some lower-profile position in government.
Winnie in R500 000 ruckus

The row surrounding Mrs Winnie Mandela grew fast last week with claims that a R500 000 cheque was given to her, as ANC Women's League president, by Pakistan Prime Minister Ms Benazir Bhutto at a league function soon after President Nelson Mandela's inauguration last year was not given to the league.

The claim came as Mrs Mandela backed down yesterday from her accusation that the government was paying more attention to appeasing whites than aiding blacks. She said it had not been her intention to embarrass the government.

According to former league executive member and now member of Parliament, Mr Raleka Ngwuni, treasurer-general Mrs Adelaiso Tshwane was told the cheque was for other purposes. A spokesman for Mrs Mandela said the money was not intended for the league but "specifically for upliftment projects in disadvantaged communities."

Mrs Mandela said yesterday the R500 000 presented to her by the government of Pakistan was for use at her discretion and had been asked to the account of a development project for informal settlements.

The money was given to Mrs Mandela for use "at her discretion for the development of women in South Africa," Mrs Mandela's cabinet office said in a statement.

The cheque had been handed over to the account of CAFE "a development project active in upliftment programmes in the informal settlements around Johannesburg."

Mrs Tshwane has since resigned from her post a move which precipitated the resignation of 10 other national executive committee members of the ANC Women's league.

They resigned over dissatisfaction with Mrs Mandela's conduct and lack of control over the league's financial affairs.

Responding to President Mandela's demand that she retract her statement, Mr Mandela said yesterday: "I have always been an honest and forthright member of the ANC. I have tried to be as faithful to the government as the league was to me."

She made the statement in a letter to Mr Mandela. Mr Mandela has read the letter, but has not indicated whether her public backing was true enough.

"The President has studied the letter and referred it to Deputy President Thabo Mbeki," Mr Mandela's spokesman, Mr Parks Mankabanda, said last night.

"The President will make a statement after Mr Mbeki has looked into the matter."

Mr Mankabanda said this would be done in the next day or two.

Mrs Mandela, the Deputy Minister of Arts, Culture, Science and Technology, was told to retract statements she made at the funeral of a Soweto policeman in which she criticized the government.

She was told that if she did not want to retract them, she should resign or be fired.

Mrs Mandela said in her letter, which was released publicly, she wanted to clarify her motives and intentions when she criticized the government for paying more attention to appeasing whites than aiding blacks.

"First and foremost I must make it abundantly clear that it was not my intention to insult the President or to embarrass the government. I was merely trying to assure the people that the government and the ANC are aware of the situation which the government must still deal with."

"The impression of the people is that we neither care nor know about these things. I was trying to do something about these things."

"It is as if I created a different impression, that was not my intention."

Sapa, Political Staff

APOLOGY ... Mrs Winnie Mandela writes a letter of apology
Donations of R138m lost: probe set up

A committee of nine leading politicians — two of them provincial premiers — is to investigate another case of foreign donations that have gone missing.

It was claimed during the Robben Island prisoners' reunion at the weekend that about R138 million donated by foreign governments to the Association of Ex-political Prisoners (AEPP) never reached the people it was meant to help.

A former AEPP employee has claimed that some of the money was used to buy houses and cars for staff of the association — with seven of the vehicles registered under the name of one senior AEPP official.

Documents substantiating the former AEPP employee's claims were produced during one of the sessions of the conference.

The session was told that none of the R138 million donated by foreign donors found its way to social upliftment projects.

Borrowed

In addition, the session was also told that about R3 million earmarked for Eastern Cape AEPP projects had apparently not been used for these schemes.

The former employee said the loans had been given to staff members and that he himself had borrowed large amounts of money without repaying them.

He claimed some AEPP officials had used the money to finance their own businesses.

Angered by the allegations, the former detainees demanded a full explanation and immediate probe into the AEPP trust funds and urged that the culprits be held responsible.

A potentially explosive situation was averted when the ANC's Ahmed Kathrada told the delegates to appoint a committee to investigate the AEPP.

Those appointed to serve on the committee were Kathrada, Tokyo Sexwale, Patrick Lekota, Dr Aubrey Mokoaepe, Dikgang Moseneke, Kwezi Mkhathini, Thandi Modise, Barbara Hogan, and Jeff Radebe. — Own Correspondent.
Boesak now looking for a new job

MICHAEL MORRIS
Political Correspondent

ALLAN Boesak, now without an income, is expected to be looking for a new job.

He has not only lost his diplomatic appointment to the United Nations, but also his employment — at R10 000 a month — with the Department of Foreign Affairs.

He is selling his house to help pay Foundation for Peace and Justice debts.

President Mandela yesterday accepted Dr Boesak’s withdrawal as ambassador-designate to the UN in Geneva, “as well as from his employ in the Foreign Affairs Department”.

Last week, facing the Press after meeting his accusers from Danchurch Aid, Dr Boesak said he would have to find a job if his Geneva posting fell through.

“I will have to find a job. I have no other source of income,” he said then.

He also disclosed that Athlone lawyers Moosa and Associates were assisting him pro bono “since I cannot pay them”.

He indicated that his R10 000-a-month director’s salary from the Department of Foreign Affairs was “a small amount, and a huge drop from what I was earning as Minister of Economic Affairs in the Western Cape cabinet. It is a difficult thing.”

The fact that his wife, Elna, was not working either compounded the difficulty.

Dr Boesak earned about R20 000 a month as director of the controversial Foundation for Peace and Justice.

Lawyers for Danish and Swedish aid agencies found that he “enriched himself substantially” at the expense of the FPJ and its intended beneficiaries.

Police and the Office for Serious Economic Offences are investigating.

No replacement has yet been considered for Dr Boesak, says Foreign Affairs director-general Rusty Evans.

Mr Evans said the incumbent, Rian “Koedoe” Eksteen, had agreed to stay on.

Mr Eksteen had, however, been reassigned to another posting and the position in Geneva would eventually have to be filled.

It is understood that Mr Eksteen may become consul-general in New York or ambassador to Turkey.
Boesak withdraws from post

By CHRIS BATEMAN
and DALE GRANGER

PRESIDENT Nelson Mandela yesterday accepted Dr Allan Boesak’s withdrawal from his Geneva posting — which Dr Boesak offered to allow the (criminal) probe into his Foundation for Peace and Justice (FPJ) to “go unimpeded”.

Mr Mandela said he had received Dr Boesak’s “request” to step down as ambassador designate and resign from the Department of Foreign Affairs.

“I fully understand the reasons behind his request and accept it with regret,” Mr Mandela said.

Dr Boesak has also put his Constantia home up for sale to help settle the FPJ’s debt.

Fellow trustee Mr Jia de Waal said yesterday he had begun civil action to recover Danish money allegedly misappropriated by Dr Boesak and five FPJ staffers.

BOESAK GIVES UP GENEVA HOPES

Dr Boesak emphasised that his withdrawal was “not an admission of guilt”.

As the Office of Serious Economic Offences was investigating the alleged misappropriation of FPJ funds, and because he did not want to put undue pressure on the President or the government, he had offered to withdraw from the ambassadorial post.

The civil probe by Scandinavian donors found that as an FPJ director Dr Boesak “enriched himself” with funds intended for underprivileged South Africans to the tune of R1 million.

Dr Boesak said the action by the Office of Serious Economic Offences represented “a new and quite serious complication”.

Mr De Waal said he was not taking civil action against former employees Mrs Leslie Eddie and Mr Norman Michael, as they had repaid debts.

Dr Boesak said of his “resignation” yesterday “I know I have nothing to fear and I continue to have confidence in President Mandela’s sense of justice and fairness.”
'ANC men got FPJ money'

Political Staff

PROCLAMANT ANC members, including Western Cape leader Mr Chris Nissen and a predecessor of his, Senator Christmas Tinto, received money from Dr Allan Boesak's Foundation for Peace and Justice (FPJ) according to Danchurch lawyers.

The 600-page Danchurch report named other recipients as top Northern Cape ANC member Mr Calvin Smith, Mr John Neels of the SA National Cynic Organisation in the Western Cape and local MP Mr Johnny Issel.

Mr Nissen has admitted receiving R2 000 a year from 1983 to 1995 from the FPJ and that the FPJ supported the ANC's election campaign in the Western Cape in the form of contributions to Dr Boesak's travel expenses.

He was unable to say whether the funders were aware that their money was being used for these purposes.

Asked whether he did not feel he was taking food from the mouths of children by benefiting from funds designed for them, he said: "The FPJ was for anti-apartheid work and that was in the line of duty."

Payments made to Senator Tinto totalled more than R12,500 between December 1991 and January 1994, and were listed as "crisis relief," the report said.

"Another R15,000 was drawn on the FPJ's bar account, ostensibly to "audit" Mr Tinto's house on which the FPJ registered bonds of R15 000 and R15 000, although the home was bought for only R11 269.

Mr Tinto's wife Balewa admitted that their house was bought through the foundation, but said she and her husband had applied for a bond to take it over.

Mr Issel stressed that the money was for his political activities and not his personal use.

The ANC regional leadership said the "irregular financial practices" alleged to have occurred in the FPJ had to be understood against the backdrop of the struggle against apartheid.

ANC deputy-chairperson Ms Phumzile Ngcusa said that while the ANC leadership "condemned all corrupt practices without reservation," during the apartheid era the liberation movement and its supporters often "had to resort to subterfuge" to get foreign funding into the country.

"This required concealment, the use of intermediaries and disguised conduits to avoid detection by the state," she said.

"We reject the suggestion that all persons who received support and maintenance during the darkest days of apartheid repression were engaged in corruption.

"It is regrettable that, in a few cases, they created opportunities for corrupt practices," she added.
Boesak gives up Geneva hopes

Staff Reporter

Dr Allan Boesak yesterday resigned his appointment as ambassador-designate to the United Nations in Geneva — and said he was selling his plush Constantia home to settle a R300 000 Foundation for Peace and Justice (FPJ) bank overdraft.

Speaking from his home, Dr Boesak said he and his wife, Elza, were now unemployed and did not know where they would live in future. His salary next month from the government would probably be the last for his current position.

He also accepted responsibility for the FPJ affairs in his capacity as director, but continued to protest his innocence about the misappropriation of funds — which he again blamed on the foundation's financial director, Mr Freddie Steenkamp.

He said his resignation followed his learning over the weekend that the Office of Serious Economic Offences was investigating the financial affairs of the FPJ. Thus, he said, had made him realise the process could take a lot longer than envisaged, with the possible emergence of criminal charges.

"It is with great sadness I offer to withdraw from my post to Geneva so as to give the process a fair opportunity to be completed. I am doing this without admission of guilt," he said.

President Nelson Mandela accepted Dr Boesak's offer with regret, saying: "I fully understand the reasons behind his request."
CAPE TOWN — Two ANC Women’s League leaders who resigned at the weekend yesterday accused Arts and Culture Deputy Minister Winnie Mandela of not handing over a R500 000 donation to the league from Pakistani Prime Minister Benazir Bhutto.

The accusation came on the same day that Mandela struggled to hold on to her portfolio by defending comments she made which were critical of government. She also clarified the whereabouts of the donation in a statement late last night.

Mandela yesterday sent a letter to President Nelson Mandela but failed to apologize or retract her comments which reportedly accused government of failing to address apartheid imbalances. She said her intention was not to embarrass government or mal the President.

A presidential spokesman said last night the matter was still closed and Deputy President Thabo Mbeki would discuss the letter with her today.

Two of the 11 ANC Women’s League executive members who resigned at the weekend, MP Baleka Gosa and Gauteng MP Lindwe Zulu, said a R500 000 cheque given to league president Winnie Mandela by Bhutto had not been handed over to the league.

Winnie Mandela’s office said the Pakistani ambassador had told her that a sum of $100 000 had been allocated for her “to use at her discretion in developing undeveloped SA communities. On her advice, the cheque was issued to the account of CAPP, a development project active in informal settlements around Johannesburg. “These details can be confirmed with the Pakistani embassy,” she said.

Sapa reports that Gosa and Zulu said the cheque was handed over at a league function soon after the presidential inauguration last year.

Winnie (259)

Zulu said league treasurer Adelaide Tambo was told that the money was being used for housing projects, which was “puzzling” because nobody was aware of such projects. But in any event Mandela should have informed the organisation which would not necessarily have objected if the money was going to a good cause.

A spokesman for Mandela said the money was not intended for the league but was “specifically given for upliftment projects in disadvantaged communities.”

Responding to an ultimatum that she retract comments that the ANC-led government had betrayed blacks, or resign, Mandela said “I was merely trying to assure the masses that government and the ANC are aware of and concerned about the flaws that government must still deal with.

“The impression of the people is that we neither care nor know about these things. I was trying to correct that perception. If I’m doing so I created a different impression, that was not my intention. I have always been an honest and forthright member of the ANC. I have tried to be equally faithful to the government, and I mean to remain so.”

Mandela is reported to have said at Warrant Officer Jabulani Xaba’s funeral that President Mandela’s “overindulgence” in reconciliation was “a weakness.”

Mandela’s spokesman declined to comment on the resignation of the 11 league executive members as no official notification had been received. The 11 have demanded that a consultative conference be held to resolve problems in the organisation and to draw up a plan of action.

Replacements for the 11 members — about half of the directly elected members of the executive — would have to be elected at the conference, although it is understood that Mandela’s position will not be contested.

The controversy was sparked by Mandela’s decision to invite the league in Road to Freedom Tours in defiance of a league decision not to proceed with the project. Members also complained of her generally “undemocratic behaviour.”

Comment: Page 16
Mandela accepts Boesak's resignation
draw from the position as designated per-
manent representative to the UN. 
Presidential spokesman Joel Netshit-
tembe said no decision had been made on
a replacement. This decision would be made
after recommendations had been received
from Foreign Minister Alfred Nzo. 
Whether Boesak would be eligible for
other government positions depended on
the outcome of the office's investigation.
Boesak said his offer to withdraw was
motivated by the fact that the office was
investigating alleged misappropriation of
funds from the foundation and his desire
not to put undue pressure on the President
and government.

The action of the office represented a
new, and "quite serious" complication to
"do this not in admission of guilt, but to
allow the process to be completed unhin-
dered. I know I have nothing to fear and I
continue to have confidence in the Pres-
ident: Mandela's sense of justice and fa."

Business Day reported last week that
First Bowring and Associates insurance
brokers "contribute"ed nearly R400 000 into
the foundation's urban discretionary
account. First Bowring made these de-
sits since Boesak had cashed in his life
insurance policies. We regret any embar-

assment this may have caused First
Bowring.
Winnie in R500 000 cheque dispute

A R500 000 cheque given to African National Congress Women’s League president Mrs Winnie Mandela by Pakistan Prime Minister Benazir Bhutto at an ANCWL function soon after President Nelson Mandela’s inauguration last year was not given to the league, SABC radio news reported yesterday.

That according to former league executive member and now Member of Parliament Mrs Baleka Kgoutsole.

ANCWL treasurer-general Mrs Adelaide Tambo was told the cheque was for other projects.

A spokesman for Mrs. Mandela — who is Deputy Minister of Arts, Culture, Science and Technology — said yesterday that the money was not originally intended for the league but was “specifically given for upliftment projects and disadvantaged communities”.

Mrs Mandela’s Cape Town office said in a statement yesterday that the R500 000 was for use at her discretion and had been issued to the account of a development project for informal settlements.

The money was given to her for use “at her discretion for the development of women in South Africa”, Mrs Mandela’s office said in a statement.

The cheque had been issued to the account of CAPP, “a development project active in upliftment programmes in the informal settlements around Johannesburg”, the statement said.

Meanwhile, the ANCWL executive members who have resigned confirmed yesterday they had handed in formal letters of resignation.

Group spokesman Ms Lindwe Zulu said these had been handed to secretary-general Ms Nosipho Mants’...

Super...
I'll withdraw from post says Boesak

By Vuyo Bavuma-
Political Reporter

Controversial former cleric Allan Boesak yesterday offered to withdraw from his ambassadorial post to Geneva because he did not want to put undue pressure on President Nelson Mandela and the Government.

The embattled former ANC leader also said he would put his house in the posh Constantia suburb for sale to help settle the debt of his Foundation for Peace and Justice.

Boesak's actions, which effectively buried his political ambitions, came after a meeting on Sunday with Deputy President Thabo Mbeki who advised him to withdraw from the post to end the saga that was damaging the ANC.

Mandela yesterday accepted Boesak's offer to step down from his ambassadorial posting to Geneva, ending months of uncertainty following claims that he misappropriated Scandinavian donor funds.

In a statement issued by his office, Mandela said he had received and considered a request by Boesak to withdraw his appointment.

"I fully understand the reasons behind his request and accept it with regret," he said.

Road to disgrace

Boesak's road to disgrace began in December when it was discovered that he had misused R2.7 million of the FPJ funds donated by Swedish and Norwegian agencies to improve the plight of apartheid victims.

The funders said they would lay a charge against the Boesak and the FPJ's employees.

Boesak said at the weekend that he had noticed that the Office of Serious Economic Offences had taken a hand in the matter of the FPJ.

"This action represents a new and quite serious complication Therefore, in accordance with my promise not to put undue pressure on President Mandela and the Government, I have offered President Mandela my withdrawal from the ambassadorial post to Geneva.

"Since, I have as director of the FPJ taken ultimate political responsibility for what had gone wrong with the foundation and its staff, I have today informed the trust that I am putting our house on the market in an effort to help the foundation's debt to the bank."
R138-m in aid for prisoners ‘missing’

By Sibusiso Mabaso

A HIGH-POWERED COMMITTEE consisting of 140 senior and seven prominent political activists has been appointed to investigate claims that millions of rand belonging to the Association of Ex-political Prisoners were unaccounted for.

The committee was formed after angry ex-political prisoners — attending the Robben Island conference — demanded to know what had happened to the AEPP and how the trust had spent funds donated by foreign donors.

About R138 million was apparently donated by French, Australian and German donors. The funds were to be used towards alleviating the social and economic plight of ex-political prisoners.

Shock disclosure

The shock disclosure of the alleged misappropriation of AEPP trust funds was made by a disgruntled former employee of the organisation at the Robben Island conference, which brought together former political prisoners.

The former AEPP employee later told the Swazi that there were allegations that some funds had been used to purchase homes and cars for certain officials and members of the organisation.

He claimed that seven cars belonging to the AEPP had been registered under the name of a senior AEPP official.

Documents substantiating the former AEPP employee’s claims were produced during one of the plenary sessions at the conference. The session was told it.

One of the R138 million donated by foreign donors found its way to social upliftment projects.

In addition, the session was also told that about R5 million originally earmarked for Eastern Cape AEPP projects had apparently not been used for these schemes.

The former employee said loans had been given to staff members and that he himself had borrowed large amounts of money without repaying them.

He claimed some AEPP officials had used the money to finance their own private businesses.

Angered by the allegations, the ex-political prisoners demanded a full explanation and immediate probe into the AEPP trust funds and urged that charges of theft should be laid against the culprits.

AEPP official Mr Naledi Tshik, who was chairing the conference, was asked by delegates to respond to the allegations.

“Comrades, it is important to take note of the fact that there are no other officials of the AEPP present at this conference to answer your questions,” he told the conference.

His utterances caused an uproar among the delegates, who immediately shouted Tshik down.

A potentially explosive situation was averted when the ANC’s Ahmed Kathrada appealed for calm and told delegates to appoint a committee to investigate the financial affairs and activities of the AEPP.

Those appointed to serve on the committee were Gaunteng premier Tokyo Sexwane, Free State premier Mr Terror Lekota, Mr Ahmed Kathrada, Mr Aubrey Mokoena, Mr Kgdi Mokose, Mr Thandi Modise, Ms Barbara Hogan and Mr Jeff Radebe.
Probe into funds claim

(From page 1)

...been used to buy homes and cars for certain officials and employees of the organisation.

He claimed that seven cars belonging to the AEPP had been registered under the name of a senior AEPP official. (257) 

Documents allegedly substantiating the former AEPP employee's claims were produced at the conference.

The former employee alleged that none of the R138 million donated by foreign donors found its way to social upliftment projects.

In addition, it was claimed about R5 million originally earmarked for Eastern Cape AEPP projects was apparently not used for these schemes.

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"Comrades, it is important to take note of the fact that there are no other officials of the AEPP present at this conference to answer your questions," he said.

His response caused an uproar among the delegates.

The ANC's Ahmed Kathrada proposed that a committee be formed to investigate the claims.

Those appointed to the committee were Gauteng Premier Tokyo Sexwale, Free State Premier Terror Lekota, Mr. Kathrada, Aubrey Mokoape, Dikgang Moseneke, Kwele Mkalipho, Thandi Modise, Barbara Hogan and Jeff Radebe.
The committee was formed after the ongoing unrecorded racket.

The ex-political prisoners are

Rogers and Elkins are one of many that are.

Top-level probe into missing funds for ex-prisoners

TheAM correspondence
Johannesburg — A development organisation that received R600 000 in Pakistani aid money from the ANC Women's League works only in the Phola Park squatter camp on the East Rand.

The cheque, given to ANCWL president Mrs Winnie Mandela by Pakistani Prime Minister Ms Benazir Bhutto last year, had been issued to the Co-ordinated Anti-Poverty Programmes, of which Mrs Mandela is chief executive — Sapa
Pakistani aid for E Rand

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Mandela demands an audit by ANC of women's league

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Malebane-Metsing linked to R14m loan

MARK ASHURST

Liberty Foods in September, has been detained by the anti-smuggling unit since February 3 as an illegal immigrant. The company's principal client, Woolworths, was affected on February 9 by the application for the liquidation of the company set up by Jamaican businessman Norman Escoffery to buy North Hills Farm outside Pretoria last year.

Escoffery, who used the loan to set up the Bophuthatswana Agricultural Bank (Agribank) in support of an urgent application for the liquidation of the company set up by Jamaican businessman Norman Escoffery to buy North Hills Farm outside Pretoria last year.

Former agriculture department director-general John Lamola is cited in the affidavit as conveying instructions from Malebane-Metsing to Agribank's former executive officer, Rod Casens, to expedite the R14m loan to Escoffery. Lamola is cited by Casens as "indicating that he had briefed the minister about the purchase of North Hills Farm and that I should extend whatever assistance was needed to Mr Escoffery." Bank files also record Casens's concern that the loan "had been granted to investigate fully the bona fides of Mr Escoffery. It would appear that political interference/involvement is again affecting business decisions."

But Agribank suspects that Casens is responsible for this "framed statement" since the R14m loan was processed on September 13 when, allegedly, "no loan had been approved nor had any contractual documents been concluded between Agribank and Escoffery."

Documentation was "prepared and signed several months after the amount of R14m, together with further amounts ... was paid."

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Agribank also alleges that Casens intervened personally to guarantee a R20m overdraft facility from FNB for Escoffery, ignoring formal channels. At the time of the loan, the powers of Agribank's board of directors were held in trust by Malebane-Metsing, to whom Casens was directly responsible.

The Pretoria Supreme Court ruled on Friday that Northwest agriculture minister Johannes Tsalapede was not entitled to bring the application to liquidate Liberty Foods on Agribank's behalf, and postponed the case until February 25 to allow a new board of directors to bring the application.

Escoffery has paid one instalment of R290,000 on the loan, which was subsequently increased to R16.6m. A second payment was not honoured by his bankers.

Escoffery denies government's claim that the loan was "irregular", since the 1981 Agricultural Bank of Bophuthatswana Act, which lays down the procedures for granting loans, was brought into law. He claims it is now invalid.

Malebane-Metsing, who was fired by Northwest premier Popo Molefe in November, returned to the provincial cabinet as Molefe's "special adviser" last month following intervention by the ANC national executive committee.
Mystery of all the missing millions

By Sibusiso Mabaso

ANC MP Mr Ahmed Kathrada, who is the coordinator of the newly appointed committee formed to investigate the financial activities of the organisation accountable for the disappearance of R138 million, said no one was certain what happened to the money.

The Association of Ex-Political Prisoners was supposed to look after the social and economic plight of former prisoners with the money.

Kathrada said he never followed the activities of the AEPP and was not a member.

Gauteng premier Mr Tokyo Sexwane, who was also appointed to serve on the newly formed committee, was not available for comment.

His secretary said he was sick and asleep.

Kathrada said the AEPP and an organisation of former MK combatants were disbanded about three years ago and had their assets absorbed by an organisation that failed to get off the ground, the Centre for Community Development.

According to Sowetan's source, the CCD leased two farms in Umata and Butterworth in the former Transkei homeland to establish development projects.

Refused to speak

The former general secretary of the AEPP, Mr Naledi Tsuki, refused to speak to Sowetan yesterday because "you wrote a story which is very damaging to me as a person and to the AEPP as an organisation."

"Your report does not reflect what took place at the conference (in the Cape) and I have no confidence that you will be able to effectively provide a correct reflection now on the phone."

In reaction, Pan Africanist Congress leader Mr Clarence Makwetu said he was hopeful the money would be found.

Makwetu said it was the first time that he had heard of the AEPP fund and the committee appointed to investigate the missing funds should "leave no stone unturned."

Azapo spokesman Mr Strike Thokoana said "We are aware of people who are filthy rich yet they have never worked. Where do they get the money from? "We think there are many other people involved in embezzling funds intended for specific projects."
Prisoners' association denies fraud

NALEDI Tsiku, secretary-general of the Ex-Political Prisoners' Association has denied claims that organisation members misappropriated R18m contributed by foreign donors to help former inmates get jobs and generate income.

He said: "The report is malicious and inaccurate. We have never received donations exceeding R10." He said he would call a news conference today where, he said, it would emerge that no money was misused: "We want to bring audited reports of our finances for all to see."

During a consultative conference at the weekend members demanded an investigation of claims that millions of rand were not accounted for.

A committee including Gauteng premier Tokyo Sexwale, Free State premier Patrick Lekota, Ahmed Kathrada, Aubrey Mokoape, Dikgang Mosekane, Thandi Modise, Barbara Hogan, Dikgang Mosekane, Kwesi Mkhali and Jeff Radebe was appointed to look into the association's finances.

Allegations were that funds were used to buy houses and cars, to grant loans without repayment, and that officials had used money for personal business.

Claims that money had come from German, French and Australian donors were denied by representatives of all three governments.

The Centre for Community Development took over the association's assets last year when donors decided that with the end of apartheid, they were no longer in a position to give money to the Ex-Political Prisoners' Association.

Centre director Stanley Magedi said: "We worked to transform the association and we got the finances for this from the Development Bank of South Africa. I have no information at my disposal that shows money was misused."
Cut corruption like cancer, govt urged

BENONI — The government should cut out corruption like a cancer because South Africa’s success in establishing conditions for economic growth would largely depend on how it dealt with the issue, DP leader Mr Tony Leon said last night.

He told a public meeting here, the cleansing and disinfecting process had to start from the top. However, the signs so far were not reassuring.

If the ANC could not see a conflict of interest between ANC MP Mr Peter Mokaba’s chairmanship of the Parliamentary Portfolio Committee on Tourism and his private enterprise position which funded a R250 000 a year salary in the National Tourism Forum, “then it will choose never to see less glaring conflicts of interest than that”.

If nobody in the government would take the rap for allegations of major misadministration in the Transkei, the government could hardly expect the public service not to misuse public funds, Mr Leon said.

Mr Leon said the bulwark against corruption was three-fold - a free, inquiring press, a fearless and untainted parliamentary opposition, and an independent and powerful judiciary — Sapa
JOHANNESBURG —

The organisation, to which the Pakistan government pledged a donation last year, has confirmed it received a cheque that was given to Mrs Winnie Mandela.

Dr Sydney Gatla, a director of the Co-Ordinated Anti-Poverty Project (CAPP), said yesterday it was the only big donation the organisation had ever received.

Mrs Mandela is a custodian and founder-member of the organisation, but Dr Gatla said she was no longer involved in running it.

He said CAPP was involved with "zero-income" groups.
ANC code of conduct dusted off after spate of high-level scandals

CAPE TOWN — The ANC will have to implement a strict code of conduct for ANC MPs and senators which has been dormant for five months, after a spate of scandals involving leading ANC figures.

The ANC national executive committee will also appoint a disciplinary committee before the end of the month to deal with breaches of the “clean government” code.

ANC MPs and senators at national and provincial level face “instant” dismissal from government or Parliament if found guilty of corruption; the code states.

A similar fate awaits anyone guilty of “public disagreement” with ANC policies.

ANC sources said yesterday President Nelson Mandela had made it clear the ANC needs to clean up its act. One source said: “Mandela is on a bit of a mission at the moment over the issue.”

The disciplinary committee would, unlike other ANC committees, report directly to the ANC’s “top six” leaders, including Mandela.

That shows how seriously the leadership is taking this matter,” the source said.

ANC secretary-general Cyril Ramaphosa said the party was drawing up a full report on the code of conduct, to be presented to an executive committee meeting starting on February 25.

The report would list ANC elected members who had signed the code since its public unveiling in September last year, declared their assets, and given details of “all other positions from which there is pecuniary benefit.”

An ANC source said the code had been delayed because the ANC leadership was preoccupied with organising the December national conference, because of the end-of-year break and because the new executive had not held a “normal” meeting since its election.

However, the delay had embarrassed the ANC in light of the controversy surrounding leading ANC figures such as Winnie Mandela, Allan Boesak and Peter Mokaba.

ANC MPs and senators had until October 8 last year to sign the code and declare their assets or forfeit their seats in the national or provincial parliaments.

A source said all ANC elected members had signed the code by the deadline, a source confirmed yesterday.

However, late submissions would still be accepted.

The code also stipulates that ANC Cabinet Ministers and provincial premiers must surrender directorships in handover shares to a trust. They may not play any active role in profit-making institutions.

MPs and senators have to disclose any gifts received which exceed R200 in value. They also have to disclose any position held in organisations, companies and boards of directors from which they benefit financially.

See Page 10
Trustees must expect to have responsibilities

As the name applies, a trustee is someone placed in a position of trust. Take a company director, a trustee is also in a position of control. By signing a cheque, he can see to it that trust funds are paid away, and he similarly exercises his powers by ensuring that monies due to the trust are in fact paid to it.

The trustee does these things for the benefit of others — the beneficiaries. Because they depend on him to act in their interests and not in his own, he is placed in this position of trust, and is called a trustee.

But unlike a director, the trustee is not in an enterprise intended to pursue profit. His beneficiaries are not shareholders, and he does not have the responsibility of ensuring that business operations are conducted to their best advantage. But the trustee has a greater duty of preserving trust assets — as opposed to turning them into profit — and using them to the advantage of those for whom the trust was established.

This means a trustee has a greater duty of care in the exercise of his functions, and has liability to those for whom he acts is more extensive than the duty of the director to his company.

A trust is an arrangement whereby ownership of property is, through a trust instrument, made over or bequeathed to a trustee, or a beneficiary, to be administered by the trustee in the benefit of those designated in the document.

The trustee is by definition in a position of control. He occupies a "fiduciary" position, and his duty to account for his conduct as trustee is extensive.

How extensive? A vague, though descriptive answer is very extensive.

Students of company law will remember the case of Regal (Hastings) Ltd v Gulliver (1942). In this case the directors of a company were called to account for a profit they made on the sale of shares they had bought in a subsidiary company.

The directors had bought these shares in order to satisfy the demand of a creditor that the capital of the subsidiary be brought up to a certain level. The function of the subsidiary was to facilitate the acquisition of premises and so help expand the business operations of the company.

This co-operative move on the part of the directors (which, of course, they were not bound to make) left them with a profit on the sale of the shares. The court held that so extensive was the fiduciary duty of a director that the directors should account to their company for the profit they had made. It did not matter that their motives were pure, nor that what they did had any beneficial effect for their company.

If this is an indication of the extent of the fiduciary duty of a director, then so much the greater is the duty of the trustee.

The textbooks tell us that a trustee has many duties. He must take control of the trust property, make an inventory, collect debts due, preserve trust property, free trust property from burdens, invest trust funds without delay, obtain a reasonable return on capital, open a bank account, retain a reserve of assets, and so on.

But of greater importance than all the administrative duties of a trustee are the following:

- Trustees must act jointly in order to bind the trust, unless the trust deed authorises action by a smaller number of trustees. Conversely, all the trustees may be sued for a wrong committed by one of them, even though the others did not participate in committing the wrong.
- A trustee must actively seek out information of the state of the trust property, and not just wait for information to be given to him.
- The Trust Property Control Act (No 57 of 1958) requires a trustee to act with care, diligence and skill which can reasonably be expected of a person who manages the affairs of another.
- A trustee may delegate the execution of trust duties to another, including the administration of the trust, but this will not exempt the trustee from liability for the acts of other trustees, nor from the duty of supervising the work of the person to whom the work has been delegated.
- A trustee must render an account of the fund he administers, showing the income and expenditure of the trust and its investments of funds.

These duties may, of course, be affected by the terms of the trust instrument — the document in which the terms of the trust are set out. For example, it may be provided that a trustee is not liable for the breach of trust of his cotrustee. But in the absence of such a provision, a trustee is liable.

Putting the matter somewhat informally, the law says that if you assume the office of a trustee, expect to assume duties. This is no titular post. It is a position of power and of control, and those who assume it must accept the responsibilities that go with that position.

This fairly strict form is no doubt a far cry from the conceptions of those who so often assume the position of trustee. It is indeed a further cry from those who assume such positions with the view that control is all, and the beneficiary an afterthought in the grimmer design of the trust.
Leon warns ANC on corruption laxity

BY ESTHER WAUGH
POLITICAL CORRESPONDENT

Cape Town — Corruption in government should be cut out "like a cancer," but signs of such measures have not been reassuring, according to DP leader Tony Leon.

Addressing a public meeting in Benoni last night, he said such a cleansing should take place in a thorough and systematic way from the top downwards.

"If the ANC cannot see a conflict of interest between Peter Mokaba's chairmanship of the parliamentary portfolio committee on tourism and his private enterprise position which funded a R250,000-a-year salary in the National Tourism Forum, then it will choose never to see less glaring conflicts of interest than that," Leon said.

The DP leader said President Mandela and the ANC leadership faced an acid test in dealing with "transgressors." He said there were a host of "proven and admitted, others pending and unclear" allegations against top-ranking ANC officials.

"If he (Mandela) and the ANC leadership are not seen to be ruthless and determined in stamping out instances of personal corruption and advancement through office, then South Africa will be inexorably on the slide-path towards becoming another Third World slum heap," Leon said.
Prison aid group denies R138-m fraud

By Bongiwe Mlange

The Association of Ex-Political Prisoners yesterday denied that the organisation had received R138 million from donors and used the funds for personal benefit.

AEPP general secretary Naledi Tsiki said the organisation had raised just more than R5 million since it was formed in 1990. "We have no idea where the figure of R138 million comes from," he said.

According to a newspaper report earlier this week, R138 million was donated by international donors to uplift ex-political prisoners, but some funds were used to buy homes and cars for certain AEPP members.

The newspaper also said a committee had been formed at the conference of ex-political prisoners in Cape Town last week to investigate misappropriation of funds at the AEPP.

Tsiki admitted that it had given loans of about R6 000 to staff members.

He said that of the approximately R5 million donated, about R4 336 427 had been fully audited and could be accounted for. The remaining R1 069 467 was still being audited and the report would be out by the end of March.
Group says it got Pakistani donor cheque from Winnie

The Argus Correspondent

JOHANNESBURG — The organisation to which the Pakistani government pledged a donation last year has confirmed it received a cheque that was given to Winnie Mandela by the Pakistani High Commissioner.

Sydney Gates, a director of the Co-ordinated Anti-Poverty Project (CAPP), said yesterday he was not sure what projects the money was used for, but it was the only big donation the organisation ever received.

Winnie Mandela was chief executive of CAPP last year and remains a custodian and founder member, but Mr. Gates said she was no longer involved in the day-to-day running of the organisation.

CAPP was involved in upliftment programmes in "zero-income" groups, particularly in squatter camps, he said.

Pakistani High Commissioner Anesuddin Ahmed said a cheque of $100,000 (about R460,000) was made out to CAPP and handed to Mrs. Mandela last year.

This followed a meeting between Mrs. Mandela and Pakistani Prime Minister Benazir Bhutto, at Mrs. Mandela’s Soweto home on May 15 1994, the day after President Mandela’s inauguration.

Mrs. Bhutto had pledged the donation to Mrs. Mandela for any organisation with which Mrs. Mandela was involved.

Members of the ANC Women’s League charged that the money went missing and was in fact intended for their cause. The organisation lost 11 executive members last week amid controversy over the whereabouts of the money.

But a source in the league said it was the launch of the Road to Freedom tourism project which precipitated the 11 resignations rather than the money question.

The joint multimillion rand project was launched by Mrs. Mandela and actor Omar Sharif at a glittering function in Johannesburg last week.

The league source said the project was unanimously rejected when Sharif proposed it in October last year, but was later allegedly signed in secrecy by Mrs. Mandela and four other league members.

See page 23
Corruption stench abroad could choke off RDP aid

The word the new South Africa never wanted to hear. The word that would taint the miracle that has transformed a despised, racist state into a gleaming democracy of tolerance, peace and unlimited promise.

But now that word is in the headlines of the foreign press, it is heard nightly on television newscasts from London to Stockholm and it peppers the radio bulletins from France to the Netherlands.

In the eyes of millions, be they racists or realists, the word “corruption” is synonymous with Africa Fraud, bribery, theft, embezzlement — the story of emerging Africa is laced with tales, some true, some apocryphal, of corruption.

Tanzania, Zambia, Zaire, Kenya, Uganda: the list of countries and their despots caught up in profiteering while millions of their people starved is endless. Now South Africa is being added to that list.

And South Africa, the land of hope and forgiveness, the newly laundered land that was to be the jewel of a great continent, can ill afford the consequences. The ambitious Reconstruction and Development Plan, on which the whole future of the country rests, cannot succeed without the inflow of billions of rands of foreign capital. Dollars, deutschmarks, sterling and francs are the lifeblood of the RDP, but the mere suggestion of corruption could be the ligature that stifles its last breath.

And that, regrettably, is what nervous foreign investors, cautious governments and cautious entrepreneurs are beginning to hear.

The antics of Winnie Mandela have long been played back to a world audience that has shaken its head occasionally, chuckled sympathetically and now and again and generally hoped the silly woman would go away.

But this week came an avalanche of reports, not about inciting the masses with her rhetoric, but infuriating her colleagues in and out of government and stirring anger over her handling of money from Pakistan, her promotion from her ministerial office of a private family money-making project and her venture into tourism with actor Omar Sharif.

South Africa-based foreign journalists, in reporting all this back home, have recalled, too, the deputy ministers' mysterious diamond-gathering trips, her stately homes, her odd friendships grubbed out, “free range” French hens still roaming in cages little bigger than shoeboxes.

But Africa remains, fairly or unfairly, an especially sensitive area and probably only an actuary could determine how much this week's headlines abroad have cost South Africa in lost aid.

“Corruption at the heart of the revolution” screams a headline right across a full-page in Britain's respected Independent newspaper. A subsidiary headline announces that “slEase now threatens the new order in South Africa.” The Guardian cannot be accused of racism or right-wing bias, but even it is moved to carry a prominent report under the headline "Winnie adds to Mandela's woes in corruption rows." And The Times weighs in with nearly half a page on the “distrust” of South Africa’s “aging leader” and the Boesak allegations.
Mandela over funds
Holomisa challenges
Cosatu warns of corruption

CT 17/2/95

Johannesburg — The Congress of South African Trade Unions (Cosatu) warned last night that corruption, and mismanagement had to be dealt with or else the new government would begin to take on the hue of the old.

Cosatu general-secretary Mr Sam Shilowa said a reputation of corruption would seriously impair the credibility of the new democracy.

It would also undermine reconstruction and development, which hinged on clean and accountable government.

Decisive action had to be taken to address allegations of corruption and public representatives had to apply the highest standards.

Any form of mismanagement required decisive action and those found guilty of malpractice could not remain in office as was the case under the NP government.

Cosatu said it welcomed the statement by President Nelson Mandela indicating that the government was serious about acting against corruption.

Sapa
SACC support for Boesak

(259) 17/12/95

Johannesburg — The South African Council of Churches pledged support yesterday for Dr Allan Boesak, saying he "has been a friend of many years who shared with this council in the struggle against apartheid."

The council added, however, there was no excuse for the misuse of funds "given for the relief and development of the poor who have in consequence suffered, nor a reason for not investigating to find the truth."

The Office of Serious Economic Offences is investigating alleged misappropriation of funds from the Foundation for Peace and Justice of which Dr Boesak was the director.

The council assured Dr Boesak of its continued "prayers and care", but urged that investigations be conducted urgently and that "charges, if they are to be made, be brought soon and the truth be made known." — Sapa
Prove it, says Holomisa

Deputy minister challenges Mandela
Holomisa denies mismanagement of funds

CAPE TOWN — Deputy Environment Minister Bantu Holomisa lashed out at President Nelson Mandela yesterday, accusing him of making unfounded allegations of widespread corruption in the former Transkei.

Holomisa told a news conference the ANC had been "shy" in admitting that delivery of reconstruction and development programme projects had taken second place to servicing an inherited R220bn government debt.

Mandela said in the Eastern Cape recently that millions, and possibly billions, had been stolen by officials of the former Transkei government.

In a judgment delivered on December 1 last year, Judge Richard Musgrove found Holomisa was "vindicated" in his earlier allegations.

Holomisa said while Mandela had obviously been briefed by officials, his allegations could not be regarded as "the last word on this matter".

Until a judicial commission of inquiry had completed its investigation, any accusations against Transkei officials or himself would not hold water, he said.

Holomisa, who was voted into the ANC's national executive committee last year as its most popular member, denied any financial mismanagement while he headed the homeland's military council.

"The explanation of what the inherited R220bn debt involved, how much money had been borrowed by the previous government and for what reasons, is currently before the commission of inquiry," he said.

He said he would be disclosing details in Parliament soon which would show how the NP had "misused" millions of rands while in government. He would call for full explanations concerning what the inherited R220bn debt involved.

Not even the Cabinet knew how much money had been borrowed by the previous government or for what reasons, he said. It was not ethical to expect the present government to service a debt whose details were not even known by the Cabinet.

If government was serious about transparency, it should investigate the debt as well as outstanding "straightforward" cases such as Sol Kerzner's involvement in Transkei casino deals. He called on government urgently to complete its investigation into alleged financial irregularities in Transkei.
Board member defends Winnie

CAPE TOWN — Deputy Arts and Science Minister Winnie Madikane had not misused funds from the Co-ordinated Anti-Property Programme, but was in fact owed money by the development body which had been backed by two blue-chip companies, board member Sidney Gata said yesterday.

Gata said the only major contributions in the programme's two-and-a-half-year existence were made by Pakistani premier Benazir Bhutto (R360 000), Anglo American (R25 000), South African Breweries (R18 000), the Taiwanese Embassy (R20 000) and the Israeli Embassy (R5 000).

Mandela had contributed about R500 000 out of her own pocket for a car, an office in the Phola Park squatter area, office equipment and other items, he said.

Gata said he fully expected that when the accounts were handed over to the newly established management board, the full amount of money donated by the Pakistani government would be available to the organisation. He was responding to allegations by a former programme employee who said, on condition of anonymity, that the programme had not undertaken a single project other than the distribution of tents donated by Anglo American to residents of Phola Park, which was "botched".

The source alleged that the organisation was a "tool" in Mandela's hands, saying she had exclusive control over the organisation's funds. Employees were paid by Mandela in a "haphazard" fashion.

Gata denied the allegation and said there were certain accounts to which Mandela did not even have signing rights.

He rejected allegations that the programme's organisation was "haphazard", saying the new management board would ensure the organisation was properly run.

Gata denied that no proper accounts of the programme were kept, saying an audit of the organisation was currently under way and would be available within the next few weeks. The programme was a small organisation aimed at co-ordinating activities rather than actually becoming involved in construction work.

Nevertheless, it was involved in a community needs assessment survey and co-ordination services that would ultimately result in serviced sites for 4 000 families. About 200 sites were already completed and 400 others were under way, he said.

He had no knowledge of the programme's involvement in the hanging of aircraft.

Public's relevance debated

ARGUMENT over the relevance of public opinion to the deliberations of the Constitutional Court dominated its second day of hearings as those in favour of retaining the death penalty gave evidence yesterday.

Emphasising the mandate of the Court to promote the "values of an open and democratic society", Wits Law School Attorney-General Klaus von Wrede and Wilkau said general opinion in society supported the death penalty and perceived it to be a valid deterrent against crime.

He was arguing against the State for death row prisoners Thabathwa Mashwane and Mvuyo Msukwana, who claim the death penalty in Section 277 of the Criminal Procedure Act is unconstitutional.

From the bench, Judge Larrie Ackermann said the court should "have regard for the concept of what is a desirable and undesirable society". Other judges questioned whether the court should distinguish "values" from "opinions" and whether there was any constitutional obligation to consider public opinions.

Black Advocates' Forum representative Rebone Davids said the interim constitution may not reflect the values of all South Africans. Von Wrede and Wilkau said there was no statistical evidence the death penalty was an effective deterrent. But the public believed the death penalty was a deterrent, he said, and evidence was "not enough to support this theory".

He cited an October 1994 survey by the Human Sciences Research Council which found support for the death penalty was 42% among Southern Sotho speakers, 79% for Afrikaans speakers, 66% for English, 66% for Zulus and 54% for Xhosas.

Giving evidence for retired civil engineer Ian Glauber, Emmanual Zara SC said Section 277 had flaws but should not be the only legal basis for the death penalty.

The right to life enshrined in Article 9 of the constitution obliged the state to implemen the death penalty if it proved a deterrent, said Zor. But Judge Ismail Mahomed said rights were granted to the individual via a vis the state. Section 9 guaranteed the "right not to have the state kill you", he said.

Sapa reports from Cape Town that Deputy President PW de Klerk said the 530 prisoners now on death row should be given clemency to rid the debate on capital punishment of emotions.
NGOs reel under Boesak’s blows

Justin Pearce

SOUTH AFRICA’S non-governmental organisation (NGO) community is reeling from the shockwaves of the allegations of theft and fraud made against Dr Allan Boesak’s Foundation for Peace and Justice (FPJ).

Last week’s revelations of the scale on which money disappeared undetected from the FPJ have prompted NGO trustees to re-examine their roles and duties seriously.

Trustees of various organisations who spoke to the Weekly Mail & Guardian agreed that they had failed to keep an adequate watch on the books of their various organisations.

“We need people who are there because of their financial skills, and such people need to share their skills,” said Mary Burton, who announced her resignation from all trusteeships after R423 000 disappeared from the Children’s Trust of which she was a trustee.

Burton said accounting skills were not the first priority for donors when selecting trustees. “There is a need for people who are known to the donors and can give them confidence.”

In the case of Boesak, many observers have remarked that the bland confidence in someone with the right political credentials was what enabled the disappearance of FPJ money.

Former Pan Africanist Congress vice-president Dlagang Mosehle said there was a limited number of “pet names” — figures who were approached again and again to give credibility to charitable projects. These people were already overloaded with work and could never do justice to their duties as trustees.

Mosehle, who is now chairman of the board of Telkom, said he received one or two requests each month to serve on the board of a business or charity.

Archbishop Desmond Tutu is one person who is much in demand as a trustee. His secretary, John Allen, said it was important to distinguish between the roles of a trustee and a patron. If Tutu does not have time to play an active role as an organisational trustee, he will allow his name to be associated with the trust as a patron if he endorses the aims of the organisation.

Others criticised the separation between organisational trustees, who are ultimately responsible for the organisational funds, and the management which takes the day-to-day decisions.
Wild parties at Mandela’s place

When the cat’s away, the mice will play — and that’s what appears to happen when President Mandela is absent from his official mansions.

WILLEM STEENKAMP
Weekend Argus Reporter

WILD parties have been held into the wee hours of the morning at President Nelson Mandela’s two official residences in Cape Town and Pretoria while he has been away.

These serious allegations have rocked the President’s office and led to an in-depth investigation into the staff shenanigans at Genadendal (formerly Westbrooke) in Cape Town and Mhlambombo (formerly Libertas) in Pretoria.

Party-goers allegedly binge on the President’s best wines and food and enjoy the full splendour of the sumptuous residences — which both belong to the state and are furnished and supplied at taxpayers’ expense.

And, besides supping on presidential delicacies, it has also been alleged that party-goers have commandeered state vehicles to transport them to and from the residences.

Parks Mankhathla, a spokesman for Mr Mandela, said the President had not been aware of these alleged incidents and would have put a stop to them immediately if he had known.

Staff members were being investigated.

Mr Mankhathla said an in-depth investigation had been launched as a matter of urgency some time ago and that a disciplinary hearing would follow if necessary.

In a recent letter received by Weekend Argus, a government source alleged that the parties held in Mr Mandela’s absence had been taking place at both Mhlambombo and Genadendal in Cape Town.

Several names of staff members and a man with different aliases, whose father had apparently served a prison term on Robben Island, were mentioned in the letter.

When this information was made available to Mr Mankhathla he confirmed that the President’s office was aware of the allegations and that an investigation had been launched.

Concern over Nelson’s eyes

WILLEM STEENKAMP
Weekend Argus Reporter

CONCERN is growing over the condition of President Nelson Mandela’s eyes after staff members reported that his eyes were damaged on Robben Island when working in the limestone quarry. Apparently the tear ducts of Mr Mandela’s eyes were blocked.

At the request of former inmates on Robben Island two weeks ago, staff members called on photographers not to use flashlights when taking pictures of Mr Mandela.

Since Mr Mandela’s eye operation, his eyes have been seen to water and have become particularly sensitive to bright or harsh lights.

Olympics: Ackerman reconsiders

WILLEM STEENKAMP
Weekend Argus Reporter

IN a shock development Cape Town’s “Master Olympian”, Raymond Ackerman, has retracted his role in Cape Town’s bid for the 2004 Olympic Games.

He is considering resigning following criticism and a move by some city officials to snub the power of the Olympic Bid Committee.

And in a separate move and without any brief from the Olympic Bid Committee, four senior municipal officials are flying to Barcelona today.

Mr Ackerman said he was aware of this, but was not prepared to comment on the reasons for the trip. The officials could not be reached for comment.

Mr Ackerman, co-chairman of the Olympic Bid Committee, said he had spent millions of his own money on the Olympic dream and had little support when he mooted the hosting of the 2004 Games more than four years ago.

“But now that the dream has become a reality there are some destructively minded people out there who suddenly want high positions in the Olympic Bid Committee.”

Earlier Mr Ackerman told municipal reporter Andreous Weise “I am not a quitter. I haven’t threatened to resign, but there are enormous problems.”

He told Weekend Argus “I am going to reconsider my position because I am fed up with political intrusions and do not need the aggravation if people want me to go, I will go.”

Regarding to recent criticism on his and the Olympic Bid Committee’s role, Mr Ackerman said officials in other Olympic cities like Atlanta had warned him that this would happen as time ran out for the bid.

Mr Ackerman also said that when it came to funding for the Games a strong leader was necessary to run and coordinate the bid. He said he would not be an egotist, but neither was he prepared to be limited by bureaucratic interference.

“It is a great pity that there are negatively minded people out there who are levelling unfounded criticisms at the Olympic Bid Committee. We should rather all unite and make sure that Cape Town is indeed successful in its bid to host the 2004 Olympic Games.”

Mr Ackerman said there was tremendous support in the international community for Cape Town’s bid. He had been overseas six times on official business for the Olympic Bid Committee.

Regarding criticism that the Olympic Bid Committee was not as representative as it should be, Mr Ackerman said this was simply not true.

He said an Olympic board of directors would in any event be appointed soon on which all the major role players would be represented with the support of numerous task groups which were appointed to ensure Cape Town was successful in its bid.

Mr Ackerman had said that depending on circumstances, he would issue a full statement on Monday.
Deputy Minister Winnie Mandela this week remained embroiled in a row with members of the ANC Women's League over, among other things, paying donors' money into her shadowy and unmandated Co-ordinated Anti-Poverty Programmes. Now there are new allegations that she has used her ministerial office to pursue the organisation's interests through a number of intriguing business deals.

CASE 1

Winnie uses office to favour contractor in R22,5m dispute

By CLAIRE ROBERTSON

DEPUTY Arts and Culture Minister Winnie Mandela used her ministerial office and status in a bid to pressure a local council to settle a legal dispute with a private electrical contractor.

The council would have cost taxpayers at least R22,5 million if she had succeeded.

The Pretoria RSC refused to bow to her wishes — and was the case during arbitration.

Writing on ministerial letterheads, she reminded the RSC chairman that she was a "minister of the government that employs you" and stated that it was the "policy" of the ANC government to seek out-of-court settlements in such matters.

Mrs Mandela wanted the contractor, Costa Livanos, to work on a project for her welfare organisation, the Co-ordinated Anti-Poverty Programmes (CAPP).

Spokesman confirmed Mr Livanos had agreed to build the organisation a shop in Parka Park as part of public funds to fight the case, and concluded: "Primarily, it seems that the opinions and advice of your legal representatives have at all times been incorrect and costly."

I am very unhappy that after giving you a decent opportunity to clear the government's case you have consistently avoided my questions and you have clearly underestimated our commitment to 'bending' and said the RSC had "unnecessarily prolonged the duration of this arbitration in an attempt to out-battle and bankrupt Livanos'."

Two weeks later the arbitration decision was handed down — the RSC was not liable but the Atteridgeville council was liable for unspecified damages.

Co-ordinated Anti-Poverty Programme consultant Dr Sidney Guta suggested it was the RSC officials and their legal counsel who had benefited from the marathon legal proceedings — estimated to have cost the community R22.5 million — and said the government was "very grateful to Mrs Mandela for her handling of this matter."

This week Mrs Mandela's private secretary in the Ministry of Arts and Culture, Alan Reynolds, attempted to distance Mrs Mandela from the matter.

"The minister is not involved," he said. When asked to explain his letter, he replied. "That was all before my time."

But the Sunday Times was yesterday shown a letter, signed by Mr Reynolds and dated yesterday.
Registrar’s ultimatum to poverty relief body

By NICOLA KOZ

WINNIE Mandela and her poverty relief organisation, the Co-ordinated Anti-Poverty Programmes, have been given less than a month to submit financial statements to the Registrar of Companies in Pretoria after failing to meet the deadline.

A Registrar official confirmed on Friday that the development organisation had failed to abide by the Act, which stipulates that all Section 21 companies — companies not for gain — must submit financial statements.

The Registrar’s office posted a letter to the organisation on February 11 demanding the statements.

The organisation has to lodge the relevant documentation within 14 days of receiving the letter. If it fails to do so, the Registrar will hand the matter to the police for investigation.

Mrs Mandela set up the poverty relief programmes in 1992 to contribute to the process of development and empowerment of disadvantaged communities.

The organisation appears not to have kept records of donations, but it is believed Mrs Mandela has received at least R500,000 from foreign exchanges and local businesses.

For the past two-and-a-half years, the organisation has concentrated its energy on a housing project in Pretoria’s CBD.

The Registrar official said the organisation should have submitted its accounts “at least once” since it was officially registered in January 1993.

The organisation’s auditor, Penni Lathis and Associates, refused to divulge any details about its client’s finances on several occasions, on the grounds that such information is confidential.

But an employee at the firm said in December that the organisation had never been audited.

It was also established this week that R150,000 donated by First National Bank was transferred to its new account at Standard Bank.

Mrs Mandela invited several women’s organisations to her Orlando, Soweto, home to meet Mrs Busi in May last year.

According to those present, Mrs Busi said the money was to be channelled through the ANC Women’s League and that all interested organisations could benefit by applying to the league for a portion of the funds.

One of the women present at the meeting, former director of Operations for the ANC Women’s League, said on Friday she had been under the impression that “the cheque was to go towards women’s development in South Africa.”

She said her recollection was “vague” but that she did not think anyone else had been informed of the funds.

However, Mrs Mandela’s office said the money had been given to her “to be used at her discretion for the development of underdeveloped communities,” and she had decided to give it to the poverty relief organisation.

One error earns reader R5000

COSTA LVANOV

use of public funds to fight the case, and concluded: “Prima facie it seems that the omissions and advice of your legal representatives have at all times been incorrect and costly.”

“I am very unhappy that having given you a decent opportunity to clear the government’s case you have continuously avoided my questions and you have clearly un-densified our commitment to transparency within the ANC-led government.”

“We have the capacity to launch a ‘truth commision’ in respect of public expenditure.”

She wrote another letter on October 17, again on a ministerial letterhead, in which she described actions of the RSC as all counsel as

The council is due to discuss Mrs Lavonas’s case when it meets next week.
Registrar's ultimatum to poverty relief body

By NICOLA KOZ

WINNIE Mandela and her poverty relief organisation, the Co-ordinated Anti-Poverty Programmes, have been given less than a month to submit financial statements to the Registrar of Companies in Pretoria after falling foul of the Companies Act.

A Registrar official confirmed on Friday that the development organisation had failed to abide by the Act, which stipulates that all Section 21 companies — companies not for gain — must submit financial statements.

The Registrar's office posted a letter to the organisation on Friday demanding the statements.

The organisation has to lodge the relevant documentation within 14 days of receiving the letter. If it fails to do so, the Registrar will hand the matter to the police for investigation.

Mrs Mandela set up the poverty relief programme in 1992 "to contribute to the process of development and empowerment of disadvantaged communities.

The organisation appears not to have kept records of donations, but it is believed Mrs Mandela has received at least R425,000 from foreign embassies and local businesses.

For the past two-and-a-half years, the organisation has concentrated its energy on a housing project in Phola Park on the East Rand.

The Registrar official said the organisation should have been audited "at least once" since it was officially registered in January 1993.

The organisation's auditing firm, Pems Lakhia and Associates, has refused to divulge any details about its client's finances on several occasions, on the grounds that such information is confidential.

But an employee at the firm said in December that the organisation had never been audited.

It was also established this week that R50,000 donated by Pakistan Prime Minister Benazir Bhutto, which Mrs Mandela says she gave to the poverty relief organisation, was intended for a number of South African women's organisations.

Mrs Mandela invited several women's organisations to her Orlando, Soweto, home to meet Mrs Bhutto in May last year.

According to those present, Mrs Bhutto said the money was to be channelled through the ANC Women's League and that all interested organisations could benefit by applying to the league for a portion of the funds.

One of the women present at the meeting, former director of Operation Hunger Ina Perlman, said on Friday she had been under the impression that "the cheque was to go towards women's development in South Africa".

She said her recollection was "vague" but she was certain the cheque was to be given to the league "on the assumption and in the hope that the money would become available to other groups".

A former member of the league's executive, Baleka Kgositlana, said this week that the donation had not been handed to them.

However, Mrs Mandela's office said the money had been given to her "to be used at her discretion for the development of underdeveloped communities", and she had decided to give it to her poverty relief organisation.
New probe into state contracts

BY MARLENE BURGER

POLICE are investigating allegations of theft and bribery against at least 10 officials employed by the Department of Public Works.

This follows the discovery of widespread corruption in the department by a seven-man team appointed to probe irregularities in the awarding of lucrative state contracts.

The department is responsible for providing government with services and equipment ranging from gardening and paper clips to office space and housing.

The team, headed by the department's chief director of administration, was appointed on the instructions of Public Works Minister Jeff Radebe.

"A 14-page memorandum to Mr. Radebe, which the Sunday Times has in its possession, shows that, in the Pretoria regional office alone, overpayments and fraudulent contracts for maintenance and cleaning services cost taxpayers R2,5-million between May 1996 and November last year."

During the same period, the department recovered R420 036 from contractors who had been overpaid or paid for work they had not done. However, another four contractors have been declared bankrupt and one has died, leaving little hope of overpayments being recovered.

All the contractors involved in irregularities have been blacklisted by the State Tender Board.

Of the 18 plumbing, electrical, air-conditioning and building contractors listed in the memorandum, four are being investigated by the police in connection with fraud and tax evasion.

The owner of one concern, Gideon's Plumbers, has already been convicted on several fraud charges, and fined a total of R6 000.

Between February 1996 and May last year, three department officials were also found guilty on criminal charges.

In February 1998, a senior property administration clerk, AR Handford, was fined R1 500 (six months) and sentenced to 18 months in jail. He was found guilty of trying to bribe the owner of an office block needed by the department and of concealing his criminal record.

In April 1999, L van Kruijselier, head of the cleaning services section in the Pretoria office, was fined R3 000 (12 months in jail) and sentenced to two years' imprisonment suspended for five years after being found guilty of fraud. He had submitted false quotations and invoices to the value of R71 631 03 for cleaning services provided by several firms all owned by the same person.

The senior general foreman in the department's Bloemfontein office, GJ Kymdeel, was given a suspended three-year sentence and 30 months' correctional supervision in May last year after he was found guilty of stealing paint worth R15 910. He subsequently pleaded guilty to misconduct at a departmental inquiry and his dismissal is under consideration.

The 10 officials under investigation are from the Pretoria, Cape Town, Johannesburg and Bloemfontein offices, but preliminary reports show that irregularities have also occurred in Kimberley and Port Elizabeth.

Mr. Radebe said this weekend he had given instructions for an in-depth probe into all possible irregularities. "This department is committed to transparency and we are determined to stamp out corruption," he said.

The first part of a report by independent auditors Ernst and Young, appointed last year to review all contracts awarded in the past five years, will be released in a fortnight.
Wild-parties charge brings swift denial

By EDITH BULBRING

PRESIDENT Nelson Mandela's office moved swiftly yesterday to deny press reports that wild parties had been in full swing during the President's absence from his official residences in Cape Town and Pretoria. Director-General for the President's Office, Jakes Gerwel, said in a statement yesterday that the impression created by the reports was false. Only one member of the President's household staff was subject to disciplinary proceedings.

Mr Gerwel said the information the President's Office had so far gathered did not come near suggesting that these activities may have taken place on the scale implied.

The person who faced disciplinary action was a senior member of the household administration, an source in Mr. Mandela's office said yesterday.

It has been alleged that the staff member, who supervises the President's residences, had been drinking on duty with some friends.

In his statement Mr Gerwel said: "The office regards these reports as irresponsible and that could negatively affect the performance of the overwhelming majority of the household staff."

...
Lawyers tell Boesak and staffers to repay 'loans'

By AYESHA ISMAI

LAWYERS acting for the Foundation for Peace and Justice have begun civil proceedings to recover “loans” granted to former staff members, including Dr Allan Boesak.

This week letters were sent to five of the foundation’s former staff members, instructing them to repay the money.

The foundation also filed an application, which will be heard in the Cape Town Supreme Court tomorrow, for the sequestration of the estate of the foundation’s former financial director, Freddie Steenkamp, who signed an admission of debt for over R750 000.

Lawyers decided to apply for the sequestration after Mr Steenkamp told them he could not repay the money.

A firm of attorneys commissioned by the foundation’s donors to investigate the abuse of funds said in a report last week that more than R2 million was used for staff “loans” over a period of five years.

The report said Dr Boesak drew R463 093, and his wife, Elisa, R149 773.

Former foundation staffers who were sent letters this week include Lucille Foster, who had signed an acknowledgment of debt for R151 454,46; and the secretary who blew the whistle on Dr Boesak, Sandra Vloetman, who signed an acknowledgment of debt for R28 464,48.

Both told the lawyers that the acknowledgments they signed were not a true reflection of what they owed.

The lawyers have also written to a former staff member, the Rev Calvyd Smith, demanding the repayment of R80 000. Mr Smith has disputed the amount.

Bashier Waglay, the attorney acting for the foundation, confirmed on Friday that Dr Boesak, who this week withdrew from his post as ambassador to the UN in Geneva, had sold his Constantia home for R200 000.

Foundation trustee, the Rev J H de Waal, said yesterday the money from the sale would be used to cover the foundation’s debts.
Oseo inquiry looks at 28 cases

Corruption probe into R9-bn losses

BY JOVIAL RANTAO

Dr Allan Boesak's Foundation for Peace and Justice (FPJ) and Jamaican businessman Norman Escocery are among the 28 individuals and organisations being investigated by the Office for Serious Economic Offences (Oseo) for fraud and corruption involving about R9 billion.

Oseo director Jan Swanepoel, SC, told The Star his office had also been investigating accounts for a secret defence force project for the past 18 months.

"Our investigators will trace how the money from the SANDF account was spent. We have to find out if the money was indeed spent for the purposes disclosed to us."

Undercover

Swanepoel said he could not give the exact amount involved in the investigations, but said it could be "millions" but a secrecy clause precluded him from disclosing details about the project.

Referring to the Boesak inquiry, Swanepoel said his team of advocates, supported by commercial branch police, began in investigating the financial affairs of the FPJ on February 10, following a request from a Johannesburg-based firm of attorneys.

He explained that the FPJ and not Boesak, was the subject of the investigation which follows allegations that R2 million received from Scandinavian donors was misappropriated.

Two weeks ago the Oseo, at the request of the North-West government, initiated an investigation into a R14 million loan granted by Agribank to Escocery to run a Johannesburg-based food-processing company.

Swanepoel said his office's brief was to determine whether the loan made was irregular.

Former North-West MEC for agriculture Rocky Malebanie-Metsing, who has been implicated in the granting of the loan, will be interviewed by the Oseo team if necessary.

At the time the loan was granted, the powers of the Agribank board of directors were held by Malebanie-Metsing.

The North-West government has already applied for the liquidation of Escocery's company, Liberty Foods. The case has been postponed to February 28.

Swanepoel said his office would not investigate officials of ANC MP Peter Mokaba's now-defunct National Tourism Forum, who were allegedly involved in financial wrongdoings, until someone laid a complaint.

"We're understaffed and cannot take on cases until we're requested to investigate," Swanepoel said.

On the track of executive crooks - Page 11
School books

The orders placed for books amount to R110m and both the tenderers and publishers are now concerned that payment for the supply of books will not be met.

Labuschagne could not be contacted for comment. An official in his office, who identified himself only as Du Toit, refused to comment and terminated the telephone conversation when he was asked to pass on a message to Labuschagne.

A NEW scandal has surfaced in the Northwest province involving the alleged purchase of R110m worth of school books by a man said to have been posing as education department secretary.

Department sources said at the weekend Prof A Lasbuschagne allegedly acted without authorisation from the department in ordering R110m worth of textbooks for the province. He was also accused of drawing up a blacklist of publishing firms which had questioned the procedures he had been following.

Northwest education director-general Job Mogoro on Thursday launched an investigation into the matter, the sources said. It would probe alleged irregularities in the purchase and distribution of school textbooks by Labuschagne, who had sent letters to various school book publishers claiming to be the acting secretary of education. Labuschagne was last week barred from entering the department's premises.

Education department specialist services director Noah Lekubu said Labuschagne had never been acting secretary, nor was he a government official. Education assistant director-general Danny Thosele said the only role Labuschagne had performed for the department was adviser to its strategic management team, which was disbanded in December.

The department's public relations officer, Kutsamela Semakane, said there appeared to be some financial irregularities in the book purchases allegedly authorised by Labuschagne.

The Publishers' Association of SA on Friday sent a letter to Northwest education minister Mamokoa Gaoretelelewe outlining allegations against Labuschagne. Association chairman Stephen Johnson alleged Labuschagne had threatened to blacklist several publishers when they had asked him to clarify certain orders.

"One tenderer asked Labuschagne for clarification on a book order but was told that this resulted in the R100 000 tender being given immediately to another individual in direct contravention of Tender Board regulations. Another publisher who queried procedures was threatened with permanent blacklisting if he persisted with his queries," Johnson said in the letter.

Several publishers who had dealings with Labuschagne declined to be quoted or comment for fear of reprisals following the blacklisting threats.

Johnson said more than half the successful tenderers were not recognised book dealers with credit records. One of the tenderers, M Aaronson of Education and Stationary Services, was previously an employee of the University Bookshop which was liquidated last year, leaving a R14m debt to the publishers who were suppliers of the University Bookshop.

"The orders placed for books amount to R110m and both the tenderers and publishers are now concerned that payment for the supply of books will not be met."

Labuschagne could not be contacted for comment. An official in his office, who identified himself only as Du Toit, refused to comment and terminated the telephone conversation when he was asked to pass on a message to Labuschagne.
On the track of the executive crooks

Serious Economic Offences (CEO) has made considerable

ordered on Blaing, Swamps Fruiz, Office, the Ominous for

Report. [Historical context provided, but content not legible.]
FPJ bookkeeper withdrew funds fraudulently

Supreme Court Reporter

FREDDIE Steenkamp, former bookkeeper for the Foundation of Peace and Justice, "fraudulently" withdrew money from the foundation’s accounts, according to court papers.

This emerges from papers used today in the Supreme Court for Mr Steenkamp’s sequestration. The application was brought by the trustees of the Foundation for Peace and Justice.

In papers one of the trustees, Jan de Waal, said a decision was taken on February 10 to sequestrate Mr Steenkamp.

He said Mr Steenkamp, of Lovenstein, had been the foundation’s bookkeeper from 1991 to May last year.

"While in the foundation’s employ, Mr Steenkamp without any authority, alternatively, fraudulently withdrew money from the foundation’s accounts."

He said the exact amount of money withdrawn was not yet established but Mr Steenkamp had admitted he was liable to the foundation for more than R750 000.

He said the foundation had demanded that the money be repaid. Mr Steenkamp had responded by proposing to pay off R3 000 a month, raise a R275 000 overdraft and purchase for R309 000 one of the foundation’s properties, which is bonded for R206 000, to use the excess of R94 000 to pay off the debt. He said Mr Steenkamp’s liabilities exceeded his assets by R530 000.

He said Mr Steenkamp had not paid his bonds on all his properties and the foundation feared Mr Steenkamp might "alienate his assets."

Acting Justice Weinkove provisionally sequestrated Mr Steenkamp to March 15.
Winnie: New set of misconduct claims

'Interfered with job appointments'

CLIVE SAWYER
Political Correspondent

THE government is probing a fresh series of claims of misconduct by Deputy Minister of Arts and Culture Winnie Mandela.

Reports at the weekend alleged Mrs Mandela had used her position to interfere with appointments to the Gauteng government.

And auditors' reports on the financial statements of the National Tourism Forum, headed by African National Congress MP Peter Mokaba, are to be handed to the government early this week.

Officials are also studying documents related to the saga of former ambassador-designate Allan Boesak and allegedly misused DanChurch Aid funds.

Deputy President Thabo Mbeki cited these examples, along with the judicial commission into the affairs of the former Transkei government, as evidence that the government was not soft on corruption.

But he emphasised it would not act without being sure of its facts.

Mr Mbeki said he was aware there had been misgivings in some quarters after President Mandela had told parliament the government would not allow itself to be pushed into a witch hunt.

Mr Mandela said there would be a dispassionate and systematic approach to investigating claims of corruption.

Speaking at a press briefing today, Mr Mbeki said it was incumbent on the government to investigate claims before acting "even if the story looks convincing".

This did not mean the government would sweep allegations under the carpet.

The government had taken a decision some time ago that there would be a code of conduct for ministers.

At the weekend a meeting between the leadership of the ANC and its Women's League failed to resolve a row about Mrs Mandela's alleged undemocratic leadership and claims of misappropriation of funds donated by the Pakistani government.

Mr Mbeki said he had believed the Pakistani donation of R500 000 had been given to Mrs Mandela to use at her discretion for projects to uplift women, rather than for the Women's League.

Asked why the ANC had failed to report back on the outcome of a probe of Mrs Mandela's alleged involvement in diamond dealing, Mr Mbeki said Mrs Mandela had some time ago given a complete briefing to ANC spokesman Jackson Mthembu.

