

PUBLIC SECTOR - LOCAL AUTH. E. TRANSVAAL

(incl KAGWANE, KWANDebele)
(266B)

1994 - 1995

'Great potential for E Tvl'

Star 9/5/94

■ BY CLYDE JOHNSON
LOWVELD BUREAU

Nelspruit — Nakedi Matthew Phosa was unanimously elected Eastern Transvaal legislative premier at Nelspruit's Civic Centre on Saturday

Speaking at the inauguration, Phosa said it

was an honour to have been elected premier of a province with the potential of becoming one of SA's leading regions

He assured kings and chiefs that their position in the region would remain unchanged

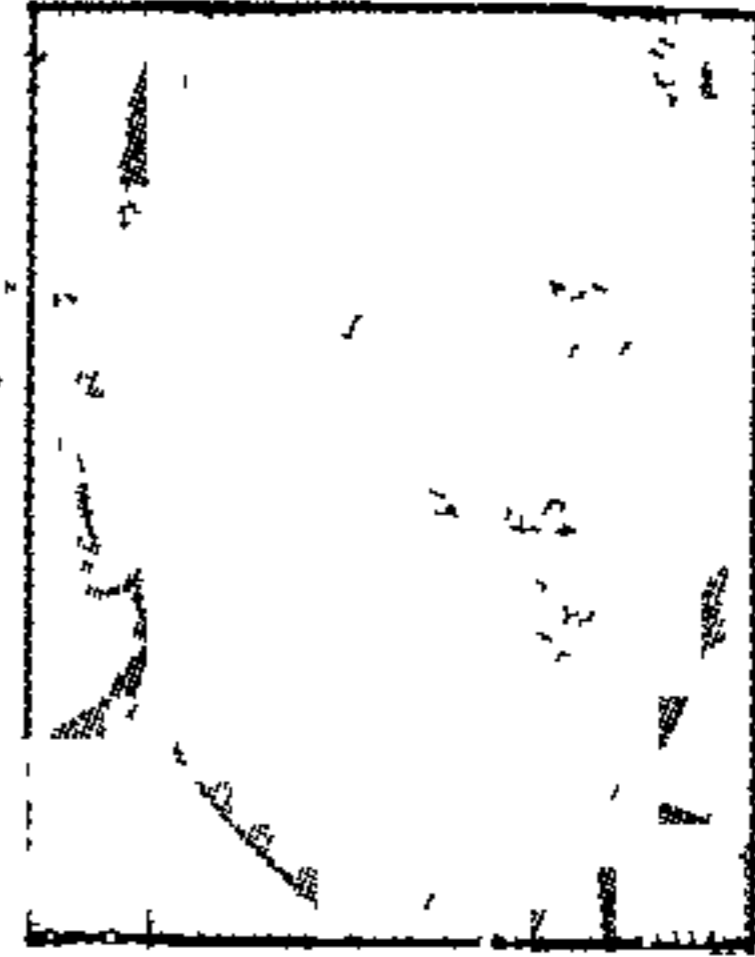
Phosa also said the legislature was under pressure to deliver elec-

(266B)

tion promises, and that working towards this would start immediately

Areas to be concentrated upon included tourism, public works, health and education

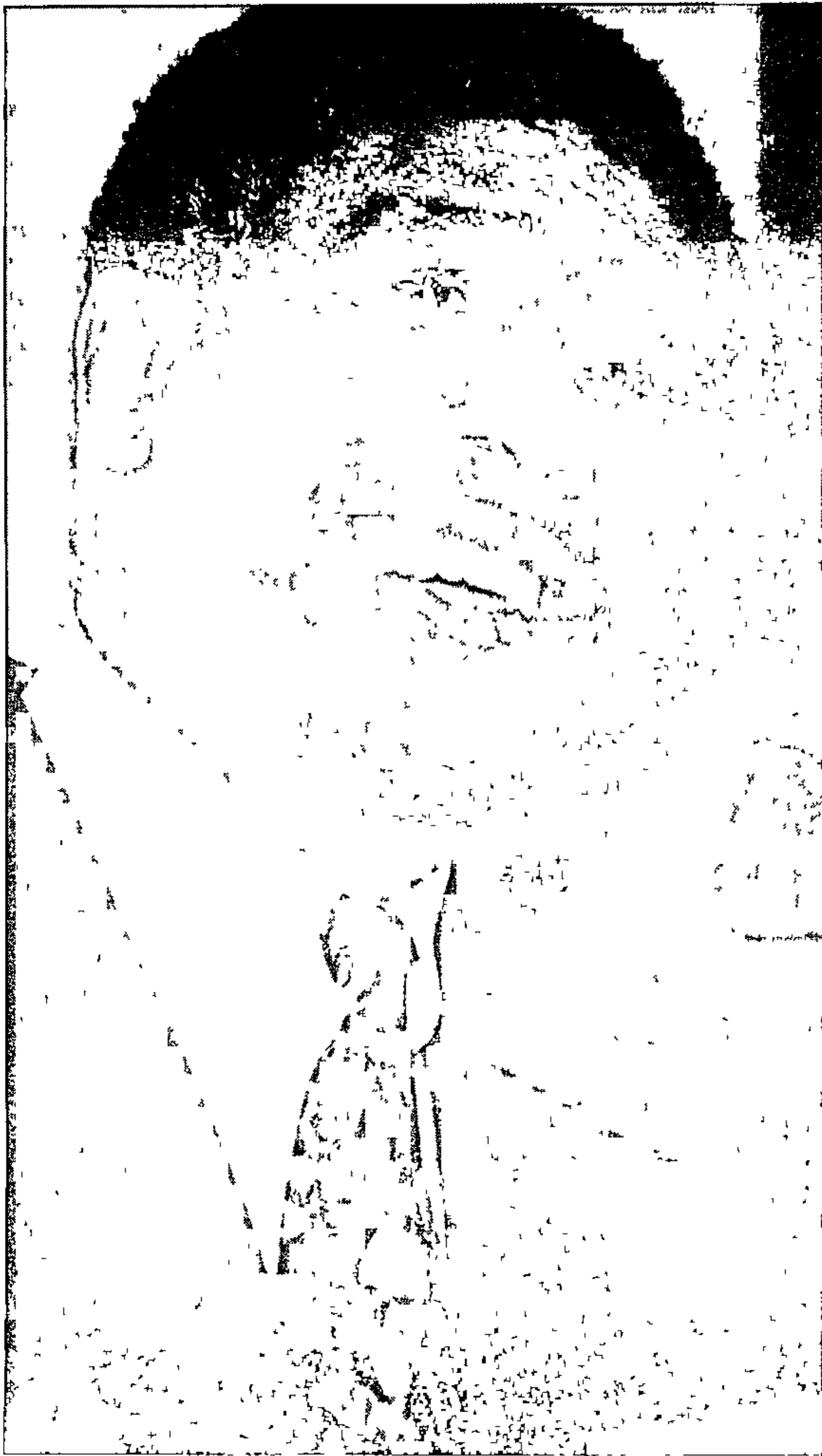
The decision whether Witbank or Nelspruit should be the capital was still being debated



Phosa . . . unanimously elected premier.

On Saturday nine men will be sworn in as premiers of: some readers they are almost unknown, while to others they are well known. The Star introduces you to four of them. The series will

Meet new premiers for



Tokyo Sexwale . . . PWV region

Tokyo Sexwale (PWV)

As a nation lined up at the polling stations on April 27, the PWV province's premier-elect was "hijacked" in Palestine, Orange Farm, that is — 50 km south of Johannesburg.

Tokyo Sexwale's benign hijackers were young residents of the dusty settlement who insisted that he vote at the station closest to their homes, rather than at the pre-selected venue.

"Why did I go all the way to Palestine to vote? Well, I live and I sleep in Houghton. But I exist, and I think I'll die, for Palestine and Phola Park and Crossroads and Khayelitsha. I wanted to vote in a place that is called a squatter camp."

Now the chips are down. Sexwale, born 41 years ago in a squatter camp in Orlando, Soweto, is in the PWV driving seat. And he will be judged not on his emotional affinity for those who have been pushed to the margins of this bustling province, but on his government's ability to boost them into the mainstream of social and economic life.

Sexwale is certainly not the custom-made, career politician whose every move has been calculated to achieve high government office. As a result, although his is one of the most widely recognised faces in the political firmament, Sexwale is in many respects an unknown quantity.

He joined the ANC under ground while still a teenager in the early '70s and was forced to flee the country a couple of years later when his cover was blown. He trained as an Umkhonto weSizwe soldier, and was arrested while on a cross border mission in 1977.

He spent the next 13 years in jail, until he was granted amnesty in mid-1990 and immediately became a senior MK commander. In the second round of ANC regional elections, he became PWV regional chairman.

Although in exile he studied public administration, Sexwale reckons this is the least of the assets he brings to his powerful new position. Far more valuable, he believes, is his experience of collective decision-making in the political structures of the ANC and of army-style implementation of decisions in MK.

He speaks of establishing peace as a prerequisite for development and as a means of

"protecting the investment environment." It is no secret that as ANC PWV chairman he set out to get to know senior police officers. Currently, he says, he has regular contact with "all the police generals in the region."

It was the assassination of Communist Party leader Chris Hani, just a year ago, which thrust Sexwale into the spotlight. His powerful and largely effective pleas to millions of enraged South Africans to refrain from random reprisals commanded attention. So did his obvious non-racialism.

Asked how he will ensure that a gulf will not open up between his "Cabinet" and the largely inherited civil service, Sexwale answers with characteristic conviction. "The priority will be to get various people who have served to understand that there's a new flag here. There are going to be new ways of doing new things."

"And we will say to them that we want complete loyalty. Not to any person but to the country."

— Jo-Anne Collinge

Matthew Phosa (Eastern Transvaal)

Naked Matthew Phosa is no great statistician. Even as a schoolboy he hated maths.

But, when it came to calculating the chances of the ANC winning the Eastern Transvaal province and elevating him to the position of premier, he found it as easy as adding one and one.

"It was simple arithmetic," he said. "There are 200 000 whites in this area and almost two million blacks. There's no way we could not win this one."

Phosa, born 42 years ago in Mbombela township, Nelspruit, is a man of few words. But he does not stumble when he talks about his plans for the Eastern Transvaal.

Elections in this area, Phosa says, were about housing, education, health, jobs and development. "The Eastern Transvaal is rich and ripe for development."

Trained as a lawyer (University of the North) and a soldier (Umkhonto weSizwe), Phosa faces the immediate task of setting up his "Cabinet" or executive committee with assurance. He already knows — "exactly" — who will be in it.

Phosa learnt his politics from

worn in as premiers of nine new provinces. To known, while to others they are folk heroes. Today, of them. The series will be completed next week

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Sexwale

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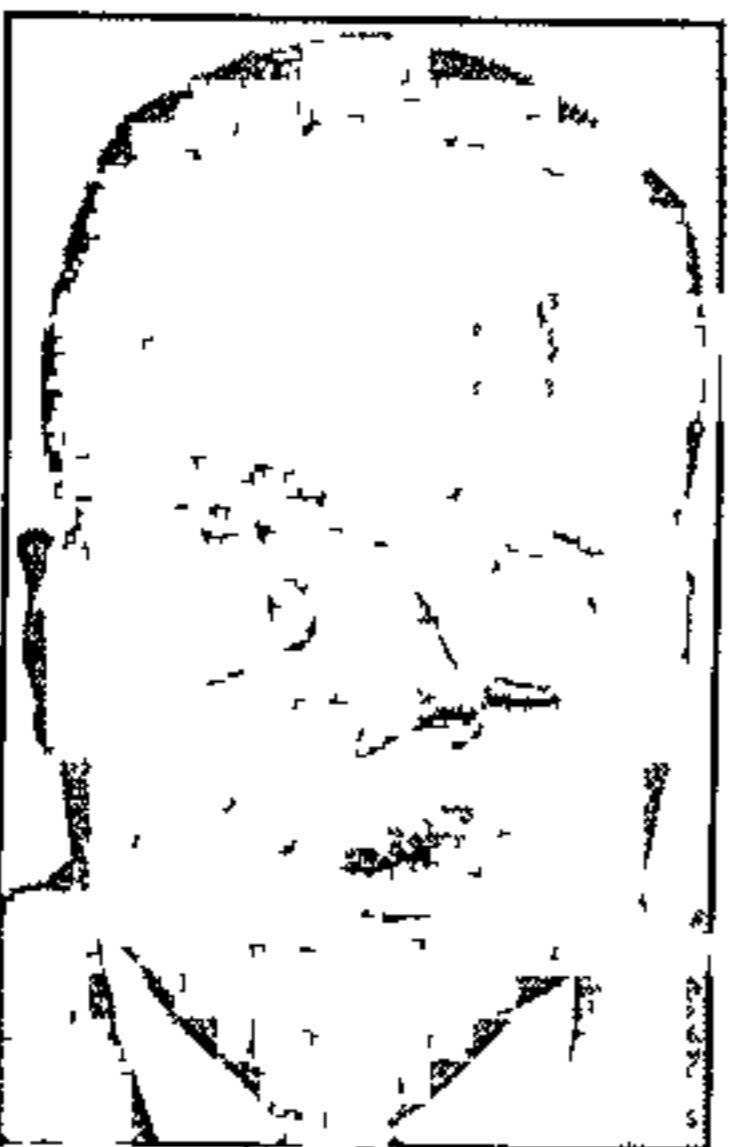
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Matthew Phosa Eastern Transvaal