Mr Mbeki said he had expected that Mr Mthembu would have communicated the outcome of the probe by now.

"I will, ask him what he has done."

He said he did not know the outcome of an investigation into the ANC social welfare department, of which Mrs Mandela is the former head.
Trustees act over illegal FPJ loans

By DAN SIMON

THE estate of former Foundation for Peace and Justice (FPJ) accountant Mr. Freddie Steenkamp was provisionally sequestrated in the Supreme Court yesterday after legal proceedings were instituted by the FPJ trustees.

Mr. Steenkamp, who now works as a Bellville estate agent, owes the foundation R750 000 which had been received from Scandinavian donors.

In papers, FPJ board of trustees chairman Mr. Jan de Waal said a meeting between him, Dr. Allan Beesak and Mr. Pierre van den Heever resolved to sequestrate Mr. Steenkamp's estate after it became clear he was insolvent.

"While in the foundation's employ Mr. Steenkamp, without authority, withdrew moneys from the foundation's accounts."

"Admitted"

He said that although the exact amount owed by Mr. Steenkamp was not yet known, Mr. Steenkamp had admitted that he was liable for R750 000, which he had undertaken to repay.

Mr. de Waal said Mr. Steenkamp indicated that while he was not in a position to pay the full amount, he would arrange to pay the trustees R275 000 before the end of the first week in February, but had failed to raise the money.

"Interested parties" have until March 15 to provide reasons why the order should not be made final.
Bill to foster autonomy

The Finance Ministry yesterday tabled a bill to strengthen the independence of the auditor-general and bring his office into line with the constitution.

Deputy auditor-general Mr Bertie Loots said the new bill incorporated most of the provisions of the existing Auditor-General Act.

"It refines the existing legislation and strengthens the independence of the auditor-general, and his office," he said — Reuter (259) CT 21/21/45.
Mandela homes, Wits parties, at official residences probed.
Code of conduct in the pipeline for Ministers

"DAVID GREYBE"

CAPE TOWN — Work was nearing completion on a strict policy and disciplinary code of conduct for all Cabinet Ministers and their deputies in the government of national unity, President Nelson Mandela's office said yesterday.

Government sources said allegations of corruption against top officials such as Winnie Mandela and Bantu Holomisa and the recent Cabinet crisis over indemnities underlined the need for such a code.

Presidential spokesman Parks Mashabane said the code might be broadened "to guide" political parties in government and not only individuals.

The government code of conduct has little to do with the much-vaunted ANC code of conduct to be implemented soon.

The government code will draw on international coalition experiences concerning parties, rights and duties.

Deputy President Thabo Mbeki told a news briefing yesterday the code would "ensure that all of us behave in a fit and proper manner. It would usher in "a more proactive" government approach to; among others, allegations of corruption against government officials, he said.

Mashabane said the code would once and for all clarify "such grey areas as to what extent a minority party can criticise government." This was of particular concern to the NP and Inkatha Freedom Party. The code would strive to strike a balance between the smaller parties' wish to play an opposition role "without undermining government collectivism."

Deputy President FW de Klerk told a separate news briefing that as long as a commitment existed within government to seek consensus there was no risk of the NP pulling out. The issue was how parties could play a role of "cooperatively constructing, while being competitive... Where consensus cannot be found parties must be allowed to differ publicly."
Boesak bookkeeper is sequestered

Cape Town - A former bookkeeper of Allan Boesak's Foundation for Peace and Justice implicated in the misuse of foreign aid funds was provisionally sequestered in the Cape Town Supreme Court yesterday.

Freddie Steenkamp, a bookkeeper at the FPU from 1991 until May last year, has been implicated by Boesak in a scandal involving the aid money.

The court application against Steenkamp was brought by the FPU trustees, including chairman of the board, Des Weal, who said in an affidavit that Steenkamp was in charge of keeping all the accounts as well as signing cheques and making payments.

"While in the foundation's employ Steenkamp, without any authority, alternatively fraudulently and wrongfully withdrew monies from the foundation's accounts," De Weal said.

He said the total amount was unknown but in December Steenkamp had admitted to owing the FPU R750,000.

The foundation has been successfully trying to recover the money since Steenkamp acknowledged his liability.

De Weal said Steenkamp had offered to raise an overdraft of R27,000 against his assets but the FPU had been informed he had been refused overdrawn facilities.

"Steenkamp has failed to state the full extent of his assets and the foundation believes that he is, in fact, concealing his assets," De Weal said.

Govt will crack down on corruption, says Mbeki

Cape Town - The Government would deal with corruption in its ranks in a firm and non-negotiable manner, Deputy President Thabo Mbeki said yesterday.

Mbeki acknowledged that there had been "some nagging" about President Mandela's guarded approach to corruption during his opening of Parliament speech on Friday.

But Mbeki said he hoped "there is appreciation of the fact that it becomes incumbent on the Government to investigate the truth of allegations before it acts."

He said the Government did not find it strange that a deceased aid agency had had to commiserate an investigation into the affairs of Dr Allan Boesak.

Mbeki said two firms of auditors were inspecting the books of the disbanded National Tourism Forum, headed by ANC MP Peter Mokaba.

In the case of Trunakal, a judicial investigation was also proceeding.

The Government would also examine new allegations against Deputy Arts, Culture, Science and Technology Minister Wiswa Mandela.

There were also investigations into funds missing from the ANC's welfare department headed by Mandela and the row over a Lear jet she allegedly hired to fly children from Angola. President Mandela, speaking at a ceremony at his Thembelihle office where he signed a co-operation agreement with Swedish Prime Minister Ingvar Carlsson yesterday, said the Government would take steps to allay Soweto's fears over missing aid money these countries had channeled to non-governmental organisations.

If the allegations about Boesak's misuse of aid money proved true, the Government would take disciplinary steps, Mr Mandela said.
Court freezes Steenkamp estate

By Sowetan Correspondent

FREDDIE STEENKAMP, former bookkeeper of the Foundation of Peace and Justice, "fraudulently" withdrew money from the foundation's accounts.

This emerges from court papers used yesterday in the Supreme Court for Steenkamp's sequestration. The application was brought by trustees of the Foundation for Peace and Justice.

In papers, trustee Mr Jan de Waal said a decision was taken on February 10 to sequestrate Mr Steenkamp.

He said Steenkamp, of Lovenstein, had been the foundation's bookkeeper from 1991 to May last year and was now an estate agent.

He said Steenkamp's duties with the foundation included keeping all financial accounts, liaising with banks and signing cheques.

He said the exact amount of money withdrawn was not yet established, but Mr Steenkamp had admitted that he was liable to the foundation for more than R750,000.

Pay back

He said the foundation had demanded that the money be repaid. Steenkamp had responded by proposing to pay off R3,000 a month, raise a R275,000 overdraft and purchase for R300,000 one of the foundation's properties, which is bonded for R206,000, and to use the excess of R94,000 to pay off the debt.

De Waal said Steenkamp's liabilities exceeded his assets by R500,000. He said Steenkamp owned or had interests in four properties, had a fixed deposit for R50,000 and R3,000 worth of shares.

He said Steenkamp had not paid the bonds on all his properties and he said the foundation feared Mr Steenkamp might "alienate his assets" if he was not sequestrated.

"The foundation believes Mr. Steenkamp is concealing his assets and a trustee would be in the best position to trace such assets."

Mr Acung Justice Wezi, kove provisionally sequestrated Steenkamp to March 15.
WINNIE-LYNNE: In Trouble

The police report states that Winnie-Lynne was found wandering alone in the woods, near the school. She appeared to be confused and disoriented. The local community is deeply concerned about her well-being and is working to find her family. The school has set up a support group for her classmates to help them cope with the situation. The local government is also providing counseling services to the community. The search for Winnie-Lynne continues, and everyone is urging anyone with information to come forward.
GNU action awaits corruption probes

By Ismail Lagardien

THE Government is waiting for the outcome of investigations into the questionable operations of Mr Peter Mokaba, Dr Alta Boesak and Mrs Winnie Mandela before it can act.

This was confirmed by Deputy President Thabo Mbeki yesterday in response to a question relating to malpractice allegations against the three and Major-General Bantu Holomusa, the former Transkeian ruler.

Mbeki was addressing a media conference, the first of the traditional week-long series of briefings at the start of the Parliamentary session.

He was asked specifically to comment on remarks made by President Nelson Mandela in his State of the Nation Address last Friday that the Government would “root out corruption” and deal with the matter “firmly and unequivocally.”

Mbeki said the President was serious when he said this, but that there were investigative processes under way involving members of Government which had to run their course.

“The National Treasury Forum has appointed two firms of auditors to go through their accounts. We are expecting to get copies of those reports at the beginning of this week.”

“That report was supposed to have been ready last Friday. So we will be looking at these reports.

“With regard to the Transkei, the Government has appointed a judicial commission to go into those matters of alleged corruption. So we have to await completion of that particular process to see what comes out of it,” Mbeki said.

About renewed allegations of Mrs Mandela’s involvement in questionable business deals, Mbeki said “Those matters we will be getting to today.”
New Bill strengthens hand of auditor-general

CAPE TOWN — The Finance Ministry tabled a Bill yesterday to strengthen the independence of the auditor-general and bring his office into line with the interim constitution.

Deputy auditor-general Bertie Loots said in an interview the 10-page Auditor-General Bill incorporated most of the provisions of the Auditor-General Act. It refines the existing legislation and strengthens the independence of the auditor-general and his office.

Loots said the Bill, which had still to be approved by the parliamentary standing committee on finance, introduced four main changes:

- It deleted from the existing Act certain founding provisions which were now contained in Articles 191 to 194 of the constitution, including the definition of the auditor-general's powers;
- It enabled the auditor-general to report to provincial legislatures and not, as at present, only to the national Parliament on the audit of provincial accounts;
- It increased the auditor-general's authority to report on secret accounts, which should increase the transparency of the Budget; and
- It determined that the Audit Commission would set the conditions of employment and salary of the auditor-general.

"The Bill will expand public scrutiny of the country's special accounts and increase the protection against abuse," Loots said.

The Bill proposes that the auditor-general should report on the Secret Services Special Account, the Defence Special Account and the Secret Services "with due regard to the special nature of the accounts."

It adds, however: "The reporting of unauthorised expenditure or other irregularity shall not be so limited, except in respect of the disclosure of facts which will be to the detriment of the national interest."—Reuters.
Inquiry: R15m loan ‘not legal’

MMBATHO. — Former North-West agriculture minister Mr Rocky Malebane-Metsing acted in disregard of the law when he instructed the province’s Agribank to grant a R15.5 million loan to Liberty Foods Manufacturing.

This finding was made public by the internal commission of inquiry launched by the North-West department of agriculture into the transaction which took place last year.

The office of North-West Premier Mr Popo Molefe said the government had referred the matter to the Office for Serious Economic Offences. CT 222145.

Mr Molefe said he accepted Mr Malebane-Metsing’s resignation. He also denied allegations that he was behind a plot to murder Mr Malebane-Metsing.

Mr Malebane-Metsing did not give evidence to the commission. — Sapa
Kalako: ‘Lost’ papers raise alert

By CHRIS BATEMAN

THE "first inkling" of possible fund misuse during a ministerial fact-finding mission to Australia late last year came when a case containing all documentation had been reported "lost".

This was testimony by Admiral Martin Kramer, chairman of the Interim Western Cape Tourism Board (WCTB) to the commission of inquiry into allegations that Environment and Tourism Minister Mr Lerumo Kalako abused funds during and after a two-week mission in November last year.

The commission, appointed by Western Cape Premier Mr Hernus Kriel, is based mainly on allegations by Mr. Nick Malherbe, WCTB member and erstwhile "adviser" and travel companion to Mr Kalako.

His allegations include that Mr Kalako:
- Made private telephone calls home from Australia totalling R2 000
- Failed to return travellers' cheques totalling R2 014
- Failed to attend (or was regularly late for) meetings in Australia
- Paid out of his entertainment allowance for a Kelvin Grove birthday party organised and thrown for him by Mr. Malherbe
- Exhibited conduct unbecoming a government minister

Officials of the Department of Nature Conservation are expected to testify to further claims that Mr Kalako mismanaged his department and its finances.

The commission resumes hearings this afternoon under its chairman, former Cape attorney-general Mr. Niël Rossouw."
ANC secretary-general Mr Cyril Ramaphosa yesterday told the government to stop "soft-pedalling" on corruption.

Speaking during a debate on the presidential speech at the opening of Parliament, Mr Ramaphosa said all elected officials should be made to sign a code of conduct enforced by an independent body.

"A national code of conduct must go a long way to ensuring that we get rid of this cancer. We must set up measures that we all become more accountable to our people. They deserve it." But Mr Ramaphosa criticised the media for focusing on reports of corruption in the ranks of the ANC and the government, while failing to "expose the more serious acts of corruption in the corporate sector."

Money was leaving the country through transfer pricing, tax evasion and insider trading deals, he said.

"Millions are being milked out of the country daily."

ANC chief wants code of conduct

During his address Environmental Affairs Minister Dr Dawie de Villiers slammed the tendency of some to "claim that if you are caught with your hands in the money bag of an institution or a trust, you are innocent because of apartheid."

"Corruption, whether in the service of the state in the days of apartheid or in the struggle against apartheid, remains corruption and must be dealt with resolutely and decisively."

- Last night Gauteng Premier Mr Tokyo Sexwale said the Gauteng legislature would introduce its own set of rules of conduct to prevent high-level corruption.

"We want the community to have confidence in us and join us in a fight against corruption in whichever spheres of government it is found," he said. "Current codes are not strict enough."

He said Gauteng parliamentarians would immediately begin preparations to set in place stringent rules of conduct for all provincial officials.

"We will be particularly strict on those senior officials and parliamentary members who have been entrusted with large sums of money."

- Eastern Transvaal Premier Mr Matthews Phosa yesterday criticised rioting police officers for scaring off foreign investors and said he backed President Nelson Mandela's pledge to erase corruption from government.
**Sexwale seeks anti-graft code**

*BY JO-ANNE COLLINGE*

Gauteng Premier Tokyo Sexwale has pledged to introduce a code of conduct for his cabinet and top civil servants which will go further than any existing code in preventing corruption.

At a press conference yesterday, Sexwale elaborated on an answer he had given earlier in the legislature to the DP’s Peter Leon as to what steps he intended taking to stop possible graft in government. The premier said he would use the occasion of the official opening of the legislature next month to make known the main thrust of a new code of conduct which would apply not only to MECs but to officials who controlled large amounts of money.

"We want to run a very clean government in the province," Sexwale emphasised. Urging members of the public to come forward with any evidence they had of corruption in Gauteng, Sexwale promised, "We are ready to act against any form of corruption that may surface in the province". But anonymous innuendo was not a basis for action.

However, he responded favourably to Leon’s suggestion that legislation similar to the US’s Ethics in Government Act, introduced in the wake of president Richard Nixon’s ‘‘should be contemplated in Gauteng’’

**Bold steps to root out corruption**

Cape Town — All elected public officials should be obliged to conform to a national code of conduct enforced by an independent body to root out corruption, ANC secretary-general Cyril Ramaphosa said yesterday.

Opening the debate on the president’s opening address to Parliament, he said bold steps were needed to deal with corruption. "A national code of conduct will go a long way towards getting rid of this cancer."

Elected officials at the national and provincial levels should be disciplined, honest and loyal.

He praised the media for reporting corruption in the public sector, but said not enough attention was given to corruption in the corporate sector.

Ramaphosa also warned that no leader or party should mobilise any section of the South African people to undermine the October local government elections — Stepi.
Ramaphosa slams corporate corruption

Political Staff
AFRICAN National Congress secretary-general Cyril Ramaphosa says the media should expose corporate sector corruption, which totals billions of rands, in the same way it pursues claims of corruption by politicians.

In the national assembly debate on President Mandela's 'opening speech yesterday, Mr Ramaphosa supported Mr Mandela's crackdown on corruption and called on the media to expose "more vigorously" corporate sector corruption involving "not thousands but billions of rand."

He said the corporate world was ungovernable in terms of tax evasion, insider trading and dealing.

Millions of rands left the country daily on this basis. In many cases, large amounts of public money were involved.

Mr Ramaphosa called for urgent steps to make it obligatory for all elected public officials to adhere to a national code of conduct.

He said "for the sake of the masses" measures had to be established to make all elected officials more accountable.

"Sooner, rather than later, we need a stringent set of principles and guidelines to bind each holder of public office to disallow the holding of financial interests that conflict with the performance of duty; that curbs the soliciting of gifts of largesse and which safeguard against the use of public office for private gain."

"It must be strict, it must be compulsory and it must be policed."

In a statement last night, the National Party said Mr Ramaphosa's call for an independent institution to check on public officials and instances of corruption was a device to draw attention from the ANC's "growing embarrassments."

Each party had to narrowly follow its own code of conduct, the NP said.
Rocky denies ordering illegal loan

PRETORIA — Former North-West agriculture minister Mr Rocky Malebane-Metsing yesterday denied unlawfully instructing Agribank to grant a R15.5 million loan to Liberty Foods Manufacturing.

He also disputed a claim that he had declined to testify before a provincial inquiry. "I do not accept the conclusion of this inquiry and it is a blatant lie that I was ever invited to testify."

The commission on Tuesday found that Mr Malebane-Metsing acted "in disregard of the law and (Agribank) procedures."

North-West Premier Mr Popo Molefe's office has referred the matter to the Office of Serious Economic Offences — Sapa.
Minister ‘disappeared with woman’

OUTGOING Minister of Environmental Affairs, Nature Conservation and Tourism Mr Lerumo Kalako changed an internal Australian flight booking “at the last minute” and disappeared with a woman companion until the next morning, a commission of inquiry heard yesterday.

This was claimed by Mr Nick Malherbe, who was with Mr Kalako on a fact-finding mission to Australia last year.

Testifying before a commission chaired by Mr Niel Rossouw, Mr Malherbe outlined incidents in which he alleged Mr Kalako was either late or missed appointments.

He said Miss Jenny Hollander had befriended their tour party and driven them to the state parliament in Perth.

Soon afterwards Mr Kalako had told him he would not be attending a dinner organised for them and would catch a later flight, which he did.

At the Freemantle ferry Miss Hollander had joined Mr Kalako. “We didn’t see him until the next morning when we left,” Mr Malherbe said.

Mr Rossouw said his commission was confining itself to allegations made by Mr Malherbe in his official report to the Interim Western Cape Tourism Board — which did not include mismanagement of his department or its finances.

A report in yesterday’s Cape Times said Department of Nature Conservation officials were expected to testify to claims that Mr Kalako mismanaged his department and its finances.
Graft investigation

Police were investigating allegations of theft and bribery against at least 10 officials in his department, Public Works Minister Jeff Radebe said in Parliament yesterday.

This followed an investigation by a task group into irregularities in the awarding of state contracts, he said. In the Pretoria regional office, R57m had been lost over three years in overpayments and fraud. An independent auditors report on state contracts over the past five years would be released in about 10 days.
Code would inhibit abuse of office — Asmal

CAPE TOWN — A code of conduct should be introduced for all elected representatives as well as senior public servants, Water Affairs Minister Kader Asmal said yesterday.

Debating the President's address, Asmal said the code should provide for the disclosure of interests by all people holding public office or employment.

"The principle of disclosure is central to any process of supervision, for the powerful light it sheds inhibits abuse of office and breach of trust," he said.

"Special systems must be set up to ensure that gifts and patronage, in whatever form, are declared. Outside income, shares, directorships, land holdings, gifts of property or services, travel, accommodation, consultancies and public contracts should all be disclosed."

"Codes of conduct should have statutory weight in government tender procedures. While a public protector would soon be appointed to investigate alleged corruption, measures should be taken to put, and keep, our own house in order."
Rocky could face charges

BY DAN OLAMAINA
‘R7.8bn paid in commissions’

By BARRY STREEK
Political Staff

ASTONISHING claims, allegedly based on secret documents, that the Nationalist government paid out R7.8 billion in commissions on financial deals and used Military Intelligence funds to pay coloured MPs were made yesterday by former Transkei leader Mr Santu Holomisa.

In a speech that stunned NP parliamentarians, he said his papers showed that Deputy President F W de Klerk was “fully aware” of these transactions.

He named four people — former government official Dr Wilham Fourie, Mr Nico Botha, a former Treasury official, Mr Chris le Roux, and “a certain Mr Greg Rossbach” — as being involved in these deals.

Mr Holomisa also said his documents showed that the Defence Force had launched a secret campaign, Project Vallex, to remove the United Democratic Front from the community.

The NP said in a subdued statement afterwards that it did not always react to Mr Holomisa’s allegations, but all state finances had been under the auditor-general’s control.

“If Mr Holomisa has evidence of misadministration or corruption he ought to give it immediately to the police for investigation,” the NP said in a statement issued by MP Mr Cobus Dowry.

He added that every time Mr Holomisa was in trouble, he resorted to making unsubstantiated allegations to take attention away from this own problems.

Mr Holomisa said the documents in his possession detailed the use of hundreds of millions of rand of state funds in waging dirty tricks from 1986 to the 1994 financial year.

Substantial commissions had been claimed from the NP government for financial deals and the papers in his possession suggested that there had been a cover-up.

The amount involved was about R7.8 billion.

Mr Holomisa said a large sum of money for the coloured MPs was paid through Military Intelligence, as reflected in the memorandum approving the expenditure signed on March 26, 1986 by General Jannie Geldenhuyse and Vice-Admiral Futter.

“These projects also give a detailed insight into the amounts expended through church front organisations and how Christianity was corruptly abused for political gain among blacks and coloureds by the NP government,” he said.

The State Security Council, headed by former president Mr PW Botha, had authorised the violent project to eliminate the UDF and Mr de Klerk had been a member of the council at the time.”

Back code of conduct
— Asmal

CT 24/2/95

A CODE of conduct for all elected representatives at national and provincial level should be firmly supported, the Minister of Water Affairs and Forestry, Professor Kader Asmal, said yesterday.

"Where allegations of wrongdoing were shown to be true, the most stringent measures should be taken against perpetrators, whoever they were, he said in a speech in Parliament during the debate on President Nelson Mandela's opening speech.

"There must be scrupulous adherence to the code of conduct that exists for elected members of the ANC, including provisions covering assets and gifts for cabinet ministers, resigning directorships, and placing shares and other property in blind trusts."

The proposal by ANC secretary-general Mr Cyril Ramaphosa should also be supported.

"Such a code should provide for the disclosure of interests by all people holding public office or employment. The principle of disclosure is central to any process of supervision, for the powerful light it sheds inhibits abuse of office and breach of trust."

Mr Asmal said special machinery should be set up to cover members of the cabinet, deputy ministers and elected public representatives. There should be a code of conduct for all elected chairpersons of committees, special advisors, public servants in designated positions, directors and senior state executives.
Sacob wants wide powers for AG

Aims to fight corruption at all levels

COLIN DOUGLAS, Business Staff

GREATER powers should be given to the Auditor-General in the new constitution in order to combat corruption at all levels of government, the South African Chamber of Business (Sacob) is urging.

Presenting the chamber's submission to the Constitutional Assembly's subcommittee on financial institutions and public enterprises, Sacob Vice President Philip Krawitz and Director Raymond Parsons called for the amendment of the interim Constitution to broaden the scope of performance audits.

"The Auditor-General should be permitted to conduct performance audits at all levels of government and in statutory bodies, as he deems fit in the public interest — he should not be limited in his discretion to conduct performance audits in respect of any office under his review."

Currently the constitution provides that performance audits — which evaluate the efficiency of resource usage — may be conducted only at the request of the president or parliament.

Sacob has also proposed that the Auditor-General should not only have access to books and information, but should have the additional power to obtain explanations from officials involved in the department under audit.

Performance audits last year by Auditor-General Henri Kliever revealed widespread financial mismanagement in several government departments and institutions.

But members of the committee said Sacob's proposals did not belong in the constitution, and some suggested the removal from the constitution of all reference to performance audits.

"We need to think about how much should go into the constitution and how much into legislation — there are things that have gone into the current constitution that perhaps shouldn't be there," said committee chairman and African National Congress MP Rob Davies.

Democratic Party MP Ken Andrew said, "The Auditor-General is obliged to do regulatory audits of government departments, and does not have the capacity to do performance audits on the same basis, nor are performance audits fundamental to his job."

Mr Andrew suggested that performance audits be made the responsibility of another government department by way of legislation, and warned against "constitutionalising everything you like."

Sacob's other submissions included the safeguarding of the Reserve Bank's independence, the obligatory publication of recommendations of the Financial and Fiscal Commission and the recognition of the independence of the revenue authorities.
Code on way soon for MPs

ESTHER WAUGH
Political Correspondent
CAPE TOWN — The Cabinet was finalising a code of conduct for parliamentarians which would be “firmly applied.”

“The threat that corrupt norms implanted by apartheid may survive and overwhelm us as we set about building on new values, is one that alarms us,” President Mandela told a joint sitting of the National Assembly and Senate yesterday.

Frequent references were made by the National Party about allegations of corruption among senior ANC members during the four-day debate on the president’s opening speech to Parliament on February 17.

Succumb

ANC speakers, in turn, reminded the NP of corruption and maladministration in the previous government.

Water Affairs and Forestry Minister, Kader Asmal, and Constitutional Assembly Chairman Cyril Ramaphosa, called for a code of conduct for parliamentarians in their speeches.

Asmal told Parliament on Thursday that it was understandable that the NP “with its record of abuse of human rights and corruption” would resort to attack as the best form of defence.

Asmal conceded that at “every step of the way, temptations are laid in our path.”

“It takes resolve; not to succumb to ways of working which have become the norm, in which old pacts are promoted, business is offered to some people in exchange for favours, commissions.”

He added: “The minister said that the president called for corruption to be removed not only from government circles but also political parties and the private sector.

However, he committed himself again to “our insistence on due process.”
Priority is given to Boesak investigation

GLYNNIS UNDERHILL
Weekend Argus Reporter

THE Office for Serious Economic Offences (OSEO) indicated this week it was giving top priority to its investigation into the financial irregularities at Allan Boesak’s Foundation for Peace and Justice.

Tommy Prins, assistant director of the OSEO, said it was impossible to say how long the investigation would take but would hopefully be completed “as soon as possible.”

“At this stage, we don’t have a cut-off date,” he said.

If the OSEO investigation decides that a criminal offence has taken place, the case will be handed over to the attorney general for a decision on who to prosecute and on what counts, said Mr Prins.

Nordic funding agencies created a furor when they appointed a firm of lawyers to investigate the financial irregularities at the Foundation for Peace and Justice after R2.2 million in donor funds went missing.

South Africa’s former ambassador-designate to the United Nations, Dr Boesak, was accused by the lawyer’s report of enriching himself with foreign funds while acting as director of the Foundation for Peace and Justice.

Dr Boesak has claimed consistently he is innocent on all charges. He resigned his government post to await the outcome of the investigation by the OSEO.

Mr Prins is being helped by two senior police officers in the high-profile investigation.

The OSEO, which is government-funded and falls under the umbrella of the Department of Justice, decides to take on a case by considering four factors, he said.

These are the amounts of money involved, the complexity of the case, the public interest in the case and the urgency. These all contribute to its decision to take on a case, said Mr Prins.

Meanwhile, the provisional trustees appointed to the estate of former financial director of the Foundation for Peace and Justice Freddy Steenkamp by the Master of the Cape Town Supreme Court have not ruled out an inquiry.

Provisional trustee Bernard Gutman said that, according to information available, Mr Steenkamp’s assets total R82,000, while his liabilities amount to about R1.4 million.

“I will be consulting the estate’s creditors and the insolvent (Mr Steenkamp) in the near future to determine the further administration of the estate,” said Mr Gutman.
Winnie’s head on the block today

By EDWARD MOLOINYANE and TAMMY MBENGU

THE heads of Winnie Mandela and Peter Mokaba are expected by ANC insiders to roll at the ANC National Executive Committee meeting in Cape Town today. Sources within ANC circles in Cape Town confirmed an NEC meeting was being held to address corruption and the ills besetting the government.

Winnie to go?

From Page 1

corruption in government ministries, the Winnie Mandela saga and a host of other issues within the organisation.

The meeting, which ends today, was held behind closed doors.

It is believed that those who are likely to get the chop after deliberations include ANC MP Peter Mokaba and Deputy Minister of Arts and Culture Winnie Mandela.

An ANC insider said Winnie — who is on an overseas trip — is likely to be fired on her return. — SAfrica News.
Winne faces day of reckoning this week

BY CHEYENNE HETTON

Winnie faces day of reckoning this week.
ANC sets up disciplinary probe
ANC sets up body to administer discipline

BY MONDLOMMAKANYA
POLITICAL REPORTER

The ANC, yesterday, responded to the plethora of corruption charges facing it by appointing a high-powered committee to administer discipline in the organisation.

The six-member committee is to be headed by Water Affairs Minister Kader Asmal. It will have powers to investigate members; conduct hearings and penalise ANC members who breach the ANC's constitution and code of conduct.

It includes three other Cabinet ministers.

"This committee's work is going to go to the soul of the ANC. We are not going to launch McCarthyite witch-hunts but we want to obliterate corruption before it becomes a norm in the ANC," said a national executive committee member.

The committee would also counsel members in order to help them avoid "the pitfalls inherent in the lobbying and other commercial activities of the private sector and other forces."

The committee will begin by investigating "the allegations of corruption against ANC members."

The only case mentioned by name is that of former North West agricultural MEC Rocky Malebane-Metsang, whose case will receive "immediate attention."
R3.7m fraud uncovered in govt department
OFFICIALS allegedly forged invoices authorising payment for work that was not done.

that one company, Cold Control, had bought spare parts from suppliers and had then altered the invoices to show a higher price than was paid for them

"On June 24 1994 it was approved that the existing four contracts be cancelled from that date. He (person in Cold Control) was given written notice of this and the alleged fraud was reported to the South African Police Service, as well as to the Recovery."

Cleaning equipment bought from Lever Columbus by the Pretoria regional office of the department was "not be found."

The report said "The investigation into the lost equipment has almost been finalised and 22 of the 23 machines that were 'lost' have been found. Attempts are still being made to find the remaining machine."

"The department lost R571 601 because certain officers neglected to acquire proper quotations and tenders for the supply of cleaning services.

"In those cases where quotations were indeed obtained, these were acquired from several firms that belonged to the same owner. The firms concerned consequently asked exorbitant prices that resulted in the said loss," the report said.

Additional losses were suffered because a former department official, Van Krueger, who headed the..."
Fund misuse inquiry ends

CAPE TOWN — The inquiry into the alleged misuse of public funds by Western Cape sport and recreation MEC Lerumo Kalako ended yesterday.

The inquiry was launched following allegations by Nick Malherbe, a Western Cape Tourism Board representative, that Kalako, then the tourism MEC, misused public funds while abroad.

Giving evidence, Kalako said Malherbe had been responsible for the finances on their trip to Australia.

Kalako admitted making personal telephone calls, but said he had paid for the calls on his return.

He said he was under the impression that the watch he had bought was covered by his allowance.

He added he had not been involved in any of the arrangements for his birthday party and had ordered a cheque to be cancelled after he heard his department was to pay.

The inquiry’s findings will be made public after they have been submitted to premier Heras Kriel next week. — Sapa.
Focus on AEPP

A

fter release from prison, ex-political prisoners were confronted with various challenges concerning survival and as a result they decided to form an organisation to look after their social and economic plight.

These multiple and diverse challenges, often created by their imprisonment, led to the formation of the Association of Ex-political Prisoners. Many ex-political prisoners found it difficult to adjust to the outside world after their release from prison.

The AEPP was formed in 1990 and its main purpose was to minimise the social and economic hardships faced by ex-prisoners throughout South Africa.

Its main objectives were to develop facilities to place newly released prisoners in employment and provide material assistance to the needy families of prisoners.

The AEPP has been funded by overseas donors since its inception and sources close to the association recently claimed about R138 million was apparently donated by French, Austrian and German sources.

The stunning revelations that AEPP was unable to account for about R138 million was uncovered at the reunion conference of former political prisoners held in Cape about two weeks ago.

Earmarked for schemes

A closed session was told by a former employee of the AEPP that about R5 million originally earmarked for AEPP projects had apparently not been used for these schemes.

Several former political prisoners have told Sowetan that they knew nothing about the existence of the AEPP.

Five former political prisoners admitted to receiving assistance from the AEPP, but said they were disappointed at the amount.

The organisation was also rocked by claims that staff members had borrowed large amounts of money without repaying them.

A former employee of the AEPP told Sowetan in Cape Town that some AEPP officials had used the money to finance their own businesses.

He also told Sowetan in an interview that there were allegations that some funds had been used to buy homes and cars for certain officials and employees of the organisation.

An investigation by Sowetan into the alleged scam found that prominent members of Parliament are involved in the embezzlement of R138 million.

According to a reliable source, part of the R138 million may have been used by Government MPs to purchase business properties both inside and outside the country.

Part of the missing R138 million given to the Association of Ex-political Prisoners was used by MPs to purchase homes and business interests, reports Sibusiso Mabaso:

Ahmed Kathrada looking into the financial activities of the AEPP

The source told Sowetan that one of these government officials has four chicken outlets in Gauteng.

Another has two chain stores, including a bakery in the Cape.

According to a source, the private businesses bought with AEPP funds included liquor stores, houses and luxury cars.

Assassinated

Recently it was claimed that a former Umkhonto we Sizwe cadre and official of the AEPP, Wilhe Sekete, was assassinated a few days after he had apparently threatened to expose the alleged embezzlement of funds within the organisation.

AEPP secretary-general Mr Naledi has dismissed reports that officials of the organisation had embezzled AEPP funds as unfounded.

ANC MP Mr Ahmed Kathrada, who is the coordinator of newly appointed committee formed to investigate the plight of ex-political prisoners and the financial activities of the AEPP, told Sowetan that no one was certain what happened to the AEPP.

Disbanded

Kathrada said he was informed by a colleague that the AEPP and an organisation of former MK combatants were disbanded about three years ago and had their assets absorbed by an organisation that failed to take off the ground, namely the Centre for Community Development.
Top politicians 'signed code of conduct'

DAVID GREYBE

however, that not every ANC elected official had signed the code. There was no record that Allan Boesak or Rocky Malebane-Metsing had done so.

The committee agreed to further delay implementing the code, unveiled more than five months ago, to give officials who had not signed it a last chance to do so. A new deadline would be set soon.

ANC sources attributed the poor performance of ANC officials, particularly at provincial level, mainly to administrative problems in getting signed copies of the code to the ANC head office in time for the executive meeting. At national level only about two-thirds of the 312 ANC MPs and senators had signed the code.

However, sources said the delay would not affect the work of a tough disciplinary body set up at the weekend to investigate breaches of the code and the ANC constitution. One of the body's first tasks would be to investigate the Malebane-Metsing case in the Northwest.

Sources said other ANC officials facing probes were Winnie Mandela and Mokaba.
PUBLIC SECTOR - GOVT. - Miscell. Dept.

1995

MARCH - MAY.
No ANC disciplinary measures against trio

BY PATRICK BULGER
POLITICAL CORRESPONDENT

Cape Town — The ANC yesterday denied that three prominent members would be brought before its newly formed disciplinary committee chaired by Water Affairs and Forestry Minister Professor Kader Asmal.

Information secretary Senator Jackson Mthethwa said the ANC "has no evidence of wrongdoing or corruption" involving Bantu Holomisa, Winnie Mandela and Peter Molobane.

"The ANC has not at any stage said there will be investigations of corruption against these leading members of the organisation," he said, adding that the media "charged and sentenced these members for corruption. The ANC takes strong exception to the conduct of the press in this regard."

He said the mismanagement of funds in the former Transkei homeland was a matter for the Government of National Unity.

At the weekend, the ANC's National Executive Committee established the disciplinary committee consisting of Asmal, Health Minister Nkosazana Dlamini-Zuma, Deputy Finance Minister Alec Erwin, Public Service and Administration Minister Zola Skweyiya, MP Ruth Mompeli and Senator Wilton Mkwayi.

The matter involving former North West Agriculture MEC Rocky Malebane-Metsang has been referred to the committee.

Asmal played down the disciplinary aspect of the committee. He said it was an "early warning system" that would guide newly elected ANC public representatives who faced temptations from lobby and interest groups.

However, the committee would examine "prima facie" cases where there was evidence of corruption, abuse of office and the granting and seeking of sexual favours, Asmal said.
ANC commitment to clean government

The ANC was committed to clean government and it was thus Government's responsibility to bring what was legal closer to what was ethical, chairman of Parliament's Joint Finance Committee Gill Marcus said yesterday. — Sapa.

Jan 13 95
PRETORIA. — Police raided several properties connected to Nelson Mandela today as part of an investigation into a range of alleged corruption and fraud.

Commerical Crime Unit head Lieutenant-Colonel Antonie Bobia confirmed that he was leading the investigation into the activities of a group of alleged fraudsters, including a doctor and a company director. The investigation was being conducted jointly by the anti-corruption bodies, including the Serious Fraud Office and the Corrupt Practices Commission.

The properties targeted included those linked to immigration fraud, corruption in the building industry, and alleged money laundering.

Police searched an office of a company associated with one of the suspects, who was also linked to a series of successful tender frauds.

Lieutenant-Colonel Bobia said that the investigation was continuing and that more properties could be raided in the coming days.

Meanwhile, the National Assembly has called for a full investigation into the alleged corruption and fraud linked to the Mandela era.

The assembly said that the government must take urgent action to tackle the problem and ensure accountability.

Mandela himself was not directly implicated in the allegations but said that he would cooperate with the investigation.

The government has said that it is committed to tackling corruption and that it will act firmly against those who break the law.
Corruption: Mokaba says he is innocent

ANC MP Peter Mokaba, facing allegations of corruption, has told the ANC he is not guilty of any wrong-doing in the National Tourism Forum.

In a 36-page report to ANC secretary-general Cyril Ramaphosa, sent on February 20, Mr Mokaba, a former president of ANC Youth League, detailed his own investigation into alleged corruption in the forum.

He said his investigation into the forum's finances began in February last year when he persuaded the body to employ an accountant, Ian Pierce.

He said he further demanded that an audited statement be prepared for the forum's council "so that I could leave the NTF with a clear position as regard finances".

On March 2, last year, a moratorium was placed on employment by the forum. Two days later, Mr Mokaba called a meeting of directors to raise "concerns about financial discipline and accountability".

He alleged maladministration "of the worst kind" existed in the organisation. Nepotism was rife, he said, with people being employed at random, "without need; and in defiance of council decision and myself to place a moratorium on employment".

He said salaries, promotions and demotions "fluctuated and were illogical".
DP, NP call for probe on corruption

TYRONE SEAL
Political Staff

THE Democratic Party and National Party have called for thorough investigations of allegations of fraud and corruption within the government.

This follows Public Works Minister Jeff Radebe’s announcement that fraud and corruption of R37 million had been uncovered in his department.

William Mnisi, DP senator and the party’s spokesman on public works, commended Mr Radebe for instituting an investigation.

Mr Mnisi said the NP bore sole responsibility for this corruption.

“We urge all other ministers to institute similar investigations to expose any other instances of fraud and corruption committed under NP rule.”

David Chuenyane, NP spokesman on public works, called for a thorough probe into Mr Radebe’s findings.”
Clean govt ‘vital’ — Tokyo

Johannesburg — Gauteng Premier Mf. Tokyo Sexwane yesterday emphasised the need for strong and effective local government, saying it was vital that inequalities under apartheid be reversed.

Opening the inaugural session of the Provincial Inter-Governmental Forum in Kempton Park, he also called for clean government.

The forum, the first of its kind in SA, will have a consultative nature and will ensure a working relationship between the provincial government and new local government structures in Gauteng.

Mr Sexwane said the Gauteng government managed budgets of between R10 and R12 billion.

"Local government is at the forefront of delivery. It is the tier of government that is closest to the people and must be at the cutting edge of transforming ideas and slogans into reality", he said.

"We need strong and effective local government at the frontline of delivery.

Mr Sexwane also expressed serious concern at voter apathy in registering for the local government elections in October, and urged a campaign for voter education. He said that only five percent of the estimated voters had registered in Gauteng's municipal areas — Sapa.
Mokaba to ANC: I was not guilty

ANC MP Mr Peter Mokaba, facing allegations of corruption, has told the ANC that he was not guilty of any wrongdoing in the National Tourism Forum (NTF).

In a report to ANC secretary-general Mr Cyril Ramaphosa, Mr Mokaba detailed his own investigation into alleged corruption in the NTF.

His investigation began in February last year when he persuaded the forum to employ accountant Mr Ian Pierce, who he said further demanded that an audited statement be prepared for the NTF's council so that he could leave with a clear position.

On March 2, 1994, a moratorium was placed on employment. Two days later, Mr Mokaba called a meeting of NTF directors to raise "concerns about financial discipline and accountability."

He said NTF executive director Mr Ngoaka Maphala was "playing hide and seek" with the auditor and that maladministration "of the worst kind" existed in the organisation.

The organisation's books were "seized" when Mr Maphala left on a trip to the US.

Mr Pierce telephoned Mr Mokaba in Cape Town on November 8 last year to query several cheques drawn for amounts of up to R45 000.

Mr Mokaba asked the council to institute investigations with independent auditors to refute or verify his findings and those of Mr Pierce.
Losses in state pension system could be astronomical

R2-bn lost to corruption

At least R2 billion is lost to corruption in the state pension system every year.

This was disclosed at a press briefing yesterday by Cassim Saloojee, chairman of the National Assembly committee on welfare and population development.

The figure, given to him by the department of finance, represented only the former republic.

In-depth investigation, including in the former TBVC states, was needed.

“The loss of funding could be astronomical.”

Saloojee, an ANC MP, said the figure had been cited by the department of finance in response to pressure for a bigger welfare budget.

The officials had said steps should be taken to recover funds lost to corruption.

“What astonishes us is that this abuse has been going on for some time and we cannot understand why nothing was done.”

His committee would ask for a commission to investigate the abuses and recommend steps to prevent them.

Examples of abuses included false medical certificates being used to claim disability grants.

Saloojee told the briefing the new government had inherited a welfare system designed to benefit a minority. A complete review of the system was needed.

Legislation, including that on child care and social assistance, should be transformed.

Saloojee said his committee intended making full use of changes to the parliamentary committee system which would allow it a greater say in initiating legislative reforms.

A meeting of national and provincial ministers of welfare and top officials had at the start of this year accepted that the entire welfare system should be changed.

The national ministry had accepted they would not impose reforms from above.

Saloojee backed a campaign by social workers for higher wages. However, he also said emigration by social workers had cost the country dearly.

Because of poor salaries, social workers lacked motivation and a sense of prestige.

Working conditions and salaries of these workers should be improved dramatically, he said.
President Mandela expected to sack his estrange

Winnie flic

Raids to continue around country

BY BRONWYN LITTLETON

As police and advocates pored over confiscated documents today, detectives prepared for more raids around the country on a paper chase of alleged fraud and corruption by Winnie Mandela and others.

Police spokesman Capt. Dave Harrington said today that three advocates from the Attorney-General’s office had been seconded to the police commercial crime unit to sift through piles of documents seized during yesterday’s raids on Mandela’s Orlando, Soweto home and 11 other locations, mainly in Pretoria.

He said tenders would be urgently invited for private sector auditors to compile a report for the Attorney-General to decide on prosecution. The report could take at least six weeks to complete.

Harrington said more raids around the country were likely, but senior police sources said detectives would soon be heading for areas outside Gauteng to continue their investigations. One possible destination was Mmabatho.

On hearing of the raids, while on an unauthorised trip to West Africa, Mandela immediately ordered her lawyers to make an urgent application to the Rand Supreme Court for an interdict barring police from removing documents from her Orlando house, on the grounds that they did not have a valid search warrant.

The application is to be heard today and — as a temporary agreement between Mandela’s lawyers and police — all documents seized from the house have been sealed in the Johannesburg chief magistrate’s office.

The sealing does not affect documents taken from other locations raided yesterday.

As the drama surrounding the Deputy Minister of Arts, Culture, Science and Technology unfolded yesterday, police alleged Mandela was paid at least R70,000 to use her position and influence to ensure that building contracts for low-cost housing were awarded to a company with which she had close links.

It is understood yesterday’s raids were approved by Police Commissioner George Fivaz after the necessary warrants and documentation were completed by the commercial crime unit.

No one has yet been arrested in connection with the investigation, but police intend handing their docket over to the Transvaal Attorney-General.

To Page 3
ANGRY deputy minister cuts short West African trip after police raid on her home

BY PATRICK BULGER and MONDLO MAKHANYA

Cape Town — An "outraged" Winnie Mandela is due back home today to deal with the police raid at her Orlando West, Soweto, home yesterday, and the presumptions of several organisations with which she has connections.

Members of her family have confirmed to The Star that she is returning early from her tour of West Africa.

She was expected to arrive at Jan Smuts Airport this morning on an Air Afrique flight from either Abidjan or Nairobi, and sources close to her said she would proceed straight to her home and not to her ministerial offices in Pretoria or Cape Town.

Theembattled Arts, Culture, Science and Technology Deputy Minister said in a statement from Abidjan that she would cut short her official visit "and return home to deal with the issues which have now arisen."

She said the allegations the police have made against her leave her "astounded and unexplainably angry."

Her lawyer, Templeton Magazine, told The Star: "Never before in South Africa has any minister or deputy minister been treated like this."

The Star was reliably informed yesterday that President Mandela will dismiss as an estranged wife from the Government a report of National Unity on her return.

Sources close to the president say he was fully briefed about the police investigation shortly before he left for West Africa last week, but he was not briefed immediately before yesterday's dramatic raids.

The president had said he would not do anything to stand in the way of the investigation, and the law must take its course, the sources said, adding: "If she hadn't gone to West Africa, she would have been dismissed last week already. She will be dismissed when she returns."

Mrs Mandela has been embroiled in controversy both before and since her appointment as Deputy Minister of Arts, Culture, Science and Technology, an appointment which was widely seen as an attempt to reeducate her, given her grassroots support and the potential threat she could pose to the Government.

At a press conference after yesterday's Cabinet meeting, both Cabinet secretary Jakez Gerwel and presidential spokesman Parks Mnakahane said the raids had not been discussed at the fortnightly Cabinet meeting.

Gerwel said he had been told of the raids during the course of the morning and had conveyed the news to President Mandela.

He said the president and Deputy President Thabo Mbeki wanted to see Mrs Mandela when she returned and when Mbeki came back from Brussels.

The ANC said it was "terribly disturbed by the allegations levelled against Mrs Mandela," but felt the same way as a police matter at this stage.

An ANC national executive committee member said there was a strong feeling that an end should be brought to the "Winnie Mandela saga."

ANC sources said there were moves to have her case brought before the organisation's newly established disciplinary committee.

The NP called for Mrs Mandela's suspension pending the outcome of the police probe.

"So far, Mrs Mandela has been agitated at the embroilment and has never emerged victorious after challenging President Mandela," he said, adding: "If anything, the situation was untouchable."

DP safety and security spokesman Douglas Gibsion said the search "must surely be unprecedented in South Africa."
Paper chase to continue

From Page 1

At a Pretoria news conference after the sweep, Harrington said the Co-ordinated Anti-Poverty Project (CAPP) — of which Mandela is chief executive officer — made use of a Pretoria-based company called Professional Builders (Pty) Ltd for the construction of low-cost housing.

Projects

CAPP, a non-governmental organisation, was set up with the aim of providing low-cost housing in squatter areas around Gauteng.

Police mentioned three projects being investigated: one at Ironside near Vereeniging, another at Phela Park on the East Rand and a third at ShangOVE near Pretoria.

Police alleged that people in positions of authority at the Transvaal Provincial Administration, the Bophuthatswana National Development Corporation and CAPP "were paid sums of money as well as other favours" to facilitate the approval of tenders.

It is further alleged that other building contractors were not given the opportunity to tender.

"It is also alleged that Ms Zinzi Mandela (Hlongwane) was to receive 50 percent of shares in Professional Builders, with Mrs Mandela's personal physician also receiving a number of shares, thus giving Mrs Mandela, via these two proxies, control over Professional Builders," said a commercial crime unit statement.

Police alleged that "the management of Professional Builders bribed certain banking officials to approve bonds for applicants who did not qualify".

Impossible

According to police, Mandela was paid R75 000 "via CAPP" for ensuring that the building contract for the Ironside project was awarded to Professional Builders.

Colonel Antoine Botha, head of the commercial crime unit, said yesterday it was impossible to estimate the total sum of money involved in the alleged scam, but he put it at "millions of rand".
Winnie ‘outraged’ by raid

CLIVE SAWYER
Political Correspondent
and Soweto

A FURIOUS Winnie Mandela, facing reprimand calls for her dismissal as a deputy minister, says she is outraged by the police raid on her Soweto home.

The raid by police who were seeking evidence related to allegations of corruption, has intensified the heat on the government to clarify Mrs Mandela’s future.

She is reported to have cut short her unauthorized trip to Africa, and to be returning to South Africa today.

A statement released in Johannesburg, says it was before 1950 I survived three wives. I will survive three times as well. The support of many people.

Mrs Mandela said the police were part of a campaign to discredit her.

President Mandela has denied a report of his daughter, and that she searched the house in the absence of any family member or legal representatives.

Allegations by the police had left her assured and unerringly angry. I am told that the police jumped over the walls and used their own keys to unlock the doors, since the house was empty at the time.

They did not contact my daughter, and they searched the house in the absence of any family member or legal representatives.

In a statement last night, the ANC said it was obstructed by the police investigation, against Mrs Mandela, but considered the investigation a police matter.

A police statement said “documents relating to allegations of fraud and corruption” had been seized in searches at several premises in Johannesburg and Pretoria, including Mrs Mandela’s home.

Police spokesman Dave Harrison said the allegations against Mrs Mandela included:

- She had used her influence and position to ensure contracts were awarded to Professional Builders
- She and Mrs Mandela had alleged

The National Party said Mrs Mandela should be suspended pending the outcome of the police investigation.

The ANC Youth League said it was outraged by the search of her home.

An amount of R5 000 was allegedly paid to Mrs Mandela by CAPP for ensuring the Mandela project went to Professional Builders. She also received R2 000 a month once the project had been allocated, police alleged.

Mrs Mandela’s lawyer, Temson Magasa, said agreements had been reached with the police that documents seized in yesterday’s raids would be handed to Johannesburg’s chief magistrate for out-of-court scrutiny pending a court challenge on their status by Mrs Mandela.
Showdown Winnie Mandela Reacts
creating the impression that she was untouchable.”

DP REACTION

"Mrs Mandela is becoming a liability and political embarrassment. The president must act now and fire or suspend her until the investigation is over.”

FACING THE PRESS: Winnie Mandela and her lawyer speak to reporters in Abidjan.

spokesman Joel Netshitenze said the president was studying the matter.

Mr Mankahlanu said the president and Deputy President Thabo Mbeki wanted to see Mrs Mandela when she returned from her West African trip and when Mr Mbeki returned from Brussels.

"They would love to have a chat with her to disentangle the case,” Mr Mankahlanu said.

In reaction to the raids, the African National Congress said it was disturbed by the allegations levelled against Mrs Mandela, but considered the issue to be a police matter at this stage.

"The ANC will monitor the police investigations and will also discuss the allegations within its constitutional structures with a view to taking appropriate action should the allegations and police investigations prove to be correct,”

An AN national executive committee member said there was a growing feeling in the organisation that something should be brought to "the Winnie Mandela police case”.

According to senior ANC sources, there are moves to have Mrs Mandela’s case urgently brought before the organization’s newly established disciplinary committee charged by Water Affairs and Forestry Minister Rader Asmal.

"People have been talking about this case and saying that you cannot have one person dragging the ANC’s name through dirt every week like she does."

"She must be dealt with soon and even if she is found innocent, she needs to be told in very certain terms to stay away from controversial behaviour,” said one source.

The National Party called for Mrs Mandela’s suspension pending the outcome of the police investigation.

The party also said the search at the deputy minister’s home was the first step in a long time indicating that no South African was above the law.

"I am afraid Mrs Mandela has time and again emerged victorious was I will be no surprise if he succeeds in creating the impression that she is untouchable,” the NP said in a statement.

Democratic Party safety and security spokesman Douglas Gibson said the search was "nothing but a gross violation of South African law and sheds little light on who is behind the president. The president must act now and fire or suspend her until the investigation is over.”

Leeson, wife held in Germany

FRANKFURT - An international search for Barings trader Nick Leeson ended today when he was detained at Frankfurt airport, apparently on his way to Britain, German police said.

Police at the airport said they were stirred to the media a report that Leeson’s possible arrival on a Royal Brunei Airlines flight and boarded the aircraft when it landed.

The Singapore-based trader, linked with the collapse of the 233-year-old British investment bank Barings, was travelling in his own name with his wife Lisa.

"They were detained and taken into custody,” a police spokesman said at "Frankfurt airport."

reports that a South African financial institution had lost R1 billion in the collapse of Barings were denied today by company officials and life assurance. But Old Mutual confirmed that Barings had lost a small proportion of their $500 million (about R20 million) Guernsey-based unit trust

Nick Leeson and that the fate of this money was unknown.

Old Mutual’s South African unit trust and policyholders are unaffected — Reuters.

See page 22.
INVESTIGATING TEAM: Colonel Antonie Botha, left, head of the Commercial Crime Unit, and police spokesman Dave Harrington, brief the media on the Winnie Mandela case in Pretoria

Police expand Winnie probe beyond Gauteng

The Argus Correspondent

PRETORIA — Police will today expand their intensive fraud and corruption investigation into Winnie Mandela’s Co-ordinated Anti-Poverty Programme’s links with local low-cost housing construction companies.

A special investigation task force spearheaded by Commercial Crime Unit (CCU) commander Colonel Antonie Botha will today take the investigation beyond Gauteng’s borders in pursuit of a paper-trail which may link the Deputy Minister of Art, Science, Culture and Technology to irregularities.

Highly placed officials in CAPP, the former Transvaal Provincial Administration and Bophuthatswana National Development Corporation may also be implicated during the course of the investigation.

The task group consisting of three advocates at the Attorney-General’s office and five specialist SAPS investigators are following up information supplied by anonymous sources and information gleaned from piles of documents seized during 10 dramatic raids in Pretoria and Johannesburg yesterday.

It is understood the raids were approved by national Police Commissioner George Fivaz after the necessary warrants and documentation were completed by the CCU.

Police believe top officials may have been paid undisclosed sums of money as well as other favours to facilitate the approval of tenders.

Police spokesman Captain Dave Harrington said further allegations that other building contractors were not given the opportunity to tender for contracts that were awarded to one company, Professional Builders, were being investigated.

Colonel Botha said contracts awarded to Professional Builders for low-cost developments in Soshanguve, Phola Park and Ironside in Vereeniging were being investigated.

Allegations being investigated by the police includes charges that Mrs Mandela received R75 000 from Professional Builders via CAPP for securing a contract for the Ironside housing project in Vereeniging. Police are also investigating allegations that she was to receive R32 000 a month once this project had been allocated.

It is also alleged Mrs Mandela’s daughter Zindzi Mandela-Hlongwane received a 50 percent share in Professional Builders which, along with the shares her personal physician was to receive, gave Mrs Winnie Mandela control of the company by proxy.

Other houses searched during the raids which started at 7:30 am yesterday included those of Vic Daniels and his son JJ — directors of Professional Builders, the premises of Professional Builders and Promabuild.

Other matters being investigated include a sum of R500 000 donated by Pakistani Prime Minister Benazir Bhutto. The ANC Women’s League says the money was meant to come to the league but Mrs Mandela has said Mrs Bhutto gave it to her to use according to her discretion for disadvantaged communities and she gave it to CAPP.

Mrs Mandela’s links with another Pretoria businessman, Martin Radloff, are also being investigated. Mr Radloff was also a director of Professional Builders and is presently facing charges of fraud.

Police stressed they were not conducting a witch-hunt against Mrs Mandela and that normal legal procedures, including the obtaining of search warrants, had been followed.

Colonel Botha stressed that no arrests have been made and once the investigation had been completed the docket would be handed to the Attorney-General for a decision on whether to prosecute.
NO ENTRY: Winnie Mandela's Johannesburg office is guarded by policemen as they sift through documents.
ANC ‘to act’ if Winnie is proved guilty

The ANC promised last night to take appropriate action against Winnie Mandela if police allegations that she accepted payment from building companies to help them secure official housing contracts proved correct.

This followed yesterday’s police raid on the Soweto home of the Deputy Arts and Culture Minister. Police alleged that she accepted payment from building companies using her influence in return to secure them housing contracts from the Transvaal Provincial Administration and the Bophuthatswana National Development Corporation. It was understood last night that she was flying home from the Ivory Coast.

Opposition parties called for her suspension pending the outcome of police investigations, while the ANC said it was “terribly disturbing” by the allegations.

About 40 armed police officers raided Mandela’s Orlando home and those of Northwes-based company Professional Builders directors Vic and JJ Daniels. Eight other associated premises were also raided, police said.

Police alleged Mandela used her influence as Co-ordinated Anti-Poverty Programme (CAPP) CEO to secure housing contracts at Vereeniging and Phola Park in return for payment from building companies. But CAPP director Sydney Gata dismissed the raid as “part of a campaign against Mrs Mandela”.

The raid was to “secure her official housing contracts,” said a police statement. Gata said his home had not been searched and he had not been contacted by investigators. He said CAPP — which was formed in 1999 to provide developers with data on disadvantaged communities — had no involvement at Vereeniging. Its Phola Park project was still at a planning stage and “has not even gone to tender yet."

Police commercial crime unit spokesman Capt. Dave Harrington emphasised investigations were at a preliminary stage, but said the raids were based on substantial evidence. “We have credibility on our side. The allegations are grave.”

Safety and Security Minister Sydney Mufamadi had been fully briefed on the investigation. President Nelson Mandela had also been “broadly briefed that police were investigating the TPA and the Bophuthatswana development corporation but had not been informed of plans to search the home of his estranged wife, presidential spokesman Joel Netshitenze said.

Police said they were probing claims that Mandela had received R75,000 from CAPP in return for “ensuring” the Vereeniging project, and that she had been paid R10,000 to help another development.

Winnie project that Mandela’s personal physician, and her daughter Zinzi, would each receive 50% shares in the company in return for building contracts and that Professional Builders had bribed banking officials to approve bond applications.

Well-placed sources said police were acting on information received from Professional Builders’ former operations manager Martin Radloff. There was “no clarity” on whether Radloff would be charged, Harrington said.

A spokesman for the Pakistan High Commission in Pretoria, which last year donated $100,000 to CAPP after Pakistan Prime Minister Benazir Bhutto visited Mandela, said CAPP’s activities were “all an issue ... we aren’t a monitoring agency”. The commission had briefed the Pakistan government on allegations by former ANC Women’s League members that Mandela had mishandled CAPP finances, but no response had been received.

ANC sources said last night it was difficult to imagine how Mandela could retain her post given the variety of transgressions she had apparently perpetrated.

Mandela’s personal secretary Alan Reynolds described the raid as “very irregular”. Mandela was being subjected to “a process of harassment in an attempt to discredit her, he said. “Everybody knows she is out of the country, there is no need for massive force.”

Reports that police were sitting on the roof and walls of Mandela’s home yesterday day afternoon had led to Mandela instructing lawyers to seek a Supreme Court interdict for their removal. DP safety and security spokesman Douglas Gibson described the search of Mandela’s home all “unprecedented in SA”. If theANC failed to consider disciplinary action against her, the disciplinary committee might just well disband.

Meanwhile, Cabinet Secretary Jakes Gerwel said the President did not have prior knowledge of the raid and had simply taken note of it. Gerwel said he had received no indication that Winnie Mandela’s position would be affected.

Presidential spokesman Parks Makabola said Deputy President Thabo Mbeki and Mandela would discuss various issues with her on her return.

Makabola was referring to the outstanding issue of Mandela’s authorised visit to Ivory Coast.
CAPE TOWN — Parliamentary welfare committee chairman Cas Saloojee called yesterday for a commission of inquiry into the annual loss of between R1bn and R2bn from the state pension fund system.

Saloojee, an ANC MP, said an in-depth investigation of the provision of pensions was necessary because of the astronomical losses caused primarily by state officials' corruption.

Welfare Minister Abe Williams agreed that an investigation was necessary. He told Saloojee's speculation that as much as 2% could be involved was unlikely, but it was known that about 10% of the R1bn state pension payout was lost to robbery, fraud and corruption. He would not speculate on whether recipients or state employees were mainly responsible.

Saloojee said the R2bn figure had been supplied by Welfare Department officials who were giving evidence before the parliamentary committee on welfare and population development.

He said he was astonished that the abuse had been going on for some time and nothing had been done about it. It was also necessary to attempt to recover the missing funds.

It appeared that the fraud was carried out mainly at payout points by state officials who underpaid recipients and pocketed the difference, he said.

It is understood that some state officials have been convicted in connection with corruption at pension payout points. William said the department was going to experiment with a new system of payouts in the Western Cape.

Research on the issue had been undertaken by groups such as the Black Sash. These bodies ought to be given an opportunity to present their evidence before a commission, Saloojee said.

Sapa reports Saloojee said examples of abuse of the system included the use of false medical certificates to claim for disability grants. There was a need for a complete transformation of the system.

The department's arguments for a larger budget allocation were undermined by the large scale of fraud and corruption. The Finance Department officials argued that the Welfare Department would not require additional funds if fraud and corruption were wiped out.

The Welfare Department spent 90% of its R12bn budget on pension payouts, leaving only 14% for genuine social services. Saloojee said he did not want to see the state pension system undermined because in many cases people depended on the payouts for survival.

However, the department also wanted to have a functioning welfare system. A transformation of the welfare system was necessary and a new pensions system was being discussed.
NEWS  Officials stole massive amounts from aged fur

Pension payout fraud of R2 billion

By Vuyo Bavuma
Political Reporter

The Government lost more than R2 billion in the past three years because of fraudulent actions in pension payouts, parliamentary chairman of the Welfare, Population and Development Portfolio Committee Mr Cassim Saloojee said yesterday.

Saloojee told a Press briefing in Cape Town that it was important that the corruption be stopped immediately so that the Government could deliver a comprehensive welfare policy for all.

The crimes were committed by unscrupulous officials who defrauded illiterate people at the payout points. Other officials stole the funds at magisterial offices before they were distributed to the aged.

Others defrauded the Government by using forged medical certificates to collect disability grants to which they were not entitled. The R2 billion figure, given to Saloojee by the Department of Finance, represented only the former administration of Mr FW de Klerk.

More in-depth investigation

He said a more in-depth investigation, including the former TBVC states, was needed.

"The loss of funding could be astronomical," Saloojee said.

Saloojee said these criminal actions had brought tremendous hardship on many families of the aged, who were solely dependent on the monthly pensions.

The welfare committee invited submissions from the public to help to combat this and formulate proposals to fight any future mishandlings.

Saloojee said these pension crimes had prevented any possible increase in the pensions of the aged and disabled, which are presently insufficient to support most of them.

"With this gross misuse of the taxpayers' money, it is difficult for the Government to improve the quality of life of the aged and disabled," Saloojee said.

"That's why we should take urgent steps to stop this corruption. If we succeed in eradicating this corruption, the Government will have the means to increase the aged's pension allowances," Saloojee said.
Suspect builders

got loan from Bop

BY BRONWYN LITTLETON

The Bophuthatswana National Development Corporation (BNDC) has confirmed that it loaned money to Professional Builders, whose links with Winnie Mandela are the subject of a police investigation.

But the loan was not repaid and BNDC had applied for liquidation of the building company.

While police were on their way to Mmabatho yesterday, intending to search the BNDC offices, the corporation's lawyers informed police that the documents they were looking for were in Johannesburg and they were welcome to them.

Police alleged on Wednesday that officials from the BNDC, the former Transvaal Provincial Administration and the Co-ordinated Anti-Poverty Programme — of which Winnie Mandela is chief executive — had taken financial kickbacks to ensure that low-cost housing contracts went to Professional Builders.

Police said the documents seized in Wednesday's raids were part of a paper trail of Mandela and others' ties to corruption and fraud.

An affidavit yesterday, submitted to the coroner, said the BNDC lent money to one of its subsidiaries, which, in turn, lent money to Professional Builders Bop (Pty) Ltd.

Police spokesman Captain Danak Harmerston confirmed that Professional Builders was originally registered in the former Bophuthatswana homeland.

Its directors include Pretoria businessmen Vic Daniels and J.J. Daniels as well as Martin Radloff, who skipped bail in Botswana 12 years ago after being charged with fraud. He now faces similar charges in South Africa.

Malebye denied that any BNDC officials had taken bribes to secure tenders for Professional Builders.

In another development yesterday, it was revealed that Winnie Mandela's personal adviser, Dr. Sydney Gata, is a brother-in-law of Zambian President.

Robert Mugabe.

Gata said yesterday his relationship to "Mugabe was 'irrelevant'."

Police incorrectly reported that Gata's house had been searched on Wednesday.

Harrington confirmed last night that an F14 hand-grenade and a number of rounds of ammunition were found in an outhouse, where police searched Mandela's home on Wednesday, reports Sapa.

He stressed, however, that there was nothing to link Mandela with this find.
Minister admits fraud in welfare

FRAUD was taking place in the social grants system, the Minister of Welfare, Mr Abe Williams, said yesterday — but he seriously questioned whether this was as high as R2 billion.

He also said the extent of the fraud had not been officially established by his department.

Mr Williams responded yesterday to a statement on Wednesday by the chairperson of the National Assembly's Portfolio Committee on Welfare, Mr Cassim Saloojee, that the department had admitted R2bn had been lost to corruption in welfare payments.

Mr Saloojee said the actual losses could be far worse because of the exclusion of the four homelands and that they could be "astronomical".

Mr Williams said he and the nine health and welfare ministers accepted the fact that there was fraud in the present social grant system.

Because he seriously questioned the R2bn estimate, he asked Mr Saloojee or the Department of State Expenditure to supply him with concrete evidence.

His department, together with the provincial departments, was busy with programmes to eradicate fraud.

A new Social Assistance Act had been passed and the regulations were being finalised, and the different pension systems within the provincial governments were being rationalised into one system per province.

Uniform application forms, administration processes and the upgrading of computer and payment systems were also receiving attention.

A central data base was also being developed.
Hunds Off! President Nixon nimbly eludes the needles in Cape Town.
Scrap Fundraising Act — MP

By BARRY STREEK
Political Staff

THE controversial Fundraising Act should be scrapped, the chairperson of the National Assembly’s Portfolio Committee on Welfare, ANC MP Mr Cassim Saloojee said.

He said yesterday the law was introduced in the 1980s to control anti-apartheid organisations and should be abolished immediately.

Mr Saloojee, who stressed he was talking in his capacity as an ANC member, said non-governmental organisations should be accountable for any funding they received, but not controlled.

The ANC felt the Fundraising Act should be scrapped immediately, he said.

However, a structure should be created for these organisations to account for the money they received, with regular audits.

“The important thing is not control, but to create conditions so that we know who is giving and receiving money and how these organisations are spending the money,” Mr Saloojee said.

The non-governmental organisations had a huge role to play in establishing civil society and they should get every encouragement. However, they should also be accountable for what they did.

Obstacles should not be placed in the way of organisations raising money.

Mr Saloojee added he hoped the Fundraising Act would be scrapped within months.

He said a technical committee had been appointed to investigate the issue.
Task force to probe 'homeland irregularities'

A special audit task force has been established to investigate "serious financial irregularities" in the former homelands, Auditor-General Henri Kruiver said yesterday. The task force will co-operate closely with a judicial commission set up to investigate financial irregularities in the Transkei after President Mandela alleged that "millions — if not billions — of rands" were missing.

The NP has requested an urgent meeting with National Assembly Speaker Dr Frenie Ginwala to discuss a code of conduct for her. The NP caucus meeting yesterday "strongly condemned" her apology for crimes committed by her countrymen against Mozambique.

About 170 applications have been received by the Ministry of Safety and Security for the position of ministerial spokesman which became vacant following the departure of Craig Kotze. A selection committee has been created to draw up a short-list of candidates — reports by Political Staff.
The detailed information on Winnie Mandela's alleged corruption supplied by police immediately after their raid on her house and other premises came as a surprise to many, not least of them Safety and Security Minister Sydney Mufamadi. Police tend to play their cards close to their chest in investigations relating to corruption and fraud, lest their case be prejudiced in court. But even as the police action continued at Mandela's house on Wednesday, police spokesmen made detailed claims about her having received R75,000 in bribes and that R32,000 a month more would have been coming her way.

A source close to Mufamadi said he was surprised by the amount of information supplied straight away by police investigators, but speculated that police wanted to make it clear from the start that they were not "dealing with something funny; that they were not just reacting to a rumour."

Police spokesman Captain Dave Harrington, who was responsible for much of the original release at a press conference on Wednesday, confirmed thus:

"We stuck our necks reasonably far on this one, but we did it with the back-up of evidence. It was to show that we were not just again harassing her. We wanted people to see our actions (in raiding the properties) were justified."

Harrington confirmed he and some colleagues had been called in by Mufamadi after the press conference, and that Mufamadi wanted to know how much they had told the media and why. "But he was satisfied with our explanation." He said Mufamadi had known of the search warrants and that the raids had been planned, but he had not known the specific time.

Harrington added that the police were satisfied they could back the information they had handed out so far with documentation; even documents received before the raid. He said police were surprised "the type of thing said on the documentation had been committed to paper at all."
Code of Conduct for ANC:

Commitment to public officials:

1. All members of the ANC shall, in their official capacity, act in the best interests of the party and the people of South Africa. They shall not engage in any activity that is contrary to the interests of the party or the people of South Africa.

2. All members of the ANC shall, in their official capacity, act with integrity and honesty. They shall not accept any gifts, favours, or other incentives that are intended to influence their decisions or actions in their official capacity.

3. All members of the ANC shall, in their official capacity, act with prudence and caution. They shall not make decisions that are likely to cause financial loss to the party or the people of South Africa.

4. All members of the ANC shall, in their official capacity, act with discretion and care. They shall not disclose confidential information or use their position to gain personal advantage.

5. All members of the ANC shall, in their official capacity, act with diligence and purpose. They shall not delay or avoid their duties or responsibilities.

6. All members of the ANC shall, in their official capacity, act with accountability and transparency. They shall not fail to disclose their financial interests or other relevant information.

Surrender:

Any member of the ANC who is charged with a crime or who is facing serious allegations of wrongdoing shall resign from the ANC. If the member fails to resign, the ANC executive committee shall remove them from office.

The code also prohibits members of the ANC from engaging in any activity that is likely to cause financial loss to the party or the people of South Africa. Members must disclose any financial interests or other relevant information.

The code is enforced by the ANC executive committee, which has the power to investigate and discipline members who breach the code.

The code is in place to ensure that the ANC acts in the best interests of the people of South Africa and maintains the trust of the public.
Builder's family is left in the dark

By PETA KROST

THE family of the Belgian builder at the centre of a police investigation into allegations of fraud involving Winnie Mandela were shocked this week to learn of his double life.

The wife and youngest son of Professional Builders owner Vic Daniels, 53, had no idea about his connections to Winnie Mandela and her friends.

Mr Daniels had become close friends with Mrs Mandela and her friend, commodities broker Hazel Crane, who was said to have introduced him to important business contacts.

Mrs Daniels said she also knew nothing of her husband's friendship with an 18-year-old woman, the workers' compound, of the Lombardy restaurant he owned in Pretoria, and a woman at his compound who had often arrived on weekends.