Ngoako Ramatlhodi Northern Transvaal



Popo Molefe North West region

his mother — a World War 2 nurse — and worked in the ANC underground while he ran his Nelspruit law firm In 1985 he crossed the border into Mozambique and became part the structure directing ANC political and military activity in the Eastern Transvaal

In 1990 he was among the first to be sent back into South Africa to begin negotiations with the Government — Jovial Rantao

Ngoako Ramatlhodi

(Northern Transvaal)

Ngoako Ramatlhodi is slight, quiet, earnest, bespectacled — and exceptionally young for the job of premier of the Northern Transvaal

The 38-year-old former ANC exile, swept to power by the most comfortable regional majority, readily concedes that his is not a household name "I've always kept a low profile because I like it that way," he says,

The outward diffidence is deceptive Ramatlhodi is a powerful politician with a powerful vision — to create a government of regional unity in his province in which every resident of the area can see themselves reflected Irrespective of his huge electoral support, he proposes to offer white rightwingers a role in his government "We're all in this together up here," he says

Ramatlhodi was born in the village of Tauetswala near Potgietersrus Part of a large traditional family — his father, "an ordinary labourer", had two wives — Ramatlhodi set out to get the schooling his parents did not have The quest took him through Hammanskraal, Potgietersrus and Tembisa, He eventually arrived at the University of the North in 1976

Repeatedly expelled by the university for his political activism, in 1980 he decided "to skip the country" His first years in exile took him through Lesotho (where he worked with Chris Hani) and Botswana Back in the Northern Transvaal he recruited Peter Mokaba

Eventually Ramatlhodi arrived at Roma University in Lesotho, securing his BA Law degree in 1984 and fitting in some military training in Angola. The 1986 Lesotho coup saw ANC exiles forced out of the tiny country, and Ramatlhodi moved on through Zambia and Zimbabwe Six months' training in the So-

viet Union followed, and a role on the ANC's influential Political and Military Council, headed by Oliver Tambo

After Tambo suffered his stroke, Ramatlhodi was seconded to Nelson Mandela's staff — though he was still in exile in Mozambique — and accompanied Mandela on his first world tour in 1990

At the end of 1991, he was elected chairman of the ANC's Northern Transvaal region — the watershed event which propelled him to the premier's office. — Shaun Johnson

Popo Molefe (North West)

Popo Molefe, ANC premier candidate for the North West region will have his hands full juggling the right wing, the former Bophuthatswana administration and the high expectations of his strongly ANC-oriented rural electorate.

One of the accused in the Delmas trial, a member of the Black People's Convention and former general secretary of the United Democratic Front, Molefe is well aware of what he calls the more "creative and proactive" approach required in the switch from resistance politics to parliamentary leadership Hence his list of priorities

"The first point is the creation of a government of national unity which will lay the environment for reconciliation and which excludes the possibility for violence," he said "We will engage in an information campaign to inform people that they are guaranteed their property, the protection of their culture, language, beliefs and families"

He aims to emphasise that the whole country has accepted the process of transition, and the Constitution guarantees everybody a place in the sun

The first line on the angry right wing — pockets of whom are prominent throughout the western Transvaal — will be a political approach

"The good showing of the Freedom Front may allow us to defuse tensions there"

Molefe promises to chisel an efficient bureaucracy from candidates of a variety of backgrounds — including those loyal to Lucas Mangope's toppled administration — emphasising that people who are not professional enough to commit themselves to a new government will not be needed — John Soderlund.



In his brash self-confidence, Matthews Phosa is the ANC regional premier best able to match Western Cape supremo Her-nus Kriel.

Secure in the knowledge of his overwhelming election victory in the Eastern Transvaal, the former head of the ANC's legal department is likely to be a leader in testing the limits of regional independence and room to manoeu-

vre under the constitution

Phosa and Kriel have locked horns several times in the recent past, and the ever-smiling Phosa was rarely bested by the former law and order minister in arguments over such sensitive issues as joint SAP/ANC investigations into the murder of Chris Hani and the shootout between policemen and Walter Sisulu's bodyguards. But ANC constitutional experts intent on solidifying the centralist aspects of the new dispensation could find the two men joining forces in championing regional powers.

Phosa lists law and business as long-standing interests — he made a name for himself as one of the jurists who he fought the South African government's intention to give kaNgwane to Swaziland. But he is first and foremost a politician, a man who enjoys the limelight and the rough-and-tumble of crossing swords with his adversaries.

At 41, he has opted for the premiership of his home region rather than take his chances in the race for a position in the national cabinet. While respected for his role in the ANC underground — after military training in East Germany he ran Umkhonto weSizwe structures in the Eastern Transvaal — Phosa is said to have faded as a frontrunner for a cabinet position because he had detractors at Shell House.

Born in Mbombela township, Nelspruit, Phosa spent his early years with his grandfather in Potgietersrus, learning traditional skills such as hunting, fishing, and tilling. His political education came from his mother, a nurse during World War II he describes as "highly political".