Josephine Dipuo, an unmarried woman from Brits, was employed as a restaurant employee and compound resident. Dora Shanda told how Mr Daniels, who nicknamed her the young girl "Popetjie", had given her money for a fridge, a television set, and "beautiful" clothes.

The Sunday Times tried to contact Miss Dipuo, but she was away.

Both Mrs Daniels and her son JJ, 38, said they heard nothing about the police investigation in newspaper reports.

"I only knew nothing about the corruption and fraud charges, but all the names my father's name was supposed to be involved with were totally alien to me," said JJ.

He was amazed that his name had also been dragged into the scandal. He said he had resigned from Professional Builders in September after being a director for five years.

JJ and Mr Daniels said Mr Daniels had never mentioned Mrs Mandela's name and they were surprised when he was invited to her birthday party last year.

Alone at her luxury house this weekend, Mrs Daniels said she only realised there were "big problems" the business when the police arrived at her home on Wednesday morning.

"I was having coffee with a Belgian friend when about six policemen came to gather the company's documents," but Vic never brought them to the house," she said.

She said she believed that her husband could be found "at Mrs. Crane's house", which she had never visited. She did not even have Mrs. Crane's telephone number.

JJ said he believed his father was "an honest man" who was "too often introduced to the wrong people. This is not the first time my father has been very easily convinced that I haven't spoken to my father since I heard — it is as difficult for me to contact him as it is for the media," he said.

Of the low-cost housing projects that were named this week in connection with the fraud investigation, JJ said he recognised only one, Ironside in Vereeniging.

"My father has been involved with Ironside for about two years, but I don't think anything has been finalised.

"We wanted to start marketing it last year but we were stopped," he said.

Mr Daniels was an established builder in Lumburg, Belgium, before emigrating to South Africa in 1982.

He set up Professional Builders six years ago — the second building company he had started since his arrival in South Africa.

"JJ and his brother, Danny, went into the building trade, but only JJ was given shares in the building company."

"In 1985, the company was sold to a Belgian company, but I was still the majority shareholder," said Mr Daniels.
Housing projects on shaky ground

BY RAMOTENA MABOTE

NOT a single home has yet been built at the Homestead development near Vereeniging — the building project at the centre of police investigations into Winnie Mandela.

But it was established on Friday that Mrs Mandela's alleged business partner, Vic Daniels, was granted a tender for the development of the land early last year.

Theresa Engelbrecht, an official of the Meyerton town council, confirmed that Mr Daniels had tendered for the development of the land on behalf of Professional Builders.

She also confirmed that up to 600 houses were to be built on the land.

However, Mrs Engelbrecht said there had been objections to the granting of the tender to Professional Builders and the matter was now being reviewed.

She said that last week Mr Daniels had told her that he was no longer in a financial position to develop the property.

Meanwhile, Nicola Koz writes that Mrs Mandela has been given a last chance to deliver her long-promised housing plan for shack dwellers in Phola Park on the East Rand.

The Gauteng housing board has given her until Friday to present a workable housing proposal for the project — or it could come to a standstill.

The R55-million housing project, which began in May 1991, has fallen apart several times.

Now Mrs Mandela is launching her third attempt to find new backers for the project.

So far, 500 sites have been provided with services.
THE ANC has been in power for ten years, but already a series of damaging allegations of corruption and malpractice have undermined the good intentions of President Mandela. So far allegations have been levelled at certain provincial and national officials, but the government acts decisively.

It is believed that former political wanted the money from the government's housing schemes. The government's housing schemes have been slow and costly, and there are allegations of corruption and malpractice. It is believed that former political leaders took part in this scheme of things, and that the current government is trying to cover up their involvement.
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The Crane connection

BY NICOLA KOZ

WINNIE Mandela and Hazel Crane are a curious couple.

One is an anti-apartheid stalwart and queen of the struggle, the other, a wealthy Johannesburg commodities broker.

But despite their diametrically opposed cultural backgrounds and dramatic differences in appearance — Winnie with her exotic African designer outfits, Hazel, a petite pearls-and-diamonds — they are besotted with each other.

When Winnie is in trouble, Hazel is there to support her. When Winnie needs financial backers for her charity endeavours, Hazel finds them.

Both have had their share of personal problems. Both have seen the courtroom from the dock and both have raised children without husbands.

They met when Hazel joined the ANC Women's League four years ago. Their friendship became public last year when it was disclosed that Hazel and her Jewish lover, Shai Avisar, had bought a luxurious Cape Town townhouse worth R500 000 for Winnie to use during parliamentary sessions.

Hazel said she and Shai had bought the house as a gift after taking pity on Winnie because of her "bare cupboards and fridge".

During the presidential inauguration celebrations in May last year Hazel gave Winnie a black and gold lace outfit designed by Spero Villioti.

In October, they organised a surprise 50th-birthday party for Winnie at the luxurious Paardevle, Johannesburg. Winnie of Fatima and Dawood Mall. There to celebrate the occasion were guests from Kuwait, Saudi Arabia and Lebanon.

Also invited was Dr Sydney Gala, who is married to Robert Mugabe's sister. He is linked to Winnie's Co-ordinated Anti-Poverty Programmes (CAPP).

But Winnie's relationship with Hazel might be the one that will outlast the scandal. Whenever she takes the headlines over some scandal, Hazel's name is somehow linked.

Hazel is well-connected in diamond and gem circles. She was convicted of illegal diamond buying in August 1992. Shai recently settled a legal battle with a court allegedly involving a theft of missing gems. Hazel was then approached by a Nelspruit gem-cutting works which made the allegations, but he said he was responsible for the missing stones and he was not involved.

Winnie is also embroiled in a diamond-buying saga. She allegedly hired a Lear jet to fly CAPP representatives to Angola to pick up a package of diamonds from President José Eduardo dos Santos. Poster Webb Air Charter is flying Winnie for allegedly not paying for the jet's hire.

When Winnie was present at the closed meeting held at Winnie's Soweto home last May at which a R350 000 cheque was donated by Pakistan President Saeed Ali Bhutto.

The cheque was allegedly meant to be distributed among a number of women's organisations, but Winnie has been accused of putting the money into CAPP's account.

When Winnie was made treasurer of the Congress of Traditional Leaders of South Africa in December and moved all the equipment from the congress's offices to CAPP's offices in Braamfontein, Johannesburg, Hazel was there to help.

She instructed the Sunday Times, which arrived unexpectedly, to fax her a list of questions which she would direct to Winnie. The fax was this week seized by police at Winnie's home.

Hazel recently denied working for CAPP or the traditional leaders' congress. She said she had never been paid a salary by CAPP or the congress.

"Winnie is a very busy lady. When I can help out, I do," she said. "I don't see anything wrong in doing so. I often receive faxed on her behalf and she picks them up from my house in her spare time."

Hazel is indirectly linked to a housing development in Paarl Park on the East Rand in which CAPP is involved. She introduced Winnie to Kharafti investments, a Kuwaiti firm that is offering to finance the project.

Martin Radloff — the man involved in the latest fraud allegations levelled at Winnie mentions Hazel's name in connection with a company of which he is a director, Professional Builders.

In a written statement to his lawyer in November last year, Mr Radloff claimed that Winnie arranged through Hazel for representatives of Professional Builders to meet entrepreneurs, including an MA Kharafti, to discuss joint construction projects. He claimed that 10 per cent of all profits generated by any joint ventures were supposed to be channeled through Hazel and CAPP to charity.

Mrs Crane refused to be interviewed by the Sunday Times this week.
Boesak staff face claims for millions

By Patrick Bulger

Former employees of Dr. Allan Boesak's Foundation for Peace and Justice, including Boesak himself, have been served with claims totalling several millions of rands, sources close to the investigation said yesterday.

The trustees are claiming amounts of up to R1.5-million from the employees who were given "staff loans", out of aid money donated by Scandanavian church organisations. The organisations are now demanding their money back.

Boesak has said his Constantia, Cape Town, home for a reported R800 000, of which R500 000 was owed to the banks.

He has indicated that he will pay the remainder over to the FPJ trustees, the source said.

Entire $2.8b Jan/95

Boesak is being held responsible for the entire amount outstanding on the basis that he should have known what was happening in his organisation.

The source said the employees were questioning the amounts the trustees were claiming from them.

An estimated R1.5-million is reportedly being claimed from former FPJ financial director Freddie Steenkamp.

The FPJ debacle ended Boesak's hopes of becoming South Africa's first ambassador to the United Nations in Geneva.

Meanwhile, the investigation being conducted by the Office for Serious Economic Offences is proceeding, according to the investigator advocate Tommy Prins.

He could not say when details of a likely course of action were likely to emerge.
CONTROVERSY: Airhine Mander, in the center of controversy.

The story: The Airhine Mander case, which has recently been fraught with controversy, highlights the tension between law enforcement and the community. Mander, a prominent figure in the local community, has been involved in a high-profile drug bust and subsequent trial.

The consequences: The controversy surrounding Mander has raised questions about the fairness and impartiality of the justice system. Mander's supporters argue that he has been unfairly targeted, while his critics believe he is a dangerous criminal who should be held accountable.

The outcome: As the trial draws to a close, there is growing pressure on the authorities to make a fair and just decision. The community is divided, with many calling for a strict sentence and others demanding leniency.

Conclusion: The Airhine Mander case is a test of the legal system's ability to balance justice and public opinion. The outcome will have significant implications for the community and for the broader discourse on law and order.

POLITICS

FBI agents raid Winnie's home

POLICE CHIEF DENIES WRITING APOLOGY

President's office denies writing apology

The FBI conducted a raid on Winnie's home last week, sparking a frenzy of speculation and debate. The police chief denied any involvement in the operation, while the president's office remained silent.
Winnie eases tension
Wins Round 1 as police fail to produce affidavit

BY KAIZER NYATSUMBA
and CHERYL HUNTER

Despite her earlier refusal to meet Deputy President Thabo Mbeki to resolve official differences, Winnie Mandela has been persuaded to hold the talks and they'll meet either today or tomorrow.

"The Star has been reliably informed that she has come under increasing pressure from members of her immediate family to make herself available for the talks which will probably centre on her unauthorised visits to West Africa.

That trip was cut short last week after her Soweto home was raided by armed police searching for documents. Sources close to the deputy arts minister told "The Star" this morning that Mandela would most likely meet Mbeki before he leaves tomorrow for a United Nations summit on poverty in Copenhagen.

The sources say Mandela felt "terribly betrayed by the Government she serves in" because of the police raid which had severely embarrassed her while she was abroad. Her relations with her husband, Nelson Mandela, have been "especially tense" during her absence. The couple's divorce became final on Friday after a long legal battle.

The sources added that what Mbeki had "had become available to the police was an issue of delicacy and urgency" because of high-level political considerations. It is understood that Mbeki would not want his political career to be affected by the ambiguity surrounding the effects of the raid.

FAMILY persuades
Mrs Mandela to meet
Deputy President
Mbeki after all

The sources say Mandela had been "deeply hurt" by the fact Mbeki had told the public he wanted to meet her over the allegations of corruption made against her, "when she had reported fully to him on at least one of these things as far as two years ago."

She had sent documentation to Mbeki, Justice Minister Dali-Carol Dlamini and her predecessor Kohe co-whose last name has been exaggerated by the police, in February 21 before her Africa trip.

Mandela yesterday issued a statement saying the controversy surrounding her position had now "assumed the proportions of a national crisis which requires the intervention of the president," with whom she was in her Africa trip.

Meanwhile the State was yesterday embarrassed by its failure to produce at a time set by the Rand Supreme Court crucial affidavit. It is believed this affidavit procured the armed and "drumhead" police search of her home and order for her arrest which were last week in connection with allegations of fraud.

Collapse

It now appears that the State's case against her could collapse while the national police commissioner, George Fiyaz, has ordered an investigation into the manner in which what's been called "an affidavit" was compiled.

We are waiting for the final report on matters relating to the commission's report on theサーティ三, we want the final report on the facts, not the commission's report. We want the full story, not the commission's report. We want the full story, not the commission's report. We want the full story, not the commission's report. We want the full story, not the commission's report. We want the full story, not the commission's report.
Winnie now ready to talk.
CAPE TOWN — The police warrants used to search Winnie Mandela's Soweto home and Johannesburg office last week were technically defective, a senior police source disclosed yesterday.

He said he would not be surprised if there were defects in the dozen or so warrants used to search other premises linked to the police probe of fraud allegations against Mandela.

The source said "the error was so pathetic it is almost unbelievable". He declined to elaborate, but added that the faulty warrants would be replaced.

The State's administrative bungle could result in the courts returning seized documents to Mandela on Tuesday when the case comes before the Rand Supreme Court, further delaying the police probe.

Mandela's lawyer, Templeton Mageza, said last night that the police had failed to produce the vital affidavit which prompted the police search of her premises last week, one day after an agreed deadline. He was confident that the Rand Supreme Court would on Tuesday set aside the search warrants to allow both sides to study the legal documents.

Meanwhile, sources close to the Deputy Arts and Culture Minister confirmed that she had changed her mind and agreed to meet Deputy President Thabo Mbeki.

Earlier in the day President Nelson Mandela dismissed his estranged wife's demand for a meeting over the controversy surrounding her position in government. He said Mbeki was dealing with the matter "and I am sure he will not find it necessary for anyone else to intervene".

Mbeki's spokesman, Ricky Naidoo, stressed that the Deputy President wanted only to discuss Mandela's defiance of a presidential order not to undertake an official trip to West Africa. He would not discuss the fraud investigation until it had run its course.

Mandela had not yet officially informed Mbeki's office that she would meet him. If she did, he expected the meeting to take place before Mbeki left on Sunday on an official trip to the Netherlands.

The disclosure of the search warrant blunder coincided yesterday with an attempt by National Police Commissioner George Fivaz to blame the Justice Department and the issuing magistrate.

Fivaz said the approval and issuing of the search warrants "lay squarely within the jurisdiction of the Justice Department and the relevant magistrate." It was up to the magistrate, not the police, to decide whether the search warrants should have been issued. Court proceedings over the validity of the search warrants "by no means detract from the gravity of the related allegations being investigated by police", he said.
Cape schools crisis tackled

ADRIAN HADLAND

CAPE TOWN — The growing influx of students from the former Transkei had placed immense pressure on the Western Cape's education system, President Nelson Mandela said yesterday.

Mandela, who visited various educational institutions in the province earlier this week, met regional premier Heran Kriel in an attempt to speed up the resolution of problems being experienced by schools and pupils in the province.

The meeting followed demonstrations at Parliament and threats of further mass action.

Mandela said some of the problems were shortages of school space, while many schools in Cape Town were either unused or under-used; a textbook shortage; and "completely inadequate" school facilities.

This had been exacerbated by the migration of students from the former Transkei, he said.

Corporation is cleared

AN inquiry into allegations of fraud and racial discrimination at the Bophuthatswana National Development Corporation has given the organisation a clean report.

The Khamalo commission found there was no corruption, dishonesty, fraud or misappropriation of funds for personal gain at the corporation.

It also found there was no substance to claims and accusations of racial discrimination during the awarding of contracts or promotions.

The allegations were made by the corporation's staff committee, which also reported victimisation of staff. Members of the staff committee could not be reached for comment.

Northwest finance minis-
Graft charges unfounded,
probe of ex-Bop body finds

Mmabatho — The Khumalo commission of inquiry into alleged irregularities in the former Bo- phuthatswana National Development Corporation has cleared the corporation of all allegations pertaining to it.

The accusations included fraud, racism, victimisation of staff, discrimination in staff recruitment, selection and placement, and inconsistencies in the application of policies.

The corporation, now known as the North-West Development Corporation Ltd, said in a statement that the commission concluded, inter alia, that there was no corruption, no dishonesty, no fraud and no misappropriation of funds for personal gain at the corporation.

It said MEC for Economic Affairs Abraham Venter had requested the corporation's current board of directors to implement recommendations put forward by the commission.

These included the disbandment of the interim management committee, the establishment of a body to deal with staff complaints and the appointment of directors more representative of North-West communities.

The commission's full report will be tabled at the provincial legislature later this month, together with a draft Bill pertaining to the corporation's affairs — Sapa.
Blunders throw Winnie a lifeline

Winnie Mandela gets a fresh chance as heavy-handed police actions give her the advantage, write Gaye Davis

BLOMFIELD — On the part of the police and justice department officials in the raid on deputy minister Winnie Mandela’s home, has tossed her a political life-line and forced the ANC and the government to back off from pulling swift action against her.

Mandela’s attorney, Templeton Magzena, told the Weekly Mail & Guardian yesterday the affidavit on which Magzena and his aides have been serving to the police of her home was “illegal” and “misleading.”

In a statement, Magzena said, “I have been summoned to appear before the police court.”

Mandela, who has been in jail since last week, was served with a warrant to appear before the police court. She has been released on bail.

“We are not opposing the case,” Magzena said, “but we believe that the affidavit is illegal and misleading.”

When asked if the affidavit was illegal, Magzena said, “It is not illegal. But it is misleading.”

Magzena said that the affidavit was not signed by the police official who conducted the raid. He also said that the affidavit was not based on any evidence that was obtained during the raid.

Magzena has asked the police to withdraw the warrant and has filed a complaint with the South African Human Rights Commission.

Meanwhile, the legend continues

Bruce Cohen

WINNIE MANDELA may have longed for Nelson and upstaged Thabo, but she’s been thrilling the southern suburbs of Johannesburg with a string of legendary performances.

The Rousselet last November and given something like this to Winnie and her 10th of 10th or so at the famous Ile de France restaurant in Bloemfontein, she bought by her then-husband, chef Marc Guebert. After a lavish meal of oysters and French champagne, the bill was presented.

“Don’t pay,” was the legendary response.

Then, according to those who don’t know, the restaurateur locked the front door of the restaurant and called the cops.

And here the story gets really wild: a very serious policeman arrived and paid for the meal, allowing Winnie and her party to go their merry way.

In the proper tradition of a Winne legend, this story has a bitter twist: the woman who paid the restaurant manager was not at the door of Ile de France by a group of young things who beat the hell out of him.

Maree and Irene Guebert say they were not asked by the restaurant to accept the payment from the restaurateur.

So the restaurateur was actually paid by patrons and the media. The rumor started in November and died down after Christmas, says Ms. Gubert.

“Now that Mr. Mandela is back in the country, it’s time to celebrate and see what people are saying about us. We even had the AWB checking it out.”

Fact of the matter, says Ms. Guebert, is that Winnie Mandela has never dined at the Ile de France.

The toughest PR job in the world

Justin Pearce

A LAN REYNOLDS looks worried. It’s Wednesday afternoon, and he’s just heard that a conservancy on the island has run a headline announcement meeting between Winnie Mandela and Thabo Mbeki. Neither he nor his office appears to know anything about the meeting — yet the calls are pouring in.

“One of those things,” he says ruefully. “Staff like that will happen.”

No one raises Reynolds’ job right now. He is the chief public relations officer for South Africa’s most talked-about figure, Nelson Mandela. War- drobe himself, he firmly admits that he would rather be on a beach than handled by a TV camera.

Suntanned and casually dressed, Reynolds looks a mismatch in the bizarre world of 100 Pretoria Street. He recalls that his opened-necked shirts present a problem and a serv- ant to remind him that his bow tie is a clothing allowance “I went out and bought two new ones of his.”

Before taking up his appointment with the ministry, Reynolds was a full-time gardener in Oudthoop. “I was deep in the thongs of planting a lavender hedge when I got a phone call offering me the job.”

Officially, his job is that of South Africa’s prospective government. “I’m not just going to do typing” — but the work has ended up involving a lot more than that.

“Quite apart from being the deputy minister, she is a kind of Elizabeth Taylor of the world,” says Reynolds. “But she is a very nice person.”

Dealing with fans and media at once, Reynolds does not have the freedom of engaging media, known officers, which means that Reynolds has spent the past few weeks on the front line of South Africa’s most recent news story: the sympathizers of government who have been piling up against Winnie Mandela. He has been in at the deep end and may have had the advantages “I’m not skilled in politics — which means that all I do is tell the truth. It’s not necessarily a bad position to be operating from.”

He speaks without a trace of nagging — and the fact that he can say something like that without blinking indicates a deep loyalty. — even reverence — towards Mandela.

While other ministerial staff will refer to their bosses as “the minister,” Reynolds almost invariably refers to Mandela simply as “she” — and you can almost hear a capital “S” on the pronoun.

"At first sight the rapport between Alan Reynolds and Winnie Mandela seems unconceivable — the fiery politi- cian meets the laid-back beach bum — yet in another way it makes sense. Winnie Mandela has never been one for being party lines, and Reynolds too is anything but a political hack. He dabbled in politics as a student at the University of Natal "but I didn’t fit in well enough to say that.""
Minister in court tussle over dagga

Environmentalists have threatened to interdict the police minister unless he puts a stop to a Natal dagga-spraying operation, reports Eddie Koch.

A COALITION of environmental groups yesterday threatened to interdict Police Minister Sydney Mofamadi unless his commissioner stops the narcotics bureau from spraying large areas of KwaZulu Natal with a dangerous herbicide designed to stunt the growth of the province’s dagga industry.

"Police are using helicopters to spray some 250,000 hectares of the province with a herbicide called Round Up in order to kill dagga crops in the area. The problem is that the substance is highly toxic to humans and the police have no way of informing people in the area about the dangers," says Chris Albertyn from the Environmental Justice Networking Forum.

The environmental pressure group claims the herbicide spraying of the herbicide over rural settlements infringes the human rights of residents in the area. Albertyn noted Police Commissioner George Fwaz yesterday said his organisation intended to apply for a supreme court interdict against the police minister unless the narcotics bureau stops the operation immediately.

The EJNF has been joined by EarthFirst Africa, the Wildlife Society of Southern Africa, the South African National Congress Organisation and a range of rural development organisation.

"We wish to make it clear that in directing this demand to you we are not taking sides concerning the illegality of the cultivation of dagga," says the letter to Fwaz.

"We raise the matter so seriously a light that unless we receive an undertaking that the South African Narcotics Bureau will immediately desist from the spraying of dagga with herbicides we will apply to the Supreme Court for an urgent order to prevent the spraying which we view as hazardous."

New posts at WM&G

ANTON HABER has been named sole editor of the Weekly Mail & Guardian.

Haber has been co-editor since the paper’s launch a decade ago. The other co-editor, Irwin Touw, has been appointed to head the planning for a new publishing venture that is part of the WM&G group’s development plans.

"Changes in South African politics and society have presented unique and exciting opportunities and the WM&G is extraordinarily well positioned to continue its growth and to develop new media opportunities," said managing director Mike Martin.

"Our newspaper has always been ahead in anticipating change and we will continue to provide leading South Africans with critical and quality information through the newspaper and the new media projects we are developing.

"We are very excited about the opportunities and challenges which Anton and Irwin will face in their new positions," he said.

Sandle Mthembu talks about leaving home.

"No matter how different people are, we all have something in common."

"The best moment of my life was when I heard I’d won an athletes scholarship to America. The worst was arriving there not knowing anyone. One way homecoming... I ended up in a job looking for a Bols. That’s when I met my first American friends. I now realise people the world over are basically the same. We all have something in common. Even if it’s just the taste for Bols."

INTRODUCING BOLS ROYAL RESERVE

A blend of brandies matured for up to 8 years gives Royal Reserve a smooth, mellow character. All over the world, friendships form around Bols.
Kader Asmal's clean-up team

Will Kader Asmal's new disciplinary committee be able to curtail the 'corrupt and hungry elite' that has put the ANC into a tailspin? Eddie Koch reports

KEY members of the ANC are holding thumbs that a new high-powered disciplinary committee, headed by Water Affairs and Forestry Minister Kader Asmal, will be able to pull the party out of the tailspin it has been tossed into by the Winnie Mandela debacle and other corruption scandals.

The ANC's inability to contain activities of what one member calls "a corrupt and hungry black elite" inside the movement reached crisis proportions this week as Mandela defiantly challenged ANC leadership over a series of allegations that she has used her ministerial position for self-enrichment.

The ANC executive committee (NEC) met two weekends ago and urgently nominated five senior members to sit on a disciplinary committee that will enforce the organisation's code of conduct.

Asmal, described by one source as the ANC's "moral policeman", was appointed as chairman. Two other ministers, Alec Irgin and Nkosazana Zuma, sat on the committee along with ANC stalwarts Ruth Mampata, Ferial Haffajee and Mbuli Maitjelwa.

Sources in Asmal's office say the minister is determined to turn the committee into an effective mechanism to stamp out irregular activities that have been emerging at the ANC in recent months. The committee has already met to discuss allegations that Rocky Maletho-Metsing used his office to ensure a multimillion-rand agricultural loan and it played a key role in having the ANC firebrand removed from public office in the North-West province.

The creation of the committee is designed to put some teeth into a document that was vaunted as a symbol of the organisation's commitment to clean government when adopted by the NEC in November last year—but effectively failed to prevent the scandals that have caused the ANC to lose the moral high ground around issues of state corruption in recent months.

Under the heading "clean government", the code states that all ANC members elected to the national assembly, the senate or the provincial parliaments "shall at all times observe practices that are free from all forms of corruption."

It adds "Government office or parliamentary posts shall not be used to distribute favours or patronage nor to seek or obtain any personal fortune or favour."

Other key provisions of the code of conduct oblige all elected members of these assemblies to:

- Declare all assets and describe all positions outside parliament—including board membership and directorship posts—from which they derive financial gain. In particular, they shall disclose all consultancies, shareholdings and directorships for any form of pecuniary benefit received by them or their family from an external source.
- Register any gifts which exceed the value of R200 in a register to be set up in the office of the ANC secretary general. This register will include all other financial details in respect of elected members and will be available to the NEC for scrutiny.

The code of conduct also states: "Any member shall use his or her position to court or demand any form of favour.

"The code will have to be implemented against members who carry support from powerful constituencies."

Kader Asmal: "Moral policeman" determined to stamp out irregularITIES

The code is a useful start, but it is absolutely vital that it be adapted and passed into law by parliament so that it covers all levels of political office at national and provincial levels.

A key flaw is that the code will have to be implemented by a political party against members who sometimes carry support from powerful constituencies within the organisation—a dilemma graphically demonstrated in the Winnie Mandela case.

"It is precisely for this reason that such a code needs to be legislated in parliament and enforced by statutory bodies in a non-party political way," he said. "Political parties will thereby be freed from the internal dynamics that will inevitably affect their efforts at imposing discipline."
Boesak home attached

BY AYESHA ISMAIL

THE sale of Dr Allan Boesak's 'plush Constantia home, worth R800 000, has been halted after the property was attached by a bank which claims he owes them money.

The unidentified buyer has been unable to take transfer of the house because it has been attached by Bankfin, which repossessed Dr Boesak's maroon 3-series BMW in January this year after getting a judgment against him.

The bank valued the car at R60 000 and it is now claiming an outstanding amount of R24 000, lawyers said yesterday.

Dr Boesak has instructed lawyers to go to court to have the judgment rescinded on the grounds that he did not receive the summons. He also claims that he was up to date with the payments on the car. His lawyers plan to apply to the court this week.

According to informed sources, Dr Boesak was offered R101 000 for the car and is in the process of selling it when Bankfin repossessed it.
What’s to be done about Winnie?

By JEFFERSON LENANE

HOW should the government deal with controversy-ridden Winnie Mandela in the wake of the police raid on her house and the allegations of corruption levelled so publicly against her? Political parties canvassed on this issue this week had different opinions about the matter:

The PAC, according to general secretary Maxwell Nemadzvenane, insists that the law should take its course before any disciplinary measures against the deputy minister are considered.

Azapo’s Lydon Mabaso also advises against disciplinary action, warning of “an avalanche of resistance” by those who see the government as “tendent to former apartheid capitalist lords”.

Deputy Secretary of Cosatu, Zwell Nzima, sympathises with the government’s “dilemma” over the principle of presumed innocence and the police investigations.

According to Jeremy Cronin, spokesman of the SACP, “firm and effective measures must be taken against all forms of indiscipline regardless of an individual’s popularity.”
Cabinet wants probe on MPs’ ‘gravy train’

THE cabinet has ordered a special investigation into pension payments to serving politicians, totalling almost R1-million a month.

Sources said yesterday that a cabinet meeting in February heard that the same people—106 former members of the old parliament—who get salaries as elected members in the new central and provincial governments—also received tax-free gratuities totalling R25-million shortly before the election.

The information was supplied by the Ministers Committee on the Service Conditions of Political Office Bearers, chaired by Trade and Industry Minister Trevor Manuel.

The money is paid out of a closed pension fund set up before the elections after the NP government expressed fears that an ANC government would not honour its pension obligations. The fund pays pensions every month to about 1,600 politicians, most of whom have retired from political life.

But others, like Mineral and Energy Affairs Minister Pik Botha and Environment Affairs and Tourism Minister Dawie de Villiers, receive a pension of about R100,000 a year on top of their R470,000 annual salaries.

The cabinet heard that some members of Mr Manuel’s committee had voiced strong disapproval that pensions were being paid to present political office bearers. The committee was in favour of re-dressing the situation by using a “general accrual system”.

An amount of R40-million was voted to establish the closed pension fund. The cabinet heard last month that it was obliged to pay a further R33-million into the fund.

The cabinet also heard proposals for a retirement scheme for people who had been unable to contribute to a pension fund because of their struggle against apartheid, including veterans like Walter Sisulu.

A draft Bill proposes that these veterans receive a monthly pension of about R400. This was unacceptable to the majority of cabinet ministers who felt that the veterans’ pension benefits should equal the benefits received by politicians who had served the apartheid government.

A special cabinet task team, headed by Transport Minister Mac Maharaj and consisting of two members from each political party in the cabinet, was asked to make recommendations to the cabinet on April 12.

They have been asked to consider the legal status of the benefits being paid out of the closed pension fund; a pension scheme for the anti-apartheid veterans; and the establishment of a pension fund for the new parliamentarians.

The committee also has to look at pensions being paid to members of the former provincial administrations, TBVC states and self-governing territories.

The committee has been cautioned to consider the constraints on the resources of the state in making recommendations.
R13 000 for feeding funds now missing

By Bheki Masebula

MORE than R13 000 earmarked for a Government-sponsored primary school nutrition scheme in the Moutse region has disappeared, Eastern Transvaal MEC for Education Mr David Mabuza said yesterday.

Mabuza told Sowetan two principals were being investigated by police following the disappearance of the funds.

He said coordinators of the feeding scheme attached to the Department of Health and Welfare had told him on Wednesday that two cheques of about R9 000 and R9 000 allocated to two schools in Moutse were unaccounted for.

"One cheque — amounting to R9 000 — was cashed at a bank in Tzaneen in the middle of February," Mabuza said. He declined to identify the affected schools.

Meanwhile, white farmers in the province have finally agreed to admit black pupils to former white schools, Mabuza said.

He said the only obstacle was the shortage of funds to build more classrooms at these schools so they could accommodate more pupils.

If funds become available, the education department intends to build more schools throughout the province to wipe out congestion in the region's schools.
Winnie will fight expected dismissal

CAPE TOWN — Winnie Mandela was determined to stage a political comeback if, as expected, she was dismissed from her position as Arts, Culture, Science and Technology Deputy Minister, a source close to her said yesterday.

The source indicated Mandela would seek to broaden her support base by mounting a countrywide campaign to mobilise disgruntled students, particularly at universities, and prison warders.

Both groups have come under fire recently from central government leaders, including President Nelson Mandela, for taking the law into their own hands.

Last week the President accused white university rector's of "racism" for failing to take a tougher line against black students who had resorted to hostage-taking and threatening campuses to highlight their grievances.

ANC officials said yesterday they expected "political fallout" from Winnie Mandela's dismissal, but were confident the party would be able to contain it. The damage would also not be lasting.

A senior government source said yesterday that the "nothing had changed" as a result of Friday night's meeting between Winnie Mandela and Deputy President Thabo Mbeki. He said she would still be tried for defying a presidential order not to undertake a trip to West Africa.

The source said: "It was only common decency for them (Mbeki and President Mandela) to hear her side of the story."

However, another source said "Mbeki did not tell Winnie she would be dismissed from government. It was a very friendly discussion."

Mbeki's spokesman Themba Ntleni said the Deputy President was expected to report directly to the President on the meeting soon after the latter's return on Thursday from his European trip.

He was unable to comment on Mbeki's meeting with Winnie Mandela, except to say "numerous issues" were discussed.

Ntleni added "This matter has to be discussed and resolved without it going through the media."

The government source said he expected the President to move swiftly on the issue once he had been briefed by Mbeki. He did not think the issue could be dealt with satisfactorily by telephone.

Meanwhile, Winnie Mandela told mourners at a funeral in Tembisa on the East Rand on Saturday she had been betrayed by her "own people", and she was being "sacrificed" in a plot against her.

Speaking only hours after her meeting with Mbeki, she said: "I feel betrayed. This has been the ultimate humiliation by my own people. This is not the SA I ran my life for."
Boesak saga unfolds

Cape Town — Dr Allan Boesak had used funds from his Foundation for Peace and Justice to pay more than R11 000 in legal costs, the Cape Town Supreme Court heard last week.

The court was told that he spent the money on an attempted libel action against a newspaper.

Former FPJ accountant Freddy Steenkamp also testified that Boesak had received R120 000 towards paying for his R280 000 Vredhoek home, which he later sold to buy a luxury Constantia home.

Steenkamp was responding to "lying" and "nonsense" claims by the Reverend Jan de Waal, chairman of the FPJ's board of trustees, during an application to have his estate sequestrated.

In an affidavit handed to the court on Friday, Steenkamp admitted that he owed the foundation R750 000, but was trying to repay the money.

He did not want to oppose the sequestration application by De Waal, but wanted to clear up lies and "put certain allegations into perspective".

The affidavit, among other things, claimed:

- The R120 000 De Waal received from the foundation for the Lavender Hill Urban project was used as part payment on Boesak’s Vredhoek home.
- De Waal had told Steenkamp that he kept three sets of records, one for himself, another for auditors and a third for the donors.
- De Waal had made changes to an auditors’ report to German donors.
- In the affidavit, Steenkamp denied he was ordered to keep all the FPJ’s financial accounts because Dr Boesak had specifically instructed him to do otherwise.

Certain records of accounts and transactions were kept secret from, among others, security police and the previous government.

Steenkamp said he had kept records of all withdrawals and expenses, despite instructions not to do so. These were handed over to the FPJ auditors.

While negotiating the repayment of his R750 000 debt in December, De Waal had also suggested he take out a bank loan to repay debts which he had not incurred, such as Boesak’s car and a telephone system, Steenkamp said. — Sapa
R12-m for diplo-whirl

CLIVE SAWYER
Political Correspondent

THE old South Africa spent more than R12 million last year on "embassies" in the former homelands.

It spent a total of R37 000 on entertainment at the missions to states recognised by no one else in the world.

This emerges from figures tabled in parliament yesterday by Minster of Foreign Affairs Alfred Noz

They were disclosed at the request of DP leader

Tony Leon, who asked for a breakdown of spending on embassies — and how much went on entertain-

ment.

The TBVC states did a lot better than cities like

Addis Ababa, where only R72 was spent on entertain-

ment, or Lagos, where South Africa spent R60 last year keeping the diplomatic whirl going.

But the embassy in Addis opened only in July, and that in Lagos only in September.

At the other end of the scale, R393 636 of the London high commission's R30 million budget went on entertainment.

Our pre-lead to Washington entertained to the tune of R1 723, out of a R24 million budget, and in Paris, once regarded as the diplomatic capital of the world, R480 498 was spent on entertainment out of a R19 million budget.
SA party animals flourish in Paris embassy

CAPE TOWN — Party animals in SA’s foreign service could be found mostly in the Paris embassy while SA diplomats in Lagos and Addis Ababa hardly ate out once at the taxpayer’s expense, figures provided by Foreign Affairs show.

The department said diplomats spent just more than R7m on entertainment expenses in the 1994/95 financial year compared with a total expenditure of R840m on SA’s 93 embassies.

The biggest entertainment tab was rung up by diplomats at the Paris embassy who spent about R480 000. This compares with a paltry R50 spent on entertainment by diplomats at the Lagos embassy and a meagre R72 spent at Addis Ababa.

Next in the diplomatic party animal stakes was the London embassy which spent R395 000 on entertainment during the 1994/95 financial year, followed by Bonn (R253 000) and Washington (R307 000).

The most expensive embassy to maintain was London which cost R39m, while the embassy in Washington cost R24m and the office of the consulate-general in New York cost R12m. Maintaining embassies in the former TBVC states — even though they no longer constituted independent states — cost about R12m.

One of the most lavish entertainers, in proportion to the total cost of maintaining the embassy, was the SA European embassy in Brussels which ran up an entertainment bill of R147 000 compared with operating costs of R7m.

Foreign Affairs warned yesterday that figures were skewed by exchange rate fluctuations.
The day Winnie held court in court

BY BRENDAN TEMPLETON

Winnie Mandela was not so much in court as holding court when she was told yesterday that her interdict to prevent police access to her personal documents had been postponed again.

A contingent of international and local media had gathered on the steps outside the Rand Supreme Court where her interdict hearing was due to be resumed.

But they, just like a contingent of Mandela supporters and a gaggle of curious bystanders, were more interested in catching a glimpse of the controversial deputy minister of arts, science, culture and technology than hearing the outcome of the application.

Her lawyers claim that a warrant granted by magistrate I Chidley which led to a high-profile search of Mandela’s home and offices recently was issued illegally. Safety and security ministry lawyers are opposing the application to have the warrant overturned and the documents returned to Mandela.

The documents were put in custody of the Johannesburg chief magistrate after they had been confiscated by SAPS commercial branch members following corruption allegations made against Mandela.

Singing

A group of brightly clad members of the Sebokeng ANC Women’s League, who arrived in two minibuses, toy-totied outside the court singing praise songs for Mandela, who is the league’s president.

“She’s our mother and she’s a great somebody. What the police have done to her is wrong, very, very wrong,” said one of her admirers, Florence Dlamini.

Some were less impressed as they viewed the chanting crowd.

“SHE’s stupid, getting all this publicity. She should just resign and be done with it,” a man standing at the main door said.

And when the league’s “mama wathu” hove into view at about 11.15am she was a regal sight that outshone their uniforms.

Mandela wore a costume of sky-blue top and trousers emblazoned with elaborate white embroidery.

She swept regally up the stairs with her legal entourage and the excited, chattering supporters close behind. Security guards were hard pressed to keep order as the group squeezed through a metal detector at the door and then fanned out while Mandela conferred with her lawyer.

They left agam after speaking for five minutes while photographers jockeyed for snaps of Mandela and confused reporters hurried her legal team for information on the morning’s proceedings.

Mandela took all the attention in her stride and was smiling widely as she left the building. She might be under pressure to resign and be facing a criminal investigation, but she knew who was in control, the smile seemed to indicate.

Briefed

Mandela will probably know her political destiny tomorrow, after Deputy President Thabo Mbeki, whom she met on Friday, had briefed President Mandela, writes Jovial Rantao.

Mbeki, who discussed the deputy minister’s trip to West Africa, is expected to return from The Netherlands tomorrow and immediately meet the president.

Presidential spokesman Parks Mankahla said although no meeting had been finalised, Mbeki would in all probability meet and brief the president.

Winnie Mandela last night left Johannesburg for Cape Town.
Winnie: Probe into claims

SPECIAL CORRESPONDENT

JOHANNESBURG: Allegations implicating Mrs Winnie Mandela in criminal activities, including the disappearance of a Soweto youth, are to be thoroughly investigated by police Commissioner George Fivaz, DP leader Mr Tony Leon said yesterday.

Fivaz was speaking after handing a dossier to Mr Leon in Cape Town containing information compiled from interviews with witnesses, court records and press reports.

Extra information acquired by DP safety and security spokesman Mr Douglas Gibson was obtained from an unnamed prisoner on death row and another in Leeuwkop prison.

Fivaz said the allegations are serious and that the police must take them seriously.

If they are found to be true, a full investigation will be conducted.

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FPJ unlikely to recover funds

POLITICAL STAFF

TRUSTEES of the Foundation for Peace and Justice (FPJ), which allegedly misspent R2.7 million in Scandinavian funds meant for disadvantaged communities, yesterday said they expected to recover little from Dr Allan Boesak or his fellow employees.

FPJ co-ordinator and trustee the Rev Jan de Waal said Dr Boesak had sold his Constantia home for “about R800 000” — but R500 000 was still bonded to Boland Bank.

Former secretary Ms Lucile Fester owed about R200 000, Ms Sandra Vlotman R32 000 and Mr Calvin Smith R100 000.

Mr De Waal yesterday denied claims by the FPJ’s former bookkeeper, Mr Freddie Steenkamp, that he had kept “three sets of books.”

In a joint statement with fellow-trustee, the Rev P van den Heever, he said Mr Steenkamp seemed to be making a last bid to turn attention away from himself and “onto other people.”
Kalako cleared, wants apology

Nick Malherbe

A commission of inquiry set up by Premier Hernus Kriel after allegations by Mr Malherbe, found that Mr Kalako had not misused public funds before or after the trip, and that Mr Kalako’s behaviour during the trip was “neither unacceptable nor unbecoming”.

But the inquiry found that ministerial secretary Mr Kwanda-Sojolo committed “serious irregularities” in claiming payment for a surprise birthday party organised by Mr Malherbe for Mr Kalako at Kelvin Grove in December.

Mr Malherbe could not be contacted for comment.
Shocked
Govt spending exposed

By Mathatha Tsedu  Political Editor

The Northern Transvaal provincial government is spending an average of R320,000 each month on hotel bills to house 80 officials in Petersburg.

This money, which could amount to about R4 million a year, pays for officials from the former Venda and Gazankulu bantustans who have been temporarily transferred to the new provincial seat of government.

The revelation comes in the wake of confirmed reports a month ago that R473,000 had been spent in entertaining government officials and visitors at restaurants in Petersburg between May last year and February this year.

Confirmed the figures

Chief government spokesman, Mr Jack Motoko, yesterday confirmed the figures and said housing the officials was in line with standing rules of the civil service.

The officials include senior management, typists and ordinary clerks.

Accommodation for one person is said to average R5,140 a month, which works out at R4,112 for the 80 officials.

Eighteen officials of the department of health are said to have run up a steady bill of R85,000 each month since June last year. Motoko, however, said the average monthly figure was R320,000.

"We are faced with the task of merging the four administrations which include Lebowa and the Transvaal Provincial Administration. As a result, we have to bring officials from the former Venda and Gazankulu administrations to Petersburg," said Motoko.

"If we do not do that, the new administration would be composed solely of the TPA and Lebowa officials. This would be unacceptable."

Appointed to posts

However, because the officials have not been appointed to posts in Petersburg, their upkeep remains the responsibility of the government until such time as permanent appointments are made, Motoko said.

The 80 officials are but a small part of the legion of officials who traverse the province weekly.

Others are housed in government-owned houses in Lebowakgomo and Seshego Hospital, Motoko said. Yet others travel daily for meetings in Petersburg.

However, "at the outset, the costs of travel could not be easily determined."

Not available

He said the government had decided "some time ago" to utilise flats and rented houses but these were not available in the town.

He said housing the officials would only stop when permanent appointments were made.

Various departments were busy with interviews. Only the office of the premier and health had so far appointed their heads of administration, Motoko said.
Shock
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exposed

By Mathatha Tsedu Political Editor

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Govt suppliers face tough year

BY DERICK TOMMEE

Life will be extremely hard for a great many government departments this year and really tough for a large number of Government suppliers.

Figures for government expenditure in this week's Budget show that several departments will have far less in nominal terms to spend this year than they had last year.

But this is only part of the story. When this year's spending figures are adjusted for an expected 8% rise in prices, the number of departments with more money to spend in real terms this year is very few.

According to the published figures, total government spending this year is estimated at R156,9-billion up R8,7-billion or 5,69% from last year's revised R143,2-billion.

But if South Africa runs into an 8% inflation rate this year, government spending in real terms will actually be down on last year by a not insignificant 2,6%.

'The one consolation which can be drawn from this situation is that there will be intense downward and dilutionary pressure on government/suppliers' prices.

Apart from the area of housing, where government spending is sharply higher, this year's budget is likely to turn out to be a fairly deflationary one for many sectors of the economy.

Figures for expenditure by function show that general government spending in nominal terms is down R25,5-billion or 19%.

But an 8% rise in prices this year would cut expenditure in real terms by more than 29%.

Expenditure on protection services shows a small decline of R66,7-million or 0,2%.

But factoring in inflation shows that overall expenditure could be down by 5,4%.

In nominal terms defence spending will be down R19,9-billion or 14,6%, which, assuming 8% inflation, is equal to a 21% reduction in real terms.

However, the Government has had second thoughts on some of the cuts and has voted an additional R700-million for Defence and R300-million for Intelligence Services.

Housing is the area where spending has been increased the most. Here the amount budgeted has been raised by R2,6-billion or 19%.

But an 8% inflation rate would trim the increase to around 13%.

The Treasury must have mixed feelings when it considers the effect on inflation of interest payments on Government loans.

While no one can doubt it is committed to reducing inflation, the fact remains that while this year's interest payments are some 15% higher in nominal terms, an 8% percent inflation rate would reduce the increase in real terms to only 5,8%.
Transkei
audits fail
11 out of 17

Cape Town — The Auditor-General's office of the former Transkei homeland refused to deliver an audit opinion in 11 out of 17 audit reports submitted to Parliament yesterday.

The 17 separate reports on institutions ranging from the Public Debt Commissioners of the Transkei to the region's independent Capital Radio revealed mismanagement, fraud as well as an almost total lack of record-keeping.

On summons audits covering up to 11 years each, the Auditor-General refused to deliver an opinion on: The Public Debt Commissioners, the Magwa Tea Corporation, Capital Radio, the Transkei Nursing Council, the Transkei Road Transport Corporation, the Mntamkwi Game Reserve, the Unemployment Insurance Fund, the Qamata Irrigation Scheme, the Workmen's Compensation Fund and the Transkei Appropriate Technology Unit.

— Reuters
FINANCIAL mismanagement on a wide scale in two former "independent" homelands, Transkei and Bophuthatswana, was reported yesterday by the respective auditors-general.

Auditors of various Transkei parastatals were unable to complete their work because normal accounting procedure had been abandoned.

In Bophuthatswana there was unauthorised spending of R7.2 million, including R543 633 in the auditor-general's office.

In the 1990/1 financial year, revenue in Bophuthatswana was understated by R254m, expenditure by R492.2m and the accumulated surplus was overstated.

Instead of a surplus of R112,3m, Bophuthatswana had a deficit of R133,5m.

The reports by the auditors-general, which were tabled in Parliament yesterday, indicate the financial administration of the two homelands had collapsed and millions of rand of taxpayers' money have been lost.

**Holomisa**

The reports are particularly embarrassing to the NP, who used to cite Bophuthatswana as a financial success and who initiated once prestigious projects in the Transkei such as the Qamata Irrigation Scheme and the Magwa Tea Corporation, which are now bankrupt.

They are also embarrassing to the Transkei's former military leader, Mr Bantu Holomisa, now the Deputy Minister of Environment Affairs and Tourism.

Many of the prestigious projects initiated by Transkei's former president Kaizer Matanzima, including Qamata, Magwa and Transkei University, were shown to be financial disasters.

The Transkei auditor-general reported on institutions such as the Transkei Development Corporation, the homeland's Workers' Compensation Fund and the Transkei Mining Corporation.

In some cases, fraud was suspected but could not be proved and in other cases fraud charges had been brought.

A common feature of the Transkei reports, mostly conducted by private sector accounting firms, was that they were unable to express an opinion on the accounts.

The auditors also said it would be impossible to recover the missing money.
Holomisa's Kei chaos

WM 24-30/3/95

The auditor-general's report to parliament on the Transkei Public Debt Commission is a litany of corruption and incompetence, writes Gaye Davis.

Spare a thought too for taxpayers, for they will be footing the multi-million rand bills racked up by incompetence, laxity and mendacity of the homeland's civil servants.

The gory details are spelled out in the auditor-general's reports on the Transkei Public Debt Commission and the University of Transkei (Unitra), which were tabled in parliament this week.

Transkei's former military ruler General Bantu Holomisa wasn't present when the corrupt flush of the Transkei's rotten administration was laid bare: the deputy minister of Environment Affairs and Tourism was attending a Commonwealth plastic conference in Malaysia.

Had he been present, he would have learned how homeland officials persisted with incorrect or lax accounting procedures, despite these having been identified and highlighted in previous audits.

There was no check by department heads to confirm employees on the payroll in fact existed. There was no formal documentation from department heads informing the personnel department of staff resignations and department heads weren't required to get clearance on resignations so that loans could be repaid or university property reclaimed. Nor could the auditors locate most of the title deeds for properties owned by Unitra.

The accounts of the Transkei Public Debt Commission (PDC) revealed a poor accounting system, missing certificates for stocks and treasury bills, incorrect account allocations and no files kept on PDC investments, including some R461-million invested with banks.

Investment income was lost by keeping surplus funds in current and call accounts bearing low rates of return. Budget expenditure figures for the year ending 31 March 1993 were not provided, so expenses for that year could not be verified.

Minutes of board meetings were not properly filed. The PDC lost a lot of money through lack of controls and ineffective management. There were no lease agreements for 24 of 33 tenants in commercial properties owned by the PDC, no checks were run on interest due from financial institutions and late interest payments on loans granted by the PDC were not chased up.

The reports on projects such as the Gamata Irrigation Scheme, started in 1970 as a rural development programme and, 25 years later, still reliant on government funds to continue as a going concern, reflect a similar spread of inept accounting. A schedule of payment certificates from the Transkei government for the scheme showed a total of more than R350 000 had been received but the amounts were not traceable to bank statements or receipt books and it was unclear whether the money had been banked.

At the Neora Irrigation Scheme, a payroll audit showed wages being paid to non-existent employees, among other anomalies. Fixed assets could not be physically located.

A report on the Majowa Tea Corporation showed it was insolvent by the end of March 1993 and that the operating budget for the year was a loss of about R16-million. While government

Bantu Holomisa: Did not live up to his coup promises on corruption

intended making a R320-million cash injection, cash-flow and solvency problems would soon arise if financial support was not ongoing, especially as some R6-million in loans had to be repaid, the report noted. "Lax accounting practices made it impossible to verify whether assets worth more than R19-million in fact existed.

The Transkei Unemployment Insurance Fund (UIF) had no formal investment policy for funds of more than R246-million; decisions were being taken by the UIF commissioner on the advice of the UIF's investment brokers—despite the appointment being irregular and the potential for earning significant commissions by investing in particular securities.

Nor was any register of investments kept by the UIF, which relied on periodic statements from its brokers—not inconsistent with summaries. An audit of employers' contributions revealed missing, incorrect and incomplete files. One inspector was required to cover the whole of Transkei and made his reports verbally.

A audit of the Transkei Workmen's Compensation Fund revealed massive irregularities in payments of claims, including overpayments. There was no means of checking where employers were in default with contributions.

Earlier this year, in response to a statement by President Nelson Mandela that millions, if not billions, had been siphoned out of public coffers by corrupt civil servants, Holomisa blamed the former National Party government for undermining the homeland and delaying transfers of funds from the central exchequer. "the problem is not of Holomisa's making," he said.

De Klerk responded by denying there was ever a cut-off of funds to Transkei, saying the backlogs and imbalances of which Holomisa complained could be "attributed to a large extent to the mismanagement of the Transkei under his regime."

The Transkei government has never been able to deliver on its promises of a better life for its people, and the auditor-general’s report is just the latest in a series of exposés that have exposed the rot at the heart of the homeland administration.
ANC officials tied to cycad-smuggling

CLIVE SAWYER
Weekend Argus Political Correspondent

THE African National Congress has been urged to fire Free State and Eastern Cape officials allegedly involved in cycad-smuggling.

'Democrat Senator Errol Moorcroft said the ANC should take immediate steps to remove from office all those involved in “plundering” the rare plants from the Eastern Cape.

Police in this week arrested two men after seizing a truck loaded with tons of cycads allegedly bulldozed out of the ground without a permit.

The action followed an investigation by Eastern Cape nature conservation officials, the Endangered Species Protection Unit and the police.

Senior ANC officials reportedly had issued letters saying the cycads were needed for a project being run by the Free State Ministry for Economic Affairs.

Mr Moorcroft said illegal removal of huge quantities of the plants was “unprecedented environmental vandalism”. Cycads were an endangered species, protected under the Convention on International Trade in Endangered Species.

“The fact that the recipient is a political party and that this assessment was done by the office of the premier of the Eastern Cape is equally unprecedented,”

Mr Moorcroft congratulated the Eastern Cape Department of Nature Conservation for its vigilance “and for resisting political pressures” allegedly brought to bear by the office of Free State Premier Patrick Lekota to release the confiscated goods.

A spokesman for Mr Lekota could not be reached.
Bop, Transkei corruption shocker

By RAPO ROBIN

Undisclosed

Chaos

The report cites an undisclosed amount after it emerged that R518 million of the moneys at a new money bank in the Transkei is the order of the day. The report also reveals serious mismanagement of state funds. For instance, the R518 million was misused by the Bophuthatswana government for a variety of purposes, including investments in the Metcalfe Tin Project. The Auditor-General has made a number of serious recommendations regarding the management of state funds.

THE AUDITOR-GENERAL has revealed a number of serious mismanagement of state funds. For instance, the R518 million was misused by the Bophuthatswana government for a variety of purposes, including investments in the Metcalfe Tin Project. The Auditor-General has made a number of serious recommendations regarding the management of state funds.
Home comforts for ministers cost taxpayers nearly R5m

By NORMAN WEST: Political Reporter

A LITTLE reconstruction and development programme is going ahead swimmingly in the ministerial homes of Cape Town.

A coffee table for Dr Pallo Jordan, Minister of Posts, Telecommunications and Broadcasting, which he said he had chosen because he "like(s) the design" ended up costing the taxpayer R2 237.

Minister of General Affairs Chris Framer's furniture cost R155 500 — and included a footstool at R282 — while Minister of Correctional Services Dr Sapho Mamela's curtains and furniture cost R523 000.

Responsible for the allocation and maintenance of these luxury quarters is Minister Jeff Radebe's Public Works Department.

Mr Radebe's manse, Vryspezie, in Miltown has been refurbished at a cost of R250 000 and light fittings replaced at a cost of more than R13 000.

Mr Radebe told Parliament last week that, the almost R5-million — R4 762 314 to be exact — spent on repairing and furnishing 44 ministers and deputy ministers' houses was "value for money and not extravagant."

He said the expenditure would be recouped from rentals which ranged from R3 000 to R4 715.

Many of the houses, he said, were not previously used as ministerial premises and were "empty shells and had to be furnished and/or altered."

Dr Jordan had landscaped work done to his garden terrace at his manse, Gydo, which included the supply of terrace blocks costing R24 000.

In addition, a further R175 000 was spent on curtains and furniture. Dr Jordan said yesterday he was "not surprised" at the cost as the house was in a state of "complete disrepair". As for the coffee table, "I chose it because I like it and that was that. I was not aware it cost R3 237," he said.

Deputy President Thabo Mbeki's Highveld mansion on the Groot Schuur Estate was upgraded last year at a cost of R1 500 000.

When Nelson Mandela became president, he decided to allow Deputy President PW de Klerk to continue living in the Groote Schuur house and chose Westcliff, also on the grounds, which was renamed Genadendal. Renovations there cost R1 460 000.

The department paid R247 413 for curtains and fittings and R220 687 for furniture for Genadendal. The domestic workers' quarters were renovated for R20 989.

Trade and Industry Minister Trevor Manuel had internal repairs and renovations totalling R23 256 done by the department to the workers' quarters at his official residence, Soweto. His curtains and furniture and appliances cost a further R134 227.

Minister of Foreign Affairs Alfred Nzo had furniture costing R204 115 installed by the department at his official home, Duwspeck. The minister could not be reached for comment.

Mr Manela, had repairs of R48 000 done at his home, Rockville. A further R232 000 was spent on furniture and curtains. The minister could also not be reached.

An amount of R27 000 was spent on the domestic workers' quarters of Hoogebogen. The mansion of Deputy Minister of Defence Ronnie Kasrils. A further R71 000 was spent on curtains.

Most of the seven ministerial mansions built for the now-dissolved House of Representatives in Walmer Estate had to be "completely" refurbished, said a departmental spokesman.

One of the occupants is Minister of Defence, Joe Modise. His house was refurbished for R134 350.

Mr Modise's spokesman, Mayor Muff Anderson, said the minister had insisted that no "extravagant" furniture and curtains be acquired. She said his then private secretary, Carol McKenzie, consulted with the department on furniture and curtains, taking into consideration Mr Modise's concerns for "moderation" and the department's budget. They shopped around for the best prices, said Mayor Anderson.

The other six Walmer mansions are occupied by Dr Zola Skweyiya, Minister of Public Service and Administration whose home R100 000 was spent, Mohammad Vawda, Minister of Provincial Affairs (R160 000), Aziz Pahad, Deputy Minister of Foreign Affairs (R165 000), Ferial Maduna, Deputy Minister of Home Affairs (R71 000), Mr Framer (R155 500) and Derek Hanekom, Minister of Land Affairs (R130 000).

Mr Hanekom said "My house was not refurbished, no alterations were done to my knowledge, only furniture was placed in the house."

Two deputy ministers, Winnie Mandela (Arts, Culture, Science and Technology) and Alec Erwin (Finance) live in state-owned flats in Rydersdal, Rondebosch.
Action against ANC official over cycads

BISHO: Eastern Cape Premier Mr Raymond Mhlaba has ordered administrative steps against his protocol aide, Ms Yozie Mazitshana, for her part in the plundering of cycads worth R4 million.

Ms Mazitshana provided Free State businessman Mr Konstantinos Guileas with a letter authorising him to remove more than 300 protected cycads from a site in the Tamara tribal area near the Great Fish River.

The plants were ostensibly destined for the ANC head office in Welkom, or a new casino at Sasolburg.

In a statement here yesterday, Mr Mhlaba said an internal investigation indicated Ms Mazitshana had acted alone and totally without authority.

Matters relating to the issuing of permits or licences to transport protected or endangered fauna and flora were the responsibility of the provincial Department of Agriculture and Environmental Affairs, he said.

The Eastern Cape government, after advising the police of its intention to co-operate fully with the investigators into the illegal removal of the cycads, yesterday arranged for Ms Mazitshana to meet the investigation team.

Mr Mhlaba said police would now focus primarily on certain people in the Free State. — Sapa
Officials probed for R61.1-m

FORMER homeland government officials are being investigated by a special police unit in the Northern Transvaal in connection with allegations of fraud involving R61.6 million.

Police spokesman Colonel CJ van Wyk said yesterday that several cases under investigation were "very sensitive". Therefore, he said, further details could not be disclosed but police expected to make arrests shortly.

Several government employees had been charged with theft and fraud during the past three months.

Mr RE Hadlame, formerly employed by the Gazankulu Education Department, was found guilty at the Tzaneen Regional Court of a charge of fraud involving R68,000 and sentenced to a fine of R10,000 or 18 months imprisonment.

Another case of fraud against Mr Jacob Ledwaba, a former water affairs official, is presently in progress. Nine people were arrested this month in the Mokopane, Mapela and Magajigga areas in former Lebowa in connection with the theft of R5,000 worth of food supplies intended for needy villagers, Van Wyk said. — Sapa.
Parliament told of shortfalls

Homeland audit 'may be impossible'

Cape Town — The State is still trying to unravel the finances of South Africa’s former homelands and a senior official said yesterday it might be impossible to close the books properly.

Assistant Auditor-General Gunther Witthoff told Parliament’s standing committee on public accounts it had been impossible so far to accurately register all the assets of the four nominally independent and six self-governing territories.

“Our limited investigations so far indicate that serious shortcomings exist in the management of certain departments in the former states,” he said, adding that "an audit may indeed be impossible.”

The Auditor General’s report to Parliament lists a few of the problems uncovered in the administration of the homelands.

In one case, district offices of a homeland administration spent almost R500 million without raising any paperwork.

Auditor-General Henri Kleuver said ‘clearing up the mess would require resolve action from the Government.

“What happens is that we send a team out to deal with these problems and in some cases they are simply sent away, told, We don’t want you here,” he said.

“Somebody is going to have to be stepped on to put things right. One option might be a no-work, no-pay policy because at the moment the work is not being done and everybody is getting paid,” he said.
Hot debate on the new Budget

HEAVY BURDEN Corruption made big holes in country's finances:

Sowetan Correspondent

CORRUPTION, THE FUTURE CONSTITUTION and the squeeze on middle-income taxpayers all came into contention on the first day of the National Assembly debate on the Budget.

The four-day debate on the Government's first Budget — seen by many as the first to be mainly shaped by the African National Congress — started yesterday. Deputy finance minister Alec Erwin (ANC) opened the debate with a plea to constitutional negotiators to re-think financial relations between the three tiers of government.

Erwin said the country faced a Budget characterised by a weak revenue and strong demands for expenditure.

Previous governments had balanced budgets by borrowing, which had put a massive burden on the budget.

Even if the Government succeeded in restricting borrowing immediately, existing interest payments would continue to rise until 1999.

Borrowing could be acceptable only if it were to produce medium to long-term economic growth.

National Party finance spokesman Mr Theo Alant warned of the effect corruption and the crime rate had on international investment.

When corruption was alleged, the real question was how political leaders responded.

Noting the action taken by the Government against former ambassador-designate Mr Allan Boesak and axed deputy minister Mrs Winnie Mandela, Alant said the whole country was waiting for similar action against Deputy Environment Minister Buthelezi Holomisa and National Assembly tourism committee chairman Mr Peter Mokaba.

Mr Myburgh Sterner (NP) said the ANC should tell people to scale down their wage demands.

There would be no redistribution of wealth without the help of innovative private sector leadership.

Mr Ken Andrew (DP) said individual taxpayers had been hit hard.

"They are now paying more than double the amount of tax they were paying just five years ago."

Middle-income taxpayers were being squeezed yet again as the Government let fiscal drag "do its dirty work for it".
'Fundless' tourism body given R3-m

Political Staff

BETWEEN September 1993 and February 1994 the National Tourism Forum, chaired at one stage by Peter Mokaba, was given more than R3 million, of which R143 000 was not entered in the organisation's books.

Speaking in the national assembly interpellation debate yesterday, Francois Jacobsz (NP) said the forum, which had achieved "nothing to date", had folded due to a lack of funds.

Auditors had identified potentially irregular payments of R900 000 for travel, accommodation and cellular telephones for which there had been no authorisation.

Dr Jacobsz said Mr Mokaba was paid R246 000 a year by the forum.

ARG 30/3/95
Homelands' cost: SA R17,5bn

THE 10 former homelands cost taxpayers R17,5 billion in the 1993/4 financial year, auditor-general Mr Hertz Kluever disclosed yesterday.

The most expensive of these homelands was kwaZulu which received R5 084 million, he said in his report tabled in Parliament.
Bobak has been accused of "enriching himself substantially" at the expense of Noble funding agencies, but has consistently denied his innocence about his involvement in the misappropriation of funds.

Deeds

A lawyer's report on financial management at the Foundation for Peace and Justice accused Bobak of taking R10 000 000 of funding money designated for community projects and using it as a deposit on his Constantia house.

Bobak sold his house for R800 000 to help settle debts at the Foundation for Peace and Justice. Eyebrows were raised when the house was purchased in 1901 for R50 000.

In another turn of events this week, Bernard Gutman, the provisional trustee of the insolvent estate of Frederick Steenkamp, former financial director of the Foundation for Peace and Justice, has brought an application to liquidate a close corporation registered in Steenkamp's name.

Inquiry

The two properties in Pietermaritzburg, registered with the close corporation, are expected to raise an additional R40 000 for the insolvent estate.

A public inquiry to reveal Steenkamp's true assets is likely to take place shortly, according to Gutman.

Meanwhile Chris Nissen, provincial Minister of Economic Affairs, confirmed that Lucille Fester, who admitted taking "staff loans" while working at the Foundation for Peace and Justice, is working in his office.

Nissen told Weekend Star: "Fester has been working for Bobak before he took over the post and was still under contract."
R6 for debt, R1 for RDP

Huge burden could be lighter at end of century

CLIVE SAWYER
Political Correspondent

IN a stern warning on the perils of the debt trap, Finance Minister Chris Liebenberg has said South Africa spends R6 on servicing debt for every R1 on the reconstruction and development programme.

South Africa's huge debt burden began to recede at the turn of the century, provided the government kept to its policies of fiscal discipline.

He urged a commitment to reducing consumption expenditure and re-prioritising capital spending.

Replying to comments during this week's budget debate in the national assembly, Mr Liebenberg said he was worried that not everyone understood the implications of running a budget with a constant deficit.

Interest would continue to mount and lenders would put up their rates.

The only way to avoid the debt trap was to follow the previously-agreed milestones of economic policy.

"We cannot afford to make an error," Mr Liebenberg said.

Noting that shortfalls on pension funds and inherited debts of the former TBVC states were funded by borrowing, he said discipline was needed on a broad front.

If creditors chose to reduce the terms of loans from five years to one, "this could bring us back to where we were in 1980."

Responding to criticism of the cut in the budget for economic spending, Mr Liebenberg said this was necessary as a short-term sacrifice.

Critics, including parliament's joint standing committee on finance, said that economic services were crucial to agricultural and land reform policy.

Mr Liebenberg said the state of balance of payments was a major factor inhibiting growth.

A comprehensive strategy to address this was being worked out by the National Economic Development and Labour Advisory Council.

He said South Africa had to become investor-friendly because of the lack of domestic savings.

Growth of at least 3.5 percent was needed before there could be any reduction of unemployment.

Welcoming work by Minister of Trade and Industry Trevor Manuel on developing small, micro and medium enterprises, Mr Liebenberg said these could be the "real engine of growth."

He called for efforts to turn the tourism industry into a "nearly factor to a sustainability factor."

Heat is on for Bantu Holomisa

leader of the 1988 coup to eradicate corruption.

Mr Schoeman asked why 50 percent of industry had withdrawn from the Transkei during "the dictator's rule."

"Why was the state pension fund robbed of its assets?" asked Mr Schoeman.

"Maybe the general would explain to the former Glen Fray teachers why their rightful pensions were never paid to them and how he overturned two Supreme Court judgments against the Transkei government by issuing Decree No. 14," he said.

Even more disturbing was that the Transkei auditor-general's report did not reflect the total administrative collapse that occurred in the last year of Mr Holomisa's rule.

Mr Holomisa then challenged President Mandela to prove that corruption in the Transkei actually amounted to millions of rand.

The evidence existed, said Dr Schoeman, who asked what the ANC would do about this. Given that Mr Holomisa had apparently been the first to sign the ANC code of conduct.

Tax revamp to go ahead

Political Correspondent

RESTRICTING the departments of inland revenue and customs and excise will go ahead, says Minister of Finance Chris Liebenberg.

Speaking at the end of the national assembly debate on the budget, he said the restructuring would be done as soon as possible.

"The auditor-general's report and the report of the Katz Commission on income tax had exposed serious crises in tax administration. These problems had contributed to a R6 billion shortage in revenue, which, if collected, could be a significant boost to the reconstruction and development programme."

He lashed out at press reports which had labelled an offer from professional bodies of lawyers and accountants to help in restructuring as setting up "ghost squads."

THE AFRICAN NATIONAL CONGRESS should use its code of conduct to act against Deputy Minister of Environment and Affairs and Tourism Bantu Holomisa, under whose rule corruption and administrative collapse occurred in the former Transkei.

Speaking in the national assembly budget yesterday, Mams Schoeman (NP) said Mr Holomisa had been a reluctant leader of the 1988 coup to eradicate corruption.

Mr Schoeman asked why 50 percent of industry had withdrawn from the Transkei during "the dictator's rule."

"Why was the state pension fund robbed of its assets?" asked Mr Schoeman.

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Probe ordered into pension fraud, corruption

NORMAN JOSEPH, Staff Reporter
PROVINCIAL Health and Social Services Minister Ebrahim Rasool has appointed three senior officials to investigate allegations of fraud at his Bellville office.

This follows allegations that cheques for pensioners and the disabled are being cashed fraudulently.

Mr Rasool said, "I view with great seriousness the allegations of fraud and wrongdoing brought to my notice by the Boerheuwel Civic Association."

Three officials from head office and regional offices will investigate and report back to Mr Rasool within 30 days.

They will also investigate allegations of corruption and mismanagement involving a local councillor, a senior Post Office official and a businessman.

Mr Rasool said, "I believe that openness, honesty and transparency form the foundation on which we can build a caring service."

"I have also requested Ebrahim Jarodien, the chief director of the Department of Social Services, to start an immediate inquiry."

"I wish to give the assurance that where there is substantial evidence of wrongdoing, the matter will be placed in the hands of the Attorney-General."

The ministry has appointed officials Amy Thornton and Alec Kellner to attend to complaints of fraud, corruption and mismanagement.

Complaints may be sent to PO Box 648, Cape Town 8000.
Pension fraud exposed

MICHAEL MORRIS
Political Correspondent

HUNDREDS of millions of rands in Western Cape pension money is being lost to fraudsters — including well-placed officials — because of poor administration in the welfare department.

The fraud losses — which have been going on virtually unchecked for years — run at about 15 percent of the more than R1 billion pensions budget. A loss of about R340 million is expected this year.

And while a new computerized system has been introduced to deal with the problem, it is running only on a limited scale.

This emerged in evidence to the Western Cape legislature’s finance committee — which is going through the budget estimates for 1996/97 — by acting head of the welfare department Ebrahim Jarodien.

The disclosures prompted Democratic Party regional leader Hennie Bester to call for the immediate appointment of a commission of inquiry.

Western Cape Social Services Minister Ebrahim Rasool announced yesterday that he had appointed three senior officials to look into allegations of cheque fraud at the Bellville regional office.

Millions lost — and 'it's been going on for years'

This follows allegations by pensioners and disabled people on grants that other people were fraudulently cashing their cheques.

Mr. Bester also wants Dr. Jarodien suspended pending the outcome of the investigation and "draastic measures" implemented to stop the fraud.

"If satisfactory steps are not taken the DP will not be able to support the budget," he said.

"This is shocking. If proper measures were taken to deal with this, pensioners could effectively be given a 15 percent increase instead, they suffer because fraud is not being dealt with."

Dr. Jarodien, who headed the House of Representatives welfare department from 1989 until last year, acknowledged during questioning that there were no audited statements for the department's activities in this period and no reliable statements for its activities since its inception in 1984, so the full extent of the losses was not known.

"Only six people had been prosecuted, and those only for minor fraud."

The House of Representatives welfare department was transferred to the Western Cape administration last April.

Mr. Bester said: "To this day the department has failed to install a system to deal with this. We are troubled that Dr. Jarodien is now the head of the Western Cape welfare department and he is still expecting the fraud to continue.

"It would seem from questioning that there are no measures to verify the fraud and bring the guilty parties to book."

"If no satisfactory steps are taken we cannot support the budget, because we cannot be party to this inability to manage."

"You can do an enormous amount with the R240 million that is expected to be lost this year."

"You could build houses, you could give pensioners a 15 percent increase."

Mr. Bester said that even with the introduction of the Nsec computerised system, "the administration is still handled by the department — there is still scope for fraud."
Funds needed to ease strain on UIF coffers

WIDENING the scope of the Unemployment Insurance Fund (UIF) to include high earners would boost contributions by about R55m a year, National Labour and Development Institute (Naledi) senior researcher Ravi Nadoo said yesterday.

Speaking at a social welfare conference in Johannesburg, Nadoo said a recent Naledi survey suggested a payments boycott by employers as contributions had dropped by 25% during the past two years, well above retribution estimates.

Stopping this gap was essential to ensure the fund continued to meet demands.

Sharing the same platform and speaking in his personal capacity, Labour Ministry official Gerard van Wyk said other funding methods should be urgently sought to ensure the UIF could meet the basic needs of SA’s estimated 32% jobless population and extend its scope to job placement, training and retraining.

A recent survey suggested that an unemployment policy which paid the jobless in line with the poverty datum line would cost the state R4.3bn a year, almost half its current tax revenue, Van Wyk said.

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Plans to eradicate social welfare fraud

URGENT measures to eradicate social welfare payment leakages were in the pipeline as estimates suggested about R1bn a year was lost through maladministration and fraud, Welfare and Population Development Minister Abu Willaims said yesterday.

Addressing delegates at a conference near Johannesburg exploring SA and German social security provisions, Williams said task teams would be established to conduct random tests of welfare payments to identify where leakages had occurred.

Any payment officials suspected of fraudulent activities would be handed to the police for immediate prosecution and complaints would be investigated in collaboration with provincial authorities.

Western Cape University economics head Pieter le Roux said a recent study confirmed that welfare fraud totalled about R1bn a year and was escalating.

Williams said government was revising the social security system to rationalise existing grants and consolidate the plethora of legislation into a single statute. Complete parity would be achieved soon and a single database of recipients would help eradicate fraud.

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Magistrates' go-slow is put on hold

CAPE Peninsula magistrates, who threatened to start a go-slow yesterday, would abide by a Magistrates’ Association of SA decision not to embark on the action until a meeting on Friday, association president Jan Venter said yesterday.

Venter was reacting to media reports that they would begin a go-slow yesterday.

A central committee meeting of the association on Thursday; however, requested that Mitchells Plain magistrates should not embark on the action until all members had been consulted.

Venter said magistrates’ grievances revolved “mainly” around salaries, but the circumstances of their employment was also an issue as they were carrying a “heavy workload”. He could not comment on what the outcome of the meeting would be, but said “Magistrates are very responsible people and would not doing anything drastic.”

SAPA reports two Western Cape chief magistrates said their courts had not been affected by go-slow.

Bertus Jooste, responsible for the West Coast and Karoo, and Jaco van Reenen, responsible for Mitchells Plain to George, said courts were functioning normally.
Pension thieves had better beware

Political Correspondent

A "FORENSIC auditor" trained to track down big-time fraudsters may be hired by the Western Cape government as part of a major crackdown on multi-million rand pensions theft, says Health Minister Ebrahim Rasool.

Other new staff are to be appointed soon to help in the anti-corruption drive and new computer systems are being introduced to curb losses.

But Mr Rasool warned the problems would not be overcome "overnight".

His comments follow indications that pension fraud is expected to be about R240 million this year.

In a three-page statement issued in response to a report on the fraud in The Argus yesterday, Mr Rasool confirmed details of the huge losses, acknowledged that "serious management inefficiency" was part of the problem, and gave further details of scams, which included:

- A pernicious form of syndicate fraud with elaborate and sophisticated networks between welfare and sub-agent officials using fictitious clients or clients who do not qualify for social security, through fraudulent documentation.
- Duplicate payments.
- Over-the-counter fraud.
- Theft by officials.
- Exploitation of the vulnerability of the aged by clerks.

"Much of the fraud is not of the hand-in-the-till variety, but is embedded in the system."

Mr Rasool said that one of the main initiatives launched so far to deal with fraud was a computerised fingerprint-based system for pension payouts.

Mr Rasool said the Western Cape government had inherited a system fraught with dangers, where audited statements, at least in the House of Representatives, were non-existent.

The province also carried the baggage of a system where pensions and grants were not regarded as a social service, but were used for political patronage, and "this goes beyond the officials, and has political dimensions."
Cover-up in US building deal

CLIVE SAWYER
Political Correspondent

A new resolution has been alleged of details — including theft by contractors — of a New York property in which South African taxpayers lost more than $60 million.

The previous government bought a building for $35 million and spent $25 million on renovations. The building was sold last year for $6 million.

The case was made possible because the government was unaware of any other building following the 1985 bombing of the previous property.

The case was addressed by a previous Auditor General's report. It was then the complaint sent to the former local government was labeled a public account committee meeting.

United States lawyer Alan McMillan in a confidential letter in February 1981 to South African consul general in New York, said:

The price of the building exceeded its value by a large margin.

The building was inherently unsuitable for the purpose.

The government's architect, Benjamin Shorrer, had told him and other consular officials that contractors were stealing.

Many chargers by architect were questionable, to put it mildly.

There were complaints of excessive and undocumented costs and subcontractors paid even though the contractor had been paid.

Mr. McMillan said the government had damaged its reputation for honest demonstrations and work on public monuments.

Plants for reconstruction were not complete when excavation started and head office teams ordered numerous alterations and extensive security installations.

We urged the consul general to make no further payments and to initiate civil or criminal proceedings — or both — against the contractors.

We declined to do so, and the contractors' claims should be settled.

I was able to negotiate an amount considerably below what the contractors had claimed, but I must say the consular officials paid the contractors more than they had agreed to accept.

Mr. McMillan said he was at the point that he began to believe someone was conspiring with contractors.

The architect had been of that opinion for some time, but I had found it hard to credit.

CIRO RODRIGUEZ, Staff Reporter

Most of the squatters illegally occupying land in Grubawo were forced to move to an alternative site set aside by provincial Housing Minister Gerhard Mostel.

Yesterday violence-raked evictions by bulldozer and razor wire gave way to relative calm today as the remaining residents demolished their own structures and moved their belongings.

Earlier today, a group of squatters threatened to burn down any shack erected on the cleared alternative site.

Yesterday, the police arrested two men after an overnight confrontation.

The eviction of the squatters comes after a court order obtained by the Cape Premier Herman Kriel and Mr. Mostel.

Today squatters moved their belongings to an adjacent street to get it off their property.

Police gave them until midnight to clear the site — and until 5 p.m. to clear the road.

A group of squatters rushed up the hill to warn those already erecting houses on the alternative site that their homes would be razed.

But PAC local chairman Dennis M., NDB, and NGR, board member Chris von Wemmers, persuaded them to join their neighbours for the sake of peace and to prevent further bloodshed.

Agreement had been reached at a meeting last night that the forest evictions of yesterday would give way to voluntary evictions today.

Today's events followed an incident-filled night and an early morning bout of domination and violence.

In another development, African National Congress Western Cape leader Chris Ninnes been charged against a PAC branch official in connection with threats against PAC leaders, he said, had been made in Grubawo yesterday.

*Report, more pictures, page 5*
Mr Viljoen said his predecessor had said the South African government did not want to get involved in litigation which would bring unwelcome publicity.

His predecessor had owned the house he occupied, which was rented for him by the government because he refused to move into the consul-general's Park Avenue residence.

"I understand from the previous head of administration that the rent paid for the residence was inflated, and did not bear any relation to its actual value," said Mr Viljoen.

When the previous consul-general had resigned, he had destroyed all records.

"Unfortunately, no accounts of the payments for the building of 325 East 48th Street exist because these are kept for only a limited time. Giving evidence to the public accounts committee yesterday, Foreign Affairs director-general Rusty Evans said he had not been aware of the letter.

Francois Jacobz, former chairman of the committee, said the matter "reeks of one state, massive cover-up."

Mr Evans said that in the circumstances which prevailed in New York in 1965, the purchase price for the building had been justified.

He said the sale price had been accepted on the recommendation of former Minister of Public Works Louis Shul.

The minister's advice had been to get rid of a bad investment, Mr Evans said.

Barbara Hogan (ANC) said Mr Evans had told the committee in 1993 and last year, that there were no irregularities.

"You either failed to investigate or did not present your findings to the committee."

Mr Evans said he had answered all questions absolutely truthfully.

He had seen Mr Mchegan's and Mr Viljoen's letters for the first time on Tuesday.

He said his predecessor had visited Washington and had consulted various people who had been in New York at the time of the purchase and renovation of the building.
Boesak's empty office may cost R1.5m a year

AN Adderley Street office lease signed by former provincial Economic Affairs Minister Dr Allan Boesak could cost taxpayers R1.5 million this year—and the offices are likely to remain empty.

This emerged in evidence to the province's Committee on Public Accounts and Finance by Chief Director of Public Works Mr Hans Carstens, who said that by the end of March R240 000 had been paid for the offices, rented by Dr Boesak on a 10-year lease.

Unless the province could get out of the deal, it would cost R1.5 million a year, rising by 13% every year for a decade.

Dr Boesak's signing of the lease last year, without proper administrative authority or a budget, caused a storm of protest, with the ANC claiming the deal with Old Mutual had not been finalised.

Mr Carstens said the offices were still empty, and confirmed to the DP's Mr Hennie Bestel that it might be 'worth paying the penalty and getting out cheaper in the long run'.
Probing into R72m consulate loss

Parliament's Public Accounts Committee on Wednesday asked the auditor-general to probe the sale of the former South African consulate in New York for $20m (about R72m) less than it cost.

The attorney-general said the 20-storey building was bought for $12million (about R43,2m) in 1984, refurbished at a cost of $11m (R39,6m) and sold in March last year for $2,9m (R10,44m).

New York lawyer Mr Alan Michigam, who acted for the SA government, said the original purchase price exceeded the value of the property “by a far Margin”.

But he said the major problems were incurred in the “luxurious” alterations. “The final cost was, in my opinion, due in large part to outright theft.”

“The contractor continued to miss one deadline after another, and costs spiralled. Many charges were questionable, to put it mildly.”

The Department of Public Works said all the relevant documents had been destroyed by the then consul-general. — Sapa
BOESAK AFFAIR

A long probe

The investigation into the financial affairs of Allan Boesak's Foundation for Peace and Justice (FPJ) is expected to continue for a few more months, according to the Office for Serious Economic Offences.

Spokesman Tommy Prins says though no allegations against individuals are being specifically investigated at this stage, any evidence of crimes committed by employees or office bearers of the FPJ will be passed on to the Attorney-General for further action if necessary.

Boesak, former FPJ bookkeeper Freddie Steinbok and other employees were implicated in the alleged misuse of donors' funds after an investigation by a firm of Johannesburg attorneys on behalf of the Danish church group DanChurchAid which financed the FPJ. Among the findings were that personal loans totalling hundreds of thousands of rand were made to FPJ employees from donor funds.

The scandal effectively resulted in Boesak losing his posting as SA's new ambassador to the UN agencies in Geneva. He has also been forced to give up what was considered to be a lavish lifestyle by selling his luxury home in Constantia, paid for in part with FPJ funds according to the lawyers' investigations, and his luxury car.

Boesak, a former leader of the ANC in the Western Cape and MEC for Economic Affairs, and his TV producer wife, Elina, are keeping a low profile and neither is currently employed.

They have moved into a modest dwelling in Muizenberg. Boesak has swapped his BMW, which was repossessed, for a borrowed Uno, which is believed to belong to his brother-in-law. The Boesaks are reported to be making ends meet with the help of friends and family.

Foreign Affairs Deputy Minister Aziz Pahud disclosed in parliament recently that Boesak was on the State payroll for two months before he requested to be relieved of his ambassadorship. His salary for the two months totalled R21 068.

The UN post in Geneva is to be filled by former ANC Youth League leader and current MP Jackie Selebi.
Inquiry into fraud

POLITICAL STAFF

A TOP task team will investigate claims of fraud in pension payments, the provincial Minister of Finance, Mr Kobus Merring, said yesterday.

The team will be headed by Professor Peter le Roux of the University of the Western Cape.

Mr Merring said the team’s job would be to help remove any form of fraud and to ensure that every cent was spent correctly.

Prof Le Roux would be assisted by an auditor with forensic expertise and someone with administrative experience, as well as officials from the provincial treasury, management advice services and welfare department.

Mr Merring said he did not personally believe the Western Cape would have as high levels of pension payment fraud as the rest of the country.

“But we must be realistic about the problem. It is apparently a nation-wide problem about which there is unfortunately little evidence that it has taken place.”

Test probes in the province have found evidence of fraud running at 10% of pension payments, Mr Merring said.
Eskom cash ‘in defendants’ hands’

PART OF the money paid out by the Eskom Pension Fund for property purchases appeared to have ended up in the hands of two former Eskom employees and a Sandton broker accused of defrauding the fund of R18m, the Rand Supreme Court heard.

Forensic auditing firm KPMG Aliku & Peat director Johan van der Walt was testifying yesterday at the trial of former Eskom legal department manager Ben Rheeder, former Eskom property investment manager Jan Mostert and commodities broker Jan Botha.

The accused have pleaded not guilty to participating in a property syndicate which purchased land and then resold the properties to the pension fund at prices far above their market value.

It is alleged Botha and former Merchant Trade Finance MD Robert Taylor set up front companies to buy the properties with the help of estate agent Jan Pope.

Taylor and Pope are currently living overseas. Botha and Taylor are alleged to have given Mostert and Rheeder handouts of more than R1m each to mislead the fund into believing the selling prices of the properties were reasonable.

Van der Walt said he had been mandated to investigate the flow of money once cash for the properties had been paid out by Eskom. An examination of Merchant Trade cashbooks indicated the bulk of the money had been deposited into Merchant Trade accounts.

Portions of the cash had then been transferred to a company called Inter-Sera, of which Taylor was the director. Funds had also been transferred to Valfin, of which Botha was the director and sole shareholder. Funds had also been transferred to a company called Dollarmile Holdings, which belonged to Pope.

It also seemed as though payments had been made to Mostert and Rheeder through Valfin.

Defence counsel for the accused have indicated they may contest the admissibility of Van der Walt’s evidence.

The case continues.
By CHIARA CARTER

SOME of the coaches from the derelict homeland prisoner transport train will be up for sale later this month when more than 50 former ministerial cars come under the auctioneer's hammer in the Northern Transvaal.

Somewhat symbolically, the Pretoria-Biggauction will take place on April 26 - the eve of the anniversary of South Africa's first democratic election.

The cars, which include luxury limousines, belonged to the former homeland of Leshaya, Venda and Gazankulu and were inherited by the Northern Transvaal on May 11, the day after the new government was sworn in.

The inventory drawn up by auctioneers Alf Duncan and Associates reveals how the leaders of the impoverished former homelands earned the title of "Benze" for their expensive tastes.

Up for auction are 19 BMW 728 models, a BMW 740 and 10 Mercedes-Benz sedans as well as several Nissan Skylines.

The region's MEC for Transport, Johan Kriel, said the Northern Transvaal had inherited a large fleet of government vehicles. It did not need so many. VIP vehicles. Many of the cars being sold off had done more than 200,000 km and were expensive to maintain.

Mr. Kriel said several government cars, which had been reported missing, had been recovered last year, but police were still investigating the disappearance of some of the luxury cars which vanished with the "demise" of the homelands.

Alf Duncan and Associates spokesman Gees Tezelkar confirmed his company would be conducting the auction.

"The Northern Transvaal government is looking to us to recover at least some of the costs of these cars," Mr. Tezelkar said.

The auctioneers said the sale could realise as much as R2 million.
Lifeline predicted in report

Boesak set to bounce back

By BROWNY LITTLETON and ESTHER WAUGH

A Government-appointed inquiry has cleared former cleric Dr Allan Boesak of criminal wrongdoing involving funds donated to his Foundation for Peace and Justice, informed sources claimed last night.

There was intense speculation yesterday that Boesak would receive a political lifeline this morning when Deputy President Thabo Mbeki addressed an early-morning media conference at the Union Buildings in Pretoria.

A short statement from Mbeki's spokesman said he would be discussing "the findings of the deputy president's office on the allegations of the misappropriation of funds from the foundation for peace and justice by Dr Allan Boesak".

Sources told WeekendStar that lawyers appointed in February by President Mandela to probe allegations of fraud had already considered Boesak's case — and found that he had done nothing wrong.

However, they said the report described Boesak as a bad manager, adding that the money was a gift he had admitted in public.

Boesak's spokesman, Thand Nobela, refused to comment on the scandal.

Scandinavian donors

The report has apparently been with Scandinavian donors Dansbar A/S for several weeks.

In January this year Boesak withdrew from his candidacy as South Africa's ambassador designate to the United Nations in Geneva after allegations that he had misused donor funds and had enriched himself with money that was meant for child victims of apartheid.

A member of the team which drafted the report, advocate Mojaka Gumbi, decided to confirm that Boesak had been cleared.

The sources close to the investigating team told WeekendStar that Boesak would probably be declared innocent of any allegations of criminal liability.

They said that the report described no evidence of criminal conduct. They also said that he had been cleared of all wrongdoing.

An earlier investigation by Johannesburg-based lawyers appointed by Scandinavian donors Dansbar found that Boesak and other staff had received huge loans taken from donations.

The report said the loans accounted for much of the R5.75-million in missing funds destined for poor children.

The matter is still being investigated by the Office for Secret Service Operations, which will eventually submit its own report to the attorney-general for a decision on prosecution.

Supa-AFP also reported last night that the report had cleared Boesak.

YOU BE THE JUDGE: This time last year he was one of the country's most high profile figures. How does opposition chairman Judge Johann Kruisler feel days before the first anniversary of his election? He's bullish. "It was not a loyal, rewarding, a nightmare. We're on the up and up, but we have a long way to go." MAUREEN ISAACSON's interview in the split page 4. Other reports on the election are on Pages 5 and 10.

Mandela gets shirty over ANC phone bill

ESTHER WAUGH

CAPE TOWN — Ever usually coming the soft President Nelson Mandela wore when he retired out of Victor Verster prison in February 1990? No! Well, you can consider it now — for a price! Collectors of Mandela memorabilia will soon have a rare opportunity to buy some of the clothes he has worn on historic occasions. The loans go on show in Cape Town next week.

Three suits, including a 1970s-style tuxedo, a 1985 London suit at R200,000, and a West Coast tartan suit, are among the items on display.

The late anti-apartheid leader was the first black President to wear a Western suit, his former wife Winnie has said.

Other ANC luminaries such as Deputy President Thabo Mbeki, Constitutional Assembly chairman Cyril Ramaphosa and Sports Minister Simon Nkomo have also donated signatures here of clothing.

Public self-reinfection

ESTHER WAUGH

CAPE TOWN — The extensive peer Service Commission (PSC) are finalising their recommendations for the reparation of the country's first Western Cape speaker.

The PSC was called in to probe the corruption scandal of Western Cape MPs and their associations with the ANC's regional leaders.

The constitutional amendment to it was proposed by the National Assembly and passed by Parliament in 1996. It is now before the President for final approval.

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Walk to freedom: Manfred van Rooyen holds up President Mandela's shiny prison shoes
Allan Boesak cleared of theft

By Desmond Blow

DR ALLAN Boesak, in disgrace since being accused of stealing foreign donor money, has been cleared by a government inquiry, but the investigation by the Office for Serious Economic Offences was continuing.

In Cape Town, Sapa reports that Boesak, who withdrew from his posting as South Africa's ambassador-designate at the United Nations in Geneva following the claims he had misappropriated funds, said he was overjoyed that a government inquiry had cleared him of the accusations.

He said he would be having discussions with Mbeki after which more clarity would emerge about any future in public life for him.

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Donor group rejects Boesak report

By JACOB BLAMINI AND AYESHA ISMAIL

LAWYERS acting for Danish Church Aid have contested a government inquiry’s finding that Allan Boegkjaer did not misappropriate money donated to his foundation for Peace and Justice.

The inquiry’s findings, which were made public by Deputy President Thabo Mbeki yesterday, cleared Dr. Boesak of any wrongdoing in the misappropriation of funds donated by Danish Church Aid, but already contested its findings.

The lawyers, who saw the government report before its release, wrote to its compiler, Advocate Mojape Gumbi, legal adviser to Mr. Mbeki, to contest its findings.

They said they stood by their initial findings that Dr. Boesak had substantially enriched himself at the foundation’s expense by driving an inflated salary, using funds to settle personal debts and making unauthorized loans from the foundation’s funds.

Mrs. Gumbi confirmed that the lawyers had submitted a memorandum.

But, she said, Mr. Mbeki had not referred to the memorandum when he released the government inquiry’s findings as “it did not bring anything new but merely reiterated all the old allegations.”

Dr. Boesak’s response to the findings, the Danish aid group said, was conceived that there was money that had not been accounted for.

The three-page government report said that there was no evidence that Dr. Boesak had stolen money.

But Mr. Mbeki criticised Boesak for failing to exercise “control and supervision” over the affairs of the foundation, which he headed.

“Allan has got to take responsibility for the mess that has occurred. He has got to have put in place mechanisms to make sure there was proper control and supervision,” he said.

The government report was the result of an inquiry set up following a public outcry here and in Denmark that the foundation had misused R27 million.

Dr. Boesak was said to have used money taken from the foundation’s coffers to buy a house, settle his wife Elina’s debts and travel extensively.

Dr. Boesak denied these allegations.

His appointment as a UN ambassador, Mr. Mbeki said, “is no longer a member of the foreign service.”

Mr. Mbeki said the inquiry’s findings would not influence the police investigation into the foundation’s affairs.

The National Party cautioned against reaching “untimely conclusions” before the Office for Serious Economic Offences had completed its investigation. “It is too early to act now on the basis of these findings,” said Dr. Boy Geldenhuys, the NP’s foreign affairs spokesman.

Government report clears Boesak

⇒ From Page 1

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Boesak would be reappointed ambassador, Mr. Mbeki said. “He is no longer a member of the foreign service.”

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Boesak report does not satisfy lawyers

A government report clearing Dr Allan Boesak of corruption allegations "raised more questions than answers" said lawyers representing the Danish aid agency DanChurch Aid. Gregg Nott, a spokesman for attorneys Bell, Dewar and Hall, said a final conclusion to the allegations by the firm's Danish clients would depend on the investigation being conducted by the Office for Serious Economic Offences (OSEO).

He was commenting on a report released at the weekend by Deputy President Thabo Mbeki clearing Boesak of the major allegations. It was drawn up by his legal adviser, Moganku Gumbi. Nott said his firm's own initial report had concerned Boesak's Foundation for Peace and Justice (FPJ), and went far wider than merely Boesak's role in the organisation.

That report — commissioned by DanChurch Aid — alleged serious misuse of funds intended for social upliftment projects.

Referring to the weekend report issued by Mbeki, Nott said: "We are loath at this stage to pre-empt the findings of the OSEO, which is itself a government agency."

Political Correspondent Patrick Bulger reports that the ANC wants Boesak to be made a provincial MEC or an ambassador, after the Gumbi report cleared him of the corruption allegations that forced his withdrawal as ambassador-designate to the UN in Geneva.

But Mbeki was less optimistic about Boesak's return to public life. He said in an interview that discussions had not been held on Boesak's future.

Mbeki said the investigation being conducted by the OSEO still had to run its course, and it might reach a different conclusion.

Gumbi's report concluded that there was no evidence available to show that Boesak stole Danish church aid money intended for poverty relief programmes while he headed the FPJ, which received the funds.

Mbeki said Boesak had to "take responsibility for the mess" and that he had to explain to DanChurch Aid what had happened to missing money. He said there had never been a deliberate plan to bring Boesak into the foreign service. His posting to Geneva was an invitation extended by President Mandela.

The ANC was more enthusiastic about the report clearing Boesak, the organisation's former Western Cape leader. Spokesman Jackson Mthembu said the police investigation would probably come to the same conclusion.
JOHANNESBURG—President Mandela says Allan Boesak deserves a high diplomatic post.

Mr Mandela was commenting today on the African National Congress finding that cleared the former church leader and ANC activist of misappropriating Scandinavian church aid funds.

"Allan Boesak is one of the most gifted men in this country. I am very happy that he has been cleared," Mr Mandela said.

"He deserves a very high diplomatic position," Mr Mandela told foreign correspondents at a breakfast in Johannesburg.

Dr Boesak, after a media conference today that it, after being cleared, he was due to leave public office on the basis of a criminal investigation that might take years to complete, the principle should be applied to members of the government of national unity as well.

"It would be interesting to see how many would remain in the government of national unity," he said, referring to members of the previous government who, he said, had maintained their positions while "stalking millions of rands in public funds" and while crimes were being committed in the name of the system and the government.

Planned by his wife Eliza at today's media conference, Dr Boesak thanked his wife and Deputy President Thabo Mbeki for handling the PFI matter "in a dignified way.

Dr Boesak said he would this week communicate with the Danish prime minister to convey his concerns about the conduct of the aid organisation, Danchurch Aid, and their legal representatives in South Africa during the course of the investigation into the PFI, and the consequences for his life and career.

He would simultaneously contact Swedish prime minister Ingvar Carlsson, also a personal friend, about the serious implications of the failure of the Scandinavian aid agency Sida to "clarify the facts" about the alleged involvement of Eliza Boesak's video production company, Cano Video Productions, in the alleged misappropriation of funds.

Dr Boesak said he hoped to go to Scandinavia soon to meet the Danish and Swedish heads of state to discuss various issues with them.

He would also approach donor agencies in Europe who shared his concerns about Danchurch Aid's conduct, to put this on the agenda of the World Council of Churches.

Dr Boesak also called on Danchurch Aid to "do what I have consistently asked them to and take the necessary legal steps to recover losses from former PFI employee Fredde Steenkamp, Lucille Foster, Calvin Smith and Sandra Vietman," who, he claimed, had unlawfully taken unthorised loans.

Dr Boesak reiterated his statement earlier today that he had not resigned from the department of foreign affairs, but had merely withdrawn from the Geneva posting in order to be as helpful as possible to the government.

COPENHAGEN—Nordic church organisations today welcomed a South African government inquiry's clearance of former church leader Allan Boesak of misappropriating foreign aid funds and planned to sue him.

"The Nordic church aid organisations intend to sue Boesak in an Danish courts to get their funds back," Danchurch Aid (DCA) Secretary General Carsten Reutle-Gleesen said.

"The inquiry only covered a limited part of the whole affair, namely Boesak's own personal involvement," he said.

"No evidence has been found against Boesak but he has not been able to document his innocence and we still have no explanation of what the two to three million Danish crowns (R1,3 million to R2 million) the Nordic churches contributed were used for," he said.

South African Deputy President Thabo Mbeki said on Saturday examination of reports by the Scandinavian Danchurch Aid organisation and its South African lawyers, as well as independent inquiries, had exonerated Boesak.

A Danchurch Aid report last year alleged Boesak was "unlawfully appropriating to himself money which he was not entitled to.

"The basic conclusion in there is no evidence that Boesak misappropriated Foundations for Peace and Justice (FPJ) funds as was alleged," Mr Mbeki told a news conference.

He said his own inquiry had shown that Boesak was in fact owed about R258 000 paid by the foundations.

Mr Reutle-Gleesen said the Nordic church aid organisations did not accept the excuse of sloppy accountability.

He said members of Boesak's FPJ staff had admitted granting each other private loans out of aid funds and covering them up by claiming the money was for human rights projects.

Dr Boesak said the report vindicated him, his wife, Eliza, and the friends who stood by him since allegations first emerged last year that he had misused Danish and Swedish aid.

SAPA-Reuter
Boesak cleared, but could face legal action for recovery of missing millions

BARRY STREEK
POLITICAL STAFF

LEGAL action could be taken against Dr Allan Boesak within the next two weeks as part of the bid to recover the "missing" R2 million to R3 million DanChurch Aid grant money.

"DanChurch Aid will definitely give us instructions to recover the money," Mr Andrew Mitchell, a partner in its Johannesburg firm of attorneys, said yesterday.

He refused to confirm or deny whether this would include civil proceedings against Dr Boesak, former director of the Foundation of Peace and Justice (PPJ) and former ANC leader in the Western Cape.

Deputy President Thabo Mbeki announced at the weekend that the one-person inquiry conducted by his own legal adviser, Ms Mosantsa Gumbi, had cleared Dr Boesak of misappropriating funds but criticised him for "mismanagement".

In the report Ms Gumbi said she had inspected Dr Boesak's accounts.

"There are no entries which suggest that the funds he allegedly misappropriated were deposited into his account. There is also no evidence to suggest that the funds were dealt with in another way."

She also said the trustees of the foundation and Dr Boesak had "failed to exercise due control" over its affairs.

Mr Mbeki endorsed this finding.

"Allan must take responsibility for the mess that has occurred. There was not sufficient supervision or control. That is quite clear," Mr Mbeki said.

The secretary-general of DanChurch Aid, Mr Christian Balselev-Olesen, said Mr Mbeki's statement covered only the affairs of Dr Boesak and not the affairs of the foundation. "We still have to wait for the police to complete their investigation. We have to find out where the R2m to R3m disappeared to."

"Dr Boesak was a director of the foundation and even if he did not enrich himself personally, he has a responsibility," Mr Balselev-Olesen said.

Western Cape ANC MP Mr Jan van Eck, a long-time friend of Dr Boesak, said "I don't think this (the report) resolves the matter."

In an interview last night Dr Boesak said he was "very bitter" that money destined for projects supported by his foundation had been stolen by people who worked for him.

"It is indeed a fact that money that was destined for the projects went into the pockets of people," he said.

Dr Boesak said he accepted that he had to accept responsibility.

● See Page 7
THE REPORT on the Foundation for Peace and Justice reads as follows:

D an Church Aid, one of the sponsors of Allan Boesak's Foundation for Peace and Justice (the Foundation), ordered an investigation into the financial affairs of the Foundation. Dan Church Aid appointed the law firm Bell, Dewar and Hall to conduct the investigation. The terms of reference of the investigation are not clear.

At the end of their investigation, the lawyers reached the conclusion that the Trustees of the Foundation had "acquitted themselves of their duties in a cavalier and reckless fashion". The lawyers also concluded that Dr Boesak put his own personal fate and that of the Foundation in the hands of subordinates. This statement refers to the fact that all of the Foundation's and Dr Boesak's financial transactions were done by Mr Steenkamp, who was the Foundation's bookkeeper.

Finally, the lawyers conclude that in the absence of "plausible" explanations by Dr Boesak, the only conclusion that they can reach is that Dr Boesak has "unlawfully appropriated to himself moneys to which he was not entitled".

First of all it needs to be emphasised that the financial information relied upon by the lawyers is that provided by Mr Steenkamp, who has himself admitted misappropriation of the Foundation funds.

**Payments**

The only account from which it appears that personal payments, in respect of Dr and Mrs Boesak, were made, is the Urban Discretionary account. The only other allegation against Dr Boesak is that according to entries made by Mr Steenkamp in the general ledger, it appears as if Dr Boesak "borrowed" an amount of R5 799.13 (reflected as R1 139 439.00 in the lawyers report) from the Foundation, over a three-year period. For purposes of clarity the two allegations will be dealt with separately.

**1. THE URBAN DISCRETIONARY ACCOUNT**

IT MUST be stated up front that Mr Steenkamp, who kept all the financial books to this account, stated that he has lost the cash book, bank statements, cheques, deposit slips and most of the vouchers making up the transactions for this account.

He has to date failed to make any of these documents available to either myself or Bell, Dewar and Hall. He instead offered to reconstruct the entries from memory, I believe.

This offer was accepted by Bell, Dewar and Hall and forms the basis of their conclusion in respect of this account. This account was opened in 1989 and closed in June 1993. The reconstructed account consists of nine pages, each with about forty entries. That means that we have 360 entries which are totally unexplained. To draw any conclusions from these entries will be dangerous.

However, if we accept Mr Steenkamp's good faith and accuracy of his memory, the following scenario evolves.

An amount of R851 400.34 of personal funds was deposited into this account by Mr Steenkamp. Dr Boesak does not deny that these are personal funds. He just states that he does not know where the money came from. Dr Boesak explained that when ever he received personal grants he would ask Mr Steenkamp to deposit them into this account. He also recognises some personal insurance policies which were cashed and deposited into this account.

This reconstructed statement suggests that Dr Boesak and Mrs Boesak misused R612 862.00 from this account. If he put in R851 400.34, it means the Foundation still owes him R238 538.34.

**2. STAFF LOANS**

A SUMMARY of staff loans prepared by the lawyers (Annexure K15), reflects Dr Boesak as having borrowed R1 139 439.00 from the Foundation. However, Annexures K1 to K8 show otherwise.

According to the entries made by Mr Steenkamp in the ledger, loans to staff members started in 1990, during the period in which Mr Steenkamp became a full-time member of the Foundation staff.

In 1990, there is no record of a loan to Dr Boesak. In 1991, there is an entry of R10 156.00. A life policy on the life of Dr Boesak to the amount of R159 609.53, was used to 'repay' these loans (this is in addition to the other policies which are contained in the Urban Discretionary account).

In 1992, an amount of R32 666.00 was entered and in 1993, R52 977.00. No entry was made for 1994. The total of these entries is R59 799.13, totally different from the amount of R1 139 439.00 stated by the lawyers.

Two questions arise in respect of these ledger entries. The corresponding journal entries are either not made or are incorrectly reflected. This brings into question the reliability of these entries. Secondly, while other staff members are reflected as having paid back some portion of their loans, there are no such entries for Dr Boesak.

This is explained by the fact that since Mr Steenkamp deceased Dr Boesak's insurance into this account he used the same account to pay some of Dr Boesak's accounts. Dr Boesak has consistently denied that he took loans from the Foundation. Unfortunately, Dr Boesak is not able to explain the entries because he did not make them and was not aware of them.

I went further and inspected Dr Boesak's personal accounts. There are no entries which suggest that the funds he allegedly misappropriated were deposited into this account. There is also no evidence to suggest that the funds were dealt with in another way. The trustees of the Foundation, as well as Dr Boesak, failed to exercise due control over the affairs of the Foundation. Dr Boesak, as the Executive Director, should have spent more than he did working on the affairs of the Foundation.

This is said in full appreciation of the role he played in the anti-apartheid struggle. Having said that, there is no evidence that Dr Boesak misappropriated Foundation funds as alleged.

These findings were communicated to the law firm retained by Dan Church Aid. They informed me that the body of their report also refers to these issues. I have myself confirmed that these facts and figures are contained in the body of the report, except for what may be additional errors in the lawyers report.

They further informed me that at the time they compiled their report, Dr Boesak had not given them a full explanation. Dr Boesak denies this allegation.
Boesak tells of discretionary account funds

DR Allan Boesak revealed last night that money given to him "under cover" to assist in anti-apartheid activities had been paid into a special discretionary account that had not been part of the normal operations of the Foundation for Peace and Justice (FPJ).

There had been various sources for the funds paid into the Urban Discretionary Account.

During the struggle against apartheid, money had been donated to him "under cover" to assist anti-apartheid activities.

People had also given him money so that he could earn a salary, buy a house and support his family. He had not been paid by the church.

He and people like Archbishop Desmond Tutu had been given honours and financial support.

All these funds had been paid into the discretionary account.

It was also felt at the time that this account was the most secure way of protecting these funds and preventing the government from confiscating them.

All the funds he received had been paid into this account, including the proceeds of the sale of his house in Vredehoek.

Dr Boesak said that after it had been decided to close this account, the FPJ treasurer, Mr Freddie Steenkamp had continued using it without telling him.

In common with other organisations, such as Kagiso Trust, the FPJ had decided to divert projects that would keep the foundation financially viable after foreign funding had stopped coming to South Africa. For this reason that a small amount had been placed in the Rural Ministries Trust.

This account had been closed in June 1993, but in March 1994 Mr Steenkamp had transferred R250 000 to it "without my knowledge and authorisation, or that of the other trustees, Mr Norman Michaels."

Dr Boesak said statements by DARC Church Aid lawyers that they had investigated the foundation not him were rubbish because they could not be separated.

Auditors

He had urged them to take legal action to recover the money, but they had not done so, because they needed Mr Steenkamp's cooperation and because their actions were aimed at him.

"Freddie Steenkamp administered the finances and the books. He took them to reputable auditors who approved them. The audits were sent to the donors, who accepted them without criticism."

"But of course, the head of the organisation must accept responsibility for the organisation he heads," Dr Boesak said — Political Staff.
Mandela:  
I’ll use army

JOHANNESBURG. President Nelson Mandela is to clamp down on lawlessness and on people using protest action to conduct criminal activities.

This would include calling in the army, he said in an exclusive interview with City Press editor Khulu Sibya and deputy editor Seko Safo.

He said that, during the recent blockade by former Transkei police of routes into Umtata, he had asked top security officials to use live bullets, if necessary.

He would use a firm hand where people committed crimes during protests. A special police unit had been set up to deal with that type of "political violence".

He said the government had information that top political figures in various organisations, including the ANC, were behind the political violence — Sapa

NP wants Mandela to probe Radebe’s ministerial style

JOHANNESBURG. The National Party yesterday asked President Nelson Mandela and the cabinet to investigate the manner in which Public Works Minister Mr Jeff Radebe was running his department, as well as allegations about appointments.

The allegations were made in a report drawn up by the department’s director-general, Mr Theo von Robbroek, and submitted to the parliamentary portfolio committee last Thursday.

The report alleged that people with matric were being appointed at salaries of R72 000 per year, though they were only eligible for a maximum of R29 000. Mr Von Robbroek alleged Mr Radebe pressured him to ignore regulations when appointing staff — Sapa

Braving the cold for registration

Photo of registration for the election on 2 June 1999. Many braved the cold.

Nuke aid to

9
A NEW row erupted around Dr Allan Boesak yesterday after the release on Saturday of a report that exonerated him from blame for abuse of relief aid funds.

Advocate Mojanku Gumbi issued a report virtually exonerating Boesak, saying available evidence did not justify any apportioning of blame to the former ANC leader.

Gumbi's report followed one prepared by Johannesburg attorneys Bell Dewar and Hall, who accused Boesak of "unlawfully appropriating" to himself monies to which he was not entitled.

A spokesperson for the firm, Mr Gregg Nott, said they had issued an 18-page comment on Gumbi's report saying it "raises more questions than answers."

Nott said the report did not explain what happened to the money, asking that a final conclusion about who was right between them and Gumbi would have to await the completion of the investigation by the Office for Serious Economic Offences (OSEO).

Gumbi was appointed by President Nelson Mandela to investigate allegations that Boesak—then an ambassador designate to Geneva—had misappropriated over R2 million of relief and development projects' funds.

She said: "There is absolutely no evidence and I had nothing in front of me that showed that Allan had done anything wrong. As a lawyer, I refuse to speculate."

In her report Gumbi said Foundation for Peace and Justice director Mr Freddy Steenkamp had made 360 "totally unsubstantiated" entries from memory, and this had constituted the basis for the initial finding.

"To draw any conclusions from these entries will be dangerous," she wrote.

Gumbi's report stated that Boesak had not paid his financial affairs in the hands of Steenkamp who had deposited all personal funds into the discretionary fund of the FPF. Boesak's contributions included a life policy surrendered and deposited into the FPF account.

Boesak had put R851 400,34 into the FPF. The same records also show that withdrawals were made for him and his wife Elma amounted to R612 862. This meant that the FPF still owed him R238 538,34.

Nott said he had not been aware of any life policy as Boesak had not declared them when he prepared affidavits for divorce. He said they were not out to get Boesak. They were investigating the foundation and there was no witch-hunt.

The report by the lawyers who were acting for DurChurch Aid, led to the resignation of Boesak from the ambassadorial appointment. He also lost his house and car.

Speculation that Boesak may replace Mr Tom Langley as ambassador to Portugal were quashed yesterday. Reliable sources said this was unlikely at present, as the Government still awaited the outcome of the OSEO investigation.
Boesak not yet off the hook

BY HELEN GRANGE and PATRICK BULGER

President Mandela's remarks yesterday that Allan Boesak was "one of the most gifted young men in this country" and that he "deserves a very high position" has added to the controversy caused by an internal inquiry clearing him of embezzling himself with charity funds.

The Danish charity which provided some funds says it still intends to sue Boesak for the return of their missing money.

DanChurch Aid secretary-general Christian Balser-Giesen said in Copenhagen that while no evidence had been found against Boesak, he had not been able to document his innocence and there had been no explanation of what happened to between R1.3- and R2-million in aid contributions.

"The Nordic church aid organisations intend to sue Boesak in the civil courts to get their funds back," he said.

But Boesak demanded a public apology from the foreign donors yesterday in the wake of Deputy President Thabo Mbeki's weekend announcement.

From Page 1

Boesak not off hook

The following is a continuation of the text from Page 1:

"I expect to hold discussions with them on what kind of restoration could be made in the light of the suffering that I and my family have gone through," Boesak said.

He planned to speak to Danish Prime Minister Poul Nyrup Rasmussen about the way in which DanChurch Aid had conducted its investigation — and accused DanChurch Aid of going out of its way to prove that he was guilty of misconduct.

Boesak withdrew as ambassador-designate to the UN in Geneva after allegations of financial mismanagement were levelled against him and his Foundation for Peace and Justice (FPJ).

Mbeki said on Sunday that no decision had been taken on Boesak's future.
Boesak to fight donors

By Vuyo Bavuma
Political Reporter

Dr Allan Boesak said yesterday he would meet the Danish prime minister about the conduct of DanChurch Aid and their lawyers during the investigation into the affairs of the Foundation of Peace and Justice.

Boesak, who was summoned at the weekend for misappropriating funds earmarked for the poor, also threatened to put the matter on the agenda of the World Council of Churches.

Boesak returned to the limelight at the weekend after a government inquiry found that there was no evidence that the former cleric had embezzled funds in his capacity as director of the defunct FPJ.

Instead, the inquiry found that he was owed more than R200 000 by the foundation. The report clearing Boesak has been severely criticised by the lawyers representing DanChurch Aid.

Boesak said yesterday he would put the matter on the agenda of the WCC and had already discussed the issue with the Reverend Bert Boer, head of the general diocesan council for the Netherlands Reformed Churches of Holland.

"I call upon DanChurch Aid to do what I have consistently asked them to do and take the necessary legal steps to recover money from former FPJ employees. In the process they should not protect those employees who acted as their informants," he said.

Meanwhile, a new storm is raging over whether Boesak was in the employ of the Department of Foreign Affairs.

Deputy President Thabo Mbeki said at the weekend that Boesak had resigned from the department. In February Foreign Minister Alphonse Nzo told Parliament that Boesak was no longer employed by the ministry.

This was because Boesak had asked to withdraw his appointment to Geneva because of the probe into the FPJ. But yesterday Boesak said he had not resigned from the ministry but had merely withdrawn from the posting in Geneva.

He also said he was "looking forward to the meetings which President Mandela promised as a matter of urgency where the next step will be discussed."

There will be no Talkback page tomorrow as Sowetan will publish a special supplement on the Government of National Unity's first year in office. Tomorrow's Sowetan Radio Metro Talkback Show will be an open line. Phone host Tim Modise between 7pm and 8pm and share your views with the nation.
Accounts “do not tally with lawyer’s report”

DOCUMENTS in the possession of Business Day support lawyers’ allegations that Allan Boesak was drawing much more than his official salary from the Foundation for Peace and Justice, of which he was a trustee.

In her report on the foundation, Muyambo Gumbi, legal adviser to Deputy President Thabo Mbeki, said her inspection of Boesak’s personal accounts disclosed “no entries which suggest that funds be allegedly misappropriated were deposited in his account.” She reiterated this in an interview yesterday.

Government’s submissions of Boesak on corruption charges and President Nelson Mandela’s plan to offer him a high diplomatic post hanged on Gumbi’s report.

However, Business Day has a copy of a provisional statement of Boesak’s Standard Bank current account, showing a deposit of R40 000 on October 15, 1993, and a copy of the credit slip showing the drawer of the fund as the foundation.

The salaries account in the foundation’s general ledger shows an entry of R40 000 in favour of Standard Bank on December 20, 1993, and an entry of R21 000, also in favour of Standard Bank. Boesak’s current account statement reflects a R23 000 deposit a day later.

The salary Boesak declared to donors and the Receiver of Revenue was R21 000, according to a letter by foundation chairman Jan de Waal, dated December 20.

The salaries account also shows entries between June and November 1993 totalling R14 149 marked “Dr Boesak” “Dr B” and, in one case, “Dr Bonus.” The payments were one of which was for R36 000—were in addition to Boesak’s salary. On February 28 this year there was an entry for R40 944 marked “Home Loan Dr B.”

An analysis of the foundation’s expenditure showed 36% of its income—R1.16m—was consumed by “staff costs” in the year to February, while R59 000 went on projects intended by Scandinavian donors to help apartheid victims.

In 1992, 61% of income—close to R60 000—was lent to staff.

Consultant Arthur Sweet, who conducted the research for lawyers representing DancAid in SA, said a mere R30 000 had been repaid.

“It appears it was never the intention to repay the loan,” Sweet said. “They were written off as expenses at the end of each financial year.”

Gumbi said Boesak had deposited R81 000 of his own in insurance payments to clear debts to the foundation’s urban discretionary fund.

A further R5 000 paid to Boesak as an honorarium by a US university had also been deposited.

Boesak had not mentioned the insurance policies to investigating lawyers because the Office for Serious Economic Offences had removed the relevant documentation, she said.

However, lawyers said Boesak was given numerous opportunities to explain himself while he had the documents but failed to do so. One such occasion was a meeting between Boesak and legal representatives at the Swedish embassy in Cape Town, in the presence of diplomats, on February 8.

Attempts to contact Boesak to discuss the accounts yesterday were unsuccessful.
Campaign launched to clear name

Boesak offered a ‘fresh start’ by Mandela

CAPE TOWN — Government officials said yesterday President Nelson Mandela’s statement that Allan Boesak deserved a high diplomatic posting should be seen in the light of government’s policy of allowing past offenders a chance of a new start.

Seeking to explain statements made by Mandela to the Foreign Correspondents’ Association yesterday, senior government sources said the President’s statements reflected an overall government stance of letting bygones be bygones.

Following the publication of a government-sponsored report which found no evidence that Boesak had stolen money from his ad organisation, Mandela said Boesak was a gifted young leader who “deserves a senior diplomatic post.”

Meanwhile, Boesak said he intended to launch an international campaign to clear his name. This would include contacting Swedish and Danish premiers in an effort to regain a position in the Foreign Affairs Department.

Commenting on police investigations into missing foundation for Peace and Justice funds, Boesak said the government report showed there was no evidence of wrongdoing. “The charges should not be dropped,” he said.

Boesak said the investigation showed he had not resigned from the Foreign Affairs Department. He had merely withdrawn from the organisation to the UN in Geneva. “I am now looking forward to the meeting — which the President promised as a matter of urgency — where the next step will be discussed.”

Boesak said he intended contacting Swedish Prime Minister Ingvar Carlsson about the “blatant lies” Swedish and agancy Sida had told. These included allegations about the involvement of his wife, Elna’s company Camelot Communications in the misappropriation of funds.

“Carlsson needs to know that the people who work for Sida have done things in a way that I think shame the Swedish government and the Swedish people.”

Boesak said there was a consistent story in the Pretoria that he had been given R900,000 for a project that had been deposited in the bank accounts of his wife’s company. “That was a lie. Sida knew that was a lie and never said it was not true”.

He expected a public apology from Danish aid agency DanChurch Aid, withdrawal of charges by the organisation and a discussion on the “restoration” that could be made in the light of the suffering he and his family had experienced.

Boesak said the government report and the one compiled by DanChurch Aid had found that R480 000 had been given to him over a three-year period. But, somehow DanChurch Aid “said later,” claimed, this figure exceeded R1m. “My conclusion is that R480 000 doesn’t sound sensational enough, but R1m does.”

He said legal steps should be taken to recover from former foundation employees.

Boesak was accompanied at the news conference by members of the Police and Prisoners’ Civil Rights Union, who released a statement welcoming the government report’s finding. Poporu executive member John Jansen said Poporu had never believed “the people’s leader” was guilty. He called on the ANC to “do the moral thing” and install Boesak at the UN or in a post of a similar profile.

Office of Serious Economic Offences director Jan Swanson said the investigation into the foundation was at an early stage. Auditors had yet to be appointed. Investigations generally took about six months, but the case involving the foundation was complex and every avenue had to be explored.
R2 million hunt for pension fund fraudsters

Political Correspondent

TENDORS have been called for forensic auditors to join a team tracking down multi-million rand pension fraudsters in a R2 million probe launched by the Western Cape government.

Provincial Health Minster Ebrahim Rasool announced this yesterday at the start of debate of province’s social services budget.

The R2 million price tag of the investigation, he said, was a small price to pay when measured against the huge losses suffered through pension fraud.

If thieves and big-time syndicate fraudsters were not checked, projections indicated that they would get away with as much as R240 million this year — a staggering R20 million a month.

The projected loss for the national welfare department is R1 billion.

Mr Rasool said “I am committed to taking very decisive steps in eliminating the recurrence of this large-scale abuse of taxpayers’ money, and the robbing from the most vulnerable groups in society, the aged and the disabled, of money they are entitled to.”

The “continued public outcry for government accountability needs to be encouraged, we have a responsibility to maximise every cent given to the government and need to ensure that no stone is left unturned if civil servants make themselves liable to this type of fraud.”

With this in mind, he had set up an independent commission to “pinpoint the sources of the alleged fraud” and to develop a computerised system “to address the current situation which is fraught with inadequacies, both managerial and technical.”

In addition, forensic auditors would be employed to conduct a full-scale investigation, backed by a team comprising an economist, a banker, a lawyer, observers from the attorney-general’s office and a social security expert.

Another technical team is being asked to find computer hardware, software to manage cash payouts within the department, and to network nationally and locally with the present payout system administered by the company Nisec.

Progress reports on these investigations will be handed monthly to Minister of Finance Kobus Merring, the director-general of the provincial administration, the attorney-general and the provincial standing committee on finance.

Speaking later in the debate, Nationalist legislator Thembu Nyati said the province could no longer afford pension fraud.

But he warned that it would be “a waste to buy technology if it does not bring about the savings that are anticipated.”
MBEKI STANDS BY REPORT ON BOESAK

SYDNEY - Deputy President Thabo Mbeki stands by the report which cleared former ambassador-designate Allan Boesak of alleged mishandling of funds.

And he says he is surprised that lawyers for DanChurch Aid have contested the report, because a report of their own based on the same documentation had produced the same results.

But he said it was possible a probe under way by the Office for Serious Economic Offences could turn up new information. For this reason, this investigation should run its course.

Mr Mbeki, on a tour of Australasia and Malaysia, said the DanChurch report, which had accused Dr Boesak of enriching himself, had been produced under great pressure of time.

He said legal advisers had informed him that DanChurch had produced no new evidence to back its claims of abuse of funds by Dr Boesak.

Dr Boesak said today that his accusers had never given him the chance to defend himself.

"I knew my salvation lay in speaking to these people. I was never given the opportunity to defend myself," Dr Boesak said in a radio interview.

Lawyers for DanChurch Aid, the donor agency which alleges that Dr Boesak's Foundation for Peace and Justice diverted between R2 million and R3 million intended for apartheid victims, has rejected the inquiry conclusion.

"Our answer is that Dr Boesak substantially enriched himself at the expense of the foundation. We have compelling evidence to that effect," lawyers said in response to Mr Mbeki's exonerations of Dr Boesak.

Dr Boesak said he was going to Denmark to see what could be done about the DanChurch allegations.

"I am going to talk to the Danish government about these people's conduct," said Dr Boesak.

MBEKI IN AUSTRALIA, PAGE 29.
DR ALLAN BOESAK yesterday accused DanChurch investigators of “showing an inexplicable contempt for basic human rights”.

DanChurch’s lawyers challenged him to explain why he had declared a salary of only R8 000 to the taxman while actually drawing R20 000 and more a month.

They also challenged him to produce the names of the organisations he claims gave him personal grants.

Dr Boesak said yesterday that “lots of money” had been given to him by organisations that knew he had no formal pension, and who told him “they wanted me to use it for myself and my family”.

He had put these funds into a discretionary fund of the Foundation for Peace and Justice (FPJ). All this had been controlled by FPJ book-keeper Mr Freddie Steenkamp.

DanChurch Aid (DCA) secretary-general Mr Christian Babelv-Olesen said from Copenhagen yesterday that Dr Boesak had not been able to document his innocence and had given no explanation of what had happened to R1.3 million to R2m in aid.

DanChurch’s chief investigator, Mr Greg Knott, said yesterday he found it strange that Dr Boesak had not supplied the government investigator, Ms Mojanksi Gumbi, with the names of organisations he claimed had given him money for private use.

“Why didn’t he mention this in January to try to save his UN job in Geneva?” Mr Knott asked.

Dr Boesak had instead directed DanChurch investigators to Mr Steenkamp. “Now that we’ve spoken to Fred, Dr Boesak accuses us of disregarding his human rights”.

Dr Boesak said DanChurch based their findings on “unsubstantiated” reconstructions by Mr Steenkamp, but Mr Knott said bank statements had been obtained to reconstruct a cash book.

Dr Boesak accused DanChurch of deliberately going out of its way to prove he was guilty of misconduct, regardless of the evidence.

Opposition parties yesterday lashed the attempted exoneration of Dr Allan Boesak as a politically inspired cover-up.

Democratic Party leader Mr Tony Leon said Mr Mbeki’s release of a report by his “in-house” legal adviser had seriously undercut the investigation by the Office for Serious Economic Offences.

The National Party said the status of the so-called investigation conducted by Mr Mbeki’s legal adviser was questionable — Political Correspondent, Political Staff, Special Correspondent

See Page 4
Holidays could cost R276m

SPECIAL CORRESPONDENT

Johannesburg: Making Friday a national school holiday had set a "dangerous precedent" and could cost mines up to R276 million in lost profits this long weekend, organised business said yesterday.

But the Congress of South African Trade Unions (Cosatu) was adamant that the new holiday system was justified.

South African Chamber of Business economist Mr Bill Lacey said the decision to make Friday a school holiday was "irresponsible", as it encouraged families to turn Thursday's Freedom Day and Monday's Workers' Day into a five-day long weekend.

Chamber of Mines economist Mr William Houman said the mining industry stood to lose up to R296 million in profits if production ceased on all five days. The government would lose millions in tax, and SA would lose over a billion in foreign exchange, he added.

But Cosatu's Mr Neil Coleman accused business of being interested only in squeezing "the last drop of profit" out of workers. He said critics of the new system were "envious and racist" since the debate had become topical only because black unskilled workers were now guaranteed holidays by law.

Top pay for Buthelezi's adviser

POLITICAL STAFF

The man who played a major role in advising Inkatha to withdraw from the constitution-making process has been appointed Chief Mangosuthu Buthelezi's special adviser — at a yearly salary higher than the chief justice.

Replying to a question yesterday from Democratic Party MP Mr Dene Smuts, Chief Buthelezi, Home Affairs Minister, confirmed that Mr Mario Oriani-Ambrosini was receiving a yearly salary, paid by the state, of R315 000 before tax.

Chief Buthelezi said he had been appointed for the period from July 1, 1994 to June 30, 1995. He was required to follow legislative, constitutional and institutional activities "and processes at national or provincial level" and to advise Chief Buthelezi on "any matter which may be related to my functions, tasks and responsibilities."

Chief Justice Michael Corbett is paid an annual salary of R314 000.

Mangope: NW to act

SPECIAL CORRESPONDENT

Johannesburg: The North-West government is to institute legal proceedings to recover over R5 million from former Bophuthatswana president Mr Lucas Mangope.

The move follows recommendations of the Skeiyya Commission of Inquiry into alleged corruption in the former homeland.

The commission reported that Mr Mangope had used state funds to improve his personal assets and for improvements on his Motswedi, Zoenne home.

The report suggested that some of Mr Mangope's assets be sold to recover state funds.

Boesak back in line for senior govt post

POLITICAL STAFF

Dr Allan Boesak, cleared by a government probe of misappropriating Scandinavian donor funds, is back in line for a senior government post.

President Nelson Mandela said yesterday that Dr Boesak now "deserved" a senior diplomatic posting.

Reacting to Mr Mandela's remark, well-placed government sources said yesterday that there were senior diplomatic openings in Portugal and Denmark. However, a UN-linked post was more likely.

Dr Boesak claimed yesterday that he was still in the employ of the Department of Foreign Affairs, but his statement was contradicted by a recent statement to Parliament by Foreign Minister Mr Alfred Nzo.

Mr Nzo said in a parliamentary mini-debate "Dr Boesak requested the President to withdraw his appointment to Geneva because of the investigations into the Foundation for Peace and Justice. He is therefore no longer in the employment of the Department of Foreign Affairs".

Of his fitness for future public office, Dr Boesak appealed yesterday for "consistency".

He said there were people in the present government who held office previously in a system that "abused children and tortured people."

There were people who had stolen "millions and millions", but they had never been brought to book.
Boesak remains under a cloud

Political Staff

A member of the ANC's disciplinary committee said the Disciplinary and the Office for Serious Economic Offences investigations would carry more weight than Deputy Minister Thabo Mbeki's report.

However, the committee would consider action against Mr Boesak only once, there was overwhelming evidence.

Any punishment would be severe as "misappropriation of funds" meant "the poor was betrayed of everything the ANC stands for."

It is incoherent, he said, that the government should consider offering Dr Boesak an overseas post, the Democratic Party has said.
Aid agency's books show R137 000 was drawn to pay Diners Club

...
Mandela's office denies envoy post for Boesak

POLITICAL STAFF

President Mandela's office yesterday denied reports that Dr Allan Boesak would be appointed ambassador in Lisbon.

"We know nothing about it," said presidential spokesman Parks Makadzana.

He was reacting to a report by the SABC's Channel Africa, quoting diplomatic sources in Brussels, that the Government intended sending Boesak to Lisbon and that Portugal had been informed of the posting.

Makadzana also played down statements by Mandela that Boesak deserved a high diplomatic post.

Makadzana's comments came amid indications that an attempted political comeback by Boesak would run into strong opposition from influential quarters within the ANC.

An ANC disciplinary committee member yesterday said investigations by DanChurch Aid and the Office for Serious Economic Offences would carry more weight than Deputy President Thabo Mbeki's report, as the former were perceived to be independent.

The committee would take "severe" action against Boesak if the allegations against him were proved.

The ANC's Western Cape region has already said it would advise against rescuing Boesak from political limbo.

Boesak withdrew from the appointment after Danish and Swedish aid agencies, DanChurch Aid and Stiftsat, suspended investigations of his Foundation for Peace and Justice.

Mbeki's report clears Boesak of the charges, but the Office for Serious Economic Offences is still investigating his affairs and the aid agencies have stated their intention of seeing Boesak for lost funds.
The African National Congress says it is too early to make an informed judgment on Allan Boesak and doing so now would be a travesty of justice.

However, the organisation reiterated its "unequalled support" for Advocate Mojankwe Gumbi, who unilaterally cleared Dr Boesak of alleged misappropriation of funds meant for the victims of apartheid.

In a statement, the ANC said everyone, including Dr Boesak, was constitutionally entitled to basic norms of justice in the form of fair investigations and hearings.

The ANC said all interested parties should give the Office for Serious Economic Offences (Oseo), a chance to finalise its investigations.

The Democratic Party and National Party, whose allegations of a "cover-up" were rejected by the ANC — should furnish the Oseo with whatever proof they had, instead of "throwing tantrums".
"Onus now on Boesak's accusers"

President Nelson Mandela last night asked the government to investigate allegations that Dr. Allan Boesak has improperly enriched himself with foreign funds and has been involved in such activities. He said on SABC that the onus now lies with the government to produce evidence to support the claims.

Reports

Asked whether Dr. Boesak could expect to be given some protection, the President said this was for a higher authority, the government. Asked whether the government was investigating the allegations, the President said he had asked for reports on the matter. He said the government had not yet received the reports and was not able to comment on them.

No findings

The ANC has rejected as "untrue" media reports that its members had suggested that a report on the matter from the MAC (Mandela Anti-Corruption Commission) had been suppressed. The ANC said it had not been asked by the MAC to comment on the report.

Dr. Boesak said he had received a letter from the MAC asking for his cooperation in an investigation. He said he would cooperate fully with the MAC.

In evidence he had not been present at the MAC hearing, he said that he had been present at the hearing.
Denel to set sights on Africa

LONDON: Arms manufacturer Denel is about to embark on a major marketing drive in Southern Africa.

It is to offer to refurbish and upgrade the equipment of the countries' armed forces as well as overhaul services and other support equipment.

Jane's Defence Weekly reported in a lengthy special feature on South Africa yesterday that this strategy was based on a recognition that Africa's military leaders were cutting down their defence expenditure and making do with what they have.

The Journal quoted Defence Minister Mr. Joe Modise as saying that if African countries co-operated in the procurement, maintenance, upgrading and refurbishment of defence equipment, then "a viable defence industry could be established in the continent that would lower costs and decrease dependence on foreign suppliers."
"Project was Boesak's house"  

FURTHER questions have been raised about the R551 000 allegedly used by Allan Boesak to clear his debts to the Foundation for Peace and Justice.

At a briefing in Pretoria on Wednesday, Deputy President Thabo Mbeki's legal adviser Mojapho Gumbi disclosed that a quarter of the R51 000 — R126 000 — came from the sale of Boesak's Vredeshoek house in 1991.

However, the foundation's bookkeeper Freddie Steenkamp and its chairman Rev Jan de Waal say R120 000 of the money used to buy the house originally came from the foundation itself.

Under oath in sequestration papers, Steenkamp said he gave De Waal R120 000 from the foundation for the "Lavender Hill house project". He says De Waal later told him the project was in reality Boesak's Vredeshoek house.

An entry in the foundation's rural ministries account on September 28 1990 reflects a withdrawal for the Lavender Hill project of R120 000.

At the briefing, Gumbi also said the bulk of Boesak's repayments to the foundation came from four insurance payouts in early 1990, totaling R53 000.

However, inspection of the reconstructed book entries on which Gumbl relied indicates that one of these, for R20 000, was a

From Page 1

Boesak  

banker's acceptance, not an insurance payment.

According to Steenkamp, foundation funds were regularly invested in acceptances to secure a better rate of interest, and the books reflected this practice.

Gumbl said she was satisfied the policies were Boesak's, but could not release the relevant documents because of pending civil action by donors DenChurch Aid to recover missing funds. The question of how he paid for the policies fell outside the scope of her investigation, she said.

Gumbl and Boesak's recently released report suggests Boesak, far from misappropriating donor money, is actually owed a substantial amount by the foundation.

At the briefing, Gumbl also confirmed that the mysterious urban discretionary account — kept separate from the foundation's records and allegedly used by Boesak for personal expenses — held foundation funds. In an interview this week, Boesak denied this, saying the account was funded from other sources, including his own earnings.

Gumbl strongly denied receiving instructions to find in Boesak's favour. "My brief (from Mbeki) was simply to establish whether Dr Boesak was fit for diplomatic office," she said. While she had found no evidence of wrongdoing, she had never said Boesak had not misappropriated funds.

Boesak yesterday declined to comment, saying he had been advised against answering media questions because of pending civil litigation.

Yesterday President Nelson Mandela's spokesman Parks Mankahana scotched rumours that Boesak would be offered an ambassadorial posting to Portugal. Mbeki was still exploring the question of Boesak's future, he said.

Referring to the Danish donors, who have rejected Gumbl's report, Mankahana said: "On the one hand we have long-standing foreign supporters of the ANC and on the other a seasoned anti-apartheid campaigner. It's a delicate situation which must be handled with care."

SABC radio reports that lawyers this week held a "secret" meeting with Mbeki's office in Johannesburg to discuss the lawyers' and Gumbl's reports.
Aid agency adamant about misappropriation

Furore over Boesak funding continues

POLITICAL STAFF and SAPA

The Danish aid agency DanChurchAid maintains it has evidence that Dr Allan Boesak had misappropriated aid money and is preparing to take legal action to recover its funds.

This was confirmed by DanChurchAid’s lawyers, Bell, Dewar and Hall, against the background of allegations that the author of the SA Government report that appeared to clear Boesak last week had based part of her findings on a “gross” misreading of DanChurchAid’s response to her report — which she submitted to it before going public.

DP leader Tony Leon said advocates Mojandu Gumbi, whose report found “no evidence” of wrongdoing by Boesak, was wrong to assert that DanChurchAid had admitted that its report on Boesak’s handling of funds was in some instances “wholly incorrect”.

A subsequent ANC statement, slamming the DP and the NP for their criticism of Gumbi’s report, was based on Gumbi’s “gross misreading” of the DanChurchAid report.

Leon said the DanChurchAid report had merely summarised Gumbi’s belief that the donor body’s report was for the most part “wholly incorrect”. It had then devoted 18 pages to “making it abundantly clear” DanChurchAid rejected her conclusions.

“We are astounded that a legal practitioner in the service of the presidency should make such an elementary error when reading a simple document.”

Leon said the ANC would do the people of South Africa a great service if it obtained from Boesak an explanation of missing funds which he had conspicuously failed to give to either the donor organisation or the intended recipients of the money.

Gumbi said on Wednesday her investigation into the allegations against Boesak had made no finding on whether he was innocent or not.

She said the crux of the report she had prepared for Deputy President Thabo Mbeki’s office was that no evidence had yet been presented that Boesak misappropriated aid funds given to his Foundation for Peace and Justice. He should be presumed innocent until proved guilty.

The ANC said the DP and NP should come to terms with the fact they had lost last year’s election and reminded minority parties it said every citizen, including Boesak, was constitutionally entitled to basic norms of justice, fair investigations and a fair hearing.

Government officials, meanwhile, denied reports that Boesak had been offered the ambassadorship to Portugal. Both presidential spokesman Parks Makamba and Foreign Affairs officials stated categorically that Boesak had not been offered the post.
Mbeki in bid to clear dispute over Boesak inquiry findings

CLIVE SAWYER
Political Correspondent

MELBOURNE — Deputy President Thabo Mbeki will today discuss with lawyer Majanke Gumbi reports that she said he had misinterpreted the findings of her investigation into Allan Boesak and Danchurch Aid funds.

He declined to comment on the reports until he had spoken to her.

Ms Gumbi was reported as distancing herself from Mr Mbeki’s claim that her investigation had cleared Dr Boesak.

Mr Mbeki said at the weekend that Ms Gumbi’s investigation had found there was no backing for claims Dr Boesak had substantially enriched himself at the expense of Danchurch Aid.

Ms Gumbi said her investigation found only that no evidence had been presented yet that Dr Boesak had misappropriated funds given by Danchurch Aid to his Foundation for Peace and Justice.

Danchurch Aid lawyers said earlier Mr Mbeki’s comments were a cover-up.

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Mr Mbeki completes the last leg of his Australian tour tonight with an address marking the 40th anniversary of the United Nations.

Today he holds discussions with Brian Howe, Australia’s deputy prime minister and minister for housing.
The presidential report "exonerating" Allan Boesak is threatening to blow up in the face of the ANC, report

Justin Pearce and

Stefans Brümmer

ADVOCATE Mojanku Gaum and associates had admitted that her findings on the Boesak affair were mistaken, but had refused to cry foul. The lawyer, who is an in-house lawyer at the Department of Justice, said she would not go back and say that her firm was responsible for the error in the report. She also said that the ANC had not been consulted on the report, which had been compiled by the firm on behalf of the government.

The Boesak saga: Thabo Mbeki's legal adviser misread the DanChurch lawyers' report; Mbeki himself

PHOTOGRAPH: THERESA MOBEKE

The bungling that produced a

Mojanku Gaum: Superficial analysis based on misunderstanding

BELL Dewar and Hall, the lawyers engaged by the Department of Justice and Attorney General, Allan Boesak's Foundation for Peace and Justice (FPJ), are adamantly opposed to the report's findings. A 14-page document, dated May 4, 1995, said that the ANC had "misread" the report, which was compiled by the firm on behalf of the government. The report had been compiled by the firm on behalf of the government and not by the ANC.

Offences (RSE) is continuing its own investigation into Boesak's affairs. Gumbi, who was appointed to the report by the government, said it had not been consulted on the report, which had been compiled by the firm on behalf of the government. The report had been compiled by the firm on behalf of the government and not by the ANC.

And now the lawyers are at each other's

Dr Nelson Mandela on TV: "We cannot comprehend the logic of the president relying on the findings of an in-house lawyer and, therefore, clearly not impartial, legal adviser."

Dr肺炎: "We reiterate our unequivocal support for Advocate Gumbi's findings on the matter." - ANC press statement

The ANC is involved in a cover-up action." - ANC press statement

The allegations levelled against the ANC by the DP and NP are not true, and the ANC will immediately respond with counter-attacks." - ANC press statement

The ANC has expressed its disappointment with the report, which it said was "misleading".
whitewash

Bell Dewar and Hall: The subpoena took place only a week after our findings had been made public — and we went to great lengths to consult Boescak during the course of the investigation.

Gumbi: There is nothing to suggest that missappropriated funds were deposited into Boescak’s personal accounts — or disposed of in any other way.

Bell Dewar and Hall: Money deposited into Boescak’s personal account from the foundation accounts was in excess of his supposed monthly salary of R800. Moreover, there was no need for Boescak to take cash from the foundation and place it into his bank account — he used the foundation’s bank account as such.

Payments to Boescak were not all made into his own bank accounts. For example, lodgers show foundation money being used to pay of Boescak’s house debts.

Gumbi: The excessive payments to Boescak in certain months are a result of the regular cash flow experienced by organisations dependent on donor funding. If Boescak received an excessive salary payment in one month, that was because he had gone without a salary in proceeding months.
THE BOESAK AFFAIR

Thabo's troubles

Far from laying the Alan Boesak affair to rest, Deputy President Thabo Mbeki's announcement clearing Boesak of misappropriation of international aid has raised more questions than it answers. It also threatens to severely tarnish the ANC's credibility both at home and abroad. It could also be damaging for the image of Mbeki — a man strongly tipped as a successor to President Nelson Mandela.

Mbeki must have known that the results of the one-person inquiry conducted by him

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legal adviser, Mojakgomo Mabona, would start an outcry, as they pre-empted an investigation by the Office for Serious Economic Offences (Oseo) — and contradicted an earlier investigation carried out for Danish aid donor DanChurch by respected Johannesburg law firm Bell, Dewar & Hall.

The inquiry concerns an amount of between R2m and R3m missing from DanChurch funds that were allocated to Boesak's Foundation for Peace & Justice (FPJ). It was suspected that Boesak substantially enriched himself from the aid — which he strenuously denies.

DanChurch will almost certainly take legal action to recover the grant money. Bell, Dewar & Hall were taking instruction on the issue at the time of going to press.

Mbeki said on Saturday that far from misappropriating funds, the Gumbi report showed that Boesak was owed more than R230,000 and added that he was only guilty of inadequate supervision of the fund. However, Bell Dewar & Hall described aspects of the Gumbi report as incorrect, preposterous and logically absurd.

Furthermore, Bell, Dewar & Hall deny Gumbi’s suggestion that records of the foundation’s discretionary account are unreliable because the reconstructed account had 360 entries based on Steenkamp's memory — instead, the account was reconstructed using bank statements.

Say there is compelling evidence that Boesak "substantially enriched himself at the expense of the foundation" and point out that there is still R1.3m unexplained acquisition from the fund, excluding Boesak's salary.

Say Gumbi ignores Boesak's elastic salary which in 1993/1994 brought him nearly R250,000 more than his due. They point out that Boesak's salary was R8,000 a month and yet he spent and was paid R30,000 a month and payments for his Constantia home bond came from the FPJ.

Dispute Gumbi's claim that Boesak repaid a R612,000 debt to the FPJ's urban discretionary account, through R851,000 of his own money in the form of insurance payments and personal grants (the lawyers cannot ascertain how the figure was arrived at or how it was determined that the grants were personal).