On the location of the new Eastern Transvaal capital, Phosa has said the decision is still open. With opposing lobbies favouring Nelspruit and Witbank, his wish to see his three children grow up in his home town might just tip the scales. *WM, 13-19/5/94*

a major task ahead of him as father of the Northern Cape, feels Mantashe. "The area is rich in mineral and agricultural resources. The challenge will be to bring investment there which will allow value to be added to the raw products. If he succeeds, the Northern Cape can have the highest per capita income in the country."

Plans for KwaZulu/Natal, E Tvl

Two capital cities for 2 provinces?

Star 116194

■ **OWN CORRESPONDENT**
and **CLYDE JOHNSON**

KwaZulu/Natal and the Eastern Transvaal provinces are considering having more than one capital city — possibly split into legislative and administrative seats — following strong differences on the issue in some circles.

The insistence by most IFP members in KwaZulu/Natal on Ulundi's retention as a capital has sparked off a lively debate inside and outside the IFP in the province, with some people clamouring for Maritzburg as a seat of government.

To resolve the impasse, leaders in the two provinces have begun seriously considering the option of having two capitals, such as Cape Town and Pretoria at the national level.

Eastern Transvaal Premier Mathew Phosa told chiefs and traditional leaders in Waterval-Onder yesterday that his government was looking at declaring both Nelspruit and Witbank as joint provincial capitals.

In KwaZulu/Natal, Premier Dr Frank Mdlalose is also reportedly considering a joint capital pro-

LIVELY debates rage as groups quarrel over the capitals of their choice

posal for the region.

However, IFP regional MP John Bhengu was adamant that the IFP, with its majority in the regional parliament, could take the capital "where we want".

Bhengu said that while the possibility of Maritzburg becoming the administrative capital should not be ruled out, there was a strong feeling among IFP members "who dominate the legislature" that Ulundi was "the ideal venue for the legislature".

■ In the PWV, a select committee of the regional legislature is to hear representations from the public and interested parties on possible capitals and then report back by June 16 (2663)

Johannesburg, where the regional legislature has so far been holding its meetings, is a firm favourite for the capital. Midrand has also been mentioned as a possibility

Decentralisation mooted

NELSPRUIT — Decentralisation of the Eastern Transvaal into three districts with Nelspruit, Secunda and Witbank as the main functional cities, were among proposals being considered by the province, Eastern Transvaal premier Matthew Phosa said yesterday. **BIDON**

Addressing the third sitting of the Eastern Transvaal legislature, Phosa said decentralisation would bring government closer to the people and devolve decision-making to the lowest possible local level.

"It is also our intention to announce a legislative seat and an executive or administrative seat in the near future," the premier said.

The public was encouraged to make suggestions so a "people-driven deci-

sion" could be taken

Phosa said debate on this issue was becoming "even more interesting as we continue to allow the varied and well-meant views of our people to be heard

"It is becoming increasingly clear that the issue is really not whether the capital should be either at Nelspruit or Witbank. **2/6/94**

"Quite a lot of creativity and innovation are coming into play. **(2668)**

"We are continuing consultations on this matter to ensure that our final decision satisfies the largest majority of the people," he said

Phosa also announced that a group of 17 Americans had recently decided to adopt the province on behalf of Detroit — Sapa

Drought crisis deepens

Sowetan

22/6/94

By Themba Molefe
Political Correspondent

NEARLY 200 000 people in the Eastern Transvaal will be without water in a matter of weeks as the drought crisis deepens in the territory.

Water Affairs and Forestry Minister Dr Kader Asmal announced in Cape Town yesterday that the Komati River, on which 188 000 people rely for water, has stopped flowing completely.

Asmal said many farmers are facing

bankruptcy which will leave thousands of farmworkers unemployed.

Also, communities along the river are facing a life-threatening crisis. Kader said he and officials of the Department of Water Affairs and Forestry and Eskom will visit the stricken areas of Onderberg near Malelane tomorrow.

"South Africa is an arid country and we are frequently confronted by droughts. The situation in the Eastern Transvaal has assumed critical

proportions and we will have to find a solution to provide for the basic water needs of the thousands of people there,"

Asmal said

(2668)

Asmal said there were limited options, however, for supplying water to the area. This will involve "a difficult process of negotiation with a number of authorities and at considerable cost."

This will be Asmal's third visit to the Eastern Transvaal since the new Government of National Unity assumed power.



'TAANKE YOUR MAP BACK!

By ZANELE VUTELA and
DAN DHLAMINI

MANY people in Taung in the North-West and in KwaNdebele feel completely displaced in the new South Africa.

They want the political map of the new SA to be completely redrawn.

The KwaNdebele ANC sub-region is collecting signatures to petition President Nelson Mandela to make KwaNdebele in the Eastern Transvaal part of the P.V.V.

But, according to press reports, the traditional leaders in the area do not support the move. Instead they believe Pretoria

should be part of the Eastern Transvaal.

And a member of the Taung sub-region steering committee, Rufus Montshonyana, told City Press the sub-committee had asked North West premier Popo Molefe and Northern Cape premier Manne Dipico for the return of the North West Taung ANC sub region to the Northern Cape, "which is our ancestral land".

He said that more than 14 villages around Taung "feel that they have been unfairly treated and demand, as a matter of urgency, that they be incorporated into the Northern Cape region".

Grievances pop

up over borders

(26/6/94)

The sub-region, in a press statement, argued that the formation of the North West region was "essentially flawed as there was no consultation at the time". It said that the present NW region was a brain child of deposed Bop leader Lucas Mangope and his rightwing cronies.

They said "If we had been consulted in the first place, we would have said we wanted to remain in the Northern Cape, as

was the case prior to the bogus independence of Bop in 1977".

Another argument is that Taung's health services are wholly dependent on Kimberley, which is in another region, for referrals. "While this should not be construed as legitimising the appalling conditions prevailing in the Taung Health Services, the fact of the matter is that there will always be a need for

referrals to Kimberley".

They said a large percentage of economically viable people in Taung were employed in the Vaalharts area.

Although the sub-region claimed that "a vast majority of ANC branches have given us a specific mandate to ensure that they are made part of the Northern Cape with immediate effect", there were dissenting voices.

Among these was Abel Vori who told City Press "We gave our leaders the mandate to negotiate on our behalf at the TEC, where the the regions were decided. I see no reason why I should go against them now".

Capital status for Nelspruit

NELSPRUIT — Nelspruit has been named the capital of the Eastern Transvaal province.