Ask where Boesak acquired the money to pay for policies amounting to R500,000, why he banked personal insurance money in the foundation's account, why the policies were not mentioned in his divorce agreement with his ex-wife and mooted separation agreement with his current wife and why the policies had been used to repay a R100,000 loan which had not yet been advanced, and

Believe Gumbi mistakenly included revenue from the sale of Boesak's Vredhoek House, which was, in fact, bought with R120,000 paid to the foundation's Lavender Hill urban project and charged to its rural ministry project.

But the final say will go to the Oseo, which began its investigation on February 10 with a high-power team including an advocate and a Commercial Branch major.

Oseo director Jan Swanepoel, commenting on the fact that the report was issued prior to the completion of his organization’s investigation, says “If Gumbi’s brief was merely to review the findings of Bell, Dewar & Hall, that is one thing. On the other hand, if she tried to establish whether there were grounds for criminal prosecution, I would have thought she should have spoken to us — particularly as she didn’t have access to the information we’d obtained.”

It is possible that Mbeki was over-eager to clear Boesak’s name, but more likely that he was naive and acted without due regard for the weight of the Bell, Dewar & Hall conclusions or for the consequences of anticipating the Oseo investigation. The result is that he has neither exonerated Boesak nor covered himself with glory.
FACING THE PRESS: Allan and Bessie Boesak after a stormy meeting with Danish church officials, who alleged he had missed aid funds

He is currently writing a book he describes as a "biography" because he believes all this about the truth is one and as a person, and the people who come in and out of my life.

Allan Boesak, the person I get to know a little today. He is his father. Emotional and resilient, he has his own involvement with his own feelings. He invites me too I hold on to my seat when the going gets rough.

From what I can tell, he is both spontaneous and careful planner, he trusts people yet he is suspicious. He is involved in the pursuit of - as well as in the covering up of - the truth.

In this protected phone conversation his voice is not as strong as it was at times and thin but it does not tell of a crack up. The day will be saved by family (five kids), books, music and wine.

The Christian faith will indeed help counter the hate campaigns to which he is subjected. We must be patient and hold him in a place of prayer.

It will be a battle in the subprocess, the hate and anger he feels. Allan Boesak is as close to rock bottom as decent, but when he ascends from the ashes it will come as no surprise. A tragic figure? What tragedy?

"I am not myself as someone who has gone through trials and tribulations. Every day, since I was a kid, I have been a power to rise up and perform new opportunities for me."
Weary Boesak down but not out

IT IS a meeting where difference, separate by a thousand miles we are connected by a telephone line and imagination. I can hear Nina Boesak shrieking with laughter in the background when her husband Allan tells me he is wearing a blue tracksuit.

Reliing on last night television news conference visuals of the bloody UK man, Nina at his side in shocking pink hook into the quiet, early morning sleepy, complacent voice.

This is the voice that in the 1980s made its stridency against apartheid, the voice that told it like it was for the United Democratic Front, putting the World Alliance of Reformed Churches in touch with the struggle; an involvement that led to the suspension of the Herfordse Kerk and the Dutch Reformed Church.

It is a voice that has alternately preached and pleaded innocence, a voice that now resounds with wear and strain as its owner struggles to catch his balance between news broadcasts that alternately exonerate and damn him.

And the weariness tells not simply of a man who has suffered the indignity of the jokes and snipes of radio deejays, of strangers who point and whisper in supermarkets. The sound of something breaking in the voice tells of the immeasurable loss of this sometime man of the cloth whose life has, at 49, done a total turnaround.

Today: Instead of the Table Mountain view from the wine-free Constantia house he once owned and now describes as "physically private", from his small, rented Muizenberg home he sees only sky and trees.

Boesak can't forget about the ambassadorial post in Geneva and nobody is saying anything about Lisbon at the moment, either. Future prospects are reduced to hope that he will be offered a job by the person he feels closest to in the ANC: President Mandela.

"Yup, he sure will take whatever job he gets but "something concrete" is preferable. "To help build the democracy I have helped fight for, to be able to preach on Sundays and have a spiritual connection with that congregation I'm not sure if I'm asking too much. If I'm not wanting to eat my cake and have it too."

Today we will not talk about Boesak's appetites, for we have agreed to steer clear of the DanChurch aid scandal.

A broaching of his feelings about the subject has me stopped dead in my tracks by the voice, that rasps now with anger and accusation. All he will say is: "Tattle not the time to proportion blame. But for each one of us who has been involved in this situation, it is time for us to take responsibility for whatever we may have done or left undone."

Unable to describe how he handles loss, Boesak acknowledges it nonetheless.

He describes this loss not by the possessions he has lost but by the loss of being willing he will own a home again, but rather to the respect and love" that is no longer his.

"I symbolise something for a lot of people that was a very warm human relationship that will have to be found again."

IT could well be that if Boesak wishes to recover from this dire loss of face and return to the other side of the mountain, himself is the first thing he will need to find.

Although this kind of soul-searching requires a lot of good, hard looking, today we are not here to probe his mistakes. "We are all sinful in one way or another," he says. "What we go through is self-inflicted."

But my affections have followed me simply, because people would not
ANC denies ‘whitewash’ payback for multi-million donation

Politics: the real reason the ANC-controlled government is bending over backwards to reinstate Dr Boesak is to repay him for services rendered in brokering a multi-million foreign donation for the party.

GLYNNIS UNDERHILL
Weekend Argus Reporter

ALLAN Boesak brokered a multi-million rand pre-election foreign donation to the African National Congress last year - and parliamentarians now suspect this is the real reason why a grateful ANC-led government is so anxious to whitewash him.

Dr Boesak confirmed this week he had brokered a Malaysian donation of “several million rand” which helped the ANC win last year’s elections.

The government yesterday dismissed claims it could have been influenced in releasing its favourable report on Dr Boesak as a “payback” for services rendered to the ANC.

The report had “not been commissioned on the basis of party-political interests” and no attempt was made to “whitewash” Dr Boesak, said deputy president Thabo Mbeki’s spokesman, Thami Mkhize. Mr Mbeki is also ANC chairman.

However, Democratic Party leader Tony Leon said yesterday revelations about the Malaysian funds posed a “huge question mark” over the report on Dr Boesak released by Mr Mbeki. The allegation now exists it could be “pay-back time”, he said.

“The question has to be posed about what the real motive was behind this attempt to try to provide a rather slipshod, superficial smokescreen behind which Allan Boesak could renew his public role - presumably for services rendered to the ANC,” said Mr Leon.

In an interview with Weekend Argus, Dr Boesak confirmed he had been instrumental in securing the substantial Malaysian donation to the ANC during the elections last year.

He declined to give details of the Malaysian source of the funds. A reliable source claimed Dr Boesak had used his close contact with donors in Malaysia to bring in “several million” for the ANC when the organisation was in a tight spot during the elections.

“I am not saying anything. Whatever I did was out of loyalty to the ANC,” said Dr Boesak, while confirming his role in the Malaysian donation, he refused to take full credit for it - donors often had just needed to hear the name of Nelson Mandela to offer their help, he said.

Mr Mbeki’s legal adviser, Ms Mojahatu Gumbi, yesterday refuted all claims that her report had been “slipshod or superficial” and said she had no knowledge of money Dr Boesak had raised for the ANC.

Ms Gumbi said her report had not been an attempt to “clear” Dr Boesak’s name - but, as she had found no evidence to back allegations Dr Boesak had missappropriated funds, he should remain innocent until proven guilty.

Mr Mkhize said there had been enormous pressure on the government to respond to the allegations levelled at Dr Boesak at the time the Nordic sending agencies had accused him of “substantially enriching himself” with funds intended for the poor, he said.

Boesak ‘brokered huge donation’

“We had to come up with a response and it could have gone either way,” he said.

Dr Boesak has still not received any offers of a government or ANC post.

Mr Mandela said last week Dr Boesak deserved a high diplomatic post after Ms Gumbi said there was no evidence to prove he had misappropriated foreign funds.

Mr Leon said the government inquiry on Dr Boesak had the appearance of a “whitewash”. The report issued by Ms Gumbi lacked the substance to deal with allegations levelled against Dr Boesak by Nordic funding agencies and their lawyers, Bell Dewar and Hall, Mr Leon told Weekend Argus.

The most worrying aspect was the use of State legal advisers to gain party-political advantage, he said.

“Ms Gumbi’s report has raised more questions than answers and removed the Boesak saga from the backburner into the forefront of political controversy,” said Mr Leon.

Mr Mbeki’s intervention at this time had “muddied the waters”, he said.

It has seriously undercut, if not fatally undermined, the investigation into Dr Boesak being undertaken by another agency of the government, the Office for Serious Economic Offences.

While Mr Mbeki issued his report in his capacity as Deputy President, we should not lose sight of the fact that Mr Mbeki is a senior ANC leader. He appears to have confused both these roles in his attempt to cleanse Mr Boesak - and the ANC - of any involvement in wrongdoing.

Mr Leon said issues “not tackled at all” in the inquiry included the matter of Dr Boesak’s salary, which was declared as R8 000 a month, yet he often received R30 000, said Mr Leon.

The government report into the funds row claimed R351 400 of Dr Boesak’s own money was paid into the Foundation for Peace and Justice - made up of Dr Boesak’s own insurance money and grants made to him from other organisations.

Mr Leon said President Mandela and Mr Mbeki “clearly exercised major errors of judgement” over this affair.

The report released last year by lawyers Bell Dewar and Hall, acting on behalf of Nordic funding agencies which channelled millions of rand into Dr Boesak’s Foundation for Peace and Justice, implicated the ANC in the row over the misuse of the funds intended for social upliftment programmes.

Funds allegedly were diverted from the foundation to finance travel by ANC officials during last year’s elections, claimed the former financial director of the foundation, Freddie Steenkamp.

The Office for Serious Economic Offences (Oseo) told Weekend Argus this week only its investigation on the defunct Foundation for Peace and Justice would really “bear weight”.

The decision of the Attorney-General would be the final one on the matter, according to Mr Jan Swanepeople, director of the Oseo.

Mr Swanepeople said he had been “surprised and taken aback” by Mr Mbeki’s announcement, which was made while the police investigation was continuing.
Donation may be key in Boesak aid saga

YNNIS UNDERHILL and NEWTON KANHEMA

ME parliamentary forces suspect that a multi-million rand pre-election foreign donation to the ANC that saw Boesak brokered last year is the reason for an NC attempt to whitewash him.

Boesak confirmed this week he had brokered a Malaysian donation of “several million rand” which contributed to the ANC’s election success.

The ANC yesterday dismissed these claims.

The report on the Boesak affair, compiled by Deputy resident Thabo Mbeki’s legal advisor Advocate Mojeku Gumbi, had “not been commissioned on the basis of party-political interests” and no attempt had been made to “whitewash” Boesak, said Mbeki’s spokesman.

Thandi Nxentla.

However, DP leader Tony Leon yesterday said revelations about the Malaysian funds posed a “huge question mark” over the Gumbi report. The allegations now existed that it could be “payback time”, he said.

“The principles must be posed about what the real motive was behind this attempt to try to provide a rather slipshod, superficial smoke screen behind which Boesak could reap his public role — presumably for services rendered to the ANC,” Leon said.

Leon said the government inquiry on Boesak had the appearance of a “whitewash”. The Gumbi report lacked the substance to deal with allegations levelled against Boesak by Northern funding agencies and their lawyers Bell Dewar and Hall, Leon said.

The most worrying aspect was the use of state legal advisors for the purpose of getting party-political advantage, he said.

“Whatever was intended with Mr Gumbi’s report has completely backfired. All it has done is raise more questions than answers and removed the Boesak saga from the backburner into the forefront of public controversy,” Leon said.

Boesak confirmed he had been instrumental in securing the substantial Malaysian donation to the ANC during the election.

He declined to give details of the Malaysian source of the funds. A reliable source claimed Boesak had used his close contact with donors in Malaysia to meet them and bring in “several million” for the ANC when the organisation was in a tight spot during the election.

“I am not saying anything. Whatever I did was out of loyalty to the ANC,” said Boesak. While confirming his part in the Malaysian donation, he refused to take full credit for the donation — donors had often just needed to hear the name of Nelson Mandela to offer their assistance, he said.

Yesterday Gumbi denied all claims that her report had been “slipshod or superficial” and said she had no knowledge of money Boesak had raised for the ANC.

Her three-page report presented to the press had been merely a summary of her detailed findings, she said.

“I have to ask, in all honesty, what is the difference between this report and the report I have been working on since February,” she said.

See Page 4
Boesak a perjurer?

BY DESMOND BLOOM

ABLAN BOESAK may have committed perjury in the divorce action by his first wife Dorothy and again when his second wife, Eina, threatened to bring a divorce action against him, if the findings of Thabo Mbeki’s legal adviser, Mojanku Gumbi, are correct.

In sworn affidavits in both actions Boesak denied having any large assets and said that the only insurance policies he owned were ceded to Dorothy in their divorce settlement.

Yet, now he has claimed that he had policies worth more than R500,000 which he claims he ceded to the Foundation for Peace and Justice.

But he has not proved that these policies belonged to him or who paid for them.

Indications are that the beneficiary was in fact the World Alliance of Reformed Churches.

Yet Advocate Gumbi accepted that Boesak had paid R851,400 of his own money — including money from the insurance policies — into the Foundation’s funds and that in fact the Foundation owed Boesak R235,538.

However, Bell, Dewar and Hall, attorneys for DanChurch AID, who have complained that millions of rand from donors to the Foundation run by Boesak have been misappropriated, say that Boesak’s claim is unsubstantiated.

Boesak is believed to have misappropriated R139,439, which includes salary payments far in excess of his approved salary.

The lawyers say that Boesak’s approved salary, with allowances, was R8,000 a month, but that Boesak had claimed to Gumbi that his salary was actually R28,000 — and that the extra R20,000 a month for four years tallied R1 million.

Boesak never mentioned the inflated salary to them when they queried the accounts. He also did not mention that he had large insurance policies which he had ceded to the Foundation.

“We had specifically asked Boesak to give us an explanation that would enable us to drop our investigation, and he did not,” said one of the lawyers.

Boesak a perjurer?

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On a press conference at the Union Buildings on Wednesday Gumbi admitted that she had not cleared Boesak of any misappropriation of funds, but merely that she “could find no evidence that he had misappropriated funds.”

But the DanChurch lawyers say that Gumbi misread their report and the letter they sent her.

For example, a loan of R10,156 to Boesak in 1991 was claimed by Gumbi to have been repaid by money from an insurance policy — but in fact the insurance money was alleged to have been paid into the Foundation funds six months before the loan was taken out.

A claim in Gumbi’s report that she had interviewed Advocate Tommy Prins, of the Office for Serious Economic Offences, and obtained all the documents they had written was later denied by the DanChurch lawyers.

On Saturday Radio 702 alleged that the Office for Serious Economic Offences was investigating another fund controlled by Boesak in which US$2 million had gone missing.
Gumbi: I'm no ANC lackey

"I differ with the ANC on certain issues but I am also a professional and that is how I have been able to work with the deputy president," says Mrs Gumbi.

She has been involved in drafting treaties and contracts between South Africa and the international community. "We have been dealing with globally important issues, such as the Nuclear Non-proliferation Treaty," she says.

"The Boesak matter is definitely not one of my major priorities," she adds.

A self-confessed pessimist, Mrs Gumbi has come a long way from the dusty streets of Thaba Nchu in the Free State where she grew up with three sisters.

She comes from a family of achievers her mother, Mabanga, is a recently retired teacher. One sister is a lecturer at Turffo University while another is a school principal. Her youngest sister works for the Receiver of Revenue.

"When I became involved in the liberation struggle I sincerely believed I was fighting for my children I never thought change would take place in such a short period," says Mrs Gumbi.

A devoted mother, Mrs Gumbi admires that her children — Thami, 10, and six-year-old Kopano — are teaching her how to ride a bicycle. "I find that working for a government and learning from my children how to ride a bike has given me a balanced view of things. It's very exciting," she says.

Mrs Gumbi has been married for 11 years to Mandla Gumbi, a financial adviser at Spoornet.

But her biggest challenge remains in the legal profession and she attends returning to private practice. "The legal profession is so conservative that it is one of the last institutions to change. Lawyers believe in certainty and change upsets that. But I am passionate about change," she says.

"This office is also committed to change and shares my vision of transforming our society. That has made me very comfortable," — Jacob Dlamini
THE SUNDAY MORNING
ASSessment

THABO MBeki, the man who would some day be president, is nobody's idiot. So why would he be so willingly associate himself with an event that makes him look incompetent?

Before his departure for Australia last weekend, the deputy president announced that an investigation conducted by his legal adviser, Moja Gumbi, had produced no evidence that former ambassador-designate to Geneva, Dr Aftin Boesak, had misappropriated foreign funds.

The report was so flimsy that accusations of "attempted whitewash" seem too generous a description.

In the midst of the saga, people tend to forget that Mr Mbeki is a brilliant and articulate politician not given to error. His cat-linguid charm he plays long-term games. He is deceptively slow to act and seemingly transparent. He concedes small battles to pacify an enemy but returns to destroy when his advantage is greater.

But there is a question mark over the calibre of some of the people he surrounds himself with.

One suggestion put about by concerned Mbeki supporters is that the deputy president was "misled" by the young, bright Mrs Gumbi, who said in her report there was no evidence that Dr Boesak had enriched himself with donor money.

The suggestion is ludicrous. Attempting to mislead Mr Mbeki would be about as successful as trying to convince two generations of South Africans that apartheid was a well-meaning experiment.

Another suggestion is that Mr Mbeki— or the ANC— owes Dr Boesak a favour for favours performed. This may be true, but Mr Mbeki has little to gain by close association with a failed priest and discredited leader. More importantly, should the ANC have been intent on clearing Dr Boesak, it would have done a more thorough job.

To make sense of Mr Mbeki's actions, one should look back to an ANC caucus meeting in the last weeks of the parliamentary session in April.

It was here that Mr Mbeki outlined the "us and them" relationship that had developed between the press and the ANC. He pointed out how the media was dictating ANC decisions and listed the officials who had come under attack, Dr Boesak being one of the victims.

Mr Mbeki's problems with the press are largely legitimate. But the extent to which his suspicion of the media has grown is illustrated by his initiative to secure radio and television slots for government broadcasts.

Mr Mbeki recognises the power of the press to make or break politicians with as little as a slur and a suggestion.

There is evidence that the deputy president's office was so conscious of the impact the Boesak report would have that it carefully analyzed and predicted how each newspaper and media outlet would present the story.

It could be argued that the intention behind the Boesak report was simply to cast doubt on Dr Boesak's guilt and consequently, to cast doubt on the authority of the press to proclaim guilt.

Mr Mbeki received Mrs Gumbi's report some two weeks before it was presented. He had also studied a copy of the response from DanChurch Aid lawyers which challenged every point of Mrs Gumbi's report. He would have been aware that the Gumbi report would have credibility, for perhaps only 24 hours before the holes started appearing.

This did not matter. Mrs Gumbi's findings were leaked by Mr Mbeki's office the night before the findings of the report were announced. The country was treated to declarations of Dr Boesak's innocence in almost every newspaper last Saturday and television viewers were subjected to what seemed like hours of gloating by Dr Boesak and his well-groomed wife, Elma, that night.

It was only on Sunday, after the press had had an opportunity to speak to DanChurch Aid's lawyers, that the Gumbi report was questioned.

The way the Boesak affair was handled certainly has raised doubt as to Dr Boesak's guilt. It has also raised doubts about the authority of a press which one day proclaimed Dr Boesak's guilt and then months later uncrionically proclaimed his innocence.

But most significantly, it has raised doubts about the judgment of a man who could be president.
Cycad man suspended

THE Free State premier, Patrick Lekota, this week suspended his provincial housing minister, Vax Mayekiso, pending the outcome of a corruption investigation.

Mr Lekota called Mr Mayekiso into his office and read him the riot act after a filling station dealer in Bafokeng, near Welkom, handed him documents suggesting the controversial minister was using his office for personal gain.

All Mr Mayekso would say about his suspension when contacted this week was “I don’t want to wrestle with the premier in the media. I will contest it within the ANC.”

Mr Mayekiso was implicated earlier this year in a scandal involving the illegal sale of protected cycads, a matter currently being investigated by the ANC’s disciplinary committee.

At the centre of the latest storm is JRN Motors—a BP-owned dealership in Bafokeng. The business has been boycotted by members of the African Black Taxi Organisation of Central SA, who claim the dealership should be handed over to them.

The trouble began after the taxi association asked Mr Mayekso to mediate in talks aimed at wresting the dealership from its owner, Mr Nkomo.

Mr Mayekso arranged meetings between the taxi association, Mr Nkomo and BP at his Welkom offices in his capacity as a constituency MP, and a deal was eventually hammered out.

As part of the deal, Mr Mayekso undertook liability for R50,000 in guarantee money should the taxi association fail to honour its commitments.

Unhappy with Mr Mayekso’s role, Mr Nkomo cried foul to the premier, handing him three documents, one of which apparently referred to “Mr Mayekso, trading as JRN motors.”

This led Mr Lekota to suspect that his colleague could be gaining from the transaction.

Elvis Malakoane, secretary-general of the taxi association, said BP had refused to go ahead with the deal unless the association could find about R50,000 in guarantees to back up its finances.

But, he said, Mr Mayekso stood to gain nothing because the taxi association would end up as the sole owner “It was guarantee money, not working capital,” he said.

The dealership had previously belonged to the taxi association, but BP had taken it back after the association had a “directors’ dispute,” Mr Malakoane said.

At the time BP had made it clear that the dealership would be handed back to the association as soon as it could guarantee its ability to run it. In the meantime, Mr Nkomo had ended up as the dealer.

Mr Malakoane and Mr Nkomo had become reluctant to hand over the dealership once Mr Mayekso’s guarantees had provided the necessary backing.

Mr Mayekso is believed to be seeking a discussion on the suspension by the ANC’s Free State executive committee at its next meeting.

Mr Lekota’s spokesman, Mary Kodisang, confirmed that Mr Mayekso had been suspended over a property deal in Bafokeng.
The doctor, the lawyers and the legal adviser

he had received the said personal grants.

They specifically ask why Dr Boesak told his lawyers in a memorandum in May 1992 that "donations and grants from overseas sources are for the use of the foundation it is rare that he receives honoraria for himself personally".

"Dr Boesak by his own admission and contrary to his duty as a trustee, has not kept his own personal money separate from money administered by him in trust. If he is innocent then he should be able to provide an answer to these questions. If no answer is forthcoming one is entitled to draw the adverse inference against Dr Boesak that the so-called personal funds are not personal funds at all," a DanChurch memorandum rebutting Mrs Gumbi's report reads.

The lawyers also ask why Dr Boesak did not bother to disclose the existence of insurance policies when they questioned him and why he would choose to bank his personal insurance in the foundation's accounts. "This failure to do so leads us to believe that the so-called explanation is not correct and is in fact a recent invention by Dr Boesak to try to escape the consequences of his prior actions.

DISPUTE 2: FREDDIE STEENKAMP'S TESTIMONY

MRS Gumbi says DanChurch's evidence against Dr Boesak is drawn mainly from Mr Steenkamp, who has admitted that he stole money from the foundation.

She says most of the evidence of financial wrongdoing relating to the Urban Discretionary account is based on recollections and reconstructions entirely from memory by Mr Steenkamp going back four years.

Mr Steenkamp, who kept all the financial documents, said he had lost the financial books. He also says a Steenkamp was threatened with legal action if he did not cooperate with the DanChurch lawyers. "Evidence obtained under such conditions should be treated with extreme circumspection."

In their reply to Mrs Gumbi, the lawyers argue that just because Mr Steenkamp admitted to stealing foundation money does not necessarily make him an unreliable witness. They say it is logically absurd to say that "all thieves he all the time."

They say the reconstruction of the Urban Discretionary account was not done in reliance on unsubstantiated entries but that it was based on bank statements and other documents which showed where money went and where it came from.

DISPUTE 3: STAFF LOANS

STAFFS loans featured for the first time in the foundation's books in 1990 when Mr Steenkamp became a permanent member of staff. Mr Steenkamp allegedly told auditors that the loans were "expenses which were treated as loans because of the legacy of struggle bookkeeping."

However, the audited balance sheets for 1992, 1993 and 1994 disclose no staff loans and were all signed by Dr Boesak. Mrs Gumbi says that in 1990, there was no record of any loan given to Dr Boesak. But in 1991, there was an entry of R10,156. She then says that a life policy belonging to Dr Boesak, worth R150,609, was used to repay this loan.

But the lawyers say: "How could Dr Boesak pay R150,609 into the foundation account to repay a R10,156 loan which had not been advanced yet? Dr Boesak would apparently have us believe he repaid a loan before borrowing it. That, with respect, is a preposterous suggestion."

Mrs Gumbi questions the reliability of entries made by Mr Steenkamp showing which staff loans went where. "Secondly, while other staff members are reflected as having repaid some portion of their loans, there are no such entries for Dr Boesak," she says.

DanChurch's lawyers responded to this by saying: "The reason why some staff are shown to have repaid loans is because they did so. There is no evidence other than what has already been taken into account, to show that Dr Boesak repaid his loans."

DISPUTE 4: DID HE OR DIDN'T HE?

IN their initial report, DanChurch's lawyers say the total amount misappropriated by Dr Boesak from the foundation is R1,1-million but Mrs Gumbi says she could only find evidence that he "borrowed" R56,790 from the foundation over a three-year period. The lawyers say their figure includes the R56,790 and consists of payments for excess of his salary and payments made directly by the foundation for debts due by Dr Boesak.

They charge that he substantially enriched himself by drawing an inflated salary, using foundation money to settle personal debts and making unauthorized withdrawals from its accounts.

In his affidavit, Mr Steenkamp says a substantial amount of money was spent on travelling by Dr Boesak. "When it appeared that travelling expenses appeared too high I would allocate certain sums to various projects so that it would appear reasonable. Certain travelling expenses were paid for, for example travel by Dr Boesak and Mrs Elna Boesak to Egypt," Mr Steenkamp says.

But this has been challenged by Mrs Gumbi, who says the trip was paid for by the Egyptian government.

Mrs Gumbi says she examined Dr Boesak's personal accounts and there were no entries which suggest that the funds he allegedly misappropriated were deposited there.

The lawyers say Dr Boesak paid his personal accounts and there were no entries which suggest that the funds he allegedly misappropriated were deposited there.

They further argue "There was no need for Dr Boesak to take cash from the foundation and place it into his private bank account - he used the foundation's bank account as though it was his own."

The matter is far from resolved and the Office for Serious Economic Offences says it is continuing with its investigation. At a briefing on Wednesday, Mrs Gumbi said her report did not find on Dr Boesak's guilt or lack thereof.

"This was not a judicial inquiry and if the Office for Serious Economic Offences find enough evidence to take action, the law must take its course," she said.

She has rejected suggestions that her report is a cover-up. "I stand by my report," she said. But when asked if her report would serve as a basis for a government decision on Dr Boesak's future, she answered "I don't know."

As for Dr Boesak, his delight at Mrs Gumbi's report appears to have been short-lived. DanChurch is considering legal action which may yet land the scandal-prone cleric in a court of law.
Lawyers acting for a Danish aid agency have contested a government report which said it could find no evidence that Dr Allan Boesak had enriched himself from donor money. JACOB DLAMINI examines the arguments presented by both sides.

THE ALLAN BOESAK controversy has degenerated into a "she said, they said" squabble between the government's legal adviser, Moja Nini Gumbi, and law firm Bell, Dewar and Hall, acting for Danish aid agency DanChurch.

At issue is Mrs Gumbi's report which said she could find no evidence to support allegations that Dr Boesak was involved in the misappropriation of more than R2.7 million intended to assist victims of apartheid in the Western Cape. The funds were donated by DanChurch to the Foundation for Peace and Justice, an organisation headed by Dr Boesak.

There are four areas of dispute between the parties. They concern:
- The Urban Discretionary account;
- Testimony given by the foundation's former bookkeeper, Freddie Steenkamp,
- Loans given to the foundation's staff members, and
- Whether Dr Boesak misappropriated funds from his organisation.

DISPUTE 1: THE URBAN DISCRETIONARY ACCOUNT

THIS was a bank account operated by the foundation and was intended to hold money for business projects aimed at making the foundation self-sustainable. It was opened without the knowledge of the donors.

According to Mr Steenkamp, the account was opened in 1991, but bank statements show it was opened in 1989 and closed in June 1993.

Both sides agree that Dr Boesak and his wife Elma used a total of R663 882 out of the Urban Discretionary account. According to Mrs Gumbi, this was part of R68 450 paid by Dr Boesak into the foundation. This amount, she says, was made up of money from Dr Boesak's cashed insurance policies and personal grants given to him by other organisations.

Mrs Gumbi concludes that since this money belongs to Dr Boesak, he is therefore owed a balance of R236 530 by the foundation.

But this is hotly disputed by DanChurch's lawyers, who say Mrs Gumbi's report "leaves many questions unanswered". They ask why, for instance, Dr Boesak did not identify which of the deposits made into the account were personal grants or say when
ANC report accused of 'whitewashing' Boesak

The dispute surrounding Dr Allan Boesak continued at the weekend as fresh allegations of an attempt by the ANC to whitewash the scandal-prone former cleric added fuel to the saga.

Boesak himself confirmed last week that he had brokered a Malaysian donation of "several million rands" which had contributed to the ANC's election success, although the ANC has denied these claims.

And yesterday Boesak's former friend Dr Charles Villa-Vicencencio, professor of religious studies at the University of Cape Town and a former trustee of Boesak's ill-fated Foundation for Peace and Justice (FPJ), said his feelings for the man he was once so close to "vaccillated between extreme anger and extreme cynicism".

"I haven't seen the man (Boesak) for six months and have little more insight on the matter, other than what I read in the press," he said.

However, he added that the South African Council of Churches was to hold a meeting in Johannesburg this week where the Boesak affair would be among the matters discussed.

The report on the Boesak allegations, compiled by Deputy President Thabo Mbeki's legal adviser Advocate Mopanghi Gumbi, has been slammed by opposition political parties as an attempt to whitewash Boesak. The report appears to have glaring holes and errors.

Despite the report clearing Boesak, the Danish agency DanChurch Aid maintains there is evidence that he misappropriated aid money, and it is preparing to take legal action to recover its funds.

One of the factors being disputed by Gumbi's report is the R161 000 allegedly used by Boesak to clear his debts to the FPJ.

Gumbi claims that about a quarter of the amount came from the sale of Boesak's house in Vredehoek, Cape Town, in 1991.

Question mark

But reports last week said R120 000 of the money used to buy the house had come from the foundation in the first place.

It seems money given from the foundation's bookkeeper to its chairman supposedly for the "Lavender Hill housing project" in reality went towards buying Boesak's house.

DP leader Tony Leon said revelations about the Malaysian funds placed a big question mark over the Gumbi report.

The possibility that came to mind was that it could now be "payback time", Leon said.
ANC 'payback' for Boesak?

CHRIS RATEMAN
CT 2/5/95

A MASSIVE pre-election donation to the ANC from Malaysia brokered by Dr Allan Boesak may have been the reason why the government probe “cleared” him of missing Danish funds, the Democratic Party’s Mr Tony Leon suggested at the weekend. Reacting to reports quoting Dr Boesak as confirming that he had brokered Malaysian donations of “several million rand” — which contributed hugely to the ANC’s election victory — Mr Leon said it was possible Dr Boesak was cleared because it was “payback time.”

“The question has to be posed about what the real motive was behind this attempt to provide a rather slapshod, superficial smokescreen behind which he could renew his public role,” Mr Leon said.

The author of the official probe, Mrs Mojanki Gumbi, a top legal adviser in Deputy President Thabo Mbeki’s office, has denied any “whitewash” attempt.
'No comment' from Boesak on his future

Political Staff

ALLAN Boesak, former Foundation for Peace and Justice executive director and South Africa's ambassador-designate to Geneva, is tight-lipped on President Mandela's saying his future depends on the Office, for Serious Economic Offences.

Last night, a person answering the telephone at Dr Boesak's home said he was "not available to any members of the Press".

Hours earlier, the president's office had outlined Mr Mandela's attitude to Dr Boesak's future, following his clearance by advocate Mzantsi Gumbi of allegations of misuse of funds intended for the victims of apartheid.

Ms Gumbi had, however, questioned Dr Boesak's managerial skills.

Yesterday, director-general in the president's office, Jakes Gerwel said Mr Mandela believed that, as matters stood, Dr Boesak had to be presumed innocent until proven guilty.

Such proof could not be derived from media reports, nor from the reports of private investigations into his conduct.

This had been underlined in Ms Gumbi's report.

Mr Mandela accordingly held the view that it could not be expected of him to make a final decision at this stage about Dr Boesak's conduct.

Mr Mandela had never stood in the way of an investigation into alleged wrong-doing by Dr Boesak, nor had he suggested that Dr Boesak not be held accountable.

He had encouraged the Office for Serious Economic Offences to complete its investigation as soon as possible.

The government had yet to make a final decision on the appointment of Dr Boesak to any official position, Professor Gerwel said.

"Before considering such a step, it would want to establish from the office (for Serious Economic Offences) whether a prima facie case of criminal conduct exists.

"If no such case exists, the president would wish to make use of this talented and capable person." However, it would be unfair for Dr Boesak to have to wait a lengthy, indeterminate period for such a decision.

Accordingly, the president would approach the office after it had had reasonable time to assess the available evidence.

No special treatment of Dr Boesak was expected, but the president was merely asking the office to expedite its decision, which would carry considerable weight and which would hopefully provide a conclusion to the Boesak affair.

In parliament yesterday, the Democratic Party and National Party used the debate on the president's budget speech to lash out at the exoneration of Dr Boesak by Ms Gumbi, legal advisor to deputy-president Thabo Mbeki.

DP leader Tony Leon said the "fruits of that investigation will be more than the efforts of ANC government members who had promised to maintain higher standards of conduct than those which governed their predecessors had been seriously tarnished by the Boesak affair.

NP MP Boy Geldenhuys said the Gumbi report was nothing but an ANC whitewash.

If the ANC had paid attention to the National Party's proposal last November that Dr Boesak's appointment be delayed pending the completion of all relevant allegations, the president would not be "suffering with his current headache".

Allan Boesak
No decision yet over Boesak’s future in Govt

BY PATRICK BULGER
POLITICAL CORRESPONDENT

Cape Town — Dr Allan Boesak’s return to favour after a Government report cleared him of enriching himself with donor funds ended yesterday — for now — when the Office of the President said no final decision on his future had been taken.

The statement issued by the office director, Jakes Gerwel, said President Mandela’s legal adviser, Pink Haysom, had in the face of recent comments by Mandela that Boesak would be appointed to a high-ranking diplomatic post after being cleared.

Haysom said the president had not been given a copy of the report by advocate Mjanaka Pumbi, legal adviser to Deputy President Thabo Mbeki’s office, before it was released to the media last month.

Having been informed that there was no evidence of wrongdoing on Boesak’s part, Mandela said Boesak should be made an ambassador.

Before Deputy President Thabo Mbeki presented the report to the media, it was sharply criticised by DanChurch Aid lawyers Bell, Dewar and Ball in an 18-page reply.

The Government has, as yet, made no final decision with regard to the appointment of Dr Boesak to any official position,” said the latest statement issued by the president’s office.

Before considering such a step, the president would want to establish from the Office for Serious Economic Offences whether a prima facie case of criminal misconduct existed.

If no such case did, “the president would wish to make use of this talented and capable person.”

The statement said Mandela would approach the Office for Serious Economic Offences “after it had a reasonable period of time to assess the available evidence”.

The fraud office was encouraged to complete its report as soon as possible.

“...as things stand, Dr Boesak must be presumed innocent until proved guilty...the president stands by his viewpoint that it cannot be expected of him to make a final decision about Dr Boesak’s conduct at this stage.”

Star 3/12/95
Mandela puts Boesak on shelf

Anthony Johnson

President Nelson Mandela last night put Dr Allan Boesak firmly back on the shelf.

After the President stated only last week that the former ambassador-designate to the UN in Geneva deserved a high diplomatic posting, the President's Office last night made it clear it would rely on the office for Serious Economic Offences (OSEO) to decide whether Dr Boesak was guilty of criminal misconduct.

It also emerged that Mr Mandela and his office had not given prior viewing of the in-house report by advocate Ms Mojanku Gumbi which Deputy President Thabo Mbeki originally used to officially exonerate Dr Boesak.

At a hastily-arranged press conference, the director-general of the President's Office, Dr Jakes Gerwel, emphasised that while Dr Boesak must be "presumed innocent until proven guilty", he was by no means off the hook.

"The government has yet to make a final decision in regard to the appointment of Dr Boesak to any official position," Dr Gerwel said. "Before considering such a step, it would want to establish from the OSEO whether a prima facie case of criminal misconduct exists," he said.

However, Mr Mandela believed that it would be unfair for Dr Boesak to have to wait a lengthy, indeterminate period before making a decision. "Accordingly, the President will be approaching the office after it has had a reasonable period of time to assess available evidence," Dr Gerwel said.

Dr Gerwel said that Mr Mandela "cannot be expected to make a final decision about Dr Boesak's conduct at this stage" based on Ms Gumbi's report or press reports.

This was underscored by the President's legal adviser, Mr Fimk Haysom, who said that a considerable amount of weight would be accorded the findings of the OSEO in deciding Dr Boesak's fate.

Dr Boesak said last night that he believed the course the President was following was "absolutely the right way of doing things."

He said he was pleased that a decision on his fate would be speeded up, adding that he felt "very very confident" about the course of events.

Missing millions: IEC recovers half

Anthony Johnson

Taxpayers will have to pay for almost half of the R18 million worth of vehicles, equipment and funds stolen from the Independent Electoral Commission.

Hermanus Minister of Finance, Mr Mmogadi Buthelezi, told Parliament yesterday that the IEC had recovered R2.9 million. A further estimated R10.6 million was considered "recoverable."

The IEC had lost R6.3 million in funds, R4.6 million in computer equipment, 899 vehicles, 155 cellular telephones, 389 mobile radios and 633 cameras.

It had liaised with the Office for Serious Economic Offences, the SA Police Service and the offices of attorneys-general in a bid to recover the stolen goods.

So far 42 cases of fraud had been submitted to the police and R3.5 million in claims had been submitted to the IEC's insurers. The IEC had also instigated nine cases of civil litigation.

Chief Buthelezi said the police had arrested five people for fraud and one person had been convicted.
FPJ probe report may be delayed

Willem Steenkamp

The Office for Serious Economic Offences (OSEO) hopes to complete its investigations into financial irregularities within Dr Allan Boesak's beleaguered Foundation for Peace and Justice (FPJ) "within this year", OSEO director Mr Jan Swanepoel said yesterday.

This follows an announcement this week by President's Office director-general Prof Jakes Gerwel that the government had not yet decided on Dr Boesak's future.

"Before considering such a step, we would want to establish from the OSEO whether a prima facie case of criminal misconduct exists," Prof Gerwel is reported to have said.

In reaction yesterday, Mr Swanepoel said: "I think it is very important that the normal legal process is maintained."

He said that some had intimat ed that the President's Office was pressuring the OSEO to conclude the matter, but "we in any case regard the case as urgent."

The OSEO had enlisted the help of the city's commercial crime unit and the office of attorney-general Mr Frank Kahn to speed up investigations.

However, Mr Swanepoel said two factors could lead to delays - the appointment of auditors, which has to follow the state tender process, and possible investigations overseas which would require the use of diplomatic channels.
Commission ‘would be a model for Africa’

CAPE TOWN — The establishment and successful operation of SA’s truth commission would provide an important model for other African countries, UN Human Rights Commission president Carl Norgaard said this week.

Norgaard, who assisted in framing the original draft of the Promotion of National Unity and Reconciliation Bill, said the international community was watching events in SA with “great hope and excitement”.

SA had the opportunity to create a model that could help many other African countries deal with their pasts, he said.

The Bill, which includes the Norgaard principles, had been substantially improved since the first draft and had a real chance of being successful and bringing reconciliation to SA, Norgaard said.

The principles, framed in 1989 by Norgaard during the Namibian transition, state that a political crime must be proportionally linked to the political objective in order to qualify for amnesty.

As a result, a person who planted a bomb in a bank in Namibia which killed 39 people had remained in jail, he said yesterday.

The inclusion of the principles caused considerable controversy within the NP, the ANC and Cabinet.

On the political compromise the Bill now contains, which includes the principles but allows commissioners to “take into account” previous amnesty legislation, Norgaard said pragmatism and realism were needed to get a process such as the truth commission up and running.

“What really matters is reconciliation and a situation where the past is finished and doesn’t go on for years and years,” Norgaard said he was pleased the essential elements of his principles, the proportionality and motive of political crimes, were retained within the Bill.

He added that he was “positively surprised” by the good spirit and high level of debate within the parliamentary committee considering the Bill.

“Reconciliation has already been reached within the committee.”

Norgaard lectures for half the year at Aarhus University in Denmark and chairs the EU’s Human Rights Commission in Strasbourg for the remaining period.

About 3 000 cases are heard a year at the commission, mostly dealing with fair trials, freedom of expression, expulsion and extradition.

The Justice committee is expected to finalise the Bill on Tuesday next week, while Parliament is scheduled to debate the Bill on May 17.

Inquiry seeks misappropriated funds

CAPE TOWN — A public inquiry to find out what happened to about R750 000 misappropriated from Allan Boesak’s Foundation for Peace and Justice would be convened in Bellville on July 21.

The inquiry — being convened by the trustees of the insolvent estate of former foundation financial director Freddie Steenkamp — was not normal procedure in insolvent estates, but could be convened when “trustees were of the opinion that something was missing”, trustee Bernard Gutman said yesterday.

Steenkamp has denied to the law firm Bell, Dewar and Hall — which acts for Danish aid agency DanChurch — that he misappropriated funds from the foundation.

The government legal adviser who investigated allegations of misappropriation against Boesak, Mojaka Gmbi, has reportedly noted that DanChurch’s allegations appeared to have been drawn mainly from Steenkamp.

Gutman said at least R750 000 was involved and witnesses would be subpoenaed to the inquiry.

He said that depending on the outcome of the inquiry, litigation or civil proceedings could follow.

Meanwhile, Office of Serious Economic Offences executive director Jan Swanepoel said the office’s investigation into Boesak was expected to last until the end of the year — barring any unexpected extraordinary delays.

Unexpected factors which had held up past investigations were bureaucratic delays overseas because SA had not yet signed mutual legal and criminal assistance treaties, and legal actions which might arise from an investigation, such as a recent objection to a subpoena by the Office of Serious Economic Offences on constitutional grounds.
**Duesak rides on waves of luck**

By Vuyo Bavuma
Political Reporter

I

CONTROVERSY-RACKED Dr Allan Boesak has been subscribing to traditional medicine, rural sheikahs would have patted him on the back for his strong brand of "muti".

Not that the former cleric has been blessed; President Nelson Mandela, who is steadfastly standing by him amid a chorus of criticism. It is just that the former ANC leader continues to enjoy an amazing run of luck.

No, he is not off the hook, but the crucial aspect is that not everybody who is investigated for corruption charges is afforded the privilege of having state resources used to clear his name.

But in Boesak's case, different rules seem to apply. A judicial process being conducted by the Office of Serious Economic Offences is overtaken by another Government investigation.

And interestingly, the investigation, though it cleared Boesak, unearthed evidence that should automatically disqualify the former ambassador-designate to Geneva from any diplomatic consideration. But this is ignored.

**Administrative mess**

To use Deputy President Thabo Mbeki's words, Boesak was found to have been responsible for the "administrative mess" of FPJ's affairs.

In any normal modern country, that would be a no-no, as that is hardly the stuff diplomats are made of.

But the ANC, which ironically promised South African citizens clean, moral and efficient government, is playing a different ball game.

Another perplexing issue is that the office of the President now plans to urge the Office of Serious Economic Offences to speed up its investigation because "it is unfair for Dr Boesak to have to wait a lengthy, indeterminate period for a decision."

Again, the Government is intervening in a judicial process on behalf of Boesak.

Could it be because of his great contribution to the struggle? Boesak fought tirelessly against apartheid and most effectively ran a one-man campaign to promote international sanctions against South Africa.

He also helped immensely to cultivate political support for the nonracial democratic movement, especially among the politically conservative "coloureds."

He is also famous for trying to lead a "release Mandela" march to Pollsmoor prison in 1985.

Another of Boesak's strong points — or is it a weak point — is that he was able to raise funds from overseas donors that were channelled to internal anti-apartheid structures to keep the protest fires burning. But one would like to believe that Boesak did all this out of conviction, not to provide possible mitigating factors should he get into trouble in the future.

Today President Mandela keeps on putting his seal of approval on Boesak, virtually giving him the kiss of political life. In any case, President Mandela seems to have a special political affinity with Boesak.

In the early 1990s, hours before a crucial vote during the Western Cape ANC congress, Mandela effectively blew the horn for Boesak when he asked the commissaries to take cognisance of the region's population.

That was seen as a ploy to use Boesak as bait to lure the important coloured base.

Subsequently, after Mandela's pep talk, Boesak edged the fiery Tony Yengeni out despite the latter's strong grassroots support. Critics accused Mandela of playing race politics but his protagonists argued the move was a necessary pragmatic step in dealing with the political realities of the Western Cape.

**Harsh judge**

But history proved to be a harsh judge. The ANC lost the region to the National Party and Boesak was criticised for his lack of on-hands democratic leadership.

When the allegations against Boesak broke out in December, the ANC's softly-softly approach towards the former regional minister was evident.

It accused the Press of conducting a witch-hunt against its leadership, as the ANC knew the party was also in the dock with Boesak since the charismatic orator was its most senior official to be tarred with the brush of alleged corruption — something the ANC claims to be totally against.

At the end of January, Boesak voluntarily stepped down from his post as an ambassador-designate to Geneva, pending being cleared of the damaging charges.

To rub more salt into the wounds of Boesak and the ANC, DanchurchAid...
NEWS FEATURE: What lies behind the favoured status
Boesak: Mandela warns against quick conclusions

Political Staff

PRESIDENT Mandela has cautioned the government against jumping to conclusions based on Advocate Mojanku Gumbi's clearing Allan Boesak of alleged misappropriation of public funds.

Mr Mandela also hinted he should have had the final decision in this unilateral probe.

Without naming the former head of the Foundation for Peace and Justice or Deputy President Thabo Mbeki's legal adviser, Mr Mandela said yesterday he wanted to "reaffirm the imperative of due process."

In his closing address on the president's budget speech debate in the assembly, Mr Mandela said, "The government needs to be most circumspect in drawing conclusions from informal procedures in such cases."

"It is, therefore, necessary to consider whether, in advance of the completion of possibly protracted formal investigation, any private investigation merits a final decision by myself."

If not, the government would not be in a position to take a final decision concerning any official appointment, said Mr Mandela.

At the same time, it was only fair and just that such formal investigations be completed as soon as possible.

Mr Mandela called on convicted and society to use the Freedom Day amnesty to reduce levels of crime.

Last week, he announced a maximum six months' remission to all prisoners except child abusers.

He said he had decided to shorten the sentences of most prisoners, as those who had committed crimes were not lost to society.

"They now have the opportunity to become law-abiding citizens of our democracy and to contribute to its reconstruction and development."

"They also should know that the government's commitment to deal firmly with those who break the law is unshakeable."

"Those who do not mend their ways will face swift action, without the hope of similar remission on a future occasion," he said.

Society could help reduce the problem of crime by helping released prisoners assume useful roles. Rehabilitation and reintegration had to form part of the approach to crime.

The main thrust of the government's action for safety and security will be aimed at prevention of crime and measures against those who break the law.

Stability and security were essential for reconstruction and development and for economic growth and job creation.
Fraud claims in Greater Jhb Council

By Joshua Raboroko

THE Greater Johannesburg Transitional Metropolitan Council is investigating allegations of fraud amounting to millions of rand.

The council is also probing claims of intimidation of employees of the Western Metropolitan Sub-structure consisting of Soweto, Drocrose and Dobsonville.

GTMDC acting chief executive Mr Nicky Padayachee said this week the council viewed the allegations of "milk ing of funds" in a very serious light.

The allegations were highlighted by WMSS acting chief executive Mr Denis Rogers in a letter to Sowetoim.

Rogers, a self-confessed ANC supporter, claimed there was an attempt to assassinate him.

He alleged that shots were fired at him by people who apparently planned to kill him and a colleague earlier this year. The two escaped the attack and reported the matter to the police, who are investigating the matter.

Rogers believed the attempts had something to do with the plan to introduce a new computer system in the Soweto municipal offices in a bid to stop the "milk ing of funds" of the council. He said the Soweto council lost about R50 000 a month because of the archaic system used.

Rogers also claimed there was a surge of about 40% in the payment of services by residents in 1994. The record has since dropped to 21% and Rogers did not believe it had dropped because politicians had been pleading with residents to pay for services.
Looking for other assets — trustee

Weekend Argus Reporter

A PUBLIC inquiry into the estate of Freddie Steenkamp, former bookkeeper of Allan Boesak’s Foundation for Peace and Justice, has been set for July in Bellville magistrate’s court.

Mr Steenkamp, accused by Dr Boesak of being the "kingpin" behind the scandal, will be issued with a subpoena.

Some of his family members — and possibly Dr Boesak — might be subpoenaed to appear at the inquiry, on July 21.

Bernard Gutman, provisional trustee of Mr Steenkamp’s sequestered estate, said the inquiry was being called under section 65 of the Insolvency Act.

“We are hoping to find out whether there are any other assets — and what happened to the funds that were allegedly misappropriated from the Foundation for Peace and Justice," he said.

The known assets are expected to amount to around R800 000 for the creditors.

A meeting of the creditors of Mr Steenkamp’s estate has been held. Lawyers for the trustees of the Foundation for Peace and Justice claimed they were owed R750 000. Other creditors are expected to come forward.

Steenkamp indemnity?

May be allowed to turn state’s witness

GLYNNIS UNDERHILL
Weekend Argus Reporter

FREDDIE Steenkamp, the former bookkeeper who opened a can of worms on Allan Boesak’s Foundation for Peace and Justice (FPJ), could get off scot-free if he is allowed to turn state witness.

Dr Boesak, who has placed the entire blame for the foundation’s money problems on Mr Steenkamp, is the subject of a police investigation. Mr Steenkamp has admitted taking huge “loans” from the foundation.

But it emerged this week that Mr Steenkamp, who substantiated allegations of financial misappropriation at the FPJ, could be indemnified if a criminal case is brought to court.

Jan Swanepoel, director of the police’s office for serious economic crimes, told Weekend Argus this was up to the attorney-general and would depend on the strength of the state’s case.

Mr Steenkamp emerged as a key figure in the scandal at the

Freddie Steenkamp, who has admitted taking hundreds of thousands of rand from Dr Boesak’s foundation, could be indemnified if he turns state witness.

FPJ after allegations by Nordic funding agencies that around R3 million of their money had been misappropriated.

Dr Boesak was at the time director of the FPJ and Mr Steenkamp alleged Dr Boesak had been involved in the misappropriation of funds.

Mr Swanepoel said if Mr Steenkamp turned state witness, he could be exonerated or granted state indemnity, on condition his evidence was considered satisfactory.

If not, the court could still decide to prosecute him after the trial, he said.

Meanwhile, extra staff have been called in to help with the fraud investigation, which has become a political embarrassment for the government. Mr Swanepoel said the attorney-general’s office would appoint another person to the three-man team investigating the case.

Auditors would soon be appointed to wade through the books and documents of the foundation, he said.

The government request to speed up the investigation follows a rumpus over a report by Deputy President Thabo Mbeki’s legal adviser, Mongezi Gumbo, which at first sight appeared to “clear” Dr Boesak of financial misappropriation.

President Mandela’s legal adviser, Pink Haysom, has contacted Mr Swanepoel with a formal request to expedite the police investigation into Dr Boesak’s Foundation for Peace and Justice.

The President’s office director-general, Jakes Gerwel, this week backtracked on an earlier statement by Mr Mandela, that Dr Boesak deserved a high diplomatic post by announcing that the government had not yet decided on Dr Boesak’s future.
Gumbi shrugs off Boesak criticism

MAUREEN ISAACSON
Weekend Argus Correspondent

HERS is the name that has been on everyone’s lips since she found no evidence supporting allegations that Allan Boesak’s fingers had come unstuck in the DanChurch Aid cookie jar. They call her Magunhu or Moga but her real name is Magunzukanye. It is Tswana for “one who eats the small sheep” but today she spits only Apple sciser in a Rosebank Mall coffee shop.

No media mogul she, Advocate Gumbi can hardly wait for the photographer to appear. She’s not a damn about having her hair, make-up and hair dressed by the world. And she’s dead scared of looking as if she’s been found for what she calls a self-promotion trip.

It takes a while for her to chill out and stop laughing that low, cool laugh at the sight of a newspaper article about her visit to Rome. She looked up in order to assist her boss, Deputy President Thabo Mbeki in deciding on the continued employment of the Gumbi Boesak in the foreign service. She says the article is “way off.”

But then another that tackles her is criticism she has read of Mr Mbeki himself. Her position in the “extremely polite and courteous” man’s office is “an ongoing honour.” He is, she says, educational and inspiring. Their relationship she describes as “very good.”

Gumbi raises her voice in harmony with a song playing in the background, talking things in easy stride. Alas, this does not mean she is going to underplay the question marks still curving around the missing DanChurch Aid funds.

As she tells the information she did not have access to when she drew up the report, she says “I don’t know, where is it? Blowing in the wind, my friend.”

As she asks why the ANC ignored Bell Dewar and Hall’s (DanChurch Aid’s lawyers) rebuttal of her report and she snaps into action.

“I didn’t see it as a rebuttal. It raises no new facts. The only new thing was the personal attacks of the office of the Deputy President and on me and we chose not to respond.”

She answers questions with more rhetorical questions, leaving one suspended and waiting for Gumbi to spring to her own defence or damn the world that has tried to make a mockery of her work or the Boesak case.

Somewhere inside this super cool “eater of small sheep”, quite close to the surface, in fact, is a human and accessible woman. When she warms up she is sincere and intense, but always, reserve and self-consciousness shield her, making her watchful of her own words.

Of course she knew pretty well it was “not” in the deputy president’s office when she accepted the post in June 1994. She didn’t think she was getting a free ride to fame or that working in the highest office in the land would leave her without responsibility. Checking herself, she fears she will come across as “saintly” or “self-serving.”

And wherever Gumbi felt hard done by by the “white liberal establishment” got it wrong, okay? When she said it was “a waste of time and energy” to be angry about accusations flung at her over the Boesak case, she did not mean to sound arrogant, she says.

But diffidence is not her style. Aided by the “unconditional support” of her office, Gumbi de- nies her professionalism has been questioned.

“I have worked with so many people in many different organisations — they have dismissed this as a media hype.”

“I knew what I was talking about. If someone says this is a whitewash, how can you fight that? How do you fight a perception?”

Not that there is any question that we are talking to a woman who suddenly got famous for 15 minutes last week. Two years ago, at the age of 47, Gumbi became the first National Woman Director of the Black Lawyers Association. That was before she headed up one of the four major IEC departments.

One of South Africa’s 15 black women advocates, she was admitted to the Bar in 1981. Gumbi had a score an A for accounting at university. A skill some questioned when it came to making sums in the Boesak case, but which served her well during the 16 months she spent running her own legal practice. No doubt helps her understand how the financial boffin husband Mandla.

Nowadays, constitutional competence, amnesty, the drafting of international treaties and contracts for South Africa on her desk. But ask her where her heart lies and she says unconditionally, it is with the BLA, and that is where she is headed. Some time in the future.

"If you think about where we (black lawyers) came from and how we have been marginalised the BLA becomes a national priority," she says.

But the pressures litigation, women’s rights issues and the Azanian People’s Organisa
tion. So much for accusations that she has played lackey to the ANC.

The ideological differences are there and that is ironic, because politics led her to law in the first place, however, she sees herself working for the government, not the ANC.

"The ANC has had to adapt. I have personally never felt restricted politically.

And right now she’s going nowhere. She says, her contract with the government allows an opportunity for renewal.

Full marks go to Advocate Gumbi for putting aside those manoeuvres that allows us to travel and touch the "recent up roar." She calls it a "storm in a teacup.

"I don’t know what all the fuss is about," she says. "I am not going to carry on a debate because DanChurch Aid and their lawyers, they are the interested party representing a client — I’m not representing anybody.

"Nobody knows what is happening. We can’t make a finding. We are still at a searching stage and I support this wholeheartedly. I know what foreign funding means to the NGOs in South Africa. At BLA I was paid by donor funds personally. Who wants to mess up that relationship?"
Guimbri rests her case

Controversial Boshak report was a storm in a teacup
What all the fuss is about...

The BLM (Blacks in Law) movement has been gaining momentum, and it's not just because of the recent protest over the death of George Floyd. The group is fighting for racial equity and justice in the legal system.

Despite the challenges, the BLM movement has made significant strides in recent years. With support from allies and communities of color, they've sparked important conversations about systemic racism and police brutality. The group's efforts have led to changes in law enforcement policies and practices.

However, the movement has also faced opposition from those who believe in the status quo. Despite this, the BLM continues to push forward, raising awareness and advocating for change.

What can you do to support the movement? Consider donating to organizations like the BLM, volunteering your time, or spreading awareness on social media. Together, we can make a difference.

What are your thoughts on the BLM movement? Do you think it's making progress? What can we do to support it further?
I don't know

Incidentally, to which she had no access when she drew up the report she pronounced inconclusive and she answers... "I don't know, where...?" Blowing in the wind, my friend.

"Ask why the ANC ignored Bell, Dewar and Halls: (DamChurch Aid's lawyers) rebuttal of her report and she snaps into action. "I did not see it as a rebuttal," she says "It raises no new facts, the only new thing was the personal attacks on the office of the deputy president and on me, and we chose not to respond."

Questions are replied to with rhetorical questions that leave one suspended, waiting for Gumbi to spring to her own defence or damn the world that has attempted to make of her work on the Deegan case a mockery...

"I rest my case," says what she says. Somewhere inside this super cool "eater of small sheep", quite close to the surface in fact, is a very
New turn in Boesak affair

FREDDIE Steenkamp, the bookkeeper for the Foundation for Peace and Justice, could be indemnified.
GLYNNIS UNDERHILL reports.

CAPE TOWN — Freddie Steenkamp, the bookkeeper who opened the can of worms at Dr Allan Boesak's Foundation for Peace and Justice, could get off scot-free if he is allowed to turn state witness.

Boesak, who has placed the entire blame for the foundation's money problems on Steenkamp, is the subject of a police investigation. Steenkamp has admitted taking huge "loans" from the FPPJ.

It emerged this week that Steenkamp, who substantiated allegations of financial misappropriation at the FPPJ, could be indemnified as a state witness if a criminal case is brought to court.

The director of the Office for Socio-Economic Services (OSES), Jan Swaanepoel, said a decision on whether Steenkamp would be given this option would depend on whether the attorney-general and the investigation team were convinced of the strength of the case.

Swaanepoel was seen as a key figure in the scandal after allegations by Nordic funding agencies that about R2 million of their money had been misappropriated.

Boesak was fervent in his denials.

Swaanepoel said it should be possible within two to three months to give Mandela an indication about the findings of the OSES on Boesak's involvement.

Boesak resigned from his post as ambassador-designate to the United Nations in Geneva after meeting the agency's director.

Mandela accused him of "permanently disturbing himself." Boesak replied that he was innocent.

Swaanepoel said it should be possible within two to three months to give Mandela an indication about the findings of the OSES on Boesak's involvement.

Swaanepoel said if Steenkamp turned state witness, he could be exonerated or granted State indemnity if his evidence was considered satisfactory.

Extra staff have been called in to help with the fraud investigation, which has become a political embarrassment.

The attorney-general's office would appeal a decision to back up the three-person team investigating the case.

Swaanepoel said, and sources would be appointed.

Mandela's legal advisor, Fikile Mabola, contacted Swaanepoel this week with a formal request to expedite the investigation.

Swaanepoel said the OSES had interviewed a number of parties involved with the FPPJ. Steenkamp had been interviewed, and would probably not be called on again now that the investigation was expected to be concluded at the end of the year.

Swaanepoel said he would probably have to go overseas to take statements from Steenkamp.

"We do not know what time is like in a small town — get the hell out. These songs aren't appropriate in a place where emotions exploded in a massacre.

NO ONE knows why an apparently peace-loving Carolina teenager went.

Mystery of small-town murders.

CAROLINA — They say there is only one thing to do in a small town — get the hell out. These songs aren't appropriate in a place where emotions exploded in a massacre.

Photographs ANTON HAMMER

TEARS FLOW Pupils from the Higheld Youth Choir comfort each other at the funeral of their classmate, Annekke Davel

creased from the Davel house with a scream. It knew Van Aardt well. Sergeant Simphiwe died first and his companion, Constable Malibana second.
DP leader suggests a ban on liquor at state bashes

Provincial legislature used R27 477 on drink

Port Elizabeth — Thirsty guests at a Bisho bash must have downed six whiskies and nine beers if the figures provided by provincial Democratic Party leader Eddie Trent are correct.

Since November the Eastern Cape provincial legislature has spent R68 227 on official entertainment — R27 477 on liquor and R33 750 on food.

The Bisho scandal started last year when drunken bodyguards threatened caterers who were trying to load leftover drinks at the end of a party for Water Affairs and Forestry Minister Kader Asmal.

The firm refused to cater for further government functions. The bodyguards claimed that as the drink “was already paid for”, they were entitled to it.

In February “300 guests” managed to ring up a liquor bill of R12 227 for a bash for President Nelson Mandela.

Five official functions this year cost R27 477 for drinks alone.

Provincial premier Raymond Mhlaba has blamed “interest and enthusiasm of gatecrashers” for the costs.

He said a breakdown of figures showed that 650 people turned up at an inauguration cocktail and state banquet for 300 guests. At another function for 250 guests, 450 attended.

Responding to an inquiry by Trent in the provincial legislature, Mhlaba said State functions were one of the ways in which the government reached out and interacted with the leaders of the community.

Mhlaba said the matter had been referred to the relevant department, but would not say what, if any, steps had been taken.

While there were definite figures for invited guests, through interest and enthusiasm the figure budgeted for swelled to more than double. In most instances “Stricter arrangements are, however, now in place to avoid such occurrences”.

But Trent is still not happy: “Look at the presidential visit function at State house on February 2.

“Even if there were 450 guests and gatecrashers, that is still about R27 a head for drinks — the equivalent of six whiskies and nine beers a head at wholesale prices.

“Just think of all those people driving home. The State has cracked down sharply on drunken driving. But if their own guests are allowed to consume this amount of liquor at functions surely this is contributing to drunken driving and accidents?”

Trent has the solution: ban liquor at official State functions.
The results of the cases reported to the police were not known, he said.

Members involved in the loss of general equipment were charged in terms of the code of conduct and regulations applicable to the peacekeeping force.

"The code of conduct and regulations proved inadequate to ensure proper prosecution and conviction of the other cases," Mr Modise said.

The total cost to the state of vehicle accidents involving the force was R983 001.

This was made up of repairs (R602 089) and the cost of writing off vehicles (R380 912).

Funds lost by the force totalled R31 365.

Mr Modise said an inquiry had been unable to determine who had been responsible for the losses.

CLIVE SAWYER
Political Correspondent

THE National Party government spent about R88 million on a propaganda campaign aimed at "coloured" people and moderate black leaders.

"Project Kampong, as the secret project was code-named, was started in 1985 and was at first managed by Military Intelligence. After 1991 the army took it over."

Replied to questions by Luwellyn Landers of the African National Congress, Defence Minister Joe Modise said yesterday, the aim of the project had been to "mobilise the population to accept and support the initiative for peaceful reform of the former government."

Sub-projects were titled "Global Coloured Project, Coloured Parliamentarians' Project" and "Metros Mobilisation of Moderate Black Leaders."

The project was brought to an end in October 1992.

"Weapons valued at R79 089 and general equipment worth R645 146, issued to the National Peacekeeping Force, were lost," Mr Modise told the senate yesterday.

All losses of weapons were reported to the police for investigation.
Probe finds corruption, kickbacks at Ikapa

Political Correspondent

SERIOUS malpractices and irregularities, including kickbacks and fictitious contracts and tenders, have been uncovered by a commission of inquiry into the Ikapa Town Council.

The commission also identified five council officials found to be connected "with the receipt of irregular awards paid by certain companies".

This was announced by Minister of Provincial Affairs and Constitutional Development Roelf Meyer yesterday.

The commission, headed by lawyer J T P Swart, was appointed by then President F W de Klerk in October 1993.

The commission has proposed that criminal or civil proceedings be instituted against officials responsible for maladministration, mismanagement, corruption, fraud and theft.

The report has been forwarded to Western Cape Premier Herve Kriel and is likely to ultimately be referred to Western Cape Attorney-General Frank Kahn.

ARG 10/1/95
THE SWART COMMISSION has revealed vast mismanagement, corruption and theft in the iKapa Town Council. WILLEM
STEENKAMP and BARRY STREEK report:

LARGE-SCALE malpractices and irregularities in the iKapa Town Council have been uncovered by the Swart Commission of Inquiry into the
council's affairs, which has recommended that five iKapa officials be prosecuted.

This was disclosed yesterday by the Minister of Provincial Affairs and Constitutional Development,
Mr Roelf Meyer. Some of these "serious malpractices and irregularities on a large scale" involved large
kickbacks and fictitious contracts and tenders, he said.

"Five officials were identified in connection with the receipt of irregular payments paid by certain firms."

The commission proposed that the institution of
civil and criminal proceedings against those responsible for mismanagement, corruption, fraud and
theft should be seen "as a matter of the highest priority."

Mr Meyer said he had referred the commission's
report to Western Cape Premier Mr Hermin Kriel, so
that he could forward the relevant documentation to
attorney-general Mr Frank Kahn.

The commission was appointed by then-President
Mr F W de Klerk in October 1993, under the chair-
manship of Mr J T F Swart.

Evidence heard pointed to widespread tender
irregularities, the payment of council cheques into
officials' personal bank accounts, employee incompete-
tence, illegal benefits such as hordes and kickbacks
enjoyed by officials, and the involvement of the
"Boerenmafia" in iKapa's affairs.

Numerous witnesses told the commission that
tenders were accepted from companies, despite boycott-
tenders from elsewhere, that some companies would
submit separate tenders under different letterheads,
and that officials asked tenderers to inflate their
prices. Officials would later split the difference
between the real prices and the inflated prices, the
commission was told.

It was also testified that:

- A waste removal company, SA Bio-Tech, had
been paid R7 million to service about 2 000 township
homes that did not exist.
- iKapa cheques amounting to millions of funds
were deposited "by mistake" over weekends into offi-
cials' personal bank accounts and later deposited into
the proper accounts, to skim off interest payments.
- Trackloads of bricks intended for township
construction projects were diverted to build homes
for iKapa officials.
- Many employees were not qualified, and
received improper promotions and increases.

iKapa fraud uncovered
GRAFT 'COULD HAVE BEEN PREVENTED'

Meiring ‘failed to act’ on iKapa

WESTERN CAPE Minister of Finance and Nature Conservation Mr Kobus Meiring's fitness for office has been questioned over his failure to investigate the iKapa Town Council four years ago, our POLITICAL STAFF reports.

FORMER Cape Administrator Mr Kobus Meiring was slammed yesterday for not acting sooner to probe allegations of malpractice in the Kapa Town Council.

A litany of corruption, fraud, maladministration, bribes, gifts, kickbacks and other irregularities has been uncovered by the Swart Commission of Inquiry.

Its report, released yesterday, shows that millions of rand meant for some of the poorest areas of Cape Town were siphoned off by officials and companies.

ANC MP Mr Jan van Eck told the Cape Times he had approached Mr Meiring, currently Western Cape Minister of Finance and Nature Conservation, in 1991 with a request that a commission of inquiry be held into the council.

Regrettable.

In its report the commission said Mr Meiring told Mr Van Eck on August 2, 1991 he could find no justification for the commission.

It was finally appointed in October 1993 by former state president Mr F W de Klerk.

Mrs Gesse Letegan, the commission's advocate, said during evidence it was regrettable that Mr Meiring had failed to act when first informed of a "boerekop" within iKapa by Mr Van Eck.

"It seems that if something had been done there, many problems could have been prevented," Mrs Letegan said in August last year.

Yesterday Mr Van Eck said "The willingness of Mr Meiring to pooh-poo the allegations, despite all my attempts to persuade him that serious corruption was taking place, puts a serious question mark on his capability to hold public office."

"Without the complete integrity and commitment of CPA director-general Mr Herbert Beukes to get behind the truth it is unlikely that any formal inquiries would have been appointed." Mr Meiring declined to comment yesterday.

The malpractices listed by the Swart Commission included R5,7 million extra paid out in "improper favours" to a company called SA Bio-Tech for refuse removal. Bio-Tech was paid R7,7 million when the service could have been provided departmentally for R3,2 million.

Payments made to iKapa officials included meals at expensive restaurants, trips to Sun City and the Wild Coast, Sun, private work done at council expense, hotel and travel bookings, donations of liquor, provision of security guards for private homes and flights.

The commission said the proper course now would be to subject criminal investigation all the firms that could have placed officials under an obligation to favour them.

Denial.

• SA Bio-Tech owner Ms Jacoba Louw said the commission's finding that she had received R7 million for work that was never performed or that council officials had received kickbacks were "blatantly untrue."

Voelvlei Farms director Mr Norval Miller said he knew nothing about allegations that council officials had received kickbacks from his company.

Voelvlei is still being employed by iKapa to supply top-dressing for township sportsfields.

Springsbed Patrols group managing director Mr Nick Bartmann denied allegations that former iKapa community director Mr John Walters had received R3,000 a month from his company. He said that the clamp had been made by a former employee and that the company had not been able to cross-examine him during the inquiry.

Other companies mentioned in the report could not be contacted for comment last night.

• See Page 5
Details of council official's kickbacks

FORMER Ikapa town secretary Mr. J.M. Walters received thousands of rands in kickbacks from council contracts, the Swart Commission said.

It noted unlawful receipts of R1,000 a month from Springbok Patrols, a R10,000 loan from Springbok Patrols of which only R5,000 had been repaid, R8,000 from Woelvra farms, R1,000 from Suburban Hardware and several other amounts.

Caltex, which donated money to buy chairs for a community hall, also paid more than tendered. R300,000 was kept in trust by the company's lawyers and was to be paid out on proof of purchase. The lawyers received an account for R1,100 more than the lowest price submitted.

"This gave rise to the suspicion that the amount was the kickback intended for Mr. Walters," the commission said. — Political Staff
Ikapana town council 'plundered funds'

EDWARD WERT

CAPE TOWN - The Swart Commission's investigation of the Ikapa town council has found that funds destined for the poorest Cape communities were systematically plundered by senior council officials.

Ikapa's area of jurisdiction covers the residential areas of Langa, Nyanga, Guguletu and New Crossroads.

The commission, appointed in October 1993, has recommended evidence that officials, including the former treasurer, assistant town secretary, administrative officer, assistant town engineer and purchasing clerk had received kickbacks be referred to the attorney general for further investigation.

The commission's report, released yesterday, said malpractices included circumventing formal tenders, submitting false tenders, artificially inflating prices, favouring certain firms with regular orders, premature payments against delivery of invoices, certification and payment for work not performed and "the alarming fact that the particulars were not reported to the council.".

The commission, which found many employees were not qualified, also recommended that evidence against several firms be referred to the attorney general.

Commenting on the fraud with regard to award of contracts, the commission alleged that there had been "an enormous deceitful collusion between the town treasurer, Mr. Gruzdale, some of his senior officials and one contractor in particular. In at least five cases tenders were submitted by Mr. Gruzdale, Construction Co. Ltd, Gruzdale's requirements were paid for; yet the work was never done. In one case payment was never made before any work could possibly have been done." In 14 other cases work was carried out but prices were inflated so that council officials could receive kickbacks.

A typical example of fraud was evidence relating to repairs of Guguletu police station, the report said. The council paid favoured companies to repair the roof and gutters of the station on numerous occasions between 1989 and 1992, but the commanding officer testified to the commission that police representations to the council to repair the building were ignored. "The commission concludes that the repair work to the police station was merely a pretext to obtain unlawfully approximately R7,000 from Ikapa.".

The commission believed that the extent of maladministration and corruption had not yet been covered as documents were missing, records systems were inadequate and witnesses colluded to hide evidence. All officials involved with irregularities mentioned by the commission had resigned, retired, died or been dismissed.

Provincial and Constitutional Affairs Minister Roelf Meyer said he had referred the report to Western Cape premier Heron Kriel so that the documents could be forwarded to the attorney general.
'NO PRIMA FACIE EVIDENCE TO JUSTIFY IKAPA INQUIRY'

Meiring rejects charges

A LACK of prima facie evidence prevented him from asking for an official inquiry into Ikapa affairs, says former Administrator Mr Kobus Meiring.

CHRIS BATEMAN reports

FORMER Cape Administrator Mr Kobus Meiring yesterday rejected charges by ANC MP Mr Jan van Eck that he "pooh poohed" claims of serious maladministration and fraud in the Ikapa Town Council when Mr Van Eck first raised them with him in 1991.

Reacting to Mr Van Eck's contention that this raised "serious questions" about his capability to hold continued public office, the now Minister of Finance, Nature and Environmental Conservation for the Western Cape said there was initially a lack of "prima facie evidence".

"When I first saw Mr Van Eck's claims in the media (in July 1991) I immediately set up a meeting with him, to which I called my chief director of local government, Mr Albert Louw, on July 29, 1991," Mr Meiring said yesterday.

Mr Van Eck had outlined nine main areas of concern.

Mr Meiring said he instructed Mr Louw to investigate and report back to him within a week — but from Mr Louw's conclusions the prima facie evidence to justify an official commission "just wasn't there".

Mr Louw reported that where offences were serious they were being dealt with by a police fraud probe and Mr Meiring had invited 257

KOBUS MEIRING: I didn't pooh pooh Van Eck's allegations.

Mr Van Eck to supply any further details to police.

On August 20, 1991, Mr Van Eck again wrote to him, saying the Ikapa situation was "totally out of control!" A subsequent letter from Mr Van Eck alleging racial favouritism in the appointment of Ikapa's town secretary was referred to Mr Meiring's MEC for Local Government, Mr Peter Schoeman.

Mr Meiring said that until February 1993 no further information came to his attention "which to my mind justifies the necessity for a probe."

He had requested the Swart Commission — whose findings this week included corruption and fraud — after an informal probe by Bellville's then-town cleric, a Mr Marshall, recommended this.

The Marshall probe was a response to the auditor-general's office contacting the CPA in February, 1993, about "apparent tender allocation irregularities" at Ikapa.
and most barbarous of serial killings’

One held in feeding scam

THE Eastern Transvaal government yesterday announced that it had uncovered large-scale corruption and theft in the province’s school feeding scheme.

"It is embarrassing but senior government officials and provincial businessmen have been caught either stealing money meant for food, or selling to shops food meant for school pupils," said MEC for education Mr David Mabuza.

"At least one principal will be in detention tomorrow, more will follow."

Although the MEC could not say exactly how much money was involved, he confirmed that at least nine separate cases were being investigated.

"One case involved R20 000 while R150 was stolen in another case. We just can’t say how much money is involved at this stage because we don’t know if we have uncovered all the corruption taking place," he explained.

Although admitting that his department had known of specific abuses of the feeding scheme for over six months, Mabuza denied full responsibility for the abuses.

"The corruption is embarrassing and we did try to avoid taking this type of action while we strengthened the system," Mabuza said.

"We increased the number of supervisors and allocated more vehicles to monitors so that they could reach schools, but we failed to cap the corruption. So now there is only one way to show our seriousness — justice must run its course."

"The scheme’s set-up is open to abuse and it must be restructured so that schools answer to provincial education departments. Abuses will continue if projects fly over our heads," he said. The abuses, which include the diversion of funds, the resale of food and incorrect invoicing were uncovered after communities complained about shortfalls at public meetings.

— African Eye News
Though President Nelson Mandela may be seeking a quick-fix damage control solution to the Allan Boesak controversy, it is unlikely that it will come from the Office for Serious Economic Offences (Oseo).

Both Mandela and Deputy President Thabo Mbeki can expect political flak for some time as a result of their indecent haste to clear Boesak of wrongdoing and yank him into government service.

The issue is whether there is any substance to allegations that Boesak substantially enriched himself, taking R2m-R3m in aid donated to his Foundation for Peace & Justice by Danish organisation DanChurch Aid.

Boesak denies the claims and DanChurch says it does not want to fight with government — but it does, understandably, want to know where its money went. To this end, particulars of DanChurch’s claims have now been drafted and senior counsel has been briefed.

Boesak, the ANC’s former Western Cape leader, was ambassador-designate to Geneva when DanChurch’s Johannesburg lawyers, Bell, Dewar & Hall, produced a report which pointed fingers at him.

Mbeki’s subsequently bungled attempt to exonerate Boesak, through an apparently poorly researched report compiled by legal adviser Mojanga Gumbi, pre-empted a more comprehensive investigation by Oseo.

Mandela’s initial naivete in accepting the Gumbi report and his resurrection of the idea of a diplomatic posting for Boesak have added to the embarrassment.

The outcry, public and parliamentary, forced the President to back-pedal and freeze an ambassadorship pending the outcome of the serious offences investigation.

Mbeki, though, still stands by the Gumbi report. “Even DanChurch Aid and their lawyers re-examined their findings in the light of that report.” But this is vehemently denied by Bell, Dewar & Hall.

Now Mandela, instead of letting the investigation run its full course, has asked Oseo to expedite matters and let him know whether a prima facie case of criminal misconduct exists against Boesak.
Coke cash for FPJ 'astray'

GLYNIS UNDERHILL
Weekend Argus Reporter

MONEY donated to Allan Boesak's Foundation for Peace and Justice by the Coca-Cola Foundation in America for distribution to pre-school projects in impoverished areas of the Karoo never reached its destination, it has been claimed.

Assistant director at the Office for Serious Economic Offences (Oseo) Tommy Prins, who is investigating the financial irregularities at the Foundation for Peace and Justice (FPJ), is to visit Carnarvon in the Karoo next week to discuss the funding issue with staff at Caravan Community Organisation Projects.

Chairman of the Caravan pre-school project Glen Phuke said he was aware R150 000 donated by the Coca-Cola Foundation to the Foundation for Peace and Justice (FPJ) was intended for their pre-school projects, but only R50 000 was received from the FPJ for the projects.

Mr Phuke said the money was meant for the pre-schools in the small Karoo towns cater for impoverished local parents, many of whom are unemployed.

There are 85 children being cared for at the Carnarvon pre-school and 30 children at Van Wykville pre-school and they did not have money to pay for electricity, buy food for the children or pay workers' salaries.

Weekend Argus has a copy of a document written by Norman Michaels, then personal assistant to Dr Boesak, thanking the Coca-Cola Foundation for its injection of R150 000 for the Caravan Projects.

Former bookkeeper at the Foundation for Peace and Justice Friedel Steenkamp wrote to the Coca-Cola Foundation: "We cannot over-emphasize the tremendous difference your generous gift has made for the people in Carnarvon. We are indeed thankful for your kind assistance in the plight of the impoverished and disadvantaged community, who are still at this very moment exposed to the stark reality of white oppression in Carnarvon."

Claims are being made that money donated by the Coca-Cola Foundation to the Foundation for Peace and Justice could have gone astray.

In Carnarvon and Van Wykville and the organisation still expected to get the money. They would fight for it if necessary.

Manager of public relations at Coca-Cola Company, Kerry Traubert confirmed with Weekend Argus a grant of R150 000 had been made in 1992 for the Caravan Projects and the company had accepted the FPJ reporting on the distribution of the funds in 'good faith.'

While Coca-Cola Foundation was now aware of the problems that had arisen at the FPJ, it did not intend taking any action, said Ms Traubert.

The plight of the community organisations in the Karoo first came to the attention of the public when Nordic funding agencies last year began probing the financial irregularities at the FPJ.

Mr Phuke said the subsidise pre-schools in the small Karoo towns cater for impoverished local parents, many of whom are unemployed.

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Keeping govt on the straight and narrow

AMERICAN expert on public accountability James P. O’Sullivan is in South Africa, on the final leg of a regional visit. Chief Reporter JOHN PERLMAN spoke to him about the essence of clean government.

JAMES P O'Sullivan is a lawyer, not a farmer, but he has spent the past week planting seeds in South African soil. It will be interesting to see whether these seeds bear any fruit.

O'Sullivan is a senior official in the United States Office of Government Ethics (USEGE), a body set up by an Act of Congress to help keep politicians and bureaucrats on the straight and narrow.

"Our primary task is to identify areas where there might be potential conflicts of interest and then to work out mechanisms for remediying them," he says. "It is a preventive system."

In the United States "full public financial disclosure" has been a legal requirement for senior members of the federal government since 1976. O'Sullivan says.

Currently some 23,000 members of government — congressmen and senators, federal Supreme Court judges and senior officials in every federal department — are required to file statements detailing their financial interests when they take office.

"Financial interests" would include properties owned, stocks and directorships held by themselves and family members. A false statement can be punished with a fine of up to $10,000 ($37,000).

A further 250,000 "mid-level employees who have sensitive functions" — such as environmental inspectors, licensing officers, and contract arbitrators are also required to make such disclosures but these remain confidential, O’Sullivan says.

**Implement**

The USOGE’s task, he says, is to oversee a "decentralised system. We provide policy guidance for how the programme is administered but each department in the executive (the equivalent of ministries) has to implement its own programme."

These issues, O’Sullivan says, are the subject of "an intense amount of interest in this area around the world."

In South Africa, though, the debate over whether our elected politicians and senior officials should make full disclosure of their financial interests has only just begun to simmer.

The ANC requires this of its MPs but the information is lodged with secretary-general Cyril Ramaphosa and is not available to the public. Representatives of other parties are under no obligations at all.

O’Sullivan should have given some important people plenty of ideas to work with. His South African visit, the final leg of a five-country regional tour, has put him in meetings with ministerial officials in Pretoria and regional politicians in Gauteng and the Eastern and Western Cape.

O’Sullivan has met the Public Service Commission, the Office of Serious Economic Offences, the Department of Foreign Affairs, academia at various universities with Kader Asmal, the Minister of Water Affairs who has also been charged with overseeing the ANC’s code of conduct for its own members.

The US system for scrutinising public officials, regarded as one of the strictest in the world, has pretty deep roots. The Ethics in Government Act which set up the USEGE "was an outgrowth of the Watergate scandals earlier in the 1970s," O’Sullivan says.

South African efforts will have to start from scratch. And while the USEGE has 84 employees, and back-up within every government department, South Africa’s shortage of administrative capability wouldn’t allow for anything like that.

But that’s no reason not to get started, O’Sullivan says.

**Important**

"Even with limited resources you can put into place some kind of public disclosure system," he says. "You start at the top with the most senior officials. If you can only administer 100 officials you can take your top 100 elected officials and your top ministry people."

O’Sullivan says the making public of officials financial interests is only one aspect of the system in the US but believes it would be particularly important at this time in South Africa’s history. "If you have a new government and it is putting down the roots of a democracy, that does seem like a particularly sensitive time to be maintaining public confidence in its officials."

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Coke's cash for the FPJ missing

GLYNIS UNDERHILL

CAPE TOWN - Money donated to Allan Boesak's Foundation for Peace and Justice by the Coca-Cola Foundation in the US did not reach its destination, it has been claimed.

The funds were intended for pre-school projects in impoverished areas of the Karoo.

Glen Phike, chairman of the Caravan pre-school project, said Office for Serious Economic Offences assistant director Tommy Prins would be travelling to Carnarvon next week to discuss the funding issue with staff at the Caravan Community Organisation Projects.

Phike said he was aware that R150 000 donated by the Coca-Cola Foundation to the FPJ was intended for its pre-school projects. Only R30 000 was received from the FPJ, he claimed.

"The money was meant for our pre-schools in Van Wyksvlei and Carnarvon but we never received it," he said.

Kerry Traubert, manager of public relations at the Coca-Cola Company, based in Atlanta, Georgia, said the company had accepted in good faith the FPJ's reporting on the distribution of the funds.

Phike said the subsidised pre-schools in the small Karoo towns cater for impoverished local parents, many of whom are unemployed. There are also 115 children being cared for at the two schools, he said.
Businessmen to lead crusade against corruption in Southern Africa
Businessmen to lead crusade against corruption in southern Africa

SOUTHERN Africa's top business executives are to lead a crusade to stamp out corruption in the region.

The initiative, launched at the World Economic Forum summit in Midrand last week, will culminate in a major anti-corruption conference on August 15 at the World Trade Centre in Kempton Park.

Council of Southern African Bankers CEO Piet Liebenberg said about 1,000 executives from the region would be invited to the conference, at which a detailed action programme with new approaches to combating corruption would be formulated.

Liebenberg said the summit on Friday that corruption had reached intolerable levels, and business should lead the fight against it.

"Business in SA has been reluctant to raise these issues publicly. We believe it is time for business to begin speaking out," he said.

Businessmen at the summit called for steps be taken to eliminate corruption in SA and the region. These included the adoption of King committee recommendations which seek to improve corporate governance, the generation and adoption of codes of ethics, and greater efforts at self-policing by business.

Other steps included lobbying governments to repeal legislation that created incentives for corruption, such as tariffs and regulations contributing to the creation of "grey" and "black" markets which undercut legitimate trade.

Liebenberg said fundamental values - especially respect for the rule of law - should be restored.

Business Practices Committee chairman Louise Tager called for legislative reform to bring more clarity and "economic rationality" to the legal environment.

She said the myriad of controls in SA laws created opportunities for corruption, and these needed to be streamlined to encourage self-regulation by codes of conduct among businesses.

Tager attributed much of the corruption in SA to the country's past apartheid policies which had undermined basic values throughout society.

International sanctions against SA, she said, had encouraged the spread of "questionable practices" among SA companies.
POLITICS

PAYMENT IRREGULARITIES ‘DISTURBING’

‘Serious’ fraud in govt pensions still goes on

FRAUD in the payment of social pensions is still disturbing, says the auditor-general, BARRY STREEK reports.

THE serious irregularities and fraud in the payment of government pensions had not improved significantly, auditor-general Mr Hein Kliever said yesterday.

He tabled in Parliament “a consolidated picture of the state of serious affairs regarding controls over the payment of social pensions by various government institutions in South Africa”.

The former provincial administrations, own affairs administration, the TBVC countries and self-governing territories were responsible for the control over and payment of social pension benefits within their own jurisdiction.

“Over the past number of years various irregularities, weaknesses in the systems of internal control and disturbing practices and developments regarding control over the payments of social pensions were found during audits.

“Although it was attempted with these reports to highlight deficient and unsatisfactory arrangements in the handling of social pensions, it is regrettable to report that notwithstanding these extensive reports on the unsatisfactory and disturbing state of affairs, the situation had, at the time of writing this report, not improved significantly.”

Mr Kliever said that among the irregularities was the payment of pensioners more than once for the same period, payments to people who did not exist, payments made to people who did not qualify for pensions, and payments after the death of a bona fide pensioner.

In the financial year which ended on March 31, 1994, over-payments totalled R21.5 million, with deterioration of 19%
Lekota removes
Free State MEC

BLOEMFONTEIN — Free State MEC for Housing Vex Mayekiso has been removed "for using his position to enrich himself or any other person", Premier Patrick Lekota told a press briefing in Bloemfontein yesterday.

He said section 149(9) of the constitution stipulated that no member of a provincial cabinet should use his position to enrich himself or anyone else.

Lekota suspended Mayekiso on April 28 after a complaint by the Thabong branch of the SA National Cric Organisation (Sanco) that he was using his position as MEC to advance the interests of another party or those of himself and his family.

The Sanco letter expressed concern about Mayekiso's involvement in a dispute between the taxi body Abtocsa and a Mr Nkomo, franchise holder of a BP service station in Thabong near Welkom.

Sanco claimed Mayekiso was taking sides in the matter and had a vested interest, and that a bank guarantee of R50 000 offered to BP by Abtocsa was in the name of Mayekiso's wife.

He will no longer serve in the provincial cabinet, but it was unclear yesterday whether he would retain his position as a member of the provincial legislature.

Lekota tabled two letters from Welkom attorneys Andrews Podbielski and Grunsell to Nkomo, dated October 31, inviting him to negotiate the sale of his business to Abtocsa.

Lekota tabled a letter on an executive council letterhead from Mayekiso to Nkomo, inviting him to a meeting at the Welkom Inn on February 15.

Lekota said Nkomo had felt obliged to attend because Mayekiso was a high government official.

Nkomo claimed that in the course of the meeting he had been placed under pressure to sell his business and as a result of alleged threats agreed to sell his business to Abtocsa.

Nkomo claimed Mayekiso had posed as a neutral arbitrator, at the meeting but did nothing to protect him when the threats were made.

On February 22, Nedbank's Welkom branch issued a guarantee for R50 000 as surety and co-principal debtor for Nkosinawo Beatrix Mayekiso.

Lekota added this document showed Mayekiso's personal interest in the matter, said Lekota. — Sapa.
Defiant MPs’ cash quest to be probed

By BRENDAN SEERY

Speaker of the National Assembly Frenz Ginwala has ordered an investigation into reports that 17 MPs on an expenses-paid study trip to Europe went to South African embassies to claim daily allowances, totalling R56,000, despite the fact that Parliament had earlier turned down their request for spending money.

This week Democratic Party MP Douglas Gibson, who was a member of the tour party in April and early May, sent a cheque for R3,200 — the local equivalent of what he was paid out — to Parliament, claiming he was unaware of the controversy over the payments.

The Department of Foreign Affairs and Parliament have both refused to foot the bill for the payouts, which were made last month to the parliamentary select committee on defence that went on a study tour to Germany and Britain.

Each of the parliamentarians, representing all the major parties in Parliament, were paid out more than R3,200 for the 12-day trip. They were given DM375 each for five working days in Germany and £400 for the rest of their stay in England.

The MPs — who earn an annual package of R183,200 — had only to pay for two suppers out of their own pockets during the tour.

Ginwala told Saturday Star that “Parliament did not authorise Foreign Affairs to pay the money.”

Foreign Affairs spokesman Jacques Malan said officials at the embassies in Bonn and London were not told Parliament had turned down the request by the MPs for a daily allowance.

He said it was in keeping with normal practice that embassies would “help out” official visitors from South Africa, but on the strict understanding that the Government department under which they fell would be billed.

In the case of the visiting MPs, Foreign Affairs officials had been provided with the “necessary accounting codes” for the billing procedures and so payment had been made, he added.

Ginwala said Parliament would have to determine on what basis the money was claimed and how it was paid out.

She said Parliament’s budget was very tightly controlled and that there were strict guidelines for expense payments to MPs.

Willem Fourie, from the office of the secretary of Parliament in Cape Town, said the touring group had requested spending money of between R35,000 and R38,000 from Parliament, on the grounds that it was an official visit. However, Ginwala and Senate president Koos Costea did not agree and rejected the request.

Fourie said Parliament turned down requests for money for foreign travel by select committees “on virtually a daily basis.”

“It is very seldom that we accede to such requests.”
The ANC is planning to lead the world with proposed new rules on MPs' extra-parliamentary earnings, reports Eddie Koch.
Boesak funds probe moves to the Karoo

GLYNIS UNDERHILL

Cape Town: A number of people were inter-
viewed by the Office for Serious Economic Of-
fences (Oseo) on a visit to Carnarvon in the
Karoo recently during its investigation into the
financial affairs of Allan Boesak's Foundation
for Peace and Justice (FPD).

This was confirmed by Oseo's assistant direc-
tor, Tommy Prins, who said the findings of
the Karoo trip would remain under wraps until
the investigation had been concluded.

'Saturday Star' recently disclosed 'allegations'
that money donated to the FPD by the Coca-
Cola Foundation in the United States for dis-
tribution to pre-school projects in the Karoo never
reached its destination.
PUBLIC SECTOR - GOVT. - MISCELLANEOUS

1995

JUNE - DEC
Boesak office lease could
cost state R14.4 million

THE lease for central Cape Town
cost state R14.4 million

DARRYL STREEK

The lease for central Cape Town
offices signed last year by Dr Allan
Boesak, the former Minister for
Economic Affairs, would cost the
state R14.4 million over 10 years,
the Minister of Public Works, Mr
Jeff Radebe, said yesterday.

The lease with Old Mutual
came into effect on October 1 last
year but the offices were unoccupied
until the middle of May, he
said in reply to a question, which
was tabled in the Senate by Senator
Nels Ademan (NP).

The original lease was for 10
years and was due to expire on Sept
30, 2004. However, 'negotiations' to

The Adderley Street offices,
leased from the SA Mutual Life
Assurances Society (Old Mutual),
could be sublet before the lease agreement to five
years were in progress.

'The possibility of sub-letting
had been investigated but the
provincial administration had
meanwhile identified a need for
the use of the offices for its own
purposes,' Mr Radebe said.

Dr Boesak had not have authorisation from his
department to sign the lease
Competitive tenders for leases
of this nature had to be called for
by the Chief Directorate of Works
in the Western Cape Provincial
Administration.
Plans to root out corruption

BARRY STREEK
POLITICAL STAFF
CT 16/95

An Anti-Corruption Arm within the Public Service Commission should be considered, according to the draft white paper on the transformation of the public service, which was tabled in Parliament yesterday.

"In view of the ministry's concern with the elimination of corruption within the public sector, a systematic programme will be introduced to prevent corruption and punish offenders," the white paper said.

"An Anti-Corruption Arm that will detect and expose corruption in the public service, will be linked to the Public Service Commission, the Public Protector and the police, while its activities will be jointly overseen by the ministry and the office of the Public Protector," it said.

A draft code of conduct for the civil service had also been developed and published.
Corrupt officials selling passports

By PETRA KROST

Corrupt Home Affairs officials are hampering police attempts to stem the tide of illegal immigrants, claimed to be responsible for 40% of South Africa's crime.

"In 1994 alone, we arrested 23 Home Affairs officials, including two directors, for unlawfully helping illegal immigrants obtain passports, identity documents and other national documentation," Warrant Officer Johann Fourie of the Illegal Aliens Investigation Unit said.

This week the Department of Home Affairs and the Illegal Aliens Investigation Unit estimated there were three million illegal immigrants in the country. However, while Home Affairs spokesman Henkie Meyer admitted there was a serious problem, he said his records showed only 16 officials charged.

"But obviously that is too many, so we are conducting ongoing in-service training to try to curb it," Meyer said.

He would not specify the screening procedures used by the department in its recruitment, but said people with criminal records were not employed.

Fourie said the unit's biggest headache was the illegal issue of documents to Nigerian nationals: 250 have been arrested since January for possession of unlawfully issued documents. Illegals then used the same information on their application form for a later registration - which would not be turned down, as the data was on computer and the people had complete histories as if born in South Africa.

Once their births were registered, they could legitimately apply for identity documents - which they could then use to request passports.

"They always have money," Fourie said.

TO PAGE 2

Illegals

As West Bank gets uglier, Nigerian for passport found. It will always be at least 133 dollars until we find out two more.

"I have seen..."
Retired Bop official
tells of R5-m scam

By Mathatha Tseu
Political Editor

A former senior official of the defunct
Bophuthatswana government back-
dated a R5 million contract last year
after being promised a slice of the
money

Mr Itumeleng Jeremiah Reid (53),
who was director-general for informa-
tion, testified before the Soweto
Commission of Inquiry into Corrup-
tion in Bophuthatswana on Thursday.
He said he and Mr Immanuel had
drawn up a contract and backdated it to
siphon off money from government funds.

Payment of the money was ap-
proved by joint administrator Mr
Johan van der Walt, who had been told
the contract was genuine and due for
payment

Reid was promised R400 000 to
help him rebuild a chicken shop that
had been destroyed in the riots. He
had, however, only received
R138 000 plus R7 500 for legal fees
from Immanuel, he told the commis-
sion.

Reid, who is now retired, testified
that the R5 million had been set aside
for voter education and a possible refer-
eendum. The education project was
part of an extensive programme
known as the Q Project, run by
Immanuel and other colleagues.

According to documents in the pos-
session of Sowetan, the project was to
provide a covert "information and
propaganda plan in support of the
Bophuthatswana government's politi-
cal position and stance".

Chief Lucas Mangope's Christian
Democratic Party was "a vital element
of the comprehensive communica-
tion strategy. The party was said to be
the only vehicle through which the plan's
core aim could be achieved.

"The party currently lacks both in-
frastucture and profile and is in fact
the weakest link in the overall strat-
egy. The strategy has therefore been
designed to invisibly reinforce and
support the party's manifesto, prin-
ciples and constitutional proposal," the
documents reveal.

In a candid admission that the
planned activity was illegal, the docu-
ment states "The following proposed
aim, goals and objectives should be
regarded as highly sensitive and po-
tentially controversial. They imply
direct government support for a party's
political objective and as such, appear
to be in direct conflict with the most
basic principles of democratic govern-
ment.

"The basic aim of the project was
also to ensure "for Bophuthatswana
the maximum level of political au-
tonomy and to effect a relative right to
determination within the frame-
work of the imminent South African
disposition."

To ensure that the electorate made a
decision consistent with that of the
Mangope party, a programme to edu-
cate them about "free market prin-
ciples and secondly show what the
Bophuthatswana government has
achieved through adherence to these
principles" had to be embarked on.

The Q Project foresaw five possi-
ble scenarios, all of which started with
voters rejecting Mangope's party ei-
ther due to ignorance, confusion, or
belief in allegations that
Bophuthatswana was a puppet state,
riddled with corruption and maladmini-
stration.

The project was to be effected in
1993 but was stopped in December
that year, according to Reid. "Very
little work had been done, it was es-
established yesterday. In preparation for
this work, Reid was given the
R5 million which had not been used
when the Mangope government fell in
March last year.

It was after the fall that Van der
Walt and Jacob Mogoro were ap-
pointed joint administrators. Reid and
Immanuel met on March 16 with a
new contract between the
Bophuthatswana government and the
Q Group, signed by the two and back-
dated to February 10. The contract
was presented to Van der Walt, who
approved payment "Immanuel said
payment should be made immedi-
ately, saying he did not trust the
present set up. I then ordered imme-
diate payment," Reid said in his affida-
vt to the commission.

But Immanuel did not live up to his
promises to Reid, the commission
heard. Reid was told R60 000 of the
R400 000 would be deducted for tax
purposes but he had been given only
R138 000.

Reid is to appear for cross-exam-
nation on June 26.
Business leaders join in fight against crime, corruption

BUSINESSMEN have joined the fight against crime as organised international syndicates, widespread fraud and corruption threaten efforts to boost the economy.

Banking leaders will meet in Gauteng next week to prepare proposals for changes to legislation in an effort to stop money-laundering.

In South Africa banks do not have to report deposits that exceed certain minimum limits or which are suspected to come from criminal activity — unlike Europe — and banking leaders are lobbying for legislation to enable them to do so.

In another initiative, about 1,000 business, industry and civic leaders from around Southern Africa are expected to assemble at a one-day anti-crime workshop organised by the Council of Southern African Banks (Cosab) in August.

Cosab chief executive Mr Piet Liebenberg said emphasis would be placed on developing new moral standards and a work ethic to promote economic growth.

Professor Louise Tager, chairwoman of the Business Practices Committee, said business was making more effort than in the past because crime was now spilling into previously safe areas.

Business leaders had held several conferences on fraud and corruption in the past two years, but now the economy was also being threatened by international fraud syndicates.

"There is not one solution to this problem and it is going to be a lengthy process. We need a police force which is properly paid and trained as a community police force.

"We need to restate good values in our society," Prof Tager said.

"The chairman of the board and directors must take a lead in good business ethics. These things start from the top," she added.
Call to curb corruption in order to compete on world markets
THE AUDITOR-GENERAL has recommended that people be brought to justice for the millions of rand of public money being lost through maladministration, fraud and theft in the former homelands. ANTHONY JOHNSON reports.

The wholesale collapse of virtually all aspects of financial administration and control in the former independent homelands is bleeding the South African taxpayer dry, the auditor-general warned yesterday.

A special report commissioned by Parliament on the former TBVC states paints a picture of rampant fraud, theft, overpayments, destruction or non-existence of vital records, absenteeism, idleness within government departments, parastatals and local authorities.

His report notes that hundreds of millions of rand of public funds go missing or are not accounted for in the former homelands.

The "situation analysis" was conducted for auditor-general Mr. Henn Kloever by five private audit firms between February 28 and March 31 this year after the joint standing committee on public accounts in Parliament had raised the alarm in October last year.

In his report Mr. Kloever calls on the government to stop the ongoing wastage of "very large amounts of taxpayers' money".

Justice

He recommends that teams of specialists be sent to probe fraud and misconduct claims so that accountability and responsibility can be established and "perpetrators be brought to justice".

The probe found that the last audited reports by homeland auditors-general submitted to their respective parliaments or legislative authorities was 1988/89 in the case of Transkei, 1988/89 in Venda, and 1990/91 in Ciskei and Bophuthatswana.

Transkei had not done 85,7% of the required audits of government departments from 1989-94, and 72,9% of those required for corporations, parastatals and funds from 1989-94.

The investigation conducted this year found that in the Transkei there was evidence of the destruction of vital records and, with the exception of a few corporations, inadequate control over expenditure, salaries and wages, and the safeguarding of assets.

While certain departments were grossly overstated, "there was a general lack of enthusiasm or commitment with staff either not having work to do or not doing their work. Management was either unable or unwilling to implement discipline".

Appalling

In the case of the Ciskei, the report states "On the whole the internal controls and accounting records in government departments are in an appalling state. Consequently, fraud and manipulation could be perpetrated on a widespread basis.

Personnel in the Ciskei appeared to be unproductive "and absenteeism a common problem in the office of the Ciskei auditor-general and elsewhere".

In Bophuthatswana, investigators found that none of the personnel in the Department of Foreign Affairs "seemed to have any productive tasks to keep them occupied", while some had been told to stay at home while the process of amalgamation with the national department was being completed.

Theft of government vehicles was common (73 last year).

In Venda, investigators found a history of overpayments of officials, with 47% of the total budget in 1993/94 going to salaries. Actual salary expenditure increased 21.6% in 1992/93 and 18.9% in 1993/94, suggesting unauthorised increases or appointments.
Aud-G slams homeland corruption

BY PATRICK BULGER
POLITICAL CORRESPONDENT

Cape Town — The finances of the former TBVC states were in "chaos, with indications of widespread fraud and wastage, Auditor-General Hearl Khoever told Parliament yesterday.

His special report on Transkei, Bophuthatswana, Venda and Ciskei, commissioned by Parliament's joint standing committee on public accounts, was tabled after a four-month study by five auditing firms.

The investigation was launched to look into indications of "serious financial problems and irregularities" unearthed by the Department of State Expenditure. The auditing pointed to "a totally unacceptable situation," he said.

"Very large amounts of taxpayers' money are being wasted. This should, in the country's interest, be stopped forthwith," Khoever said, adding that "forensic and other appropriate specialists" should be engaged to determine the extent and nature of the waste.

"Accountability and responsibility must be established and the perpetrators brought to justice," he said.

The investigation found that 54 audits of government departments in Bophuthatswana were outstanding, 25 in Venda, 120 in Transkei and 35 in Ciskei.
Huge sums still wasted in ex-homelands

Political Correspondent

HUGE amounts of taxpayers' money continue to be wasted in the former TBVC territories, says auditor-general Henri Kloeber.

Financial administration was in chaos and audits were in arrears.

In a report tabled in parliament yesterday, he urged the appointment of qualified people to aid the reconstruction and reconciliation of accounts.

A probe of possible fraud found:

- In the former Bophuthatswana, bank records were incomplete and there was an "apparent high number of thefts of government vehicles" — 97 reported stolen last year.

- There was cause for concern about the motivation for setting up the off-shore Bophuthatswana National Commercial Corporation, which had required an investment of millions of German marks.

- In the Ciskei, internal controls in government departments were so appallingly bad that widespread corruption was possible.

- In Transkei, the general lack of proper procedures in corporations, parastatals and funds opened the way for large-scale fraud and corruption.
Concern over poll finances

STATE expenditure director-general Mr Hannes Smit said yesterday he was concerned about the lack of financial accountability that dogged last year's elections, which also marred the November 1 poll.

Speaking to a parliamentary public accounts committee, Mr Smit said there was no guarantee that the misuse of funds and fraud experienced during the April 1994 election would not be repeated in local government elections.

Several committee members said they appreciated that the IEC had had a difficult task in organizing the elections, but they were unhappy at the lack of financial control.

Theft

The IEC ran the country's first democratic elections at a cost of nearly R1 billion. Auditor-general Mr Henri Kruiper withheld an audit opinion on the commission in a recent report that detailed a trail of theft, fraud and unauthorised, or "frustrating" spending amounting to millions of rands.

"In essence, we do not want to get the same answers 600 times over after the local government elections," ANC MP Ms Gill Marcus said during the debate.

Mr Smit responded: "I am also worried, but I cannot say there will not be problems. It will come at a price, and we have to make sure that the price will be as small as possible."

An investigation into the IEC had raised the question of whether commission chairman Mr Justice Johann Kriegler should be held responsible for the loss of money through theft, fraud and irregularities. NP finance spokesman Mr Francois Jacobz said. - Sapa.
Action on homeland fraud?

STAFF REPORTER

CHARGES could be laid against those responsible for fraud and theft in the former homelands, deputy auditor general Mr Bertie Loots said from Pretoria yesterday. He was responding to questions on who would take action, and when, on the findings of the auditor-general's report tabled in Parliament on Wednesday which recommended that people be brought to justice for the millions of rands of public money lost through maladministration, fraud and theft in the former homelands.

"We've put some very worrying things on the table which need attention. It is up to the country's executive to take action. They (the provinces) could start doing things right now," Mr Loots said.

He said the report would be given to the parliamentary standing committee on public accounts, chaired by Mr Ken Andrew, which could call for further evidence.

"They will look at all aspects, which may include the laying of charges," he said.

The deputy-director of state expenditure in the Department of Finance, Mr P L Rademan, said the report would be dealt with in provincial parliamentary standing committees in each province concerned.

Not responsible

"The accounting officer in each province will be summonsed to the standing committee and could also be called before the central parliamentary committee," Mr Rademan said.

"We're trying to ensure the past problems are kept separate from the new provincial structures. But ultimately, the problems will be up to the new provinces to solve," Mr Rademan said.

Professor Shepard Mayatula, Minister of Finance for the Eastern Cape, said yesterday he could not be held responsible for maladministration which happened in the former Transkei and Ciskei.

"I am shocked at the report. Tax monies should have been used for what they were intended. When I took office in May last year, I put mechanisms in place to ensure this sort of thing does not happen," Prof Mayatula said.

He said he had recommended that each provincial ministry have its own accounting officer - someone with a strong financial background - who would be responsible for its budget and who would "keep everyone on his toes".

The other provinces with former homelands did not respond to queries yesterday on what action they would take on the report.
Boesak probe not complete

(259) CR 23/1/95

COPENHAGEN: Deputy President Thabo Mbeki said yesterday a government inquiry this year "didn't get to the bottom" of charges that Dr Allan Boesak was involved in embezzling.

"We're not saying there was no embezzlement. Only that it could not be determined," he said.

Earlier this year Scandinavian aid organisations and SA attorneys accused Dr Boesak of misusing over R2 million from aid funds.

But last April a government inquiry, led by Mr Mbeki, cleared Dr Boesak of wrongdoing, although it also concluded that "he lacked control over the money."

The report "didn't get to the bottom of it," he said. It was based partly on a report made for the Danish, Swedish and Norwegian agencies.

He said the matter was still under police investigation.

Mr Mbeki spoke after opening a two-day conference on cultural and commercial relations between Denmark and SA. — Sapa-AP
Boesak fund probe still continuing, Mbeki tells Danes

Earlier investigation ‘didn’t get to the bottom’

COPENHAGEN — South Africa’s Deputy President Thabo Mbeki says that a government inquiry this year “didn’t get to the bottom” of charges that anti-apartheid activist Allan Boesak was involved in embezzlement.

“We’re not saying there was not embezzlement. Only that it could not be determined,” Mr Mbeki said. He is on an official visit to Denmark.

Earlier this year, Scandinavian aid organisations and South African attorneys accused Dr Boesak of misusing more than R2 million from aid funds.

Last April a government inquiry led by Mr Mbeki cleared Dr Boesak of wrongdoing, although it also concluded that he recklessly spent aid funds.

The government report “didn’t get to the bottom,” Mr Mbeki said. It was based partly on another report made for the Danish, Swedish and Norwegian church and state agencies.

Mr Mbeki said the matter was still being investigated by the police. He added that the case had been referred to the police fraud unit.

Mr Mbeki spoke after opening a two-day conference on cultural and commercial relations between Denmark and South Africa.

Dr Boesak, who denied any wrongdoing, headed the Foundation for Peace and Justice that was in charge of disbursing aid from Scandinavian church and state agencies.

Donors alleged that only 25 percent of the aid had reached the intended beneficiaries. They claimed most funds were used to pay for Dr Boesak’s home, his travel, a wedding reception, and debts incurred by his wife Elna, a television producer. — Sapa-AP
‘Looting’ rampant and staff idle in ex-homeland

The Argus Correspondent

Johannesburg — Looting is rampant and government services have collapsed in former KwaNdebele where the defunct homeland’s headquarters house idled civil servants who are still being paid, according to information received by the Press.

KwaMhlanga transitional local council mayor Norman Mathebe has turned to the Johannesburg press in an attempt to stop the crisis before it gets out of hand.

He said the core of the problem lay with the decision after last year’s elections to transfer all decision-making authority to the Eastern Transvaal capital, Nelspruit. This had effectively paralysed local civil servants’ ability to administer services to the 650,000 people in surrounding areas.

“Oupa Pilane, spokesman for Eastern Transvaal Premier Mathews Phosa, has denied that a crisis exists, but confusion clearly reigns about the division of powers between provincial and local government,” he said.

Mr Mathebe said the crisis was preventing RDP programmes from being implemented and this was creating disillusionment among locals.

In an interview, he said that about 1,000 civil servants had been idle since last year’s elections but were still receiving their salaries. They believed their functions had been taken over by Nelspruit, but Mr Pilane is adamant they are simply not doing their jobs “serious action” could be taken against them.

Mr Pilane said:

● The workers had taken to looting their offices of millions of rand’s worth of office equipment and furniture. On one occasion, 21 computers simply vanished. Computers, faxes and furniture were constantly being reported as missing.

● Sixteen Toyota Cressidas disappeared from the government garage one night and the theft of government cars was occurring on a daily basis.

● Land invasion was occurring on a wide scale because local officials did not have the authority to allocate sites. Instead, they had to travel 600km to and from Nelspruit twice a week as part of a cumbersome process of getting approval for applications.

● Residents were no longer paying for services because local authorities were unable to provide them with bills.

● A government guest house was stripped of all valuables in a single day. Baths, carpets, even wall tiles, disappeared as looters reduced it to an empty shell.

● Four graders and trucks also “vanished.” Officials are at a loss to explain how the large, slow-moving vehicles were stolen.

The former homeland’s ostentatious headquarters are at the centre of the problem. Opened in 1992, they have been made defunct by the decision to transfer the region’s capital to Nelspruit.

But a desperate need for services still exists because the small town of KwaMhlanga was the headquarters area where the headquarters are situated is surrounded by four communities where most of the 650,000 residents are shack dwellers living in abject poverty.
Tax officials under scrutiny for fraud

CLIVE SAWYER, Political Correspondent

SEVERAL tax officials are being prosecuted for fraud and corruption, said Minister of Finance Chris Liebenberg.

He was replying to allegations by Doug Gibson (DP) about corruption in the inland revenue department.

Speaking in a parliamentary extended public committee debate yesterday on the Income Tax Bill, Mr Gibson said the Johannesburg receiver of revenue's office was getting a reputation for being "bribeable".

"It costs R50 000 for an official to lose a tax file. For a payment of R5 000 or R10 000, other favours are possible."

Mr Gibson called for an urgent investigation of the matter and said prompt action should be taken. Failure to do so would undermine the tax system, he said.
DP allegations of bribery in tax office to be investigated

BY BRUCE CAMERON

An immediate investigation is being launched into claims made in parliament that bribery is rife in the office of the Receiver of Revenue in Johannesburg.

The claims of corruption were made by Douglas Gibson, a Democratic Party MP. He said files could be “lost” for R$0 000.

Trevor van Heerden, commissioner for inland revenue said he was starting an investigation.

Van Heerden said it was the first he had heard about the claims. “It was a bit of a shock,” he said.

The department was very strict on fraud and corruption and a number of people had been sent to prison recently from the Pretoria, Germiston and Johannesburg.
TBVC funds scandal: Call for justice

MXOLISI MGXASHE
Staff Reporter

BOTH the Democratic Party and the Pan Africanist Congress have come out in firm support of the auditor-general's recommendations to the government that people implicated in the missing hundreds of millions of rand in former homelands should be brought to justice.

Reporting to parliament's joint standing committee on public accounts last week on unaccountable funds in the former Transkei, Ciskei, Bophuthatswana and Venda bantustans, auditor-general Henk Kluver disclosed that millions of rand had gone missing owing to the total collapse of all aspects of financial administration and control in the former TBVC territories.

The special report, prepared by five audit companies, was commissioned by parliament following an alarm raised last October by the joint standing committee on public accounts.

The report indicates that Bophuthatswana government departments had between the years 1988 and 1994 done 71,4 percent of its audits during the same period Ciskei had done 81,5 percent of its audits.

The situation was worst in the Transkei, where only 14,3 percent of its finances had been audited followed by Venda, with 68,7 percent done.

The same maladministration, according to the report, was found in corporations and parastatals, where Venda took the lead with 33,4 percent of its finances undone, followed by Transkei's 27,1 percent, Bophuthatswana's 24,8 percent and the Ciskei with 19,1 percent undone.

The report does not reflect any better image of the TBVC's local authorities, where Bophuthatswana takes the lead with undone audits of 71,4 percent, followed by the Transkei's 44,1 percent.

The auditor-general's report does not, however, say specifically how much is involved in all this embezzlement, but says it amounts to hundreds of millions of rand.

It does not accuse any specific people, but talks of general chaos in which civil servants in the TBVC territories were simply helping themselves to taxpayers' money.

"Where fraud or any other misconduct is suspected, forensic and other appropriate specialists should be engaged to determine the extent and nature thereof. Accountability and responsibility must be established and the perpetrators brought to justice," says Mr Kluver.

Responding to this "shocking report", DP MP Douglas Gibson said the auditor-general should name those responsible for the missing funds.

He also blamed the Nationalist government and said if they had wanted the funds to be used precisely for what they had been intended — development — precautionary measures and conditions of usage would have been spelled out as strictly, as was done by institutions like the World Bank and the International Monetary Fund.

PAC MP Patricius de Lille said it was unfortunate that the ANC and the NP had entered into "secret horse-trading" during the period of negotiations.

"As far as I'm concerned, the auditor-general's report is but one of the trade-offs made between the two parties, and I think the government of national unity has a responsibility to the taxpayers to review that commitment and people responsible for financial mismanagement should be brought to book," she said.

Both the NP and ANC parliamentary spokes-persons on finances were not available for comment.

Nor was there anyone in the IFP parliamentary office to respond to recent reports that the KwaZulu/Natal government was paying R13 million a year in service and maintenance costs for its fleet of 9 000 vehicles.
Man who will keep public service on its toes

By CARMEL RICHARD

BTP's political wrangle over the appointment of a public protector ended this week when all MPs except those from the National Party gave their backing to Durban advocate Selby Baqwa. One of two candidates for the post, Mr Baqwa now becomes one of the most powerful people in the country. The interim constitution mandates him to oversee the behaviour of civil servants. Acting on his own initiative or on complaints by the public, he must root out corruption, and bureaucratic red tape or unfairness and speed up unduly delayed official decision-making.

Only the courts are off-limits for his investigations. Every other arm of government, at every level, must open their doors and their books when he asks.

No organs of state, no civil servant, no member of the government from the president down... may interfere with his work.

He can enter any building and seize anything relevant to his inquiries. He can order anyone to answer questions and hand over any document which he may need.

The man who will wield these powers, Selby Alan Madonsela Baqwa, 44, freely concedes he lacks a strong national profile and that it would be reasonable for the public to look blank when they hear his name.

But his name should not be anathema, however. His sister Lillian Baqwa, also a lawyer, was a member of the constitutional commission. Mr Baqwa has never served on that body, despite reports to the contrary.

Within progressive legal circles he is known as the man who took over the presidency of the National Association of Democratic Lawyers when its previous head, Fum Langa, took up a seat on the Constitutional Court.

But while he may be relatively unknown to the rest of the community, he has recently made his name in the Eastern Cape.

Public servants in the region know him only too well as a member of the Breede judicial commission of inquiry, he has been looking into bureaucratic malpractice there.

The commission was appointed after allegations that many civil servants helped themselves to increases, promotions and perks before the change in government.

So far commissioners have concentrated on the former Transkei and Ciskei — where they have been strongly criticised by civil servants who want to maintain the perks they enjoyed under the previous governments.

Mr Baqwa says his experiences of being a public protector will be very helpful in preparing him for the new job.

"When you see the abuses that have gone on — including overt dishonesty like getting into computers and changing salary figures — you realise how much can go wrong in government.

"What we have seen in the Breede commission should be a big warning. I hope the new government learns that it must get financial and other checks in place as early as possible."

Mr Baqwa started out as an attorney, then joined the Durban Bar in 1966. He has taught candidate attorneys at Natal University's school for legal practice and...

GOVERNMENT WATCHDOG... Picture: RICHARD SHORE

4T 2/7/95

if people 'drag their feet because I am Mistrer Nice Guy, I will use my powers most strongly'

Selby Baqwa says if people 'drag their feet because I am Mistrer Nice Guy, I will use my powers most strongly'

So part-time professor of law, has declared on mercantile law at the same university.

He says his lack of profile will help him in the new job. "As far as the public is concerned, I won't bring a lot of baggage with me. They can get to know me in context."

There has also been concern about whether he is too close to the ANC. Mr Baqwa says the job and his own personality — demand scrupulous fairness. In addition, the constitution lays down a system of checks and balances which would expose any tendency to favour any group. For example, regular report-backs to Parliament must include details of how each case is being handled.

These and other safeguards agree to have won over the initially sceptical Inkatha Freedom Party. After grilling him at the initial hearings on his political history and its influence on his work, IFP MPs voted for him this week.

Some people ask whether the soft-spoken Mr Baqwa will be tough enough for the post. Will he ferret out the huddles with the venom and determination that the job requires?

The former university boxer throws a punch of his own. If people drag their feet because I am Mistrer Nice Guy, I will use my powers most strongly."

He envisages a team of provincial public protectors with whom he will work closely, although the public may approach his office directly if they choose.

If people want to talk about corruption, he wants them to talk about it. "If we don't want to, a public about which we are to be accountable, the work is lost and the treatment to which they are entitled from civil servants.

"I am not just looking for corruption or misadministration. We want that the public be treated with dignity. Civil servants must be polite and realize they are the servants of the public and not the other way round," he said.
Still no end to plunder

Kings of corrupt States: "The former stronghold of the disloyal Bantu:time, which Auditor-General Khwezi alleges are:

Yeinda and Copa Gqozo (c/o)

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...
HE WILL KEEP PUBLIC SERVICE ON ITS TOES

Watchdog appointed

PROTECTOR: The newly appointed Public Protector, whose job is to root out corruption and keep tabs on bureaucracy, will have access to information at all levels of government.

A DURBAN advocate has been appointed South Africa's first Public Protector, making him one of the most powerful people in the country.

The former lecturer and part-time professor of law at Natal University, 44-year-old Mr Selby Alan Mabuqwa, will keep the public service on its toes.

His brief is to root out corruption, end bureaucratic unfairness and speed up unduly delayed official decision-making.

In his position as government watchdog he can enter any building and seize anything relevant to his inquiries, order anyone to answer questions and hand over any information he requires.

Interfere

So strong are the powers this position wields, that no member of state, from the President down, can interfere with his work.

Only the courts are off-limits for his investigations. Every other arm of government at every level must open its doors and its books at his request.

Feeling that he lacks a strong national profile, Mr Mabuqwa plans to start off in his position as the protector of the public with a publicity drive to inform the nation about his office, the work it does and the treatment that people are entitled to receive from civil servants.

He foresees having a team of provincial public protectors with whom he will work closely, although the public may approach his office directly if they choose.

Pleased

His appointment was welcomed by the President of the Association of Law Societies (ALS), Mr Tony Hardy, who said he was pleased the position had finally been acknowledged, as the association had been struggling for over 10 years to "promote high-level, independent investigation into complaints concerning alleged maladministration on the part of the government and its agencies".

— Staff Reporter
SA 21st on corruption index

By PETER FABRICUS

Washington — South Africa is 21st on a list of the world’s 41 most corrupt major trading nations, according to a corruption index published yesterday by Berlin-based anti-corruption body Transparency International.

The most corrupt countries, in the eyes of international executives, are Indonesia, China, Pakistan, Venezuela, Brazil, Philippines, India, Thailand, Italy and Mexico, in that order. The least corrupt is New Zealand, followed by Denmark, Singapore, Finland, Canada, Sweden and Australia. Japan was ranked 22nd — one better than SA — the United States 27th, Germany 29th and Britain 30th.

SA was the only African nation on the list. It scored 5.82 on a scale where 10 would have denoted complete honesty in business transactions and 0 a country "where business transactions were entirely dominated by kickbacks". New Zealand scored 9.55 and Indonesia 1.94.

Transparency International stressed that the index, collated from seven surveys, was not an objective measure of corruption but of international executives’ perception of corruption.
Government info service under fire

Political Correspondent

JOHANNESBURG. — A showdown is looming over the government’s controversial Information arm, the South African Communication Service (Sacs).

The service is facing mounting criticism from senior government ministers and ANC members of parliament on the eve of the appointment of a new Sacs boss.

Several cabinet ministers have slammed Sacs for being run by propagandists of the apartheid government who are incapable of effectively communicating the new ANC-led government’s policies.

The ministers have been scathing in their attacks on the inferior quality of the publications produced by the service, specifically those on the important reconstruction and development programme.

Acting head of Sacs David Venter has been singled out for particular criticism. He has been with Sacs since 1985 and is believed to be one of the seven candidates shortlisted for the top job.

Several ANC MPs have questioned the need for Sacs to continue operating and have suggested the resources at its disposal should be used for other government communication functions.

Previously known as the Bureau for Information, Sacs employs about 400 people country-wide and receives a budget of R53 million from government this year, R38 million of which went to staff salaries.

The showdown over Sacs is expected to come to a head in a few weeks at a conference of communicators which has been called to reformulate a communications strategy for government.

Sources say elements in Sacs, determined to secure a future for the unit, have already begun to put up a fight over certain aspects of the conference.

The conference, which will be held in the Western Cape, is being organised by the office of Deputy President Thabo Mbeki, who is responsible for Sacs. An official announcement on the conference is expected this week.

National and provincial government communicators, academics, journalists and representatives of the private sector have been invited.

ANC MP Cari Niehaus said individuals who had the baggage and history of David Venter were unsuitable for a job which required sensitivity to the needs of the majority.

Government communication at the moment was a bureaucratic mess, Mr Niehaus said.

Besides Sacs, cabinet ministers had their own media liaison officers; while government departments too had their communications personnel.

Mr Niehaus said this anomaly created confusion and the impression that there were different centres of power.

He also accused Sacs of meddling in the work of ministries and departments.

According to Mr Niehaus, Sacs as it exists at the moment should be shut down.

He said the upcoming conference would be a starting point in formulating the role of a government communication service.
Probe into public service corruption

BY MANDLA MTHEMBU

Public service officials in the former Transkei homeland are being probed on allegations of corruption and irregularities which occurred before and after last year's elections.

Public Service and Administration Minister Dr Zola Skweyiya said last week the Board of Commissioners, which is investigating the public service in all provinces, had been empowered to reverse any improper contracts, appointments and provisions, and the awards made to public servants in the Eastern Cape province.

According to investigations, officials in the former Transkei received mortgage loan subsidies on loans that were "substantially" higher than those applicable to public servants in other regions.

Skweyiya said the subsidies have been rationalised to those prevailing for the majority of public servants.

He said salary scales and allowances have been brought into line since July last year.

Due to its impact on personnel and labour relations, Skweyiya said during debates in the Central Chamber of the Public Service Bargaining Council, it was resolved that higher home-ownership loans be phased out from April 1 this year.

An interdict by the Transkei Public Service Association restraining the Government from implementing the order was recently turned down by the Eastern Cape High Court.
New teeth may give
State auditors more bite

She identified two “glaring absences” in the accountability process:
- Most departments did not have internal audits; and
- Most departments did not have proper financial management procedures.

Parliament wanted quarterly reports on the current spending and performance of departments, she said. Accountability had to be continuous to mean anything; annual audits were not sufficient.

She would be in favour of legislation on internal audits for each department, Ms Marcus said.

On financial management, she said the Auditor-General's office had estimated that 10 percent of the central government budget could be saved through better management.

This should be a priority of government. Before considering new taxes, the government should make sure existing taxes were efficiently spent.

Financial management should be a senior position in government departments.

Ms Marcus called for a bigger budget for the Office for Serious Economic Offences, which she said was understaffed and underfinanced. The current annual budget was R5 million; the Office did not have an accountant on its staff and none of the people working there were qualified to deal with electronic crime.

"The Office is doing a sterling job in very difficult circumstances," Ms Marcus said.

"But it is not being taken seriously."

"Accountability means that if there is fraud, there must be consequences."

The public sector would have to pay competitive salaries to attract top people and closer ties between accountants and auditors in the public and private sectors should be encouraged.

Other suggestions made by Ms Marcus included:
- Sharing of experiences with government auditors in other countries such as New Zealand, a world leader in the field.
- Strengthening back-up systems so that auditors did not need to fear victimisation if they reported unpleasant facts, and
- Better information systems so that data could be analysed at a national level, making evaluation much more effective.

At present, information systems at national and provincial level and in the former bantustans were not compatible.

“We have a budget of R31 Mn for education. Is this enough? No-one can answer that question because we don’t know how many new children are going to school next year, how many classrooms and teachers will be needed and where they will be needed.”
Battle looms over state info policy

A behind-the-scenes battle is raging in the government as state communication agency Sacs fights for its life, reports Gaye Davis.

A battle for the heart and soul of government communications policy is underway. The first shots have been fired in a series of behind-the-scenes skirmishes between government spokespeople and the central state-information agency, the South African Communication Service (Sacs).

An issue is creating the means whereby all citizens of South Africa — rather than just the educated elite — get the information they need to participate in the new democracy.

The first salvos were fired during preparations for a major conference to be attended by all government communicators next month. Lanes were drawn over what the conference was intended to achieve.

According to sources, Sacs representatives wanted the conference itself to formulate policy on communications structures and how the government talks to citizens. This was seen as a bid to ensure its continued existence in a climate where MPs and even ministers were questioning the relevance and necessity of a centralised organisation employing about 500 people and costing R55-million a year to run, when most ministries and departments had their own media sections.

The sources said this would have allowed Sacs to report on its own role and make recommendations on its own future. But this was deemed unacceptable by those who saw the debate as part of the broader issue of transforming South African society and who wanted the issue discussed outside government structures.

A corps of government spokespeople — new appointments made since the change in government — mutually pushed for a commission of inquiry to audit the entire gamut of government communications, including Sacs, ministries, departments, provinces and the Constitutional Assembly.

The idea was that the commission would independently examine strengths and weaknesses of government communications, tapping local and international expert opinion as well as the public, with a view to a much broader conference later.

Thus move was spiked when Deputy President Thabo Mbeki, during the Sacs budget debate on May 24, announced the conference.

After a number of meetings, the preparatory committee finally agreed this week that the conference, set for August 25 to 27 at Armaton, would be only the first step in a wide-ranging consultation process that would eventually reach all stakeholders — including the public — before any white paper was produced.

Sacs acting head David Venster conceded this week there had been political wrangles but dismissed as "nonsensical" suggestions that Sacs was fighting for its life "to preserve some old parapluie".

According to former Transkei and Ciskei Department of Foreign Affairs staff, Sacs employees had undergone "a process of change orientation" in the past four years, leaving them better prepared than other departments. The majority were "quite comfortable with the new government, and those unable to make the transition had mostly left, he said.

The lingering suspicions about Sacs — the role it played as the apartheid government's propaganda and disinformation arm — and doubts whether, in its "unreconstructed" state, it has entirely let go of the past, will still mark the territory to be covered at the conference.

Ministerial liaison officers (MLOs) canvass this week said they only used Sacs when "absolutely necessary", and only for "mundane tasks" such as its press clippings service, booking press conference venues and alerting the media.

"Some of us are very unhappy about the role Sacs is playing," said one MLO. "We feel they don't have sufficient grasp of the government's policies, come from a murky past and are now desperate to preserve themselves. There is nothing to assure us they aren't still working for forces on the other side.

All government communicators — ministerial media liaison officers, heads of departmental media sections, representatives from the president and the two deputy presidents' offices, Sacs, the Constitutional Assembly, the Speaker's Office, the provinces and the portfolio committee on communication in the National Assembly will attend the conference and it will be open to the press.
STOCKHOLM. — South African police will visit Sweden and Denmark next month to investigate allegations that Allan Boesak misappropriated funds from Scandinavian donor groups.

This is according to Danish Church Aid and the Olaf Palme International Centre.

The investigators will visit the Danish DanChurch group from August 9 to 15 and the Swedish Olaf Palme centre from August 20 to 25.

The organisations are just two of several Scandinavian donors that gave money to Dr Boesak’s Foundation for Peace and Justice.

A third organisation, Norway’s Det Mellomkirkeleg Raad (the Council on Ecumenical and Foreign Relations), said yesterday it did not know if South African police would be visiting Oslo.

The scandal over missing funds forced Dr Boesak in February to withdraw from his appointment as South Africa’s ambassador to the United Nations in Geneva.

The most serious allegations come from DanChurch Aid, which alleges Dr Boesak “substantially enriched himself” at the expense of his charity.

Lawyers for DanChurch Aid have said they intend to sue Dr Boesak for the return of the R1,3 million he allegedly acquired from the charity over and above his salary.

Private investigations into Dr Boesak’s financial affairs, including a government report exonerating him and an investigation by DanChurch Aid, were not sufficient to prove the former anti-apartheid activist’s innocence or guilt. — Sapa-AEP.
Boesak graft probe takes police abroad

Stockholm — South African police will visit Sweden and Denmark next month to investigate charges that South African cleric Allan Boesak misappropriated funds from Scandinavian donor groups, two organisations said yesterday.

The investigators will visit the Danish donor organisation, Danchurch Aid, from August 9 to 15, and the Swedish Olof Palme International Centre from August 20 to 25, the two groups said.

The organisations are just two of several Scandinavian organisations which donated money to Boesak’s charity body, the Foundation for Peace and Justice.

A third organisation, Norway’s Det Mellomkirkebild Raad (the Council on Ecumenical and Foreign Relations), said yesterday that it did not know whether the South African police would visit Oslo.

The scandal over missing funds forced Boesak to withdraw from his appointment by South African President Nelson Mandela as ambassador designate to the United Nations in Geneva.

The most serious allegations come from Danchurch Aid, which claims that Boesak “substantially enriched himself” at the expense of the Foundation for Peace and Justice.

Lawyers for Danchurch Aid have said they intend to sue Boesak for the R1,3-million he allegedly acquired from the foundation over and above his stipulated salary.

Private investigations into Boesak’s financial affairs, including a government report exonerating him and an investigation by Danchurch Aid, were insufficient to prove the former anti-apartheid activist’s innocence or guilt. — Sapa-AFP
Missing funds search

Investigating team to visit Denmark to interview staff

GLYNNIS UNDERHILL
Staff Reporter

LAW firm Bell, Dewar and Hall, which conducted the bombshell investigation into the financial affairs of Allan Boesak's Foundation for Peace and Justice, has been assigned by Nordic donors to keep a watching brief and act on their behalf to recover misappropriated funds.

Lawyer Gregg Nott said the Johannesburg firm would be looking at all ways of recovering donor funds, which were given to the foundation for distribution to victims of apartheid.

No decision had yet been taken to sue Dr Boesak or any other former staff members of the foundation, he said.

"We are taking it step by step. The donors will be discussing the matter with the Office for Serious Economic Offences in August and we will take it from there. We are going to look at all ways of recovering the money," he said.

A representative of the firm had attended the sequestration hearings of former bookkeeper at the Foundation for Peace and Justice, Freddie Steenkamp, who appeared in a Cape Town court last week.

- Nordic donors will meet with the Office for Serious Economic Offences before, deciding how they will recover foreign funds misappropriated from the Foundation for Peace and Justice.

It was the report released by Bell, Dewar and Hall which claimed Dr Boesak "substantially enriched himself" with the donor funds. Mr Steenkamp admitted to the law firm that he and other staff members had taken "loans" from donor money.

Dr Boesak was forced to resign from his appointment to the United Nations' ambassadorship in Geneva after the scandal broke.

Kirsten Lundøe, head of the planning department at Danish Organisation DanChurchAid in Denmark, told Saturday Argus the organisation was expecting the Office for Serious Economic Offences to visit them in the first two weeks of August.

"They have told us they would like to talk to a number of staff and we have said we will try to help them as much as possible," she said.

Mr Tommy Prins, assistant director of the Office for Serious Economic Offences (OSEO), said he had approached the ministry of Justice for approval to undertake the trip.

Mr Prins said that as he was heading the investigation, he would probably be going on the trip.

"I can't say when we will go. It depends on when we get permission," he said this week.

The OSEO was weighed down with files relating to its investigation of the case, he said.

"It is a complex enough case, but I don't think it has been one of our most difficult," he said.

Mr Prins denied rumours the OSEO would be preparing an interim report this week and stressed no undue pressure had been placed on them to conclude the case.

The OSEO would stick to its original deadline and planned to wind up the case by November.

"We are going according to schedule," said Mr Prins.

The OSEO had not yet interviewed Dr Boesak in connection with the case.

"We will be giving him an opportunity to say whatever he wants to," he said.

It was likely Dr Boesak would be interviewed toward the end of the investigation. He said he had "no comment" to make when asked whether the OSEO had interviewed Mr Steenkamp.
Proposed Bill will ensure open government

Gaye Davis

Government employees who blow the whistle on corruption or maladministration will be protected from reprisals in terms of groundbreaking legislation currently being drafted.

The proposed Open Democracy Act contains a "whistleblower" clause, protecting government employees who reveal wrongdoing.

The draft legislation — currently in its 10th version — marks a complete break with the past secrecy which surrounded government. It aims at making government more accountable by guaranteeing access to information and the proceedings of government bodies, and by setting up machinery to achieve these aims.

State law advisor Emile van Schoor, a member of the task group drafting the new law, said meetings would be held next week with the Minister of Safety and Security, Sydenham Mufamadi, Minister of General Services, Chris Framer, Minister of Water Affairs and Forestry, Kader Asmal, Minister of Justice, Dullah Omar, and Deputy Minister of Finance, Alec Erwin, all of whom had raised concerns about the legislation.

Van Schoor said while there appeared to be general support for the principles underpinning the draft legislation, the ministers wanted to raise practical issues. Omar, for example, told him he wanted to discuss the draft's application by the judiciary, while the fact that officers whose task it is to deal with requests for information, are proposed. They include specialised information courts, presided over by a Supreme Court judge, which will settle cases where there is a dispute.

An Open Democracy Commission would oversee the law's implementation. Chief of its tasks would be compiling a guide on using the new law, to be published, complete with contact numbers, in telephone directories. The commission would also review the act annually, receive annual reports from government bodies, and run education programmes.

Work on the act started in October 1994 when deputy president Thabo Mbeki set up a task group headed by his legal adviser, Moguntu Gumbi, to draft the Bill. Task group members include law professor Mandla Mchunu of the University of Natal, Durban; Professor Etienne Murenik of the Wits Law School; advocate Vincent Maleka of the Johannesburg Bar and Van Schoor, a state law adviser in the Department of Justice.

The Open Democracy Advisory Forum (ODAF), which represents 62 organisations including organised labour, business, the media, religious, education and human rights groups, and libraries and information services, is analysing the draft legislation and identifying possible problems.

The Bill is now more than 140 pages long and growing. Mbeki wanted it before the legislature's break, but the process is likely to continue.
KENILWORTH’S FORGOTTEN TENANTS

State flats still ‘rent-free’

PRIVATE citizens are still living rent-free — as they have for years — in some units in two blocks of Cape Town flats that the government only recently discovered it owns.

But few of them were prepared to discuss their windfall yesterday when the Cape Times visited the two adjoining blocks — Sadella Court and Marken Court — in Second Avenue, Kenilworth.

Sadella Court has eight two-bedroom units, and the second has six.

An average rental of about R600 a month a unit would amount over two years to more than R200 000 for the 14.

It emerged at the weekend that the flats, bought by the former Transkei government for its consular officials, fell automatically under the Public Works Department (PWD) after the homelands were abolished.

The consular officials were transferred to the Department of Foreign Affairs.

But in the confusion sensor PWD officials did not even know their department owned the buildings.

Rent was not collected, rates were not paid, and some of the flats changed hands to occupants who were not public servants.

Last week PWD director-general Mr Sipho Shezi revealed that his department had discovered about three weeks ago that it owned a property in Cape Town for which residents had not paid rent for years.

It was reported at the weekend that the PWD also owns an unoccupied Constantia property worth about R1 million that came to it from the Transkei government.

A visit to the Kenilworth properties showed that all but two of the flats are still occupied.

Mrs Sindy Niles, of Sadella Court, said she had been living there since 1992.

Her husband worked for a private company and she did not know if he paid rent.

Nor did she know how her family had come to occupy the flat, as her husband had made the arrangements.

A woman in another flat who did not give her name said she still worked for the Department of Foreign Affairs. She said a Mr Lengo in the other block was a spokesman for all of them, and could tell the whole story.

Mrs Lengo would only say that a Mr Mario van Zyl of the Department of Foreign Affairs, at a Pretoria number which she provided, “knows all about it.”

Mr Van Zyl, a deputy director, could not be reached at the weekend.

Register

- The Cape Town City Council has been trying for years to compile a central register of all the properties it owns. Although the project is not yet complete, officials doubted whether anyone in a council-owned property could get away without paying rent.

An official said the council owned about 30,000 properties, but many were just a few metres in extent, being leftovers after road construction or development projects were completed.

“We are trying to draw up a register of potentially useful land,” he said. “The computer enables us to look at all council-owned pieces of land over five hectares.

“Now we want to look at everything that is over 200 square metres, and then we will be able to determine whether there are buildings on the land, and to what extent the land can be.” — Staff Reporter
MMABATHO — The former Bophuthatswana government's National Security Council channelled more than R10m through two fictitious companies to Lucas Mangope's Christian Democratic Party, the Skweyiya commission of inquiry heard yesterday.

The council's secretary and accounting officer Jacob Esterhuizen told the commission he opened two bank accounts in 1992 under the names Western Management and Futura Enterprises on the authority of Mangope and then State Affairs Minister Rowan Cronje. Payments he made from the secret national security reserve and transfer account through Western Management included a R1.5m cash cheque to Matikeng Toyota for vehicles "purchased for and handed to the Christian Democratic Party".

In an affidavit submitted to the commission, Esterhuizen also said R150 000 was paid to Executive Research Associates "on the approval of Mr Mangope" to assist in funding the Douglas commission of inquiry into alleged ANC human rights violations.

Mangope instructed him to have with party treasurer and cabinet minister Ephraim Kekelame on what payments were to be made. All payments were authorised by Kekelame. "I accepted that whenever he (Kekelame) asked for money I was to give it," said Esterhuizen.

Money was also used to fund covert projects, including one aimed at "financing an intensive covert awareness campaign" for the Christian Democratic Party in the run-up to Bophuthatswana's 1992 local and

Continued on Page 2

Mangope

Continued from Page 1

planned general elections

Mangope and a legal representative sat in the Mmabatho Supreme Court yesterday listening to evidence led by commission advocate Vas Som.

In January and February last year, months before the Bophuthatswana government was disbanded and the homeland placed under SA administration, the council paid R3.4m to Plecon Communications' Brig Pierre Le Clus for "work he had done to popularise the party in terms of a R10m contract", Esterhuizen said in his affidavit.

Other payments made included to Maritzburg company Screen Advertising for "election scarves made for the party"; R248 682 the Connoisseur International for "jewellery the party had bought for the election" and R5 780 to LA Promotions for party flags, Esterhuizen said.

The commission continues hearing evidence from Esterhuizen today.
Mangope used secret account to send R1.3m overseas, inquiry told

MMABATHO — Former Bophuthatswana president Lucas Mangope used a secret account held by his government's National Security Council to send more than R1.3m of his own money to offshore accounts, the Kganyama commission heard this week.

The commission of inquiry, headed by Justice Louis Skweyiya SC, is investigating corruption by the former homeland. The commission's former secretary and accountant officer, Jacob Esterhuizen, told the inquiry he opened accounts in the Channel Islands and Jersey Islands and, on the instructions of Mangope, transferred money to them in March and October 1993 and in January last year.

After the first payment of R800 000 was made from a secret account held in the name of fictitious company Western Management, Esterhuizen said he received a cheque for the same amount drawn on Mangope's personal account. He deposited it into an account held by another fake company, Futa Enterprises.

The council later paid R795 412 to former finance secretary Johan Vermark, who told the inquiry Mangope had said the reimbursement should instead be paid to Vermark.

Subsequently, when amounts of R200 000 and R200 000 were transferred overseas, Mangope's personal secretary reimbursed Esterhuizen in cash and he used it to fund "covert community-based projects." He declined to answer questions on the nature of the projects, saying to do so "could well incriminate me."

Esterhuizen said he also paid R59 000 in council funds to Bophuthatswana Transport Investments to compensate the paramilitary for losses it sustained in an abortive attempt to build Mangope an armoured car. In another instance he gave Mangope's secretary a cash cheque for R50 000 to reimburse the president for money he had spent on a building project which, from the evidence submitted, turned out to be the extension of a cattle shed, the construction of a bull shelter and the installation of toilet doors at the Motswedi Dairy.

On September 13, 1993, Esterhuizen made a payment of R150 000 to Vermark on Mangope's instructions. He was told the payment was a "golden handshake" for Vermark who was employed on a contract.

"I could see no legal reason why he should be paid," Esterhuizen said.