Premier, Mr Mathews Phosa announced this yesterday during the fourth sitting of the provincial parliament in the town. (266B)

Mr Phosa said the decision would attract investment. Sectoral decentralisation would bring government departments and investments as close as possible to the resorts.

New investment in casinos, hotels, linkage roads, universities, and car-manufacturing would be spread through the province — Sapa

CT 2/1/94

Nelspruit is capital

NELSPRUIT — Nelspruit has been named as capital of the Eastern Transvaal province (266B)

This was announced yesterday by premier Mathews Phosa during the fourth sitting of the provincial parliament in the town.

ARC 9/7/94

Central Government accused of 'restricting regional growth'

Phosa leads quest for more regional powers

By Mathatha Tsedu
Political Editor

■ **ABOUT-TURN** Premier's views sound more like Inkatha than ANC:

EASTERN Transvaal premier Mr Matthew Phosa is a quiet and soft-spoken maverick within the ANC.

A lawyer by profession, he went into exile at the height of repression in the '80s. Phosa was also instrumental in formulating the negotiations strategy of the ANC, which, among other things, fought the IFP's quest for more regional powers.

But today Phosa, in his office at the former TPA buildings in Nelspruit, openly calls for devolving powers to the regions although he denies that is federalism.

A man who does not seem to fear speaking his mind, Phosa openly said the ANC had gone into the negotiations with only one thing in mind — a demand for a unitary state.

"We did not even think about the regions and how they would function. We were caught with our pants down. We just wanted a unitary state. When others came with demands for more powers for regions our guards went up immediately as we saw that as an attempt to reintroduce or maintain bantustans."

Federalism

"But now that we are here we find that we cannot function without full authority. That is why we say more powers should devolve on regions. I do not think that is federalism, but if it can make our job easier so be it," Phosa said.

This standpoint was reiterated at a public meeting in Johannesburg recently, when Phosa said he thought the central government was releasing powers to regions too slowly and that this seemed to be to ensure that provinces did not become too independent.

He said the demand for more powers was the dominant issue at meetings of premiers because even those powers allocated to regions had not been transferred.

While consultation was mandatory in terms of the constitution, he believed that "what is currently being called consultation between central and provincial governments is little more than co-optation."

"I cannot, with a clean conscience, tell my constituency that I was consulted if critical legislation reaches me only days before it is discussed in Parliament, and I see certain regulations concerning the Public Service Act only after they have been published."



Eastern Transvaal premier Mr Matthew Phosa

“We cannot function without full authority, that is why we say more powers should devolve to the regions. I do not think that is federalism, but if it can make our jobs easier so be it.”

Phosa wants powers to amend the constitution and to be able to appoint a deputy premier and deputy ministers, a term he uses in place of the more formal one of MEC. This could be done through amendments to the constitution, which he said he was in the process of initiating.

He wants more exclusive powers, as well as concurrent powers, for areas such as water, land reform, forestry and labour. But he goes even further, and wants a role in foreign affairs as well.

This is so close to the IFP position that Phosa was sounding more IFP than ANC. I asked him if this did not bother him.

"The IFP wanted KwaZulu as a starting point. What I am saying is that the position of a unitary state is correct, and

will remain so. But the arrangement of powers is not right, and if we intend delivering to the people through the RDP, we need to bring government closer to the people," said Phosa.

He said the devolution of power was central to the implementation of policies relating to land matters and how local government in rural areas was to function.

"I cannot even answer questions about how the local government will function because I have no powers yet," he said.

But the inclination to federalism is not the only trait of outspokenness that characterises Phosa. At a time when many communities are struggling with disarming defence units, he is involved in training and arming black communi-

“I met pensioners the other day and they said to me ‘when you wanted us to vote, you brought us chairs. Now that the election is over, we have to stand in the sun to collect our pensions.’”

ties near the Mozambican border through the SANDF, in line with the white commando structures of the past.

He is also involved in negotiations with several security companies to hire Umkhonto we Sizwe cadres who did not make it into the SANDF. "There was one company that we started with, but all companies want to become involved now as they see it as an opportunity to get government tenders easily," he said.

Would that happen, I asked. He laughed, and said of course not.

Water and health

Phosa said water and health, as well as housing, were priorities in his region. Two dams were in the pipeline for the Bushbuckridge area, and contracts would go to small black entrepreneurs, "not Stocks and Stocks".

He saw the area as a gateway to the East, with the Middelburg highway extended to Maputo, thus lessening reliance on Durban as the main export route.

Durban is taking the matter seriously enough to have sent a delegation to discuss the implications of the project.

Two casinos would also be established, in which black people would have shares and become owners of equity. "We do not want to have a nation of waiters and waitresses," he said.

Phosa said his government was faced with a huge task of delivering on election promises.

"I met pensioners the other day and they said to me 'when you wanted us to vote, you brought us chairs. Now that the election is over, we have to stand in the sun to collect our pensions.' That was a serious indictment against us and I have informed welfare officials to ensure that chairs are provided at pension payouts," he said.

Sowetan 11/8/94

Tenants are 'insecure'

By Mathatha Tsedu *Sowetan*
Political Editor

THE Eastern Transvaal Labour Tenant Committee and the Farmworkers Research and Resource Centre have called on the Government to amend the constitution to ensure security for farmworkers 12/8/94

The two organisations say the present property clauses give "an inordinate amount of power to white farmers to the detriment of farm tenants' rights"

In a memorandum sent to Eastern Transvaal premier Mr Matthew Phosa, the two organisations ask him to convey their concerns to President Nelson Mandela and to ensure a process to review the clauses is initiated

"Labour tenants feel the Government is not doing much to address their plight as they bear the brunt of frustrations generated by the new constitution White farmers are

venting their anger on tenants living on their farms because there are still no mechanisms to monitor developments on the farms," the organisations says in the memorandum

The property clauses state

"Every person shall have the right to acquire rights in property and, to the extent that the nature of the rights permits, to dispose of such rights

The organisations also called for

- An immediate end to evictions and impounding of stock, (2663)
- The return of evicted tenants and impounded stock,
- An end to the expulsion of farm workers' children,
- The firm implementation of labour law on farms,
- A minimum wage level in line with the set living wage,
- The rebuilding of destroyed houses, and
- An end to alleged police harassment of farm workers and alleged police collaboration with white farmers