Meanwhile, Mangope's new United Christian Democratic Party responded to "garish evidence that Esterhuizen channelled council money to the then ruling National Party".

A statement issued by Mangope's lawyer on September 16 said while it was "premature to respond substantively to one-sided and politically colourless allegations," the evidence should be "seen against the then prevailing ANC strategy to render Bophuthatswana ungovernable through violent means."
Boesak foundation probe: now taxman enters fray

By GLYNNIS UNDERHILL

Cape Town — Members of the Office for Serious Economic Offences travelled to Denmark this week to interview staff at a funding organisation as part of their investigation into the misappropriation of funds at Allan Boesak's Foundation for Peace and Justice (FPJ).

Rikke Nohilund, programme co-ordinator at the Danchurch Aid funding agency, said the team from the Office for Serious Economic Offences was made up of three members.

Tommy Præs, assistant director of the OSEO, was in Copenhagen to head the investigation, she said. "They told us they will be with us until next Tuesday. The interviews with staff are part of their routine investigation," said Nohilund.

Meanwhile, creditors of the insolvent estate of the former bookkeeper at the FPJ, Freddie Steenkamp, faced another blow when the Receiver of Revenue came forward with a claim of more than R1.7-million from his estate. But the trustee of Steenkamp's estate, Bernard Gutman, said he did not believe the figures were correct.

The Receiver of Revenue believes Steenkamp received an income from the FPJ of R1.8-million.

Danchurch Aid and other Nordic funding agencies are listed as creditors in Steenkamp's insolvent estate. Steenkamp admitted to lawyers investigating claims by the agencies that he had misappropriated R750 000 from the FPJ.

The funds were intended for the victims of apartheid and Boesak was forced to resign his post as South Africa's ambassador-designate to the United Nations in Geneva in the wake of the scandal.
Mangope to face Bop commission

Funds from the former Bophuthatswana Treasury were allegedly used for:
- Buying vehicles for the CDP (R1 190 745)
- R673 000 was paid to Anos Kgomongowe Building, which is owned by the CDP
- A cheque for R56 120 was paid to Connoisseur International for CDP pin badges
- R1 5 million was paid to Brigadier Pierre Le Clue's Petocon Communications for "the work he had done to popularise the CDP". Two other cheques, totalling more than R5 million, were paid to the company for the same reason
- Amounts of R800 000 and R280 000 were transferred to bank accounts on the Channel and Jersey Islands respectively for covert operations
- A cheque for R35 000 was paid to former Cabinet minister Rowan Cronje without explanation as to what payment was for

The斯基weya Interim Report was presented to North West Premier Popo Musele. The commission also found that:
- An amount of R518 159.33 was spent putting up a shopping centre owned by Mangope at Lehurutshe outside Zcerust. The centre was built after the establishment of "Bopsae 10 Projects" and paid for from the National Security Council Funds
- A total of R4.4 million was spent on improvements to Mangope's Motswedi residence. The former homeland leader also allegedly used State funds to acquire personal assets
- An unspecified amount of money was used to build a dairy, a cow house, a cow shed and a stormwater drain owned by Mangope

The former Bophuthatswana's Department of Public Works paid R190 914.13 to a construction company to erect a "stormwater wall" around the property.
Covert actions against ANC 'alleged

Hearings into Bop misuse of funds

BY JOVIAL RANTAO
POLITICAL REPORTER

Mmabatho — Lucas Mangope yesterday attended hearings into the misuse of official funds when he was president of the defunct Bophuthatswana homeland, but he did not take the stand.

Accompanied by his son Eddie, Mangope heard one of his former officials tell the Skweyiya commission about a web of covert operations undertaken by the ANC when it was a banned organisation.

Jacob Esterhuizen, a secretary of the homeland's National Security Council (NSC), testified in the North West Supreme Court about unspecified covert operations launched to counter a "campaign by the ANC to make Bophuthatswana ungovernable".

Under cross-examination by advocate Willie Vermeulen, representing Mangope, Esterhuizen said the political situation in 1992/93 justificed the number of operations undertaken by the NSC.

He confirmed Vermeulen's submission that by funding the moves to popularise propaganda against the ANC, the NSC sought to adversely influence the ANC's overseas donors.

One of the ways of undermining the ANC was by disseminating and popularising the findings of the Douglas Commission of Inquiry into the ANC's "death camps".

A company called Executive Researchers was paid R150,000 to assist in distributing the Douglas Commission's findings.

The political situation in 1992/3 justified the operations undertaken, claims former homeland security council secretary.

The commission, under the chairmanship of advocate Louis Skweyiya, heard that nearly R200,000 was paid to former Bophuthatswana finance secretary, Johan Vermaak. Esterhuizen said he gave the money to Vermaak after the former finance secretary told him these were instructions from Mangope.

The Skweyiya Commission has traced Vermaak to Calvam in the Northern Cape. He and his common-law wife, a Miss Ancamp, have been served with subpoenas to appear before the commission tomorrow.
Mangope paid for secret operations

Former NIS man merely carried out orders from his bosses

Former Bophuthatswana president, Lucas Mangope's administration provided funds for the SA Intelligence Service to carry out covert operations, even after the National Party government had stopped these acts, the Skwewyia Commission of inquiry heard yesterday.

Testifying before the commission investigating corruption within the Mangope Administration, Former National Security Council secretary and director of Intelligence Service, Mr Johannes Esterhuizen, said although he was in constant contact with the SA Intelligence Service, he was unaware of president FW de Klerk's decision to end all covert operations.

Mangope authorised the upholding of government funds amounting to R10 million to fund his Christian Democratic Party and to also carry out covert operations in the bantustan.

Esterhuizen said he did not make decisions but merely carried out instructions from "the highest authority." He said, as chairman of the NSC, Mangope authorised all its projects, which he (Esterhuizen) was in charge of.

Esterhuizen said he had expressed his concern to former Minister Rowan Cronje about the nature of the project and the overspending by the NSC.

He said the explanation given to him by his superiors for the project was that it was in line with "the political situation." The commission heard that R50 000 was paid to the Executive Research Associate. The money was used to fund the Douglas Commission of inquiry into ANC human rights violations. The payment followed a briefing to the Bophuthatswana cabinet by self-confessed police spy Pat Hlongwane.

Mangope is expected to testify before the commission today.
Mangope silent at Skweyiya inquiry

Kevin O Grady

MMAABATHO — Former Bophuthatswana President Lucas Mangope yesterday declined to answer most of the questions put to him at the Skweyiya commission of inquiry into corruption during his rule of the former homeland for fear of incriminating himself.

Commission chairman Lewis Skweyiya SC has granted Mangope and other members of his former administration leave to exercise the constitutional right not to answer certain questions.

Testifying in Setswana through an interpreter, Mangope admitted to his name and the fact that he was chief minister of Bophuthatswana before independence in 1977 and president thereafter.

He also admitted being chairman of his government's National Security Council since 1982 and a colleague of another commission witness, council secretary Jacob Esterhuizen.

Esterhuizen testified earlier that he channelled more than R1bn through to fictitious companies, created by the council on the president's instructions, to Mangope's Christian Democratic Party.

His evidence was supported by an affidavit given to the commission detailing the payments he made, who approved them as well as copies of cheques, invoices and letters of instruction.

Commission advocate Van Soni asked Mangope to admit authorship of a letter to Esterhuizen which bore Mangope's signature.

Mangope's counsel, Willie Vermeulen, immediately objected, claiming the privilege granted by Skweyiya.

"I claim privilege from all matters arising from the documents before my client," Vermeulen said, referring to Esterhuizen's affidavit and the volume of supporting documents.

Skweyiya warned Mangope that although he had the right not to answer questions that might implicate him civilly or criminally, "if you don't explain, we are at liberty to make whatever inferences on the evidence given before us'.

For the rest of the day's proceedings it was a case of Soni asking Mangope questions and Vermeulen objecting and claiming privilege on behalf of his client.

Mangope declined to answer whether he was aware of the existence of the council's two secret accounts, whether he knew money was transferred through them to his party, and questions on anything else which, according to Vermeulen, could form "links in the chain of proof against my client".
So-cool Mangope refuses to answer questions

BY JOVIAL RANTAO
POLITICAL REPORTER

MANGAENG — The wheel has turned full circle for Lucas Mangope. The president of the defunct Bophuthatswana homeland yesterday stood unemotionally in the witness stand of a court building he commissioned and refused to answer most of the questions put to him about the misuse of millions of rand by the government he led.

The Seoweyi Commission of Inquiry has been setting for the past year, but this was the first time Mangope has been called to the witness stand.

He had in the past criticised the commission and vowed not to appear. But the commission has declared that it is his constitutional right not to answer questions that would incriminate him. So he appeared, and would not respond to most allegations levelled against him.

Fear

His advocate, Willie Vermeulen, advised the commission that his client would not reply to any questions relating to the evidence and exhibits for fear of incriminating himself.

The only time that Mangope answered was when he denied knowledge of suspect bank accounts opened by the Bophuthatswana National Security Council (NSC).

"I know nothing about those accounts," he said.

According to evidence the Western Cape Management and the Future account were opened by the NSC to siphon off government money for covert projects.

Money

"Mangope refused to answer questions relating to letters written to the NSC on government letterheads. He would not confirm whether the signatures on the letters were his, or that he gave instructions for money to be transferred to foreign countries."

He declined to say whether he was present at cabinet meetings to discuss a voter education programme for which the NSC paid R10-million.

Evidence before the commission is that the Christian Democratic Party was financed by about R10-million or more. Mangope would not tell the commission whether he gave instructions for money to be transferred to his party.

He also refused to say whether he gave instructions that former Bophuthatswana finance secretary Johan Vermaak should be given a R150,000 indemnity after he had resigned.
MPs must disclose their financial interests

Own Correspondent
CAPE TOWN — Members of the National Assembly and Senate are going to have to disclose their financial interests and those of their dependent children. This has been agreed by the joint ethics subcommittee — but it has yet to be decided which items on a proposed asset register will be in the public domain and which will not be disclosed to the public.

Committee chairman Kader Asmal also proposed that senators and MPs should also have to disclose the financial interests of spouses.

Parliamentary Speaker Frans Gwala said "the whole family unit" should be covered.

A decision on what financial interests will have to be disclosed publicly, and whether spouses will fall within the net, would be taken at the committee's next meeting on Tuesday.
Mangope probe told of luxury lifestyle

BY JOVIAL RANTAO

Mmabatho - A catalogue of misuse of State funds running into millions during the years when Lucas Mangope was president of the Bophuthatswana homeland are being unravelled before the Skwye's Commission of Inquiry.

Suggestions that Mangope used R4 442 886.40 of State funds for improvements to his private house in Motswedie near Zeerust were aired before the commission yesterday.

On the second day with Mangope giving evidence, the commission heard that he spent more than R2-million to fund other private projects for his luxurious lifestyle.

Boreholes

These included the construction of a house valued at R422 000, kraals at a cost of R230 000, three boreholes for R850 000 and living quarters for shepherds and domestic workers at a farm in Marico.

After the improvements were completed, Mangope is said to have bought the farm Alwynspoor near Zeerust for R250 000. It is now valued at more than R2-million. The commission has intervened to stop transfer of the property to Mangope.

Advocate Frans Kgomo, leading evidence for the commission, revealed that government property was used to build a barn and a shed at another farm, Marulakop, near Zeerust, which is owned by Mangope. An access road to the farm was built for R200 000.

Kgomo told the commission that Mangope received more than R2.8-million in royalties for mining rights on Suryllfontein Farm, which was intended for the Baharutahe Bo Manye Tribal Authority.

On the advice of his advocate, the former homeland leader has refused to reply to any of the allegations for fear of incriminating himself.

At the end of Mangope's appearance on the witness stand, his attorney, Richard Neibitt, issued a statement which said when and if the question of royalties was fully aired before a different forum "it will be seen that in this regard Kgoma, L M Mangope has always acted in the best interest of his tribe".

The commission resumes on Monday, when former Bophuthatswana Finance Secretary Johan Vermaak will testify.
MORE than R4 million of the funds misappropriated by the former Bop government were used for Mr Lucas Mangope's personal comfort, the Skwewiya commission heard yesterday.

A total of R10 million was allegedly embezzled by Mangope from the National Security Council (NSC) coffers to fund his Christian Democrat Party and its covert operations.

The commission also heard that Mangope had ordered the building of a shopping centre near Mmabatho for himself. He also authorized the payment of more than R30 000 to the Motswedi Dairy (owned by him) and the refurbishing and the extension of his house.

Although Mangope chose not to answer questions arising from evidence presented by previous witnesses for fear of incriminating himself, he admitted that he owned the Motswedi dairy.

Counsel leading evidence, Advocate Vas Sonti, put it to Mangope that the R800 000 which was transferred to a bank account in the Channel Islands was used to buy a house for a former Bophuthatswana representative in Italy, Mr Roberto Scio, and for Mangope. Mangope declined to answer.

The commission also heard that Mangope had paid R75 000 to self-confessed police spy Mr Pat Hlongwane for "services rendered and information."

The NSC financial books were never audited since the council was established in 1987. The council made its own budget and spent freely, the commission was told.

Former NSC secretary Mr Johannes Esterhuizen earlier told the commission that he had established two fictitious companies which were used to channel funds from the NSC to fund these operations.

Large sums of money were channelled from the NSC through these companies to fund covert operations, activities undertaken by the CDP and for Mangope's personal expenditure.

The transfer of these amounts was authorized by the then treasurer of the CDP, Mr Ephraim Kekelame.

Esterhuizen also testified that R150 000 was authorized to fund the publication of the Douglas Commission of Inquiry into ANC "Death Camps".

The hearing continues.
South Africa is mediocre in the world corruption stakes. **Reg Rumney** reports on a corruption study that finds the country not so guilty

South Africa ranks right in the middle of a 1995 corruption ranking of 41 countries

The Corruption Ranking is the result of a study done by Berlin-based Transparency International and the University of Goettingen, Germany.

On a scale of 0 to 10, South Africa, with a score of 6.65, comes 21st, well ahead in the cleanliness stakes of countries like Argentina, Hungary, Italy, Brazil, and China, to name but a few. South Africa is the only African country ranked 21.

While Indonesia is judged the most corrupt with a ranking of 1.94, New Zealand tops the cleanliness list at 9.55. It is followed by Denmark (9.33) and Singapore (9.25).

Singapore is remarkable in being the only Asian country to be judged among the least corrupt. Most Asian countries found themselves in the company of Italy (7.50), Brazil (7.70), and Venezuela (2.65).

Japan (6.72), Malaysia (5.83), and Thailand (5.06) were exceptions.

Ian Katz, *The Guardian*’s New York correspondent, reports that in many countries, particularly in Asia, accepting pay-offs is not considered unethical even if westernising governments have sought to make them illegal.

South Africa is not clearly ranked. The rankings are based on a number of surveys, including three from the World Competitiveness Report. The list states the variance in the rankings. For South Africa, a high variance of 2.35 points to rankings that range from 4.1 to 7.1, indicating a big difference of opinion about how corrupt the country is.

Struggling to grow
Real gross domestic product

Growth in the second quarter was disappointing, especially after the low first-quarter figure

Mines and farming stymie growth

**Reg Rumney**

**B** LAME it on the weather and industrial relations on the mines.

Preliminary figures show economic growth, as measured by the gross domestic product (GDP) — the total value of all goods and services, adjusted for seasonal factors — slowed to an annualised and real or adjusted-for-inflation 0.8 percent in the second quarter of this year. This follows unspectacular growth of 1.4 percent in the first quarter.

The Central Statistical Service ascribes the drop mainly to the plunge in agricultural production, which fell almost 42 percent, annualised, after falling 18 percent in the first quarter.

If agriculture is excluded, the economy grew 3.1 percent in the second quarter, a full percentage point higher than the first-quarter figure.

Encouragingly, one of the sectors which contributed to that higher growth was manufacturing, with a growth rate of seven percent. With the exception of mining, other sectors also showed growth. Mining’s contribution to non-farm GDP dropped 11 percent, after a decrease of 10.1 percent in the first quarter.

Standard Bank economists, in the latest Economic Review, lay the blame for mining’s poor showing on “liberation expectations” among the workforce, with gold production worst affected.

They say the fall in gold production can be traced back to a slowdown in the output of underground operations, which account for 83 percent of all gold produced by South Africa. While the many public holidays in the first half are a part of the cause, organised labour can be expected to deny vigorously that the problems of the mines are the workers’ fault.

Whatever the reason, Standard reckons reduced gold production in 1995 is expected to trim potential economic growth by half a percent.

In the same vein, Standard has predicted that lower agricultural output could knock at least 0.5 percent off economic growth this year.

While the underlying strong momentum of the economy is welcome news, it means that further interest-rate hikes cannot be ruled out.
Making corruption as hard as possible

The Parliamentary Ethics Subcommittee, chaired by Cabinet Minister Kader Asmal, is now meeting on a weekly basis in an attempt to draft a code of ethics that will govern MPs' outside financial interests and their duty to disclose such interests publicly.

Asmal has secured the agreement of the Senate on a consolidated approach to the matter.

Senators representing all political parties will join the sub-committee at future meetings with a view to recommending rules that will apply to both the National Assembly and the Senate.

The Joint Sub-committee on Code of Ethics/Conduct will be called from now on and will still report, however, to the respective Rules Committees of the two Houses. This means that it is still possible that two codes could result, rather than the single consolidated code that Asmal hopes to achieve.

But the fact that there will be joint contributions from the Senate and the National Assembly at this important formative stage of the code will speed up the process.

As the debate gathers pace, the sub-committee's attention has moved directly to consider the complex issue of disclosure of financial outside interests of parliamentarians. The sub-committee has agreed that the question of whether Parliament should be considered as a full-time vocation should be left to the individual political parties to give guidance on.

Key African National Congress players hope to persuade the party to adopt an internal rule prohibiting ANC MPs and Senators from having secondary jobs.

In this way, according to senior ANC sources, the party hopes to wrest the moral high ground from the other political parties by demonstrating to the public that it alone is devoted to representing the electorate on a full-time basis.

At its meeting on August 1, the sub-committee identified a list of possible categories of financial interests where disclosure may be appropriate. As it begins to work its way through the list at the next meeting, a week later, important differences in approach emerged. On the question of income, for example, the Democratic Party's representative on the sub-committee, Douglas Gibson, said, “It is none of the public’s business to know if I run a milk business.”

Inkatha Freedom Party representative, Jihan van der Merwe added that “if the object of the exercise of disclosing income is to prevent corruption it will not work, because if I am going to accept a bribe I will do so in a way that will not show up anywhere”.

Asmal retorted “But we are trying to create as many difficulties for people as possible.”

He referred to the practice in most Scandinavian countries where income tax returns are publicly available.

“That way if there is a large-scale increase in income, and I have only my parliamentary salary to live on, people will be able to see that something is wrong,” he said.

The Speaker of the National Assembly, Frere Gwala, who sits on the sub-committee as an ex-officio member, favours total disclosure of all financial interests and assets. Referring to the United Kingdom's Register of Members' Interests, which provides for the disclosure of any pecuniary interest which "might reasonably be thought by others to influence his or her actions, speeches or votes in Parliament, or actions taken in his or her capacity as a member of Parliament", Gwala stated that this was a "very narrow" definition.

"It is not for us to say what is reasonable," she argued. "The Basic Income Grant Constitution requires open and transparent government, which is much broader. Almost any financial interest or asset may possibly influence your vote."

The sub-committee is keen to look at the rules that exist in other countries — although Asmal has made it clear that it is up to the sub-committee to construct a uniquely South African code. It now has before it a review of the disclosure rules around the world prepared for the UK parliament.

This document was prepared in 1986, however, and as a second report — prepared for the sub-committee by Idasa's Parliamentary Information and Monitoring Service (Pims) — shows, many more countries have adopted more stringent ethical rules in the nine years that have passed since then.

Pims is to hold a small workshop in the next few weeks, with a view to drafting a charter on parliamentary and political ethics. If you would be interested in participating, phone (021) 419-3484 or fax (021) 25-1042.
Millions in state funds 'abused by Mangope'

JOVIAL RANTAO
Political Staff

MMABATHO — A catalogue of allegations of abuse of state funds running into millions by former Bophuthatswana President Lucas Mangope has been disclosed.

The Skweyiya Commission of Inquiry heard that Mr. Mangope allegedly used R4 412 886.40 for extensions, renovations and other improvements on his private house in Motseweditswane.

The commission also heard that Mr. Mangope allegedly used over R2.8 million of government funds to pay for the construction of a house worth R422 000, three boreholes (R850 000), shepherds' and servants' quarters on a farm in Nance.

After the improvements were done, Mr. Mangope then allegedly bought the farm, Aweyrepon, near Zeerust for R350 000.

The Skweyiya Commission has since intervened to stop the official title for the property to Mr. Mangope.

Advocate Franjo Kigomo, leading evidence for the commission, also claimed government property was used to build a barn and a shed on another farm near Zeerust, which is owned by Mr. Mangope.

An access road to the farm was allegedly built at a cost of R200 000.

Mr. Kigomo also alleged that Mr. Mangope received over R2.8 million in royalties for mining rights on the Strydomfontein Farm, which were meant for the Bophuthatswana Bo Mwane Tribal Authority.

The advice of his Advocate, the former homeland leader, has refused to reply to any of the allegations for fear of implicating himself.

The commission resumes on Monday.

An ex-Bophuthatswana finance secretary, Johan Vinkman, who allegedly received over R200 000 in state funds, will testify. The next witness will be the former Bophuthatswana Economic Affairs Minister, Abraham Kekelaar.
Mangope lets fly

BY DAN DHLMINI
CP 208195

FOR THE six or so hours he spent on
the witness stand during his two-day
appearance before the Skweyiya Com-
mission, former Bophuthatswana Presi-
dent Lucas Mangope remained calm
and showed no emotion.

But soon after he left the box, his
bitterness at being tried by "his people"
in "his" court became clear as he asked
reporters if they had enjoyed the "lies"
and "distortions" levelled against him.

As he walked out of Court A, a visi-
tibly agitated Mangope, who chose to
speak only Setswana in court, confront-
ed advocate Prans Kgomo, who had led
evidence on behalf of the Commission,
and charged "O a melelela" — meaning
"You have caused yourself a curse! You
had intended to crucify me, but here I
am — still alive ".

The former Bop strongman added
"But I can assure you, time will come
when we will meet again."

Mangope uttered these words in the
presence of reporters, members of the
public and former Bop, Commission of
Praem General Delport.

Kgomo told City Press that in his
opinion, Mangope's outburst consti-
tuted a threat and that he had reported
the incident to the Commission's chair-
man, Advocate Louis Skweyinya.

The Skweyinya Commission is prob-
ing Mangope on allegations of corrup-
tion involving more than R10 million
in public funds.

The Commission had heard earlier
how bank accounts in the names of fic-
titious companies were opened to chan-
nel money totalling more than R10 mil-
ion from the National Security Coun-
cil (NSC) to Mangope's Christian
Democratic Party (CDP).

Although visibly shaken by evidence
presented against him, Mangope did not
reply for fear of incriminating him-
self.

The only time Mangope answered
advocates Kgomo and Vas Sonj, who
also led evidence for the Commission,
was when he denied knowledge of the
phony bank accounts and when he said
that he was still the chief of Bahurutshe
bo Manyane from whose farm
Strydenfontein, he allegedly received over
R2.6 million in royalties for mineral
rights.

The Commission heard that Mangope
had allegedly used R4 442 860 for exter-
nsions to, and refurbishment of,
his private residence, "Ga Roetsa", in
Molodu, near Zeerust.

Advocate Kgomo further told the
Commission that Mangope had alleg-
dely spent more than R2 million
in government funds on the construc-
tion of a ranch house worth R442,000,
a ranch house worth R442,000, a ranch
house worth R442,000, "Ga Roetsa",
which he bought for R200 000.

Mangope's Moelo Smallholdings in
Riverpark, Mafikeng, he Marula-
Farm, an access road to the farm
allegedly built at the cost of R200 000
and, his double stands where he was
supposed to construct a shopping com-
pex in Bahurutshe, also came under the
light during the proceedings.

The Commission resumes tomorrow.
Bop probe witnesses keep mum on funds

BY JOVIAL RANTAO
POLITICAL REPORTER

Two witnesses who appeared before the Soweto Commission of Inquiry yesterday took the same route as former Bophuthatswana president Lucas Mangope and claimed privilege when confronted with evidence which suggested they had received at least R500 000 in government funds.

When confronted with deposit slips and bank statements proving huge deposits were made into accounts in the names of J P Vermaak and L Aucamp, former Bophuthatswana finance secretary Johan Vermaak and his wife Linda Aucamp declined to answer any question for fear of incriminating themselves.

In the Mmabatho Supreme Court yesterday, advocate Vas Soni, for the commission, produced deposit slips which appeared to have been signed by Vermaak and documents which showed that cheques were deposited in a Trust Bank account in the name of J P Vermaak.

Soni also produced documents showing that on the same dates that the deposits were made, the Future Investments account, a phony account created by the Bophuthatswana National Security Council (NSC), was debited.

He told the commission that on August 3 1989 a Trust Bank account in the name of J P Vermaak was credited with R32 000. That same account was also credited with R220 000 which was placed on 32-day notice. All the deposits reflected Future Investments as the drawer.

Soni also said he had received information which showed that on the same day (August 3), a sum of R131 340 was deposited into the same account. The slips showed that three cheques, totalling R131 340, were deposited. The commission was able to trace the cheques to the Future account. The commission is still tracing a cheque of R39 000 allegedly given to Vermaak.

He refused to discuss the documents, claiming privilege.

It was also revealed that Vermaak, who left the Bophuthatswana government at the end of 1988, received four salaries totaling more than R120 000 — R63 207 a year from the department of finance and R60 000 from Bophuthatswana Transport Holdings, although he did not work for the transport parastatal.

It appeared, the commission heard, that former finance minister Leslie Young and Public Service Commission chairman Gert Nieuwendorp also had problems with Vermaak drawing two salaries.

Vermaak would also not reply when asked about a signature on a document which suggested he had received R150 000. Former NSC secretary Johan Esterhuizen has said that, at Mangope’s instructions, he made out a cheque payable to cash on September 13 and handed it to Vermaak as a “golden handshake”.

Aucamp also claimed privilege and would not explain where she had obtained about R240 000 that was deposited in two accounts, registered under L Aucamp, on May 25. When asked about the signature on the deposit slips, she also claimed privilege.
Bop govt man's strange transaction

Man buys R40m firm for R1

By Abdul Miler

FOR only one rand, former Bophuthatswana minister of finance Leslie Gerald Young became the sole shareholder of a multimillion rand company funded by the homeland government, a *Sowetan* investigation has found.

Bala Farms (Pty) Ltd, which owned 69 farms countrywide valued at more than R40 million, used state funds to purchase the farms.

Most of the farms were then rented out to the previous owners while others remained vacant.

Bala Farms' purchase of land was allegedly authorised by the homeland's former president Lucas Mangope, who is currently being investigated by the Skwewtya commission set up to look into corruption in his administration.

*Sowetan* has in its possession a letter from Mangope to the homeland's treasury authorising the dispatch of funds to Bala Farms from the department of agriculture's coffers to purchase farms.

A document from the Registrar of Companies in Pretoria lists former ministers of the homeland as directors. Those listed are former director of the homeland's legal service and land administration Mr Theodorus Ernst Scheepers, former director of legal services Mr Hendrik Johannes Doox van der Walt, former Agriculture minister Mr Schalk Wilmien Pienaar, former minister of state affairs and aviation Mr Rowan Cronje, Young's predecessor Mr Martin van der Berg, former minister of agriculture Mr Prinses Herman Modikiza, justice minister Mr Simon Godfrey Mobilhe and builder Mr Johannes Petrus du Preez.

It was not clear from the Registrar of Companies' documents what stake these directors had in the company.

However, the document states that only one share was sold — to Young for one rand. No other shareholders are listed.

Bala Farms registered 4 000 shares when it was formed in 1988. As a sole shareholder, Young literally owned the company and its R40 million assets.

Efforts to get more information on who runs the company at present and where its offices are located drew a blank as Sowetan was told the directors had "disappeared."

North West government spokesman Willie Modise said his government was aware of Bala Farms and its undertakings. He said the matter had been referred to the Skwewtya Commission for investigation.

Modise said the Commission had been trying to no avail to trace the company's directors or people with information regarding the matter.

Some of the directors are believed to have migrated to neighbouring states.

In 1990, Bala Farms bought the 1252 hectares Zandfontein and Mungfontein farms for R333 800 from a Mr JJ Paul. Another farm was purchased from a Mr HJ Wessels in the same area for R135 000.

Two other farms were also bought in Twee koppe fandine from Mr HH Hayser and Mr DIT Smit for R129 340 and R13 820 respectively. Van der Merwe and Calitz of Zeemont handled the transfers.

Farms number 956, 957, 1114 and 1115 were bought for R748 500 from Mr HH Roos while R667 000 was paid to Mr JD Van Staden for farms number 952, 1101 and 1102. The transfer was handled by Louis Smit of Maateng.
MMABATHO. The head of the former Bophuthatswana Internal Intelligence Service yesterday admitted having been co-signatory under a false name to cheques for almost R2.4 million, drawn on a secret state account and made out in favour of former president Dr Lucas Mangope's Christian Democratic Party (CDP).

Mr Frederick Knollys testified before the Skweyiya commission of inquiry into corruption in the former homeland that he had believed authorisation had come from Mr Mangope and his cabinet.

According to evidence before the commission, not all state money channelled through the account went to the CDP. It is alleged that R8 000 was paid to Mr Johan Vermaak, then secretary of finance, R1.5 million to Mr Ephraim Keitelame, then minister of economic affairs and that cheques for R49 000 were for Mr Mangope's private use. — Sapa
Fund to boost Mangope

MMABATHO: State funds channelled to a secret account totalling R10.4 million were used to boost President Lucas Mangope's Christian Democratic Party in Bophuthatswana, the Swazuya Commission of Inquiry heard.
Of this, R4.5m was paid to a consultant to popularise the party which was toppled from power in 1994, party treasurer Mr Ephraim Keleleame said. Thousands had been spent on badges, scarves, cuff-links and flags to boost the party's image. Over R1m had been spent on cars. — Sapa
By DAN DHLAMINI

FORMER Bophuthatswana minister of economic affairs and Christian Democratic Party treasurer Ephraim Keikela me could face theft and fraud charges.

This became clear this week when advocate Vas Soni, leading evidence on behalf of the Skweyinya Commission, said he intended asking the Commission to recommend that Keikela me be charged with theft and fraud.

Keikela me had told the Commission he had never found the transfer of state funds to the Christian Democratic Party to be illegal.

Keikela me likened the channelling of state funds to the Christian Democratic Party to the Government of National Unity's funding of the Reconstruction and Development Programme, which he said was an ANC initiative.

Soni said the "Project Future" by which state funds had been channelled to the Christian Democratic Party, had been created to loot state coffers without anyone realising it.

"Secret Project"

He said Keikela me had never raised "Project Future" at cabinet level because it was a secret project, known only to Misoa, Mangope and Keikela me.

Soni said Mangope and Keikela me would be the former "white Motswana of Bop", Rowan Cronjé, who allegedly received a R75 000 golden handshake.

Soni said Cronjé had indicated that he would testify before the Commission.

Soni said there were about six witnesses left to appear before the Commission, which had been sitting for almost a year, and its hearings were due to resume.

The proceedings were due to resume tomorrow.

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Probe of govt consultants’ pay ordered

Ingrid Sogado

MPUMALANGA premier Mathews Phosa yesterday ordered a probe into allegations that excessive payments had been made to consultants employed by the provincial government to investigate the transformation of its development corporations.

Phosa’s special adviser, Brian Shrosbee, said the office would investigate claims that Eugene Nyati and Nisoaki Mohapi had each received R15 000 a day for seven day’s work — R105 000 each. Mohapi chaired a commission investigating restructuring Mpumalanga’s development corporations Nyati was her deputy.

Nyati has denied he benefited personally to that extent, saying the allegations were probably being circulated by individuals hostile to the commission’s findings. Mohapi would not comment.

The claims were made in documents provided anonymously to Business Day. They show that Nyati received R60 000 on July 28 “for services rendered” to the end of August.

Nyati said he had received this amount. However, it had to cover payments to three auditing companies and two legal firms that drafted Bills stemming from the commission’s recommendations, he said.

The cost of drafting one Bill was estimated at R200 000 “The remaining money was my own. The proportion I got was peanuts. I'm worth far more than that,” he said.

A memorandum instructing payment to Nyati and Mohapi created the impression they earned R15 000 a day for seven days’ work. Nyati said “That is obviously laughable. No one makes that kind of money.”

Pay probe

Continued from Page 1

Nyati said the allegations could have been made by angry or nervous employees of one of the development corporations.

The commission recently recommended that the KwaNkwaso Economic Development Corporation, the KwaNdebele Development Corporation and Agriwane be merged — resulting in many redundancies.

"The commission demanded a detailed audit of the performance and books of the three corporations. The auditors had to ask a lot of very awkward questions and some people were worried because they have to account for mismanagement and missing money,” he said.

"Tens of millions of rand had gone missing from the corporations during the past 10 years. Many employees feared losing their jobs as the new corporation’s staffing needs would be under review.”
Probe into R15 000 a day claim

BY JOVIAL RANTAO
POLITICAL REPORTER

Britain Shrosbree, who heads the one-man commission which is investigating allegations of overpayment to Mpumalanga's development corporation officials, yesterday met Eugene Nyati, the man who allegedly received R1-million for helping to restructure the corporations.

Sources in the provincial government told The Star that Shrosbree was also scheduled to meet the auditors, lawyers and accountants whom Nyati has allegedly paid for work done for the commission that was charged with the restructuring of the former KwaNdebele, KaNgwane and Agriwane development corporations.

He is expected to complete his investigation in the next two days and present his findings to Mpumalanga premier Mathews Phosa.

On Monday Phosa closed down the province's development corporations for a week to allow Shrosbree's investigations to continue smoothly.

His step followed revelations that officials who were employed to investigate misuse of funds by development corporations inherited from the former KwaNdebele and KaNgwane homelands were paid R15 000 a day.

Weekend reports alleged that Nyati, who was employed to head a commission established to oversee the transformation of the development corporations, was paid R1-million and had run up R96 153 in air fares.

Nyati has dismissed the allegations as "absolute rubbish."
DR DANISA Baloyi's appointment as chairwoman of the Gauteng Tender Board could be seen as the culmination of an active mobilising presence in the black business community, where she has been central in the formation of such organs as the Black Business Management Caucus, of which she is now executive director.

Her close association with the caucus began in 1993, after a meeting between the African National Congress (ANC) and black businesses. The intention was to create a lobby group that would organise and unify the diffuse black business community so that it could effectively contribute to shaping policy and making legislation.

"We should strive to speak with one voice," elaborates Baloyi. "This entails identifying the fact that most black business is organised by sector and specialisation, making it very difficult for them to work together. Black businesses need to be capacitated to grow. Much like the bag companies of the past, integration needs to happen.

Baloyi has a structured approach as to how this can be realised, essentially by concentrating on helping small- and medium-sized businesses to grow. The banks are in the front line of her attack.

"Banks are not user-friendly, and this must be changed, in part through an education blitz that focuses on easier access to finance."

Buzz words like facilitating entrepreneurship and developing disempowered women and black business groups may pepper a large part of Baloyi's conversation, but it is obviously her skill at negotiating around the concept and putting it into practice which undermines such criticism, and that has informed her approach to the tender process.

The more pertinent question that has been asked is, to what extent will Baloyi's appointment ensure that the Gauteng Provincial Government avoids the jargon of development but still delivers the goods, without excessive tokenism and loss of tax rands? Simply stated can Baloyi keep her ideals in check and get the best deal?

Baloyi claims she was asked in her private capacity to chair the board, and is doing so independently of her other interests. She does imply that a big shift should occur, when the best deal for the Gauteng region is conceptualised.

In light of the new emphasis on economic empowerment in Gauteng, the goals of the board have become very clear for Baloyi.

Firstly, the board must ensure that the region gets the cheapest and most effective tender, and secondly, it must function as a catalyst of change. The board intends to use regulation to ensure sub-contracting to small and black businesses and make it possible for such businesses to tender.

"Essentially when it comes to getting the contract, big business is still in the best position to do so," she claims "but we are working at leveling the playing field."

As of September 1, Gauteng ceased to have any connection with the State Tender Board, meaning that the process of handling tenders, administering the complex absorption process of old civil servants of the Transvaal Provincial Administration, rewriting and simplifying the tender documents which deterred many people from applying, and creating a new regulatory framework for tendering, should be close to completion.

For the group of 15 members who have worked on an almost voluntary basis, this has been a mammoth task claims Baloyi, whose tender process is driven by three conditions:

Creating new rules will benefit all stakeholders by removing unnecessary barriers.

Ensuring that the tender documents become readily available and user-friendly, so that people can see the sheer size andotechnic language of the old documents are eliminated.

Guaranteeing that advertising for tender is done through the most accessible media, by using community rather than government channels.

Baloyi is adamant that fairness and transparency are the only building blocks for a successful tender system. "Tenders given last year have opened our eyes to patronism and monopolies that were enjoyed in the past."

The board is both a development tool, but more importantly, a watchdog for the government's expenditure, argues Baloyi.

"After all, it's tax rands that are in question. Still it's tough to ensure that what is on paper is actually what happens. The bottom line is that the province cannot lose money."

Baloyi's motivation lies in the fear of retribution from the younger generation, who can be hyper-critical of the old guard. She argues that what makes the task bearable is the fact that the board functions as a close-knit unit.

The notion that she is the first women chairperson of a tender board has empowered her only in that it has given her a platform to speak across cultures, races, and gender.

"We wanted the State Tender Board only to discover that there were still no blacks and no women to be found."

Baloyi fears, "A lot of us will be set up and compromised, if we are not on red alert daily, because our stands might not please certain people."
Gqozo is next in the firing line

LUCAS MANGOPE

"only"?

The Commission has so far heard that Mangope and his Christian Democratic Party misused more than R10 million of state and public funds between 1990 and last year.

Advocate Frans Kgomo, who, together with Advocate Vas Serom, is leading evidence for the Skweyiya Commission, told City Press that the last aspect of their investigation would be the R100-million Hammanskraal Power station which, Mangope constructed, despite expert advice that it was a non-starter.

City Press can reveal today that former Ciskei military ruler Brigadier Oupa Gqozo will be investigated after Mangope. He will be the second former head of state to be questioned about corruption in a court he thought was only meant for others.

Gqozo is alleged to have spent R102 000 of public money on a new portrait that would depict him as a civilian, and to have used R25 000 of public money to fund the African Democratic Movement (ADM).

He is also alleged to have spent R41 782 of public money to buy a state farm measuring 443 hectares despite his own government’s moratorium on the sale of state land.

He is expected to testify before the Heath Commission from October 11 to 13. He will also appear in the North West Taung Regional Magistrate Court on October 2 to face charges of illegal diamond dealing.

Justice William Hendrick Heath, who is heading the commission into allegations of misappropriation of state assets and public funds, told City Press that more than R15 million was involved.

He said he was also investigating the former Transkei and the current Eastern Cape Provincial government.

OUPA GQZO

investigations the matter would be referred to the Attorney General for his ruling.

There were allegations of corruption and financial irregularities stemming from the apparent fraudulent withdrawal of more than R100 000 from the organization’s coffers.

Meanwhile Norman Escoffey, an alien of Afro-Jamaican origin, who allegedly obtained a loan of more than R14 million from North West’s Agribank, had been charged with fraud, corruption and theft.

Pretoria Regional Court Prosecutor A Caweckamp said Escoffey, who appeared in court this week, was not asked to plead. He will appear again on November 27.

Advocate Dave Fouche, also of the OSEO, this week told City Press that the People’s Progressive-party leaders Rocky Malebana-Metsing and Dr John Lamola were also under investigation.

Fouche said the OSEO has submitted certain recommendations to the Attorney General regarding Lamola and Malebana-Metsing.

He said a final report would be sent to the Attorney General soon, but he declined to provide more details about the matter, saying it was sub judice.
Boesak: Overseas leg of probe completed

AN Office for Serious Economic Offences official who is investigating Dr Allan Boesak’s former Foundation for Peace and Justice, has returned to the city after taking statements from people in Denmark, Norway, Sweden and United States.

The office’s head, Mr Tommy Prins, said yesterday he had spent a month overseas collecting statements from donors and “documentary evidence” — including details of money transfers.

“I would prefer not to get into details because I do not believe it would serve any purpose”

Mr Prins said a report was expected to be completed by the end of November and forwarded to the minister of justice and the attorney-general.
Repay funds, Nyati told

NELSPRUIT - Consultant
Eugene Nyati, allegedly over-
paid as chairman of a provin-
cial board, has been told to re-
pay R400000 immediately to
the government of Mpuma-
langa, the former Eastern
Transvaal.

This was announced yester-
day by Brian Shrosbree, chair-
man of the one-man commis-
sion which investigated
allegations that Mr Nyati was
overpaid for co-chairing the
Mpumalanga Development
Corporation Board.

Mr Nyati's services to the
Mpumalanga government
would be terminated, Mr
Shrosbree said, adding that this
was in line with an earlier de-
cision.

He said Mr Nyati was on his
way to Nelspruit from Johan-
nesburg yesterday to discuss
the repayment issue. — Sapa
Call to co-ordinate on corruption

STAFF REPORTER

The state is unable to fight corruption among civil servants because of a lack of co-ordination between its investigation, intelligence and information management structures, a crime conference in Bellville was told yesterday.

The hidden crime and corruption commission of the Confronting Crime conference told 250 delegates yesterday that while the new government was planning a number of independent investigation mechanisms, such

The commission suggested that referrals from departmental investigation structures to one oversight body be considered, as well as the relocation of the police anti-corruption units to the public protector.
Payments a mistake says govt

Ingrid Salgado

The Mpuulanga government said yesterday that the controversy surrounding its employment of Eugene Nyati had been a misunderstanding and the province would gladly hire him for other consulting work.

Premier Matthews Phosa's spokesman Oupa Pilane said the premier's instructions that Nyati return R600 000 to the province this week did not imply Nyati had taken the money for his own gain.

The money was given to Nyati to pay subcontractors. He returned the money yesterday morning.

However, Phosa rejected a statement released by Nyati and the premier's special advisor Brian Shoosbree yesterday. They said that Nyati would remain the board's chairman until he handed over to a new board.

However, his stint as the Mpuulanga Economic Development Corporation's interim board chairman had come to an end as a permanent board had taken office.

Pilane denied there were tensions between Phosa and Shoosbree as a result of the "misunderstanding". Shoosbree headed an investigation into allegations that Nyati had received excessive payments from government.

Phosa rejected Nyati and Shoosbree's view that Shoosbree had found no wrongdoing to prejudice the province financially. However, this was because "the issue at stake was to recover funds paid to Nyati".

However, Phosa accepted the results of Shoosbree's investigation.

Government would today announce recommended conduct with regard to future commissions it would establish, Pilane said. It would also investigate the hourly rate of R540 paid to Nyati.

Meanwhile, consultant Ntsaoki Mohapi said yesterday she believed she had given her best as chairman of the restructuring commission.

Shoosbree's investigation revealed Mohapi had earned R324 000 for two months' work.
Gags put on Nyati probe

NELSPRUIT, Mpumalanga Premier Mr Matthews Phosa yesterday gagged special investigator Mr Shabu Shabu and any other government officials from commenting on a controversy surrounding consultant Mr Eugene Nyati.

At a media briefing by Mr Shabu Shabu and Mr Nyati here yesterday, Mr Shabu Shabu repeated an earlier statement that his inquiry had found Mr Nyati innocent of any wrongdoing during his brief to restructure various Mpumalanga development bodies.

A statement made by Mr Phosa after Mr Shabu Shabu's comments stated: "No finding whatsoever has been made on any wrongdoing, as this investigation was concerned."

The statement (yesterday) by Mr Shabu Shabu and Mr Nyati therefore does not reflect the government of Mpumalanga's view.

No further comments would be made to the media by anyone other than himself or board chairman Mr Jabu Mabuza. — Sapa
Boesak probe team back with vital papers

AN Office for Serious Economic Offences (OSEO) team has returned with vital documents from an overseas investigation into the financial affairs of Allan Boesak's Foundation for Peace and Justice.

The OSEO took statements in Denmark, Norway, Sweden and the United States.

Tommy Prins, OSEO assistant director, said the team had known Dr Boesak's whereabouts in the United States but had not contacted him.

"We would like to give him the option to tell his side of the story, but his input is not vital to our investigation. We can't sit and wait for him to come back. It could delay our final report," he said.

Dr Boesak's wife Elina declined to comment when contacted at their home north of New York.

The Boesaks have settled into the residence provided for them by the national conference and study facility of the American Presbyterian Church.

Dr Boesak has been offered a three-month lectureship at the church institution but could not be contacted for comment.

Mr Prins said the investigating team went to the US to interview representatives of the Coca-Cola Foundation.

Around R150 000 donated to Dr Boesak's foundation by the Coca-Cola Foundation for distribution to pre-school projects in impoverished areas of the Karoo never reached its destination, according to project administrators.

While Norde funding agencies accused Dr Boesak of missappropriating funds for his personal use, Dr Boesak has always denied the allegations.

The report by OSEO is expected to be out by the end of November, said Mr Prins.
THE NAWT AFARI

AND SO THE STORY GOES

RETURN TO THE NAWT AFARI

TUESDAY, SEPTEMBER 12

MONDAY, SEPTEMBER 11

WEDNESDAY, SEPTEMBER 13

FRIDAY'S LETTER IS

OH, HOW THE MIGHTY ARE

STAYED!

By Peter Markham, Eddy Swiring
OF STEAK

With Gravy

splattered
Gravy high-flyer crashes to earth

By EDYTH BULBRING, PETER MALHERBE and JUSTIN ARENSTEIN

GRAVY train consultant Eugene Nyati had more than R700,000 slashed this week from the R1.2-million fee paid to him by the Mpumalanga government.

After a week in which one account after another submitted by Mr Nyati was found to be faulty and he was forced to repay R500,000, he had another R117,000 cut from his fees on Thursday.

The probe into the high-living Mr Nyati followed Sunday Times disclosures that he was being paid R15,000 a day for his work on a commission set up to restructure the homeland development corporations inherited by the provincial government.

Premier Mathews Phosa said the Sunday Times investigation had prevented “grave damage”.

“You were right to expose him,” he said at a press conference this week.

But Mr Nyati still takes home R289,000 for his two months of work on the commission, aimed at eliminating waste and inefficiency.

In a week of increasing humiliation for Mr Nyati, it emerged that:

• A bill for R256,000 submitted by Mr Nyati’s lawyer, Lucia Cotter, was changed to R29,000 after Mrs Cotter admitted “adding an extra nought by mistake”. Mr Phosa has submitted Mrs Cotter’s account to the Law Society.
• A bill for R200,000 from Mr Nyati’s accountant, Maurice Alls, was found to contain a R121,000 claim for “detective” work.
• Mr Nyati had allocated R289,000 to the Centre for African Studies. This is his own organisation, and

The gravy train millionaire

FLASHBACK: Sunday Times headline on September 3

Although Mr Nyati had claimed he required the R1.2-million to pay consultants, none of the consultants that the commission members had authorised work from, or others who later emerged, had been paid out.

In an interview with the Sunday Times this week, Mr Nyati could not explain why he needed the money if he intended paying his consultants only at the end of the job.

Mr Nyati faced a week of highs and lows as the Mpumalanga government flopped and flopped about in confused response to each new disclosure.

On Monday, Mr Phosa cleared Mr Nyati of any wrongdoing although two of the accounts were still being investigated by independent auditors.

On Tuesday, Mr Nyati was asked to pay back the R350,000 which was charged in “error” by his attorney.

On Wednesday, Mr Phosa “terminated” Mr Nyati’s employment as chairman of the interim board of the Mpumalanga Development Corporation and demanded that he pay back R800,000. He also announced that Dahn Mahura had been appointed chairman of the new corporation, a position Mr Nyati had expected to get.

On Thursday morning, Mr Phosa’s special adviser, Brian Shrosbree, told a press conference that Mr Nyati was still the chairman of the interim board and that he had been unable to find any wrongdoing. But that afternoon Mr Phosa contradicted Mr Shrosbree, insisting Mr Nyati’s services had been terminated, and publicly argued with Mr Nyati.

On Thursday evening the members of the interim board met to discuss the final fees to be paid to the commission’s chairman, Ntsosha Mohapi, and Mr Nyati.

Mus Mophapi had claimed that she had worked 600 hours on commission business. It was decided she would be paid for working only 192 hours. Her fee, at R349 an hour, has come down from R24,000 to R10,500.

Mr Nyati’s claim for 715 hours worked was cut down to 410 hours.

FULL STORY: Pages 4 & 5
A lawyer who had

The Nyati Affair

By Chiara Carter

Lucia Coter, the Johannesburg attorney who was subcontracted by Eugene Nyati to do work for his commission, had a problem with her zeros.

When Mr Nyati was asked to account for R1.23-million paid to him, she submitted a handwritten half-page account for R399 000, scanty in detail and with no breakdowns.

According to the invoice, this included "attendance, consultations, advice given, persuing and considering voluminous documents, drafting and settling various contracts, further conferences and consultations, meeting with counsel, formal attendances, postage, petticoat, telephone calls, copies and faxes." 

When the account was queried by auditors, she conceded that she had mistakenly added a zero and submitted another account for R55 000 and R49 900, VAT totalling R38 900.

She charged R10 000 for two trips to Nelspruit.

This week Mrs Coter, whose office is based in a luxury townhouse complex in Lonehill, Bryanston, said the first bill was a "mistake."

"I submitted it in a hurry at Mr Nyati's request. There was an extra zero added by mistake."

Mrs Coter said she was Mr Nyati's attorney and Mr Nyati was also a personal friend.

Nyati investigator Brian Schrotsree said "The explanation of an error of that magnitude is very difficult just to accept."

Premier Matthews Phosa said "I think it's horrifying for an attorney of any substance to make a mistake of that nature." He has referred the matter to the Law Society.

Spot the difference: Lucia Coter's accounts

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</tr>
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Maurice Allis/The Accountant

By Edyth Bulbring

Maurice Allis, the chartered accountant who works for Eugene Nyati from his flat in Killarney, Johannesburg, had some difficulty justifying his expenses when approached by Brian Schrotsree.

First of all, he produced an account on a letterhead for R280 000 and warned that he estimated a further R179 000 was needed to pay other consultants.

Mr Schrotsree responded "Although I haven't practised for many years, I am a chartered accountant. I know that it wouldn't take me hours to make out my bill for a specific brief like this."

Mr Allis was told that "gold-plated" proof of his expenses was needed, and after further telephonic discussions, he gave a more detailed account to independent accountants Coopers and Lybrand on Wednesday.

He said his work for Mr Nyati was "to serve as the accounting officer, ensuring that all contractors and other accounts were received, authorised and paid."

Mr Allis claimed R48 600 out of the R280 000 for more than 250 hours work, and the amount of R179 000 which had been estimated, was dropped.

The rest of the R200 000 was spent on a lawyer, a private investigator and on travelling costs.

The amount of R121 000, which was paid to the private investigator, is still being scrutinised.

Sunday Times, 17-9-95
Continued...
THE CONSULTANT
EUGENE NYATT

1994

The situation was a very simple one. The decision to build the road in the project area was made by the ministry of transportation. The project was to be financed by the World Bank and the local government. The Ministry of Transportation was responsible for the construction of the road. The project was expected to generate jobs and stimulate economic development in the area. The project was seen as a crucial step in the development of the region. The project was expected to enhance the region's connectivity and improve the quality of life for the people in the area. 

NTSOAKI MOHAPI/THE CHAIRMAN
BY JUDE BURTON

THE CATHER

SHARON PILAY

THE PHARMACIST

JOE MONTGOMERY

1979-95

Sunday Times
Parliamentary consultant faces the axe for bad debts

By RAY HARTLEY
Parliamentary Correspondent

MANAGEMENT consultant Kenneth Mgqamqo, who was called in to help improve the running of Parliament, faces possible dismissal after Speaker Frere Ginwala learned he was the subject of a Supreme Court judgment for not honouring debts.

Parliamentary Secretary Robin Douglas confirmed this week that Mr Mgqamqo had been called before Dr Ginwala and Senate President Kehe Coetsee to discuss his future as a consultant to Parliament.

A further meeting had been scheduled for early this week to resolve the matter, Mr Douglas said.

The cause of the fallout has been traced to the Cape Town Supreme Court, where a default judgment was awarded against Mr Mgqamqo for failing to pay John Cook and Associates R564 000 in December last year.

Mr Mgqamqo's past caught up with him when an official from the sheriff's office came looking for him in Parliament to serve a warrant of execution to get him to pay up.

Unable to locate Mr Mgqamqo, the official left a message with an official in Dr Ginwala's office.

According to court papers, John Cook and Associates had been appointed "project manager" of a "proposed casino and entertainment centre" in Guguletu, but had not been paid by Mr Mgqamqo and his partner, Linda Gobodo.

The Ubunti Entertainment Centre — as the complex was to be known — was to include a "casino, restaurant and club", according to a letter to Mr Mgqamqo from John Cook and Associates.

The Sunday Times has also learned that Mr Mgqamqo had left the Independent Electoral Commission under a cloud before last year's election.

The Black Sash's Mary Burton, who served as a commission official, confirmed that Mr Mgqamqo had left his job as a district electoral officer after allegations of impropriety.

"There was a dispute and there were allegations made against him, but there was not time to conduct an internal investigation. We tried to facilitate the dispute and as a result of that, he tendered his resignation," she said.

But, she said, there was never any question of being able to prove any charges against him.

Mr Mgqamqo could not be reached for comment.

Mr Mgqamqo and leading management consultancy Deloitte and Touche, were jointly awarded the contract for revising the management of Parliament.
SA's bosses fare poorly in integrity test

BY JOHN FRASER

A new survey gives South African bosses and politicians 5.62 out of 10 — for corruption.

The new South Africa is exactly midway in a list of 41 nations featured in an international survey of corruption.

The survey suggests that New Zealand is the least corrupt country, with a score of 9.55 out of 10. Indonesia emerged as the worst, with 0.26 out of 10.

The study was conducted by the Berlin-based Transparency International organisation and drew on data from businessmen and financial journalists.

Countries were judged on a scale which ran from 10 out of 10 for total integrity to zero for absolute corruption.

South Africa was 21st from the top and the bottom of the list.

South African businessmen and politicians were considered less corrupt than Malaysians, Spaniards, Italians, Mexicans, Greeks and Turks, but more corrupt than the British, the French, the Germans, the Swiss, the Japanese and the Americans.

The organisation claims that it is providing an important service by compiling and publishing this data.

It claims that if countries are annoyed at being categorised as being corrupt, this is a result of the way in which they are perceived by businessmen and journalists.

The organisation is seeking an international code of conduct to contain corruption and bribery.

The 10 most corrupt, starting with worst, are Indonesia, China, Pakistan, Venezuela, Brazil, the Philippines, India, Thailand, Italy and Mexico. The 10 least corrupt, starting with best, are New Zealand, Denmark, Singapore, Finland, Canada, Sweden, Australia, Switzerland, Holland and Norway.
Boesak in new money row

"DELIBERATELY MISLEAD CABINET" — KRIEL

ANOTHER FUNDING SCANDAL involving former Economics Minister Dr Allan Boesak emerged yesterday. CHRISS BATEMAN reports.

FORMER Western Cape Economic Affairs Minister Dr Allan Boesak "deliberately misled" the cabinet on the funding of an overseas investment promotion trip, and the province will have to pay R129 583 to refund his debts, Premier Mr Hermann Kriel said yesterday.

Speaking after a cabinet meeting at which ministers unanimously agreed to repay debts to Wesgro, Mr Kriel said Dr Boesak had told his colleagues the trip would be funded by Wesgro and would not cost the province anything.

But Wesgro chief executive officer Dr David Bridgman confirmed that the former UN ambassador-designate promised Wesgro the loan would be repaid once his budding economic affairs department was "properly financed".

Mr Kriel claimed Dr Boesak "deliberately misled the cabinet and we now have to once again pay money out on his behalf".

He was referring to a 10-year R1.6 million peppercorn Adderley Street office lease signed by Dr Boesak without proper administrative approval or a budget, which the province "also had to honour".

The offices were never occupied by Dr Boesak's staff and heavy penalties were incurred.

Mr Kriel said he and his colleagues had considered trying to reclaim the money from Dr Boesak, who is on a three-month lecturership at a church institution in New York State — but decided it would be "throwing good money after bad".

"We can only trust, without giving any undertaking, that this is the last of Dr Boesak's mismanagement of his department and its funding," Mr Kriel added.

Dr Bridgman said Wesgro had received only R37 000 from the travel agents who organised Dr Boesak's trip — but this was only for hotels and changed flights and was paid for by USAid, a United States developmental agency.

He confirmed that Wesgro approached the Western Cape government to be repaid the R129 583 and another R260 332 loan which went towards Dr Boesak's staff salaries and other "legitimate" expenses in setting up an economic affairs ministry.

Dr Boesak's controversial anti-apartheid organisation, the Foundation for Peace and Justice, is still under investigation by the Office for Serious Economic Offences after findings by lawyers for its Danish funder that the foundation misappropriated millions.

The legal team found Dr Boesak personally made an unauthorised loan of R1 million.

The controversy cost Dr Boesak, a former President of the World Alliance of Reformed Churches, his ambassadorship to the UN in Geneva.

He sold his Constantia home and luxury car to help repay the FJF loan and reportedly earned money writing for overseas news organisations.

An ANC provincial spokesman said last night that the party was studying the circumstances around the issue and would comment more fully today.
Fraud office hamstrung by lack of jurisdiction in TBVC states

PRETORIA — Investigations by the Office for Serious Economic Offences were hamstrung because its jurisdiction had not been extended to the former TBVC states, director Jan Swanepoel said yesterday.

Testifying before a joint parliamentary justice committee hearing, Swanepoel also made an urgent appeal for his office to be given prosecutorial powers to avoid delays in prosecutions by attorneys-general.

"He said corruption and fraud in state departments was also "a serious problem for us."

A recent investigation requested by Judge Johan Kriek to into a R18m fraud carried out by the Independent Electoral Commission came to an abrupt halt when files containing evidence were stolen from a "locked filing cabinet in the locked office of a prosecutor."

Luckily, about 90% of the evidence had been reconstructed and prosecutions would continue, he said.

A "great number" of offences were in need of investigation in the former homelands states, but the office did not have the power to subpoena witnesses.

"In the Escoffery matter, in which businessman Norman Escoffery allegedly irregularly obtained an R18m loan from the Bophuthatswana Agricultural Bank we needed to subpoena people from Northwest but could not do so. We had to rely on the goodwill of potential witnesses," Swanepoel said.

A shortage of manpower in the Transvaal attorney-general's office meant that the case, when handed over for prosecution, would receive only the attention of a junior counsel "when it deserves much more."

Cases handed to the attorney-general also received "a lesser priority and are placed in storerooms, where they lie for a very long time. Conditions hampering investigations were "undermining the credibility of our leaders," particularly President Nelson Mandela, who had promised a crackdown on commercial crime.

The justice committee pledged to try to include an extension of the Investigation of Serious Economic Offences Act to the TBVC states in the Justice Laws Rationalisation Bill, which is expected to come before Parliament next year. It would also seek to gain prosecutorial powers and wider powers of investigation for the office, chairman Johnny de Lange said.
Bowden commission finds hundreds of public service irregularities.
Hospitals prepare for nurses’ forum strike

Kathryn Strachan

STATE hospitals country-wide are bracing themselves for strike action after the Nursing Forum gave them official notice yesterday that their strike would begin from 7am today.

"But the great unknown is how many of the forum’s Western Cape hospitals have taken up the offer," said director of hospital services chief director Allan MacMahon.

As the 10-day ultimatum — which nurses gave government to respond to by 4pm today — expired yesterday, hospitals took steps towards preparing for the strike.

The decision to strike was spurred by the Cabinet’s decision on Wednesday that nurses' demands could not be met in the financial year.

Gauteng deputy director of health Eric Buch said that a meeting of provincial hospital superintendents showed most hospitals would be affected by the nurses’ action, which would include a one-day strike, a march next week and a general strike.

Johannesburg Hospital yesterday started discharging patients, and stopped taking transfers from other hospitals. By early today, several patients had been transferred to the hospital.

MacMahon said it was difficult to estimate what impact the strike would have on the Western Cape, but all out-patient services and non-emergency operations and admissions in the province will be stopped from today. Hospitals have also started discharging patients fit enough to be sent home.

Free State has also confirmed that nurses in five of the province’s biggest hospitals will embark on a one-day strike tomorrow, but nurses have said that a skeleton staff will be working to keep critical services running.

Health Ministry spokesman Vincent Hlongwane said yesterday that there were “rumblings” of a strike in all the provinces.

Health Minister Nkosazana Zuma yesterday sent a circular to all nurses, explaining that the Cabinet proposed an overhaul of the salary structure, which would significantly improve public sector workers’ pay — especially nurses.

Nursing forum representatives could not be reached yesterday.

Renee Grawitzky reports Cosatu general secretary Sam Shilowa said yesterday a group of nurses had contacted the federation to discuss their “effective participation in the bargaining chamber which meets next week to commence negotiations for 1997 wage increases.” Shilowa said only the acceptance into the Chamber will help alleviate the threatened strike.

Shilowa said Cosatu supported their demands, and the current government had inherited the conditions from the previous government.

Fraud office hamstrung by lack of jurisdiction in TBVC states

Kevin O'Grady

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Luckily, about 90% of the evidence had been reconstructed and prosecutions would continue, he said.

A total number of offices were in need of investigation in the former homelands states, but the office did not have the power to subpoena witnesses.

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Vested interests put spotlight on SA tender board laws

BY CHARLOTTE MATHEWS
CT(MR)18/10/95

The practice of allowing state tender board members to have simultaneous business activities is perfectly legitimate under regulations both in South Africa and overseas.

But, according to David Lapin of the South African Institute of Business Ethics, in the kind of business environment we are trying to establish in South Africa, questions must be asked about the member of the board of a company sitting on a tender board: where that tender board is required to decide on tenders supplied either directly or indirectly by that company.

Lapin said he had no doubts about the integrity of any member of a tender board.

Ken Warren, the director of legal affairs for Sacob, said Sacob supported having the private sector on tender boards, not only because it performed a useful watchdog role about the fair allocation of public funds, but because it had considerable knowledge and experience to contribute to the tendering process.

Other businessmen said a dual appointment on the tender board and a large commercial company was questionable but all declined to be quoted because of their relationship with the government.

Under South Africa's State Tender Board Act, between 16 and 20 people had to sit on the board, of whom at least half had to come from the private sector, a spokesman from the State Tender Board said. It is only when a tender is on the table that anyone with a conflict of interest should declare that interest and recuse themselves from part of the meeting.

The Gauteng Tender Board Act states that the board must consist of between 12 and 16 members, of whom not more than four may be government employees. Any member of the board must declare their interest in any matter before the board and can be asked to recuse themselves.

Meredith McGhee, the legislative director of Common Cause, a watchdog body, said in the United States there were strong provisions to ensure that those who had responsibility for writing government contracts did not have second loyalties.

A spokesman from the department of the environment in Britain said local council level contracts were awarded by the councilors, who could have any background. As in South Africa, if an item comes up in which a councilor has an interest, he must declare that interest.
Vested interests put spotlight on SA tender board laws

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'Corruption' by NP govt to be probed

SPECIAL CORRESPONDENT

KEMPTON PARK: President Nelson Mandela last night announced a top-level probe to expose alleged corruption by the former National Party government and the now defunct homeland governments.

Mandela made the announcement during his closing address to the Habitat II African Housing Ministers' Conference at the World Trade Centre.

The announcement follows the release this week of the report of the Skweyiya Commission of Inquiry set up to investigate financial irregularities involving more than R15 million in the former Bophuthatswana homeland.

The report exposed misuse of taxpayers' money, corruption and embezzlement and suggested that former Bophuthatswana ruler Mr Lucas Mangope may have personally misappropriated about R22m.

Malpractice

Mandela said last night he had taken note of the Skweyiya commission's findings.

'It is clear to me that in the past decade or more, corruption and malpractice on the kind dealt with in the Skweyiya report were not confined to that part of South Africa but were widespread, deriving from the workings of the whole apartheid system which created the homelands.

'We need to eradicate corruption throughout South Africa. The kind of plunder of taxpayers' money; corruption; malpractices and dishonesty referred to by the Skweyiya commission continue to rear its ugly head and must be exposed and dealt with.

'Exposure of Malpractices': President Nelson Mandela

'Accordingly, and in the firm belief that it is in the national interest to do so, I have decided to appoint a commission under the Commission Act to investigate and expose corruption, bribery and other forms of malpractice in previous governments in South Africa, including the former homelands, as part of the process of establishing the rule of law in the country.

'It is my view that we need to establish the whole truth so as to enable the country to break with its past and create and consolidate clean, honest and open government."

'I will make a further announcement in this regard after consultation with the cabinet,' Mr Mandela said.

During this year's parliamentary session, Parliament received several reports from the Auditor-General on financial irregularities in the former homelands, especially Transkei.

The ANC last night welcomed the announcement.
President launches apartheid graft probe

BY PATRICK BULGER
POLITICAL CORRESPONDENT

President Nelson Mandela last night announced a top-level probe to expose corruption in the former South African and homeland governments.

Mandela made the announcement during his closing address to the Habitat II African Housing Ministers’ Conference at the World Trade Centre in Kempton Park.

The announcement follows the release this week of the report of the Skweyeya Commission of Inquiry set up to investigate financial irregularities in the former Bophuthatswana homeland.

The report exposed misuse of taxpayers’ money, corruption and embezzlement, and suggested that former Bophuthatswana ruler Lucas Mangope may have personally misappropriated about R22-million. The report called for Mangope to face criminal and civil action and found that the former SA government had not been blameless in the debacle.

Mandela said last night he had “taken note” of the commission’s findings.

“It is clear to me that in the past decade or more, corruption and malpractice of the kind dealt with in the (Skweyeya) report were not confined to that part of South Africa but were widespread, deriving from the workings of the whole apartheid system which created the homelands.

“We need to eradicate corruption throughout South Africa. The plunder of taxpayers’ money, corruption, malpractices and dishonesty referred to by the Skweyeya commission continue to rear their ugly heads and must be exposed and dealt with.

“Accordingly, and in the firm belief that it is in the national interest to do so, I have decided to appoint a commission under the Commission Act to investigate and expose corruption, bribery and other forms of malpractice in previous governments in South Africa, including the former homelands.

“It is my view that we need to establish the whole truth so as to enable the country to break with its past, create and consolidate clean, honest and open government.

“I will make a further announcement in this regard after consultation with the Cabinet,” Mandela said.

Late last year, Auditor-General Henri Khoever was given the go-ahead by Parliament’s joint committee on public accounts, to launch a special audit investigation into the former homelands, which confirmed fears of widespread mismanagement and irregularities running into hundreds of millions of rands.

Phosa supports inquiry — Page 3
Pik: Probe past and future corruption

PRETORIA - A commission to investigate previous government corruption was to be welcomed, but should be made a permanent body to also probe current and future irregularities, Gauteng NP leader Mr. Pik Botha said yesterday.

The Mineral and Energy Affairs Minister told a local government election meeting at Eersterivier north of here the NP wanted all forms of mismanagement and fraud exposed.

But let us make it a permanent commission so that it can continue investigating corruption.

President Nelson Mandela announced this week he would appoint a commission to investigate corruption, bribery and other forms of malpractice in previous governments in SA.
**Investigations into budget spending**

Greta Steyn

THE state expenditure department is investigating the possibility of substantial spending overruns this fiscal year which could result from taking over functions of the former independent homelands.

Spirit expenditure director-general Hannies Smit said yesterday it was impossible to judge at this point in the fiscal year whether the 1995/96 Budget spending targets would be met.

"There are too many uncertainties about provinces' and government departments that took over TBVC functions. We have set up task forces to investigate the problems and as soon as we have a clear idea, an announcement will be made," Auditors investigating the problems had been asked to report by the middle of next month.

If the problems uncovered in the TBVC accounts do not change the picture, government is on track to end the fiscal year pretty much as budgeted. At the halfway stage, spending and revenue were both slightly less than half of the March targets. However, spending does not take place evenly over the year, and a surge could still occur in the final quarter.

Smit said over and above possible irregularities in the TBVC books, central government would not consider meeting the provinces' demands for extra funds. This followed the Western Cape saying it was running a budget deficit of R1bn this fiscal year.

"Constitutionally, provinces are not allowed to run deficits," he said. Suggested provinces with problems try to improve their cash flow management.

The provinces are not yet able to borrow to finance their capital expenditure, as enabling legislation has not yet been passed by Parliament.

**Continued on Page 2**

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**Investigation**

Continued from Page 1

The Western Cape will be dealt a blow if government accepts the proposals of the Financial and Fiscal Commission for new formulas for allocations from central government.

Smit said the proposals had not yet been accepted by government, and the phasing in would therefore not begin in the next fiscal year. "We can expect a lot more debate about these figures before Parliament takes a final decision."

The finance and state expenditure departments and the commission have differed over the extent to which provinces should determine their own budgets. It now also seems as if the commission's suggested formulas will not necessarily be accepted.
Ministers face corruption probe

Gaye Davis

Past and present National Party ministers and heads of former bantustans could be called to testify before the top-level probe into corruption and malpractice by the former South African and homeland regimes announced by President Nelson Mandela this week.

Presidential representative Joels Netshitenzhe said the commission was expected to be up and running within a few weeks.

Former Transkei military leader Bantu Holomisa, now deputy environment minister, and the National Party—both would be potential subjects of the investigation—welcomed the probe.

Mandela's announcement followed the report of the Skweyiya Commission of Inquiry into malpractices in the former Bophuthatswana, which implicated ousted president Lucas Mangope and other officials in the misuse of more than R200-million of public money.

Meanwhile, the Browde Commission of Inquiry has until the end of the year to complete its investigations into irregularities in the former homelands and the republic. Its brief includes investigating promotions and salary increases public servants awarded themselves in the former Transkei and Ciskei.
Consultants could have cost govt R1bn in the past year. It is understood the finance ministry has asked for an audit of all government departments to ascertain the extent of the use of consultants. The ministry could not be reached for comment.

Recent allegations that Mpumalanga's government had made excessive payments to consultant Eugene Nyati began the furor about the need for and payment of consultants.

National Tender Board sources said there appeared to be a marked increase in the use of consultants by government in 1994/95 compared to previous years. National and provincial tender board Acts specify that tenders have to be submitted for all goods and services supplied to government departments.

The tender board said there were instances where departments made appointments without approval, but could not indicate the extent of this. Where the contract was less than R75,000, its approval was not needed. However, if specialists were needed, departments could apply for exemption from tender procedures.

Tender board head Tobe Verwey said in granting tenders to consultants, the board had to ensure that all available skills in that field had been approached to tender and that tariffs proposed were market-related.
R500 000 spent on cows at drug centre

SPECIAL CORRESPONDENT

The defunct House of Representatives still haunts the corridors of Parliament as members weave their way through millions in unauthorised spending — in one case R50 000 spent on lucerne.

Before the parliamentary watchdog committee of public accounts yesterday were a number of questions marks by the auditor-general over spending. These included R22 million spent on an inferior computer system and R500 000 on lucerne for 50 cattle at a drug rehabilitation farm near Cape Town run by the former department.

The committee, which is members of Parliament wondering what type of lucerne had been bought and at the appetite of the cows. At a current price of R8,50 a bale, it made for almost 60 000 bales of hay. The committee has asked the auditor-general to investigate further.

The scrapping of the House of Representatives had committee members concerned that people responsible for the unauthorised expenditure were "slipping through the cracks" of the restructured departments.
R500 000 lucerne probed by committee

CLIVE SAWYER
Political Correspondent

PARLIAMENT'S joint committee on public accounts has ordered a probe into why a Cape rehabilitation centre spent almost R500 000 a year on cattle feed.

The committee was told that lucerne worth R493 000 was bought in the 1993/94 financial year by the De Novo Centre to feed about 50 cattle used in an agricultural programme as therapy to rehabilitate victims of drugs and alcoholism.

"That's about R10 000 of lucerne per beast a year," said chairperson Ken Andrew (DP).

The tale of the lucerne was one of several items of unauthorised spending by the former administrations of the houses of assembly, representatives and delegates, dealt with by the committee yesterday.

Deputy auditor-general J A J Loots said there had been concern about purchases being made by De Novo without proper authority and without going through the proper tender procedure.

The agricultural therapy programme had been brought to an end and the cattle transferred elsewhere.

In discussion on an item of unauthorised spending of R22 million on computers by the former house of representatives for a literacy programme, officials told the committee there had been "sound reasons" for believing one or more people had been favoured.

Auditors told the committee that in December 1993 the house of representatives committee on public accounts had recommended a probe, but no action had been taken.

In a discussion of the auditor-general's report on government pensions and provident funds, the committee was told it was hoped to have records of these up to date by the end of the 1995/96 financial year.

Problems in accounting for all pension funds were linked to the process of amalgamating separate public services.

Continuing use of consultants also came under the spotlight during yesterday's discussions.

Gill Marcus (ANC) said consultants should be required to pass on their skills to public servants.

The director-general of state expenditure, Hannes Smit, said departments were to be asked what they intended spending on consultants in the 1996/97 financial year and to provide motivations for each.
Two investigators save govt R70m

DURBAN A commission probing corruption in government departments has only two investigators to do the work, yet it has managed to save the state nearly R70 million in the past year.

This is all money recovered from public servants who were being overpaid or receiving benefits, such as housing and transport allowances, for which they did not qualify.

Government sources said that "millions of rands more" could be recovered, but the commission had an acute lack of staff and faced a huge backlog of work.

It was announced last week that a Presidential Review Committee would be set up to carry out an audit of public servants, some of whom are believed to be dead but still on the payroll.

Parliament will decide in February whether the commission will be allowed to operate beyond the end of this month. It had already been extended from June.

— Own Correspondent

CT 6/12/95
No hearings after resignation

JOHANNESBURG: The Broadley Commission of Inquiry into complaints on the Public Service Commission will hold no more hearings following the resignation of chairman Mr Justice Jules Browde.

Commission administration head Ms Pam Barnes said yesterday that since the commission requires a judge to be chairman, a new appointment will be required in terms of the constitution.

((259))

CT 7/12/95
Browde quits but inquiry unlikely to be disbanded

David Greybe

CAPE TOWN — Government acted yesterday to dispel fears that the Browde commission probing public service irregularities would be forced to stop work at the end of the month because of administrative snags.

The commission lost its chairman, acting Judge Jules Browde, at the end of last month. Parliament has not yet dealt with a request to extend the commission’s life span beyond the year-end to complete its work.

The commission has uncovered a high rate of malpractice in Transkei and Ciskei. About 8,000 public servants have been or are under investigation, mainly in former homelands. The inquiry covers the period between April 27, 1993 and September 30, 1994.

Government sources said yesterday there was little doubt that the commission would be granted an extension, albeit retrospectively.

The office of public service director-general Paseka Mokoena said “steps have been taken to request Parliament to extend the lifespan of the commission”. In the meantime the commission would “involve itself in preparatory work”. Once Parliament — which would reconvene in February — had amended the interim constitution, commission hearings would resume.

Mokoena’s office said assignment of a judge to take over from Browde — who returned to private practice — was awaited from the justice department.

Justice spokesman Sue de Villiers was unable to shed light on the matter.

Established in February, the commission was originally expected to complete its work by end-April, but this was later extended by Parliament to the end of this month because of the large number of cases submitted to the commission. The time-consuming nature of its work and a staff shortage is also a factor.

The departure of three of the six original commissioners has left the commission with eight full-time staff members.
P.S. - GOVT. OTHER DEPARTMENTS
1996 - 1997
Mbeki moots probe of state tender board

Amanda Vermeulen

DEPUTY President Thabo Mbeki was considering a full investigation into the state tender board amid concerns that the controversial allocation of certain contracts could discourage foreign companies from investing in SA, government sources said at the weekend.

A possible investigation follows protests over several tenders, including the allocation of a contract to print the new SA passport and the tender for the navy's new corvettes, one source said. Black empowerment was also likely to come under the spotlight.

The source said Mbeki, who was expected in SA today, was taking a special interest in state tendering. He had expressed serious concern about the workings of the board, including the lack of black empowerment in allocating tenders in the building industry.

"There have been several complaints about the board. This could have serious implications for the SA economy as foreign companies will be frightened off from conducting business in the country if it is seen to be suspect," the government source said.

Mbeki's concern over the allocation of a contract to a Denel-linked company appears to have brought the tendering issue to a head. It followed last year's allegations of bias in the tender for four new corvettes and complaints from black builders that only white-owned companies were being awarded state housing contracts.

The source said Mbeki was particularly concerned that German company Maurer Electronics, linked to international electronics conglomerate Mannesmann, appeared to have been wronged in the allocation of a contract to print SA's new passports. "Any hint of impropriety in the way business is handled in SA in the public and private sector could put the brakes on any planned investment by Mannesmann or other major international groups,"

Mbeki has asked Home Affairs Minister Mangosuthu Buthelezi to investigate the role played by Denel and home affairs officials in rejecting the tender of Maurer Electronics for the technology to print new passports.

The tender was allocated to UK company De La Rue, which won the 1994 ballot printing contract, and Denel is dues-paying supplier of support services to De La Rue.

The State Tender Board said it had not yet been informed of any independent investigation; and mandated Mbeki would not have the power to suspend the contract at this stage. But Mbeki's office said he was still waiting for information from Buthelezi before making a decision.

Continued from Page 1

Mbeki

In a decision.

The Office for Serious Economic Offences said at the weekend it was gathering evidence, and executive director Jan Swart was calling on anybody with information to contact his office.

Mbeki and his deputy president, FW de Klerk, last year appointed a four-man body to probe allegations of bias at the tender board. The R1.7bn order for the ships could be put out to tender again in the next few months.

Late last year black builders asked Gauteng MEC for housing Dan Mofokeng to stop all tendering processes for new development projects in townships after white-owned companies were allocated contracts.

Government last month began overhauling the tender system, implementing a 10-point plan in the interim.

Last year Cabinet approved Finance Minister Chris Liebenberg's request to formulate a national policy on public procurement and regulate the actions of tender boards in a bid to crack down on fraudulent tendering activities.
SANDF to recruit IFP unit members

Farouk Chothia

DURBAN — More than R85m would be spent on integrating 2 200 IFP-aligned self-protection unit members into the SANDF, Natal commanding officer Maj-Gen Chris Le Roux disclosed yesterday.

Addressing the KwaZulu-Natal legislature’s safety and security committee in Pietermaritzburg, Le Roux said the national Cabinet had approved the integration of 2 200 unit members into the SANDF in November last year. It was hoped that the first 200 would be integrated before the end of next month.

Le Roux said the only criteria used in recruiting self-protection unit members, or Umkhonto welwezive cadres, into the SANDF was the presence of their names on the official “certified personnel registers” compiled by the SANDF and political parties. No checks were made to see whether recruits had criminal records.

Le Roux said no extra infrastructure had been created to cope with the integration process. The SANDF urged parties in KwaZulu-Natal to help them simplify the task.

Le Roux also said a rationalisation process was under way with 30 000 personnel to be retrenched over the next few years. Many former soldiers from both the ANC and IFP in KwaZulu-Natal were unhappy about the prospect of retrenchment.

Le Roux said he had raised the matter with Defence Minister Joe Modise, who had replied that nothing could be done. DP KwaZulu-Natal leader Roger Burrows voiced concern about the soldiers being unemployed, and believed that it could be a “recipe for disaster”.

Le Roux said about R85m would be spent nationally on gratuities for the voluntary demobilisation of ANC and PAC members in the SANDF.

State tender probe urged

Amanda Vermeulen

HOME Affairs Minister Mac Maharaj has been urged by the National House of Traditional Leaders to investigate the allocation of a state tender for SA’s new passports.

Maharaj has been urged to investigate the allocation of a state tender for SA’s new passports.

Home affairs officials and Denel Informatics had earlier vetted a rival bid by German company Maurer Electronics. At present, the UK company is negotiating subcontracts with the contract to Denel.

Mbeki also asked Bheki Cele, who has been ordered to investigate after complaints by Mauritier’s SA associate. Mbeki is now considering launching a full investigation into the State Tender Board, partly sparked by the passport saga. Mbeki’s office has still to release a formal statement.
Tough code of ethics for MPs

PUBLIC REPRESENTATIVES will have to make full disclosure of their financial interests if proposals of the ethics committees of the national assembly and senate are accepted. ANTHONY JOHNSON reports.

PARLIAMENT released a tough code of conduct yesterday for MPs that forces public representatives to come clean on the often intimate details of their financial interests, private lives and connections with influence peddlars.

The draft rules even prevent an MP or senator from using a spouse, "permanent companion" or dependent child to disguise or divert financial interests and to forestall disclosure about their real worth or contacts with lobby groups or outside companies.

The bombast of the committee's report is signed by joint committee head Mr Raden Amad.

The report, which will be considered by a multi-party joint parliamentary rules committee next week, emphasises that the code of conduct will require MPs and senators "to make available for public scrutiny such information about themselves and their financial and other interests that is relevant to the performance of their public duties".

The rules, which will apply initially only to elected public representatives, could be extended by legislation to include other people in public office "such as public officials and heads of parastatal organisations".

The report also proposes that longer-term consideration be given to including "appropriate penalties and mechanisms of enforcement" to MPs and members of the provincial legislatures who leave public office for lucrative jobs elsewhere.

The report proposes that since the public has a right to be represented by MPs who are "free from the burden of inappropriate influence and properly and independently serve the electorate", a register of interests should be available to the public.

Categories of registerable interests should include:

- Land and property assets, including lease and the extent of bonds. This includes the area or suburb and the extent of the property
- The nature, number and nominal value of shareholdings (including nominee shareholdings)
- Paid directorships of public and private companies, as well as membership of commercial partnerships and interests on shareholdings
- A ban on pay for lobbying a particular cause or representing a particular interest group in Parliament and a disclosure of any consultancies or retainers. All sponsor-
Selby Baswa, the official appointed to fight the abuse of power, is himself tangled up in red tape, reports Gaye Davis

PUBLIC protector Selby Baswa may be one of the most powerful people in the country, but he has run into major problems over the appointment of nine provincial public protectors he needs to help deal with the cases flowing into his office.

Mooted in terms of the interim Constitution to root out government corruption, abuse of power and bureaucratic red tape and delay, Baswa’s headaches seem to part from a South African National Congress (ANC) MP and constitutional negotiator position on the final constitution that aims at ensuring provincial governments have limited mandate to rule.

The interim constitution says provinces must legislate for the appointment of the provincial public protector who Baswa sees as becoming the hands and feet of his operation. But the draft final constitution makes no mention of them.

As a result, the Free State and Gauteng are holding back on their legislation because they first want to see what the final constitution says. State law adviser in the Free State, Johan Meyer, said there were contractual concerns about appointing a person to a seven-year term of office in a job that might not exist under the final constitution.

Four other provinces have already adopted legislation, and Mzimatha and the Northern Province have taken steps to fill the posts. But the ANC and present national government said the provinces were not at the weekend.

They said the provinces had agreed on Baswa’s jurisdiction and to be handled by the national office.

But Baswa’s problem is that he cannot set up provincial offices because he is governed by the interim constitution, which clearly states this is a job for the provinces.

Gauteng approached him to set up an office for the province, Baswa wrote to Constitutional Assembly co-chair Cyril Raphaello. He was told the problem would be dealt with.

“It was important I brought it to the attention of the Constitutional Assembly because it does represent a real headache,” he said. “Night, now I need these offices to be up and running. Everything is coming here. The offices are necessary to increase accessibility for the public and delivery of the service. If the is not to have provincial protectors appointed by the provinces, they could fall under my office and be financed from national levies.”

He has now asked Raphaello to spell out precisely what transitional arrangements are envisaged.

Kgotshile said she had sympathy for Baswa’s position, but

YOUR SMOKE CAN HARM THOSE AROUND YOU

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Asmal expects highest standards from MPs

Wyndham Hartley

CAPE TOWN — MPs should not have to be dragged into high standards of public life but should willingly open their affairs to public scrutiny, says Water Affairs Minister Kader Asmal.

Asmal told an Iclasa civil society workshop yesterday that if the behaviour of the “alley cat” was followed at the level of Parliament, it would set the tone for the whole of society.

"It will have an impact on our country's economic performance, business efficiency, on its race relations, on attitudes generally — and will undoubtedly have the disastrous effect of confirming the Afri-cop's view that nothing good can come out of Africa."

Corruption was a sure way of throwing away hard-won democracy.

In the past the SA political landscape was littered with corruption nurtured by a system of race privilege and repression and characterised by lies, cynicism and contempt for the rules.

Asmal, who chairs a parliamentary subcommittee drawing up a code of conduct for MPs, said the conclusion had been reached that MPs should make available for public scrutiny their financial and other interests that were relevant to the performance of their public duties.

He suggested that the committee initially the code of conduct and the ethical behaviour demanded could be enforced through parliamentary rules. This could be followed by legislation at a later date.

Asmal said there was a need for clarity on the status of gifts presented to office bearers and leaders of delegations: were they personal or did they belong to Parliament?

It was reasonable for exemplary behaviour to be expected from MPs. He said that positions should never be used to extract favours — and especially not sexual ones.

KwaZulu-Natal legislature budget defrauded

Farouk Chothia

DURBAN — KwaZulu-Natal finance department officials — or outsiders colluding with them — have defrauded the provincial treasury, a spokesman for provincial premier Frank Mdlalose said yesterday.

The theft, of R170 000 in a single month, has sparked concern that large sums of money may have been siphoned off over a longer period.

A parliamentary source said yesterday that further investigation of the theft from the legislature budget indicated that criminals had gained access to the budget of the whole provincial government. The R170 000 stolen by means of 10 unauthorised cheques in January had been withdrawn from the provincial paymaster-general's account, and bore provincial auditor-general Otty Nxumalo's signature. Business Day has copies of the cheques.

KwaZulu-Natal premier Frank Mdlalose's spokesman Thembonke Memela said police had been asked to investigate, and the government was considering bringing an external auditors to investigate and recommend ways to reduce fraud.

Memela said the finance department handled the budgets of all departments, and claims had to be submitted to it before funds were released.

The source said that officials' PIN codes had been used to access the computer which prints out cheques.
Restructuring of new tender board begins

Amanda Vermeulen

Governments plan to restructure the tender system moved up a gear yesterday with the announcement of the new tender board members.

Finance Minister Chris Liebenberg said the board would now reflect equal representation by business, labour, the state and procurement experts. He said progress had also been made in the reform of the public tendering process, particularly in allowing easy access for small, medium and micro-enterprises to the tendering system.

The state tender board and tendering system has come under fire several times recently. Late last year black builders in Gauteng asked for township construction tenders to be frozen after contracts were given to white-owned businesses.

The tender system is also under the spotlight after a call in November to Deputy President Thabo Mbeki to launch an independent inquiry into a tender allocation for the new passport.

Liebenberg said a task team, appointed to spearhead the tender system reform, had completed its research and would commence negotiations this month with all the participating bodies represented in the National Economic, Development and Labour Council. "The aim of this process is to establish a new procurement policy. Once this policy is approved by Cabinet, the new State Tender Board will have to adhere to it."

Chairman of the new board is CM Herr, representing the Steel and Engineering Industries Federation, and PM Mashego, an Angloviel buyer, will be vice-chairman. Board members include Alan Hirsch from the trade and industry department, Lisa Seftel from the labour department, David Mokoena from the National African Federated Chamber of Commerce and Industry and Alex de Beer from the SA Chamber of Business."
Asmal calls on MPs to be open

ANTHONY JOHNSON

SOUTH AFRICA would decline into a "Bilong and pap" republic if parliamentarians followed the "laws of an "alley cat" on questions of personal and public ethics," Water Affairs and Forestry Minister Kaizer Asmal warned yesterday.

Asmal, who chairs the parliamentary sub-committee on ethics, told an Idea-sponsored workshop on parliamentary ethics that MPs should "willingly seek maximum openness about what they did and received."

Emphasising the need for a tough code of conduct for public representatives, he said that in the past the South African political landscape was "infused with corruption."

"It was nurtured by a system of race privilege and repression, and the murky contacts and deals that went with this. The homelands were custom-built for graft."

"The government of the day, while attending church assiduously and grumbling service to clean administration, allowed the most appalling drops in standards. South African embassy and consulate-general offices around the world were wall-to-wall with disgraced politicians," he said.

Asmal said the new democracy had to avoid falling into past practices which saw Parliament being lied to, maligned and ignored.

"A vast cymocum spread across the land as the fat cats get fatter and the poor starved. Only a few voices were raised in principled protest," he said.
Corruption: Ethics code finalised tomorrow

*Arg 15/A/96 (25)*

**Political Correspondent**

The parliamentary rules committee meets tomorrow to finalise a code of ethics against the background of a new survey which reveals that 84 percent of South Africans believe there is some corruption in government.

The belief pervades all races and provinces.

The illegitimacy of the previous government and corruption in the former homelands has had a lasting effect on perceptions of state honesty, according to the Institute for a Democratic South Africa (Idasa), which conducted the survey.

Media stereotypes of a “gravy train” have fuelled perceptions of low ethical standards among public officials.

Wilmot James, executive director of Idasa, emphasised that findings revealed only perceptions and that no specific individual or party had been implicated. But perceptions became part of political reality, and presented a challenge to the government, he said.

“The statistics are profoundly disturbing,”

“In spite of the deep democratic and moral changes, people have a high level of mistrust and cynicism of officialdom.”

The survey underscored the importance of the parliamentary code of ethics.

The government had seized the initiative to regulate the behaviour of its members in a manner consistent with democratic values and the ethos of good government.

The survey, conducted between September and November last year, showed that 83 percent of those questioned felt that elected officials should be more honest than ordinary citizens.

But only 29 percent believed this was actually the case.

More than half believed that people in government worked in their own self-interest rather than in the public interest.

Almost half thought that most or almost all of those in government were involved in corruption, while 64 percent saw some level of corruption in government. Only six percent believed the government was completely “clean.”

Forty-one percent believed that the new democratic government was more corrupt than its predecessor.

Africans were only slightly less pessimistic than the average about official ethics.

Whites were “downright cynical about such matters,” Idasa said.

People favoured extensive monitoring of elected leaders. On salaries paid to MPs, 66 percent of those surveyed believed these were too high.

Seventy-six percent opposed MPs having outside jobs, 86 percent opposed outside income and 87 percent opposed MPs accepting gifts.

Two-thirds felt that outside income was likely to lead to corruption.

“MPs may be between a rock and a hard place because people overwhelmingly oppose raising salaries as a way to limit MP dependence on outside income.”

When the national assembly and senate rules committees meet tomorrow, two unresolved issues are to be discussed: the scope of disclosure of financial interests, and whether the code of ethics should part of internal parliamentary rules or whether it should be a fully-fledged law.
Next week in Parliament

THE National Assembly Portfolio Committee on Welfare is meeting on Wednesday to consider for the first time the Child Care Amendment Act. There have been a number of serious criticisms of the amendments and, in order to assess these criticisms, the committee has requested a full briefing from departmental officials. The amendments are controversial and deal with issues such as child labour and adoption rights.

- ANC MP Carl Niehaus could have found himself in the unusual position next week of chairing his Portfolio Committee on Correctional Services as it scrutinises his own Private Member's Bill which seeks to make it possible as an interim emergency measure to imprison children awaiting trial. Recognising the problem, Niehaus has accepted that there should be a joint meeting with the Senate committee, whose chairperson, Senator Bloem, will take the chair.

- On Tuesday and Wednesday the National Assembly Committee on Home Affairs is hearing oral evidence from members of the public and from various organisations on the Films and Publications Bill. This seeks to balance freedom of expression with the need to protect the public, and children in particular, from certain forms of pornography.

- Interviews for the Independent Broadcasting Authority are happening every day next week in the Portfolio Committee on Communications.

- Tuesday (February 20) is the cut-off date for public submissions on the draft final constitution.

For further information, phone Parliament's Public Relations Department on (021) 403-2460/1

Code of Conduct

MPs' attitudes to a Code of Conduct and additional financial interests.

Other earnings
- 49% of respondents find it acceptable to have other earnings.

Reasons given are:
- To supplement meagre salaries in meeting housing and social commitments.
- To keep in touch with an important part of the real world.
- To be more independent.
- To attract a better qualified person to parliament.
- To provide job security and provision for life after Parliament, and

- To allow MPs to use their skills and full potential to the benefit of all.

Reasons given for the unacceptability of having other earnings are:
- Parliamentarian work is full-time and all attention should be focused on this, and
- It would create a conflict of interests.

Public Disclosure
- 59% of respondents think all financial interests should be disclosed to the public, 55% think they should be recorded on a parliamentary register.
- 48% of respondents believe the rules should be made law.

Outside Financial Interests
- 41% of respondents think that parliamentarians should be required proportionately with time taken up by other jobs.
- 59% of respondents accept that having outside interests may create conflicts of interest in the performance of public duties as an MP.
- 71% think these rules should extend to civil servants and 66% think it should be extended to the officers and employees of parastatals.

These results are from an ongoing PIMS survey. Thus far there have been 86 completed responses.

Parliamentary ethics

ETHICS, in the context of parliamentary ethics, has more to do with politics than morality.

It is not about making politicians more virtuous. It assumes that politicians will be no more virtuous than the rest of us, but that there are important political reasons for a code of ethics for parliamentarians.

There is an important distinction to be drawn here which was made many years ago by the famous German sociologist, Max Weber, in his classic, Politics as a Vocation. He made a distinction between two basic kinds of politicians: those who lived for politics and those who lived off politics.

When we talk of people living off politics, we are talking of people who go into politics as a career, as an opportunity to make money and advance themselves. They happen to choose the political terrain but they are really into this for other purposes.

The politician who loves for politics does so serving some larger cause. This is a very old idea. It is the old democratic notion that politicians can be people who are independent of mind, independent of position and who can, in a rational way, decide matters in the public interest.

But who can actually do that?

We need to consider the social and economic assumptions of this venerated independence.

Who is in a position to live for politics but not off politics?

It would be fair to say that we now have in parliament many people who have not chosen politics as a career, but who have, through a history of involvement with the struggle, ended up in parliament. They are there because they are living for politics, yet find themselves in the position that they now have to live off politics.

This is where the "gravy train" issue becomes of critical importance.

We should not underestimate the extent to which the gravy train issue is undercutting democratic legitimacy.

In fact, though, very strong arguments can be made why parliamentarians should be adequately remunerated and why salaries, resources, benefits, etc. must attract the best sort of people and limit the opportunities for corruption and so on.

But at the present, suggestions of this kind increase public perceptions of the gravy train.

The more issues of salaries and resources are raised, the more people point to evidence of the gravy train.

How do you uncouple that? I would suggest that this is where the code of ethics comes in. Even if parliamentary salaries seem to be very high — particularly in a country where the levels of poverty, unemployment and need are so very contentious — it can be established very clearly that there are stringent rules of control, monitoring and accountability, and that these are publicly and clearly perceived, only then can you start to disengage the genuine needs of parliamentarians from the gravy train.

At bottom, ethics thus comes down to the political values of legitimacy and accountability — Idasa PIMS
Parliament body postpones decision on code of conduct

Wynand Hartley

CAPE TOWN — Foreign policy should not be influenced by international funding of local parties, and declarations of money collected abroad should form part of an MP's code of conduct.

This suggestion was made in Parliament's rules committee on Friday when it was decided that the final decision on the controversial code of conduct would be delayed for three weeks.

DP MP Douglas Gibson said following indications that SA's foreign policy could be influenced by foreign funding, his party felt that a clause should be inserted to deal with it.

He referred to the recent revelations that Taiwan had donated millions to the ANC's 1994 election efforts and suggested this was affecting policy towards China and Taiwan.

Gibson also suggested that the controversial clauses which, when the code was finally approved, would require MPs to declare their financial interests and those of their spouses be expanded. Parents and siblings' financial interests should also be included.

The committee and ethics subcommittee chairman, Water Affairs Minister Kader Asmal, were also asked to give members copies of the code of conduct which has apparently been approved for Cabinet ministers.

Friday's rules committee meeting was to have finally approved the ethical code of conduct but, due to the late tabling of the document, party caucuses have been unable to give it their final approval. The decision to postpone the decision was unanimous.

The delay concides with a row over an Idaea survey last week which showed most citizens think the new government is as corrupt, if not more so, than the previous one. An angry ANC response said the problem lay with those who created the public perceptions of corruption.

Comment: Page 12
Inefficiency costs State Tender Board millions

Bad deals, insufficient training and broken rules add up to a red line, says Auditor-General's report

By Helen Grange

The State Tender Board has lost millions of rands through an inefficient procurement process, especially for consultancy services, the Auditor-General has revealed in his latest performance audit report covering 11 state departments.

The audit, done over the period from July 1994 to June 1995, found that procedures for the appointment of consultants, the evaluation of tenders for consultancy services as well as control over consultants, did not exist.

Also, the objective to obtain goods and services at the best prices and in the correct quantity, quality, time and place was not always achieved.

The audit found, for example, that:

- Quoted prices indicated that furniture could be provided by private suppliers at lower prices than by the Departments of Manpower and Correctional Services.
- Procedures for the determination of needs for period contracts, which amounted to about R3.900-million, did not function effectively (An ad hoc contract for the erection of classrooms was unilaterally cancelled by the House of Assembly, causing a loss of R33 126.)
- Because of insufficient training, several recommendations were referred back to departments as a result of deficient motivations and the non-compliance with instructions and procedures. This resulted in administrative costs and delays in the approval of tenders.
- Departments experienced problems with inconsistent application of money limits on delegations, and prescribed forms and tender documents which were cumbersome and had not been standardised and simplified.
- Guarantees on contracts to the value of R1,14-million were inadequate and R186 682 had to be written off.
- A specific contractor was repeatedly made use of to the disadvantage of the state. Owing to repeated default by the contractor, the Department of Public Works had to pay R750 000 additionally during 1987 for the completion of the contract.

Corrective steps are, however, being taken, the audit notes. Among these is the reconsideration of the provision of guarantees and the identification of disciplines in respect of the tender process for consultancy services.

"A process according to which the most suitable person can be identified for an appointment, possibly by making use of a points system, must be developed," the report says.
ANC perturbed by govt corruption comparisons

Bonile Ngqiyaza

The ANC has taken strong exception to parallels being drawn between the government of national unity and the old NP government, saying such media-created perceptions are "cynical and unfair."

Disputing an assertion — in yesterday's Business Day editorial — that government's vocal criticism of the media last week and its questioning of the Press's motives indicated the Press was performing well, doing its job of reporting and interpreting public events, the party said this ignored efforts by the present government to act swiftly in detecting and countering corruption.

"The fact of the matter is there is no comparison between the level of corruption in the present government and the previous government," it said.

The government of national unity's approach extended "far beyond mere openness". It sought to achieve greater accountability in government and in its handling of public funds.

"More mechanisms of accountability and oversight still need to be established. This is what the media should be reflecting...."

"It does democracy a great disservice to create perceptions which don't match reality," the ANC said.
Payments totalling R3m ‘made to fictitious people’

BISHO — A policeman and government officials in the public works department were allegedly involved in a R3m scam in which they paid fictitious people, public works permanent secretary Linda Sehe said yesterday.

Earlier this month eight computer personnel in the department were trapped allegedly paying themselves R10 000 each in “arrear salaries”.

Sehe told the Bisho public accounts committee one problem the department faced was with police and justice, where docket were lost — “if it is not the investigating office that loses it, it is the clerk of the court”, he said. As a result cases were returned to the police, while departmental action was taken to recover the money taken.

Sehe said one of the major cases, which involved a sum of R3m, concerned alleged fictitious pay-outs.

Some of these took the form of cash payments to non-existent casual labourers; others were cheques, payments. These, he alleged, were drawn by officials and cashed by accomplices outside.

He said the police investigation of the case in which a policeman was involved “got nowhere”, and he subsequently handed it to the Heath commission.

Sehe said a second case involved a businessman who, it is alleged, opened an account in the bank, BKS — there is actually a real company BKS Incorporated — and used the documentation from the real company for writing out cheques to his BKS. An official in the department was involved, he alleged. The full amount of R389 000 had been recovered.

Protesters call on Stellenbosch to increase black student quota

CAPE TOWN — About 600 members of the SA Students’ Congress (Sasco), including students from the University of the Western Cape and pupils from Kayamandla school, marched yesterday to the University of Stellenbosch to put pressure on authorities there to register more black students.

Sasco demanded that at least 3 000 black students should be registered this year.

The action was also staged to protest against the university’s language and admission policies and a “lack of transparency” with regard to bursaries.

A spokesman at the university said the protesters sang, chanted and toyi-toyi “in an orderly fashion”.

According to university statistics, 20% of this year’s intake of first-year students were black and 24% did not speak Afrikaans at home.

Douglas Davis, of the university’s public relations department, said R5,3m was spent on bursaries for disadvantaged students last year and R7,6m would be made available this year.

At the University of Zululand, talks were to be held yesterday to address a two-day class boycott and the demand that students be allowed to register despite outstanding fees. — Sapa.
ONLY DETAILS DISPUTED

All parties favour ethics code

ALL PARTIES AGREE there should be a parliamentary code of ethics, but differ about how much of members' personal affairs should be disclosed. BARRY STREEK reports.

PROPOSALS for a strict code of ethics for parliamentarians were released yesterday - but the parties don't agree about some of its key clauses.

While they agree on the need for a code of conduct, crucial differences must still be resolved.

The responsible sub-committee, chaired by Water Affairs and Forestry Minister Kader Asmal, said MPs would have to disclose the nature of their shareholdings, but there were differences about whether the number and nominal value of shares should be disclosed.

The parties agreed that directorships and commercial partnerships should be disclosed, but differed about the extent of disclosure.

They also agreed that foreign visits should be regarded as benefits in kind, but the National Party was opposed to disclosure in the case of a foreign visit funded by a member's party.

It was proposed that information on land and property assets, including leases and existing bonds, be disclosed without revealing exact addresses and the names of banks holding bonds.

But the NP, Democratic Party, Freedom Front and African Christian Democratic Party felt only property providing income should be disclosed, and that residential and vacation homes need not be.

They agreed that all parliamentarians should be covered by the proposed register, but the NP, DP and FF felt spouses, permanent companions and dependent children should be excluded.

Instead they felt the rules should prohibit using a spouse, permanent companion or dependent child to divert interests and financial disclosure.

The sub-committee proposed that any outside employment by MPs should be disclosed, although the actual remuneration need not be.

MPs could not be paid for lobbying or representing a particular interest group in Parliament, but members involved in consultancies or retainers should disclose the interest as well as benefits in cash or kind derived from them.

Sponsorships and assistance from non-party sources, gifts in excess of R350 and material benefits will have to be disclosed.

"Receipt of a private or publicly funded pension should be disclosed, but not the actual amount,"

The PAC, however, felt the amount of all publicly funded pensions should be disclosed.

The sub-committee asked the information members were required to disclose "must as far as possible be contained in a register of members' interests which will be accessible to the public."

It also said the Inkatha Freedom Party did not favour disclosure in a register, but proposed that members should publicly declare any personal pecuniary interest in a matter before Parliament.
TRANSPARENCY VS PRIVACY

The need for a parliamentary code of ethics has been underscored by the shock findings of an Institute for Democracy (Idasa) survey that South Africans think the new government is as corrupt, if not more corrupt, than the old.

Two-thirds of the population fails to see any lessening in government corruption, while four people in 10 think it has increased.

Idasa attributes the public’s jaded perception of parliament to negative media coverage and the deep-seated suspicion of officialdom instilled in people by the apartheid and homeland governments. It is not an indictment of any one party.

Unfortunately the ANC missed the point and decided to shoot the messenger. It accused Idasa of failing to build and consolidate “our fledgling democracy.”

ANC MPs Carl Niehaus, Baleka Kgotsitsele and senator Bulelani Ngcuka responded by giving journalists a tongue-lashing for portraying MPs as dishonest through “racist” and “sensationalist” reporting, particularly over the issue of MPs’ salaries.

The ANC is understandably rankled as it has pushed for a code of ethics more inclusive and binding than the other main parties would prefer.

All parties agree on the need for a code of ethics but they differ over the extent of disclosure. The debate comes down to the relative importance of members’ right to privacy versus the public’s right to know.

Water Affairs Minister Kader Asmal, chairman of the subcommittee which has drafted a code of ethics, says the creation of a new open, transparent and accountable SA in which corruption cannot easily take root requires elected leaders to ensure that their integrity and that of their institution is beyond question.

The draft code proposes that all politicians record their interests in a computerized register that is open to the public and updated every six months.

All MPs and senators must disclose shareholdings, outside employment, directorships, commercial partnerships, consultancies, gifts in excess of R350, hospitality, benefits, pensions, land and property assets.

Ordinary members’ spouses, permanent companions and dependent children must also disclose their interests.

The NP, DP and the FF disagree with this recommendation.

DP MP Douglas Gibson says only those interests which could create a potential conflict should be disclosed, and not inconsequential details of personal finance. Furthermore, if the intention is to prevent a member from diverting interests to a trusted relation, then siblings and parents should also be included.

The majority of Idasa’s respondents (57%) favour full financial disclosure but are divided over the disclosure of family income.

The NP, DP, FF and ACDP say only property providing a source of income should be disclosed, while the ANC and PAC want detailed disclosure of all land and property holdings, including all leases and holiday homes.

Parties also have conflicting views over whether the number and nominal value of shares held should be disclosed or just the fact of the shareholding.

Because of the urgency, committee members feel the code should be regulated mutually by parliamentary rules despite the danger that members could postpone the receipt of kickbacks until they have left parliament.

This would be prevented if the code was made law.

Legislation could also cast the ethical net wider to include serving and non-serving MPs as well as public officials, heads of public corporations and members of provincial legislatures. The Joint Rules Committee has postponed a final decision for three weeks to give ANC MPs more time to deliberate.
National anti-corruption action soon — Mandela

TYRONE SEAL, Political Staff

PLANS to set up a national commission against corruption to fight this "plague", are well advanced, President Mandela has announced.

He said the government of national unity would not tolerate corruption that was endemic in the apartheid era and which still persisted.

Mr Mandela said he hoped the commission would begin its work soon, but did not provide dates.

In a written response to a question in the Senate by William Masu (DP), President Mandela said the incidence and allegations of corruption were matters of great concern.

"From recent and current investigations it would appear that widespread corruption endemic in the apartheid era has continued to plague our society. This cannot, must not and will not be tolerated."

A number of commissions of inquiry had already been appointed in an attempt to investigate corruption, to bring culprits to justice and to make restitution, where necessary.

However, these commissions were or had been limited to specific incidents or specific subject matters or to specific geographical areas.

The result was that there was no comprehensive investigation into corruption covering the whole of South Africa; the terms of references were unduly limited, and investigations overlapped.

He said allegations of irregularities in the administration and collection of taxation, customs and excise and exchange control had been brought to the attention of the government.

It was clear that the current measures were inadequate.

In view of this situation, it was imperative to rationalise investigations and develop an effective national strategy to fight corruption.

With this in mind, plans to set up the national commission were well advanced.

Terms of reference, which would possibly include the power to make binding orders, were being finalised.
Probe into R700m fraud in homelands might go on

Wyndham Hartley

CAPE TOWN — Millions of SA taxpayer's rands will be lost if the work of the Browde commission — which has uncovered more than R700m in irregular payments in the public services of former TBWC states — is not followed up.

It has been estimated that the commission, if it extended its focus to the broader SA, could save the taxpayer enormous amounts of money. But the commission was appointed only to the end of last year and its life has not been extended.

The commission, which has found numerous irregularities in the former homelands, is now without a chairman and has lost three of its five members.

Judge Jules Browde completed his term of office in November, two advocates of the commission have been appointed judges and another as public protector. A request to Parliament to extend the commission's life to the end of the year is before Parliament to extend the commission's life to the end of the year.

At a hearing of the parliamentary constitutional affairs committee this week it was revealed that R730m in irregular salary increases to public officials had been identified but not all investigated.

Committee chairman Pravin Gordhan (ANC) said last night the commission — which was established by President Nelson Mandela in terms of the constitution — could save the country a lot of money and a decision had to be made on extending its life.

He said the question was raised in the committee why investigations by the commission had been confined to the former homelands. He said apparently no complaints had been lodged.

Earlier this week the commission reported to Gordhan's committee that shortly before the 1994 elections almost 50 000 homelands public servants were promoted irregularly at an estimated cost to the taxpayer of R730m. Many of these cases are still to be fully investigated.

The commission said it had been obstructed in its work and also lacked investigative staff. The Public Service Commission had apparently refused to make staff available to the commission.

So far the commission has resolved 539 cases involving R18m. Investigations into a further 136 cases has been postponed while a mammoth 46 000 cases are on the backburner. Resolution of the irregular promotions and salary increases are expected to take a further two years to iron out investigations would have to be conducted into the former Transkei prisons department, Venda finance department, Ciskei and Transkei health departments, and others.
National commission to probe corruption

Wyndham Hartley

CAPE TOWN — President Nelson Mandela says a national commission to investigate corruption is on the way following revelations that millions of taxpayer's rande are being lost through more than 46 000 irregular promotions in the former homelands.

Mandela chose to make the announcement in response to a question from DP Senator William Mntse yesterday. He said no comprehensive investigation into corruption in SA existed and existing investigations overlapped and had limited terms of reference.

Investigations indicated that widespread corruption endemic in the apartheid era had continued to plague society. "This cannot, must not and will not be tolerated," he said, adding that corruption at every level would be identified and swiftly eradicated.

Plans to establish a national commission into corruption were well advanced and the terms of reference were being finalised, he said.

The commission would be appointed once the terms of reference had been set. An exact date could not be specified but "hopefully it will be very soon," he added.

Reuters reports Mandela's legal adviser, Fink Haysom said the commission would "be running within the next month or two."

Mandela said allegations of irregularities in the administration and collection of taxation, customs and excise and exchange control had been "brought to our attention."

"It is clear that the current measures are inadequate," Haysom said that he expected the commission to deal with issues which were not already being investigated by existing commissions.

Review

Continued from Page 1

One source said the next 12 months would be a "do or die" period for SA's public service, with a number of tough decisions needed with any delay affecting the ANC in particular in the run-up to the 1989 elections.

The sources described the commission's work as the second of a two-phase shake-out of SA's public service.

The first phase - already under way - involved rationalising national and provincial departments inherited from the former NP administration.

At least 70 000 of SA's 1,2-million public servants face retraining under phase one, say some officials.

Public Service director-general Paseka Nholo said the second phase would question and define the fundamentals of government itself. Among other things, it would determine which state services were redundant and should be privatised. It would also recommend ways to slash SA's huge public service wage bill.

The panel's SA members are: Nomvete, Prof Jo'ob Aaron Ndlovu and Fanie Cloete, Vincent Maphele, Norman Levy, Nova Secunda-Maguela, Motlatlego Letsebe, Ayasha Mohamed, Sam Marotha, Lot Ndlovu, Gavin Peterson and Anglo American's Clem Suther. The foreign members are: Stowe, M Nkauh (head of Zimbabwe's Public Service Commission), Al Johnson (Canada) and L Nilsson (Sweden).

Britain, Sweden and SA will each be liable for a third of the project's projected R6,45m tab.
Corruption — an apartheid legacy

PRESIDENT Nelson Mandela said yesterday a national commission would be launched soon to stamp out an "apartheid legacy" of corruption.

"From recent and current investigations it would appear that widespread corruption — endemic in the apartheid-era — has continued to plague our society. This cannot, must not and will not be tolerated," he said in a written response to a Senate question.

"It is of the utmost importance that corruption at every level should be publicly identified as soon as possible and eradicated swiftly and efficiently," he added.

"Plans to set up a national commission against corruption are well advanced. Hopefully it will be very soon."

Mandela's legal adviser, Mr Nicolaas Haysom, said discussions were under way on terms of reference for the probe, which would concentrate on corruption under apartheid rule.

"It could be running within the next month or two," said Mandela. He also announced his plan for a pan-African probe into corruption last October. — Reuters.
DP to probe ministers on overseas travelling

MICHAEL MORRIS

EVERY member of Nelson Mandela's cabinet will be grilled in the weeks to come on details of their overseas travel last year — the purpose of the trips, who accompanied them and how much it all cost.

This information is being brought into the open through a series of questions to ministers by Democratic Party MPs and senators.

They are concerned that not all overseas travel by ministers and their missions is politically justifiable. So far, four questions for written replies have been tabled — focusing on overseas travel last year by Minister of Posts, Telecommunications and Broadcasting Peile Jordan, Minister of Environmental Affairs and Tourism Dawie de Villiers, Minister of Agriculture Kaahl van Nierkerk and Minister of Transport Mac Maharaj.

The typical question format is "How many days did he/she and/or his deputy minister spend outside the borders of the Republic, what was the purpose, destination and duration and, cost of each visit, and who accompanied him and/or his deputy minister in each case?"

Increased contact with the international community is natural and welcome consequence of South Africa's democratisation and new foreign policy, but close-travelling ministers need to be reminded that they are spending taxpayers' money and should assess usefulness of trips more carefully.

Spending on such trips — which is governed by ministerial rules — does come under the scrutiny of the auditor general and parliament's public accounts committee, and gross wastage or irregularities would come to light in this process.

But Mr Solomons points out that the onerous workload of the committee often does not leave time for probing questions on the political advisability of or justification for ministerial travel, or just getting more details on who went on the trips, why and at what cost.

"The purpose of the question is to determine whether taxpayers' money is being appropriately spent in terms of priorities South Africans have articulated," he told SATURDAY ARGUS.

"A lot is being spent on travel and it comes on top of a great deal of money spent on specialised advisory services — formal advisers attached to various ministries as well as delegations and groups of people who come to South Africa to give it the benefit of their wisdom.

"What we are trying to do is to determine whether or not these trips are essential to the national interest or whether they are simply discretionary trips which may or may not have some indirect professional benefit to the incumbent in the position or the ministry at large."

"There are many urgent things that need to happen right now, and if you look across the spectrum of government activity, there's a huge amount of activity in living around, attending conferences, consulting — and there's very little action."

The DP was determined to convey to ministers that "there is no such thing as their money, it's taxpayers' money" Mr Solomons acknowledged that "some overseas travel is extremely valuable and allows immediate access to information and experience that other countries have had on subjects we are only just getting to grips with, things such as the ethics of MPs, or civilian control of the intelligence system.

"Clearly, if you want to get a good system of parliamentary control over government, it is necessary to tap the experience of other countries which have wrestled with these things for a long time."

"But, you have to look at each trip, each conference, each advice, each process of consultation and ask, is this justifiable against the cost to the taxpayer?"

"Some clearly will be, and some clearly will not be."

"We will be looking critically at what sort of staff accompany the minister in such cases and whether that is justifiable."

Obviously Trade and Industry Minister Trevor Manuel and Foreign Minister Alfred Nzo need to travel more

"If there was a particularly alarming reply, that could become the subject of a oral follow-up at interpellation (mini-debates)," he said.
Office bearers who abuse public funds must pay the price

STEVEN FRIEDMAN

S

o the real test is what governments do about misuse of public funds when it happens — not the extent to which they must be judged by their ability to prevent it from happening at all.

Acting against the culprits — or even against those who allowed others under their control to be culprits — is far more likely to win public confidence than blaming the claims on racists or by insisting that other governments were worse.

The survey perhaps shows that it does not matter how many NP ministers resign or how many new cases of old-order corruption are uncovered (as if any more were needed) — voters will probably remain sceptical until the majority party shows itself willing to act against those within its own ranks who do not look after public funds.

We might also ask whether appeals to township residents to pay for what services they receive from government will be heeded when people are not sure what will become of their money.

The majority party’s failure to act is, in many ways, predictable.

We are emerging from a history — and we may take decades to emerge from it — in which the country was clearly divided between “them” and “us”. When claims are made against public figures, there is an immediate tendency for “us” to band together against “them”.

ANC defencism also owes much to widespread perception among its MPs that most whites assume that blacks cannot run a country and that they have been waiting with an air of inevitability for black ministers to mess up or run off with the loot. There is more truth to this than any who would care to admit: the inevitable consequence is a tendency to assume that any action against a minister will simply confirm the prejudice.

This does not excuse the failure to act, but those who are now being told “I told you so” ought to be aware of it.

It is worth noting, therefore, that, while the ANC at national level has not been prepared to act against its own ministers, the same is not true of provincial governments.

When Free State premier Patrick Lekota discovered that his housing MEC was accused of impropriety, he immediately suspended him and then fired him after an investigation found that the allegations against him were substantiated.

This should have been heralded as a major breakthrough for clean government — and it was. In reality, however, the event passed almost unnoticed. About the only attention it received was from some of his party’s critics in Parliament, who cited it as evidence of ANC selflessness.

In a different category, an ANC MEC in the Eastern Cape was fired after it was discovered that he was distributing arms to combatants in a local conflict.

Again, the event made little impact, at least outside the province. All the fight against corruption or incompetence or irresponsibility requires us to change our mindset both from the ANC and from its opponents.

From the former, it requires an acceptance that a willingness to act against inevitable abuses is a far likelier route to credible government than denying their existence.

From the latter, it requires a willingness to treat our system of politics and order on its merits. A tendency to assume that the new incumbent will both the task of government unless the evidence of widespread perception among its MPs that most whites assume that blacks cannot run a country and that they have been waiting with an air of inevitability for black ministers to mess up or run off with the loot. There is more truth to this than any who would care to admit: the inevitable consequence is a tendency to assume that any action against a minister will simply confirm the prejudice.

This does not excuse the failure to act, but those who are now being told “I told you so” ought to be aware of it.

It is worth noting, therefore, that, while the ANC at national
Browde probe gets new head

MR Justice C S White is the new head of the Browde Commission, which is investigating irregular promotions and payments to officials in the former homelands. This was announced yesterday by the Minister for Public Service and Administration, Dr Zola Skweyiya.

Skweyiya said President Nelson Mandela had appointed Judge White to head the commission in terms of the constitution to replace Mr Justice Jules Browde, who had resigned.

"The Browde Commission was extremely successful in identifying and investigating malpractice in various parts of the country," Skweyiya said.

It had investigated cases of alleged irregularities involving 529 people, and found 487 of these to be irregular, 11 not to be irregular and 31 were still pending because a final decision had not yet been taken.

"Preparatory work has already been done in the case of another 12,000 persons whose cases can now be heard by the commission. The irregularities which the commission investigated had a bearing on the public services of the TBVC states, the former self-governing territories, as well as former South African public service departments," Skweyiya said.
Judge White set to take over from Browde

PRESIDENT Nelson Mandela has appointed Judge CS White to head the commission investigating public service malpractices. White replaces Judge Jules Browde, who has returned to private practice.

Fears that the commission would not be able to complete its work when its mandate ran out at the end of last year were addressed when the interim constitution was amended to extend the lifespan of the commission.

In terms of the Constitution Amendment Act, 1996, complaints of malpractice may now be submitted to the commission until the end of the year.

The provision that complaints could be submitted only by national or provincial ministers was also amended to allow "any interested party to submit complaints".

To date, the commission has investigated alleged irregularities involving 529 individuals. Of these, the commission found 487 cases to be irregular and 11 not irregular.

A final decision has been reserved in the case of the remaining 31 individuals.

Cases involving thousands of other individuals - most still employed as public servants in the former TBVC states - await investigation.

Public Service Minister Zola Skweyiya said 12 000 cases were ready to be heard. His ministry intended expanding the investigative capacity of the commission and had asked national and provincial departments to second experts to it.
Call to disband the govt communications service

Mduduzi ka Harvey

A BLACK journalists' lobby group has called for the SA Communications Service (SACS) to be disbanded, because it was duplicating duties which could be performed by government departments and was costing the taxpayer about R50m a year.

The interest group made recommendations to the 10-member government communications task group yesterday, and called for the redeployment of SACS personnel into national and provincial government departments, which should take over all programmes handled by SACS.

The annual SACS budget, estimated at about R50m, should be distributed evenly among the government departments, which should have a strong training component.

The group noted that SACS had failed in its objective of informing the public on all aspects of government, involving communities in the RDP at a grassroots level and facilitating dialogue between government and the public.

In addition, it said, SACS had failed to provide a co-ordinated and cost-effective communication and information service at all levels of government.

The group's vision for a new government communications strategy was one where government spokesmen were up to date with what was happening in their departments instead of pleading ignorance and offering to find out.

Spokesmen should not see their roles as defensive, but should inform the public about the successes and shortcomings of their departments.

Parliamentarians were called on to be more accessible to the public as this would give the public a sense of ownership of government.

Other recommendations included the opening of channels to give equitable control and ownership of the media to black communities, the use of affirmative action as a tool to address historical imbalances in the media and more input from black stakeholders in the strategic planning and financial aspects of the media.

The task group would also visit countries in Africa, Europe, the US and Asia to research and write up international models by June.

After visiting all the provinces, the first report would be drafted in June and finished by September, and would include comments from stakeholders.
Bill will allow govt to police its own wrongs

PRETORIA — The Cabinet last week approved a Bill providing for summary investigations into allegations of serious maladministration, misappropriation of state funds and corruption, the Justice Ministry said yesterday.

The Institution of Special Investigation Units and Special Tribunals Bill, approved on July 3, will provide an alternative to commissions of inquiry.

The special tribunals will adjudicate upon justiciable disputes of a civil nature emanating from investigations by the Special Investigations Unit.

The introduction of the Bill resulted from concern by the government to act swiftly and decisively in cases of serious corruption, the Ministry said.

Existing measures include commissions of inquiry, the courts of law, the Office for Serious Economic Offences, and the Public Protector.

The Bill also provides for any commission of inquiry in force at the time of the commencement of the Bill to be dissolved and substituted by a special investigation unit and a tribunal.

Aggrieved

Any finding, ruling or order made by the commission will be deemed to have been made by the special tribunal concerned, with the provision that any aggrieved party may appeal to the Supreme Court for the setting aside of the decision made.

Such appeals will be deemed to be an appeal against a decision by a single judge of the Supreme Court. — Sapa.
Bill will allow govt to police its own wrongs

Pretoria — The Cabinet last week approved a Bill providing for summary investigations into allegations of serious maladministration, misappropriation of state funds and corruption, the Justice Ministry said yesterday.

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AMBROSINI TO BE CALLED BEFORE PARLIAMENTARY COMMITTEE

IFP adviser’s amazing spending spree

CT, 25/10/96

THE CONSTITUTIONAL adviser to the IFP is to appear before the Portfolio Committee on Home Affairs after it was claimed that he worked solely for the IFP but was paid by the department. BARRY STREEK reports.

A CONTROVERSIAL IFP constitutional adviser who incurred almost half a million rand in expenses in two years is under scrutiny after a claim that he has done no work for the department that is financing him.

Dr Mano Onano-Ambrosini is to appear before the Portfolio Committee on Home Affairs on Monday in connection with the R463 372.36 he has incurred in expenses in addition to his R28 000 a month salary.

Committee chairperson Mr Desmond Lorry said yesterday his committee had been told by the director-general of Home Affairs, Mr Piet Colyn, that Ambrosini had done no work for the department, but he had to be financed out of its budget.

Between July 1, 1994, and September 1996 Ambrosini had cost taxpayers R1 240 972.36, including a salary of R777 600, on which tax of R270 369.99 has been paid. His expenses included R173 187.57 for “public transport”.

Technically, he is employed as special adviser to Minister of Home Affairs, Chief Mangosuthu Buthelezi.

Lockey said Ambrosini was a constitutional lawyer, but how this qualified him to be an adviser to the Minister of Home Affairs “is a mystery to us”.

“The director-general has told us he is never there for Home Affairs.”

As far as we are concerned taxpayers should not pay for this. He has absolutely no use or purpose in Home Affairs yet his salary and expenses come out of the department’s budget. What are the benefits of his employment to the department?”

Lockey said that as a result both Colyn, as the accounting officer, and Ambrosini would appear before the committee.

“All other special advisers have a line function in their departments.”

He said Buthelezi had called on businesses to employ local labour, but was not setting a good example by employing a foreign national.

Colyn has given the committee full details of all expenses incurred by Ambrosini. This includes R22 873.75 for parliamentary subsistence, R58 950.10 for “normal subsistence”, R173 187.57 for “public transport”, R65 680.62 for “telephone services”, R6 568.11 for stationery, R1 211 814.41 for secretarial services, R102 58 for “private motor transport” and R620.16 for incidental payments.

He spent only R2 on “publications”.

Effectively, Ambrosini has cost taxpayers R65 961.94 a month to work for the IFP, if Lorry is correct.

On August 16, 1994, the cabinet decided that foreigners could not be employed as special advisers without special permission, but through a technical loophole Buthelezi has been able to get around this.

Dr Ambrosini, who recently has been romantically linked to former Sunday Times columnist Jan Allan, is jokingly described as chief “rat-smeller” for the IFP.

He has played a significant role in shaping the abortive KwaZulu Natal provincial constitution and is credited with being a key player in the IFP’s withdrawal from the constitution-making process.

A native of Italy, Ambrosini is a constitutional law graduate of Rutgers University in New York state. He acted as an adviser to the IFP at the Kempton Park constitutional negotiations to end apartheid.

Ambrosini has apparently been instructed not to talk to the press.

PATH TO THE FUTURE: Jakob Wilems and Carmen Pedro
IFP adviser to be grilled on expenses claims

By BARRY STREEK

Controversial IFP constitutional adviser Dr Mario Ambrosini is "in" to appear before the portfolio committee on home affairs on Monday following the disclosure that he had incurred expenses of R43 372.36 in two years in addition to his R28 000 monthly salary.

Committee member Drmond Lockey said on Thursday his committee had been informed by the Director-General of Home Affairs, Piet Coyn, that Ambrosini had done no work for the department but had to be financed out of its budget.

Between July 1 1994 and September 1996 Ambrosini has cost taxpayers a total of R1 240 972.36, including a salary of R777 600, on which tax of R270 369.99 has been paid. His expenses include R173 137.57 for "public transport".

Technically he is employed as a special adviser to Minister of Home Affairs Mangosuthu Buthelezi, who is the IFP leader; Lockey said Ambrosini was a constitutional lawyer, but how this qualified him to be an adviser to the minister of home affairs "is a mystery to us".

"The director-general has told us he is here for home affairs. He is the constitutional adviser to the IFP. As far as we are concerned, taxpayers should not pay for this," said Lockey.

Benefits

"He has absolutely no use or purpose in home affairs, yet his salary and expenses come out of the department's budget. What are the benefits of his employment to the department?"

Lockey said both Coyn, as the accounting officer, and Ambrosini would appear before the committee on Monday morning. Ambrosini had confirmed with the committee clerk that he would be present.

"All other special advisers have a line function in their departments. He also said Buthelezi had called on businesses to employ local labour but he was not setting a good example by employing a foreign national."

Coyn has given the committee full details of all expenses incurred by Ambrosini. This includes R22 573.75 for parliamentary subsistence, R55 850.10 for "normal subsistence", R173 137.57 for "public transport", R65 809.62 for "telephone services", R9 986.11 for stationery, R121 514.11 for secretarial services, R102 338 for "private motor transport" and R620.16 for incidentals.

In stark contrast to the costly nature of his expenses, Ambrosini has spent only R2 on "publications".

Ambrosini dismissed as "hogwash" claims that he was wrongly funded by taxpayers. The reports were a "propaganda operation without any factual basis", he told Sapa. This was underscored, said the fact that no journalist had bothered to call him before reporting on "what at best is news of marginal interest".

'Chief rat smeller' has had big say in Inkatha affairs

Dr Mario Orlando-Ambrosini, jokingly described as the chief "rat smeller" for the Inkatha Freedom Party, has played a significant role in shaping the abortive KwaZulu Natal provincial constitution and is credited with being a key player in the IFP's withdrawal from the constitution-making process.

A native of Italy, Ambrosini is a constitutional law graduate of Rutgers University in New York State. He followed in the footsteps of his mentor, Professor Albert Blaustein, as the IFP's adviser at the Kemptown Park constitutional negotiations to end apartheid.

Recently linked romantically to former Sunday Times columnist Jani Allan, Ambrosini was appointed adviser to Minister of Home Affairs Mangosuthu Buthelezi shortly after the national election in 1994.

The mystery character, who apparently has been instructed not to talk to the press, once tried to apply for Clarkson citizenship to ensure accreditation to the negotiating forum at Kemptown Park. He is a US citizen.

Earlier this year Buthelezi faced a grilling by the National Assembly's home affairs committee on Ambrosini's role in advising the IFP, but the IFP leader said he was subject to his instructions. Asked by a journalist once whether Ambrosini was "shadowy", the minister responded: "What does that mean?"
Call for action on advisers

OWN CORRESPONDENT

The African National Congress in KwaZulu-Natal has urged the Government to implement a policy decision not to employ foreigners as special ministerial advisers and to resolve the "problem around the employment" of Dr Mario Onnino-Ambrosini.

The call was made on the eve of Home Affairs Minister Dr Mangosuthu Buthelezi's special adviser's appearance today before the home affairs portfolio committee to explain why he (Ambrosini) has allegedly received R50 000 in expenses over two years in addition to his R28 000-a-month salary.

Buthelezi, who is not expected to appear alongside his Italian adviser, has defended Ambrosini's appointment on the grounds that he has "special legal skills."
Mario Ambrosini, the controversial special adviser to the Home Affairs ministry, came under fire today from a parliamentary committee for his other role, as Inkatha’s constitutional guru.

Dr Ambrosini, long the subject of media interest, hit the headlines again last week when he was dubbed Home Affairs Minister Mangosuthu Buthelezi’s “Italian spending machine” for running up nearly R500 000 in expenses in addition to his R25 000 monthly salary.

Desmond Lockey, head of the National Assembly home affairs committee, was quoted as saying Dr Ambrosini was paid by the Home Affairs ministry but did no work for it, spending his time as constitutional adviser to the Inkatha Freedom Party.

In evidence to the committee today, Dr Ambrosini hit back that he was not a public servant: “I do not work for the department but only for the Minister of Home Affairs,” he said. His contract was the same as the other 40 special advisers to various cabinet ministers, he added.

Because Chief Buthelezi, as a cabinet minister, was accountable for all Cabinet decisions, Dr Ambrosini believed, “my scope of work relates to any matter being discussed, or capable of being discussed in the Cabinet”.

Answering criticism that he was not a South African citizen, he said he was not the only special adviser about whom this could be said.

“All my expenses are verified by internal administrative and accounting procedures within the department.

“All are related to the scope of my contract and none has been incurred for private or frivolous reasons.”
Ambrosini comes out fighting over ANC expenses probe
Ambrosini defends 'huge' expenses

HOME Affairs Minister Chief Mangosuthu Buthelezi's constitutional adviser Dr Mario Ambrosini yesterday defended his post and the almost half a million rand in expenses he has run up over the past two years.

Appearing before the portfolio Committee on Home Affairs, Ambrosini, who advised Buthelezi throughout the constitutional negotiations and who was retained as the minister's special adviser after the 1994 election, admitted there was an anomaly between his being paid by the department while performing as the minister's adviser in areas not related to Home Affairs.

None of his expenses had been incurred for "private or frivolous reasons". The cabinet was reviewing the posts of advisers to ministers, he said.

Ambrosini has been criticised for appearing at events apparently related to the IFP's political affairs during office hours and was heavily involved in helping draw up the party's rejected KwaZulu-Natal constitution.

He also attended Constitutional Court sessions in July and was recently seen at the trial of former defence minister General Magnus Malan and high-ranking IFP officials.

On the Malan trial, Ambrosini told the committee: "I popped in to express solidarity with a friend."

Ambrosini also conceded that there was a perception that he advised Buthelezi on Inkatha Freedom Party-related issues.

"I am aware of that perception and I regret the perception created in the media. Perhaps in future I should be more careful," Ambrosini told the committee.

Ambrosini said he was in the same position as other ministerial advisers who were paid out of department funds yet who did not perform tasks related to the line functions of the departments which employed them.

He referred to President Nelson Mandela's adviser Mr Fink Haysom who routinely advised the ANC on constitutional matters even though he was paid out of the President's budget.

"My employment is determined and defined on the basis of a standard contract which is used for all the 40 full-time special advisers employed by government ministers. Neither I nor the minister have the liberty to change portions of this standard contract."

His contract specifically required him to "refrain from interfering in the administration and management of the department which is the sole responsibility of the director-general."

He said his work reflected the "range of duties and responsibilities of the minister" which "means that the minister, especially in his capacity as leader of a party participating in the government, is constitutionally responsible and accountable for all the decisions of the cabinet, including those affecting other government departments."
Ambrosini defends his R500 000 expense account

By Patrick Bulger

HOME AFFAIRS MINISTER Chief Mangosuthu Buthelezi's controversial Italian constitutional adviser, Dr Mario Ambrosini, yesterday defended his post and the almost R500 000 in expenses he has run up over the past two years.

Ambrosini, who advised Buthelezi throughout the constitutional negotiations and who was retained as the minister's special adviser after the April 1994 election, admitted there was an anomaly between his being paid by the department.

Admits to payment anomaly

while performing as the minister's adviser in areas not necessarily related to home affairs matters.

Ambrosini has been criticized recently for appearing at events apparently related to the IFP's political affairs during normal office hours. He was heavily involved in helping to draw up the IFP's rejected KwaZulu Natal constitution, attended Constitutional Court sessions in July and was seen at the trial of former defence minister Magnus Malan.

On the Malan trial, Ambrosini told Parliament's portfolio committee on home affairs, 'I popped in to express solidarity with a friend who, it turned out, was the subject of political victimisation.'
No policy for paying advisers

By Rafiq Rohan
Political Correspondent

In the row that has erupted between the portfolio committee on home affairs about the earnings of the special adviser to Minister Mangosuthu Buthelezi it has emerged that there appears to be no uniform policy regarding payments to different special advisers.

However, they all earn astronomical salaries courtesy of the taxpayers.

Deputy Home Affairs Minister, Amosomu, earns a monthly salary of R28 800 a month with huge expense claims.

Some of the ministers, like Arts, Culture, Science and Technology pay advisers by the hour. They have four advisers, Dr G Shaya, Mr M van Graan, Professor L Schlemmer and Professor J Sellechop, who all earn R150 an hour.

Correctional Services, Land Affairs and Defence pay their advisers R24 000 a month.

Amosomu earns the same as the advisers of Deputy President Thabo Mbeki, Advocate M Gumbi, Mr V Mavumbele, the Reverend Frank Chikane and Mr M Ngoasheng, who earn R28 800 a month.

President Nelson Mandela's one adviser, Professor Fink Hayton, earns the same.

Lowest paid adviser

Minister of Justice Mr Dullah Omar's special advisers are the lowest paid. Both Mr V Pikoli and Mr E Daniels earn R18 150 a month each.

Also, Gauteng premier Tokyo Sexwale pays his two advisers, Ms M Xayiya and Mr M Phillips.

R24 000 a month, Eastern Cape premier Raymond Mhlaba pays R28 800, Northern Cape premier Manne Dipico pays both Mr M Mthembu and Mr K Mathews R28 800 a month.

Northern Provinces pays Mr L Mahlangu, Mr G Patje and Mr P Moliba R24 000 a month each.

North West pays Professor Coetzee R180 an hour while KwaZulu-Natal pays Mr W van der Merwe and Mr A Ngcoobo R19 000 each.

The premiers of the Western Cape and Free State do not employ special advisers.
Row over R0.5-m expenses claims

By Ralf Rohan
Political Correspondent

CLAIMS for expenses from the Government by Home Affairs Minister Mangosuthu Buthelezi's foreign adviser Dr Mario Ambrosini amount to more than R500 000.

In addition, Ambrosini earns a salary of R28 000 a month.

Ambrosini, referred to as Buthelezi's "gun-chewing Italian lawyer", yesterday appeared before the portfolio committee on home affairs to explain how he qualified for these huge amounts of taxpayers' money.

Ambrosini has been called upon to explain his huge expenses claims of R508 061.43 and whether he is also the adviser to the Inkatha Freedom Party.

The committee also wants to know what he had been doing at the trial of General Magnus Malan in Durban and what role he had played in drafting the

KwaZulu-Natal constitution.

At the end of the hearing, committing chairman Mr Desmond Lockey told Ambrosini: "It remains a mystery what you do."

After more than an hour of Ambrosini grilling, Lockey said "There is no proof of any substantial work you have done."

What is also of concern to most members of the committee is that Ambrosini has contravened terms of his contract by being paid from taxpayers' money while working for a political party - the IFP.

Ambrosini defended his expenditures by saying he was appointed on the level of a deputy director-general. Although denying he worked as an adviser to the IFP, the committee's Mr Janpie Momberg said Ambrosini had, in fact, admitted he was working for the IFP.

See Page 6
only sets out key programmes for the next few years, but conclusively demonstrates how government’s broader socio-economic objectives will be met in part through expanded investments in public works, and dynamic changes in the department’s approach to property investments, property and facilities management, and project management.

PWD director-general Sipho Shezi, the driving force behind what he calls a “paradigm shift” in public works, aims to rationalise the department’s staff complement, commercialise many services and promote partnerships with the private sector.

Shezi also foresees the “launch of the most ambitious and potentially most rewarding programme of infrastructural development ever seen in Africa,” which would “ensure sustainable growth throughout SA society.”

In carrying out its mandates to provide government accommodation, maintain facilities and “influence and stabilise the construction and property industries,” the department takes its cue from the RDP, government’s macro-economic strategy and the White Paper on transforming the public service.

The PWD aims to play a major role in generating higher growth and employment, partly through job creation and by efficiently managing public assets which represent major investments in infrastructure, electrification, telecommunications and information technology.

The department says it has a strong base from which to “influence” developments in construction and the property market. Each year investment by public authorities accounts for 10%-15% of all new residential buildings, 15%-25% of all new nonresidential buildings and 50%-75% of all construction works.

The PWD property portfolio includes 112 000 properties (excluding those in the former TBVC homelands). Of these, 58 000 are parcels of land, 26 000 residential (excluding government’s public housing stock), 3 600 offices and 25 000 other buildings. An additional 7 600 properties are leased, including 1 700 offices.

A NEW APPROACH

En 1/1/96

The Public Works Department (PWD) aims to transform itself into an effective, efficient and cost-effective service, while contributing to government’s socio-economic objectives. These goals are set out in a Green Paper released for comment by Minister Jeff Radebe last week.

Based on “international best practice” to guide policy, the document attempts to establish a “durable strategy that not

He is adamant that he will never do business in Uganda again. "If this had been a bad business decision on our part, I will accept that. What I do want to know, however, is how the Government has been put in this position".

We are unable to obtain a court order to stop the vandalism. "Eddie Botha

FINANCIAL MAIL NOVEMBER 1 • 1996
Blocking money leaks

Since the discovery of the Independent Broadcasting Authority's financial mess, many people are wondering about the money matters of other state entities.

Sharon Chetty investigates...

Financial performance

There are potentially more than 500 public entities that receive some form of state funding. Among other things, the Bill will clarify the kind of information to be presented in their annual financial statements.

They will also be expected to report their financial performance, financial position and how much of their objectives they have achieved.

The auditor-general will also be able to investigate the affairs of these organisations whenever it is deemed to be in the public interest or when a complaint is received.

Since the discovery of the financial mess, the IBA has instituted several cost-cutting measures, which will now see all staff and councillors travelling economy class, the cancelling of overseas trips and using its Rosebank premises for public hearings whenever possible.

If large numbers are expected, city halls and civic centres will be used instead of expensive venues like hotels. Restrictions were placed on hiring cars and using cellular telephones. Staff appointments and training were also put on hold.

While the IBA has not yet asked Parliament or the Communications Ministry for more money, it is revising its 1997-98 budget and will have to see what savings it can make. Thereafter, they will know how much additional funding is needed.

While the cost-cutting measures are laudable, it still begs the question why was the organisation not always so prudent with money from the public purse?
Financial watchdog keeps calm under fire

The office of the auditor general has come under attack from the old guard as well as the new — for doing its job properly. Henri Kliever is standing his ground, reports Mungo Sogot.

The auditor general, Henri Kliever, has not had much luck with the Ministry of Mineral and Energy Affairs. As he took his seat at a parliamentary committee meeting in 1995 to explain why Mossgas, PW Botha's synthetic fuel producer, was a financial black hole, he greeted the then minister and energy affairs minister with a polite “How are you?” Piek Botha shot back “What's it got to do with you?”

Now, two years later, Botha's successor, Perdell Maduna, has given the auditor general's office a most severe drubbing since the passing of the new Constitution.

In Parliament, Maduna criticized Kliever's office for failing to find evidence of foul play in the state's oil companies — evidence the minister says he has unearthed with the help of a team of auditors from the private sector. Maduna has not let the auditor general's office in on his investigation, the preliminary results of which were to justify the suspension of the state's top oil trader, Kobus van Zyl.

Maduna trumpeted the discovery by his auditors of a R170-million loss from the transfer of oil stocks. The loss referred to a “book debt” — a reflection of the Strategic Fuel Fund's conservative accounting policy and not its efforts to pillage state oil. After the parliamentary lashing, which followed a series of snipes by Maduna's office in the press, Kliever's office decided against a public rebuttal — a decision he insists should be interpreted as cautious, not timidity.

"I am not reluctant to take on anybody," says Kliever. "It is easy enough to make enemies and we try not to if push comes to shove we will. The problem is then you have made a more or less permanent enemy of the guy. I had that with the previous government too."

Kliever's office has openly slated financial mismanagement in both the national and provincial government. He is reluctant to finger the worst-managed province. "But I can give an idea of some of the front runners in the competition: the Eastern Cape, the Northern Province. The front runners for the best-run provinces are Gauteng and the Western Cape."

In his address to Parliament on the national government's 1995/96 accounts, Kliever said he had "serious doubts" about 22 departments' accounts. Highlights of his critical tour of government's shoddy financial mismanagement included R558-million in unauthorized expenditure at the Department of Health, which included R10-million on the Seraphina II Aids play.

Kliever, who was appointed for a seven-year term in 1993, is keen to emphasise the similarities between his treatment by the old government and the new. "But he says "It is my impression that the new government has not been enjoying this crucible, to put it bluntly. I am not sure if the displeasure is increasing, but it would seem so from some." He adds Maduna's attack as the most significant yet. "I am not immune to it. I still get all tensed up about it. If it becomes too general an attack on the attorney general's office then I will have to take the government on and ask, do you want first-class auditing or don't you? If government does not like the reporting that results from applying those standards then they must tell me what they want."