Phosa to push for powers

EASTERN Transvaal premier Matthew Phosa vowed yesterday to continue fighting central government for exclusive legislative powers

Addressing the Black Management Forum in Witbank, Phosa said he planned to lobby other regions and be extremely active in developing constitutional and statutory space for all provinces

He said provinces needed more concurrent competencies in areas such as roads, the building of dams and on labour issues

"We deliver the services on the ground and there is no reason why we should not have exclusive legislative powers in areas that do not affect central government's competency to govern the country"

Phosa proposed the creation of unique structures for different provinces "The Eastern Transvaal differs from the Northern Cape, KwaZulu/Natal and Northern Transvaal in many ways," Phosa said

He appealed to the BMF to reach out to other similar institutions in the Eastern Transvaal "and join hands in developing ideas on how best we can develop the

THEO RAWANA and
JOHANNES NGCOBO

resources of the Eastern Transvaal"

BMF president Wiseman Nkuhlu told the forum that a situation in which blacks controlled the political destiny of SA but were left out of economic control was a recipe for disaster

Salvation for SA lay in the corporate world going the affirmative action route by empowering blacks with management and technical skills

He said people with technical and managerial skills had one set of values while blacks would have their own. Some blacks must have skills to influence decisions so that they could have loyalty to the companies they served

He said blacks had to have a black management forum as integration into organisations such as the Institute of Directors would not serve the purpose

"We cannot have this until the 30% target set by the BMF for black managers is reached."

Give regions more power, ^{Star} Phosa urges

25/8/94

■ BY KAIZER NYATSUMBA
POLITICAL CORRESPONDENT

Eastern Transvaal Premier Mathews Phosa has again made a strong call for greater powers than currently accorded by the Interim Constitution to be given to provincial governments, and has accused the Government of not consulting the provinces.

Addressing the annual conference of the Persetel Users' Group in Nelspruit yesterday, Phosa said that as services were rendered at provincial and local levels, it was vital that regional governments had "maximum powers to be able to govern".

The central Government, on the other hand, had to have only the "minimum powers needed to govern effectively at national level", so that it could set the policy framework for the country in areas such as foreign affairs, justice, defence, safety and security as well as in macro-financial and economic issues.

In a plea for classical federalism, the former ANC legal affairs head — who strongly demes being a federalist — called for exclusive legislative powers for regions over most of the Schedule 6 functions over which the provinces currently have concurrent powers.

(266 B)
Phosa said more concurrent powers also had to be given to provinces, especially on labour and issues of infrastructure such as dam and road-building.

"Power struggles, elitist tendencies, vested interests, Big Brother against Small Brother and other hindrances do not allow us to say honestly that the current process of consultation between central and provincial governments (is) successful," said the former ANC negotiator.

Provinces in land accord

PIETERSBURG — The regional executives of the African National Congress in Eastern and Northern Transvaal agreed that the Bushbuckridge area would in future be administered by the Eastern Transvaal provincial government.

The area will be included in Eastern Transvaal provincial territory with immediate effect under an agreement signed by Northern Transvaal premier Ngoako Ramatlhodi and Eastern Transvaal premier Mathews Phosa (266B)

Both also signed the agreement in their capacities as ANC regional chairmen.

In a statement, the premiers encouraged their legislatures to table motions giving effect to the transfer.

ARG 26/9/94

'Govt must help with Transkei'

(2638)
Own Correspondent

BISHO. — The Eastern Cape legislature is to ask the government for assistance in bailing out the 28 cash-strapped former Transkei towns.

After meeting Transkei municipal officials here yesterday, Eastern Cape Housing Minister Mr Max Mamase said a financial committee had been set up to assess how much money was needed in the former Transkei until March next year.

He said the committee would assess how much of the required money the provincial legislature could afford before approaching the government. *CT 14/10/94*

The legislature wanted the towns' municipal workers and administrations to be paid, but he could not confirm if there was money available.

Local legislatures faced financial problems nationwide, but those problems were worse in the former Transkei.

ladlala, a member of the bri- could not be obtained last night.

general sapa. 266B

Demarcation bodies to meet

GAVIN STAFFORD

THE demarcation committees of Gauteng and Eastern Transvaal will meet interested parties and organisations of Moutse, Moretele and KwaNdebele in southern Eastern Transvaal to decide into which province the areas should be incorporated.

Eastern Transvaal provincial spokesman Oupa Pilane said yesterday the issue was "getting out of hand" and people were becoming "emotional". He was reacting to reports of a campaign to collect 500 000 signatures to oppose the areas' reincorporation into Gauteng.

Sapa reports that campaign chairman SJ Mabena said the campaign was in response to a petition by the KwaNdebele ANC which sought to have the areas reincorporated into Gauteng.

Mabena said Phosa had undertaken to raise the issue with President Nelson Mandela in November and ask for a referendum on the matter, but nothing had happened.

Pilane said submissions had been made to Mandela, but he had decided a referendum was unnecessary as it would divide the community and would be too costly.

Pilane said ANC structures and most people in the area were in favour of reincorporation into Gauteng.

Mabena said concerned structures in-

cluded political parties, church groups and businesses

Pilane could not give a date for the meeting, which would be held "soon", but said it would include all interested groups, with Gauteng and Eastern Transvaal regional political party organisations acting as facilitators. No final decision on the areas' status had been reached before last year's election, and it was decided the matter would be solved immediately after the elections.

BD 6/4/95

The Gauteng government could not be reached for comment.

There was an urgent need to stabilise society so that banks would make more housing loans available, the Premiers' Forum said yesterday after meeting in the Northern Transvaal on Tuesday.

The premiers of the nine provinces said in a statement they were committed to the government's Masakhane campaign, aimed at encouraging a national effort to develop the country, ending lawlessness and encouraging payment for municipal services that residents received.

They said that public participation was essential to the success of the government's reconstruction and development programme.

Govt caravan finds home in Pietersburg

THE Northern Transvaal government has chosen ethnically neutral Pietersburg as its legislative capital after a year of moving between four towns. (266B)

Savings were expected to be significant, said government spokesman Jack Mokobi.

Last year, the legislature sat in the former Lebowa capital of Lebowakgomo. But anticipating objections that it was favouring the province's Pedi majority, it has since held sessions in the former Venda capital of Thohoyandou, the former Gazankulu capital of Giyani and Pietersburg.

Mokobi said the Thohoyandou parlia-

DREW FORREST

ment had had to be refurbished at great cost, as the homeland government had removed recording facilities.

The move to Pietersburg has brought its own problems as it has little legislative or administrative infrastructure. BDT 10/4/95

"The 40 MPs are now sitting in the Pietersburg town council chamber, which was built for a dozen councillors," complained the region's only NP legislator, Vic Borchers. He said MPs did not have their own offices and standing committees

lacked suitable venues for meetings.

In addition, some members of provincial commissions were still based in Lebowakgomo, while ministries were scattered around Pietersburg. The town also lacks sufficient government housing.

At peak, 70 officials had been accommodated in hotels at a monthly cost to the government of R320 000. Fifty staffers were living in an unused nurses' residence in the Pietersburg township of Seshego.

Moving officials from hotels into rented accommodation was expected to be completed by the end of this month.

DP leader suggests a ban on liquor at state bashes

Provincial legislature used R27 477 on drink

263B
8/5/95

Port Elizabeth — Thirsty guests at a Bisho bash must have each 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 R63 227 on official entertainment — R27 477 on liquor and R35 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 has 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 447 for drinks alone.

Provincial premier Raymond Mhlaba has blamed "interest and enthusiasm of gate-grashers" 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.

ks

Eastern Transvaal not in cash crisis

Sello Motlhabakwe

BD 18/5/95 (266B)

THE Eastern Transvaal regional government would not face a financial crisis, despite a forecast R1bn shortfall in its 1995/96 budget, a spokesman for region's finance ministry said at the weekend.

The shortfall announced in the budget, tabled last week, would mostly affect the provision of educational services, where the allocation for this year's budget fell R500m short.

The province had pledged to make up a portion of the shortfall through cuts in expenditure for the education and finance departments.

The allocation for the equalisation of service conditions of public servants in the province was still awaited from central government.

The spokesman said the current budget would not be adequate to cover provincial needs. The budget had made provision for the payment of a R32m concessionary loan inherited from the old administrations.

The national exchequer had allocated R3,8bn or 94,8% of revenue while own revenue accounted for R179m or 4,4% of the R4bn budget.

The province's agricultural sector was expected to suffer losses as a result of severe drought conditions in the area. Reduced income was expected to have adverse implications for the province's rural development plans.

A task team was investigating the creation of a single development agency.

The regional government would address the as yet unspecified budget deficit by, among others reducing state liability by increasing public sector productivity and by selling off unproductive state assets through privatisation

A task team was investigating the revenue base and alternative sources of income.

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'Mass' protest attracts 30

Farouk Chothia

BD 18/5/95

DURBAN — The ANC's much-vaunted rolling mass action campaign to force the proclamation of a Durban metropolitan council has got off to a bad start.

Only about 30 ANC-nominated councillors pitched up yesterday for what had been billed a "mass demonstration" to force the "illegitimate apartheid council" to stop functioning.

Waving placards saying "No to racist budget" and "Lipschutz out" — in reference to Durban mayor Mike Lipschutz — the demonstrators sang and danced their way from the city hall to Embassy Building, a block away, where the city council also has offices.

Police, however, took no chances — and outnumbered the protesters. They patrolled West and Smith streets through the morn-

ing, stationed a Casspir outside the city hall and also brought along razor wire just in case roads needed to be cordoned off.

Asked why there had been such a dismal turnout, protest spokesman Vusi Kunene said: "This is the beginning of bigger things to come. We have a very long programme."

Meanwhile, Inkatha has gone on the offensive, claiming that two of its nominated councillors were forced to flee ANC-dominated Lamontville township last week after death threats were made against them.

Voter registration in the metropolitan area stands at about 41%, and in an effort to boost the figure, Absa bank has decided to place registration tables, manned by its own staff, in its eight main branches in the Durban area.

ES OF FINANCIAL

Moosa intervenes in Bushbuckridge dispute

(266B) (266B) WM 19-25/5/95

Stefaans Brümmer

DEPUTY Minister of Constitutional Affairs Mohammed Valli Moosa this week intervened in the border dispute between Eastern Transvaal Premier Mathews Phosa and Northern Transvaal Premier Ngoako Ramatlhodi.

It is understood Moosa's move to resolve the dispute over Bushbuckridge — part of the former Lebowa and Gazankulu homelands at present demarcated in the Northern Transvaal — was spurred on by a *Mail & Guardian* article last week highlighting allegations of heavy-handed tactics used against perceived opponents of incorporation in the Eastern Transvaal.

African National Congress (ANC) branches in Bushbuckridge were traditionally organised as part of the movement's Eastern Transvaal structures. But Bushbuckridge was made part of the Northern Transvaal under the new Constitution

Phosa's Eastern Transvaal government, aware of the political strength to be derived from the enclave, started negotiating last year to have it transferred. A tentative agreement was reached between the premiers last September, but the process dragged on, spawning recrimination and allegations of intimidation.

Moosa said he had met with Ramatlhodi and Phosa on Monday and that it was decided the earlier agreement on transfer would be honoured. But the future of Bushbuckridge and Groblersdal, an Eastern Transvaal border town claimed by the Northern Transvaal, would be decided "as a package". Phosa earlier insisted Groblersdal was a separate issue.

Moosa's representative, Mpho Mosimane, said the deputy minister "has initiated a process of consultation which should lead to a resolution within the next three weeks", and that a public hearing for all interested parties would be held in Groblersdal on May 26.

Moosa mediates on towns' control

ARG 23/5/95
The Argus Correspondent

(266B) (266B)

JOHANNESBURG — The government has stepped in to mediate in a war of words which has erupted between the Northern Transvaal and Eastern Transvaal provinces over the future of Bushbuckridge, Groblersdal and Marble Hall

Deputy Constitutional Development and Provincial Affairs Minister Mohammed Valli Moosa has assumed a mediator's role in an effort to resolve the dispute between African National Congress comrades and premiers Ngoako Ramatlhodi (Northern Transvaal) and Mathews Phosa (Eastern Transvaal)

Mr Moosa goes to the Eastern Transvaal on Friday to consult with the local communities and all stakeholders, who he said would have a final say on which province they fell under

At the heart of the dispute is whether or not there is an agreement that the Northern Transvaal would be given Groblersdal and Marble Hall, in exchange for leaving the administration of Bushbuckridge to the Eastern Transvaal

The Northern Transvaal insists that the whole issue was an agreed package deal

Jake Mokobi, a spokesman for Northern Transvaal Premier Ngoako Ramatlhodi, said "We have an agreement with the Eastern Transvaal that, after going through the legislative, legal and administrative procedures, we will transfer Bushbuckridge to them

"As part of the agreement, they would not lay any claims to Groblersdal and Marble Hall"

However, Eastern Transvaal's Mr Phosa has said an agreement reached on September 24 1994 concerned only the future of Bushbuckridge. But, he also has said the will of the people would be the driving force behind the final decision

Moosa mediates on towns

■ BY JOVIAL RANTAO
POLITICAL REPORTER

The Government has stepped in to mediate in a tug-of-war which has erupted between the Northern Transvaal and Eastern Transvaal provinces over the future of Bushbuckridge, Groblersdal and Marble Hall.

Deputy Constitutional Development and Provincial Affairs Minister Mohammed Valli Moosa has assumed a mediator's role in an effort to resolve the dispute.

At the heart of the dispute is whether there is an agreement that the Northern Transvaal would be given Groblersdal and Marble Hall, in exchange for leaving the administration of Bushbuckridge to the Eastern Transvaal.

Jake Mokobi, a spokesman for Northern Transvaal Premier Ngoako Ramatlhodi, said, "We

have an agreement with the Eastern Transvaal that we will, after going through the legislative, legal and administrative procedures, transfer Bushbuckridge to them.

"As part of the agreement, they would not lay any claims to Groblersdal and Marble Hall. Now we are told that the transfer of the two towns to us is a separate issue."

Eastern Transvaal Premier Mathews Phosa urged the Northern Transvaal to stick to an agreement reached on September 24 in which both premiers, acting in their capacities as ANC provincial leaders, agreed that Bushbuckridge would be included in the provincial territory of the Eastern Transvaal.

He gave The Star a copy of the Bushbuckridge agreement. No reference is made in it to Groblersdal or Marble Hall.

~~Star~~ Star 23/5/95 (266B)

Phosa fires homeland executives who got paid to do nothing

ST 2/7/95

(2666)

By JUSTIN ARENSTEIN and CAS St LEGER

ALL 40 board members of the homeland development corporations in Kangwane and Kwandebele were fired by the Eastern Transvaal Premier, Matthews Phosa, this weekend.

The directors were informed of their dismissal by letter after Mr Phosa decided it was not necessary to wait for the results of a commission investigating rationalising the corporations.

"The commission's report is due only in a month's time, but I was so shocked to learn how many people had been employed as directors and what these people were earning for doing nothing at all that I decided to dismiss them immediately," Mr Phosa said.

"It is not even as if their input at the two or three meetings that they attended every month was invaluable. The Kangwane Economic Development Corporation and the Kwandebele National Development Corporation were running at a large loss."

Charl du Toit, the chief executive of the Kwandebele corporation's board, whose members include labour expert Professor Nic Wiehahn, said yesterday he and his fellow-directors were unaware they had been dismissed.

"I am completely shocked to learn of this. We were not informed," he said.

He said he and three other directors had been due to meet Mr Phosa tomorrow but there had been no indication that the subject of the interviews was to be dismissal.

The Kwandebele corporation was not overburdened with directors, said Mr du Toit, given that it consisted of three subsidiaries dealing with agriculture, housing and training, each of which had their own boards.

It held assets of R300-million and employed 400 permanent staffers and 300 agricultural workers.

Professor Wiehahn reacted to news of his dismissal — which he learned from

the Sunday Times yesterday — by immediately drafting a letter of resignation.

"As a result of this controversy I will resign immediately. I have far too much pride in myself and dignity to be drawn into controversies of this nature," he said.

Mr Phosa said the dismissals were only the first step in a large-scale rationalisation of both development corporations, as well as the former Kangwane parastatal, Agriwane.

"All three bodies will be merged into a single provincial development corporation with a much slimmer staff structure," Mr Phosa said.

Directors were paid an honorarium of R600 a month, vice-chairmen were paid R1 700 and chairmen R2 000. They were paid a travel allowance of R1,20 a kilometre, an extra R50 for attending a meeting and R250 for extraordinary meetings.

"This may not appear to be much at first, but of the 40, 21 live in Johannesburg and Pretoria. That's more than a 600km round trip (or roughly R720 in travel costs) — and then we have hotel bills as well. It all adds up very quickly," said the premier's spokesman, Oupa Pilane.

Sources also said some of the directors live in corporation houses, paying rentals of between R65 and R108 a month.

The commission's chairman, Ntsoaki Mohapi, said that during interviews with board members a number of the directors had expressed concern that most of their colleagues did not know what was going on in the corporations.

"They merely attend meetings to collect payment," she said.

Mr Phosa has decided to appoint 11 temporary board members to administer all three parastatals until a comprehensive restructuring is launched.

The KNDC directors include Dr Gordon Sibiya, nuclear physicist and former SABC director; Israel Skosana, executive director of National Sorghum Breweries; and Shadrack Nyati, head of the department of economic affairs and tourism of the Eastern Transvaal government.

40 development board officials axed

■ BY JOVIAL RANTAO
POLITICAL REPORTER

Eastern Transvaal Premier Mathews Phosa has fired 40 board members of two former homeland development corporations because "there were too many of them doing work that can be done effeciently by a few".

Phosa told The Star that a decision to dismiss the 40 former directors of the KwaNdebele and KaNgwane development corporations and replace them with 11 temporary board members, was taken last week and was supported by the Eastern Transvaal cabinet.

Phosa meets the board

members today in Nelspruit to discuss the development

The decision to fire the 40 was taken after Phosa and the cabinet had been briefed by a commission investigating the integration and rationalisation of the corporations.

According to figures released by Eastern Transvaal, directors were paid a honorarium of R600 per month, vice-chairmen were paid R1 700 and chairmen R2 000. Their hotel accommodation was paid for and they were paid a travel allowance of R1,20/km, an extra R50 for attending meetings and R250 for extraordinary meetings.

(2660) Star 3/7/95

Phosa fires 29 key board members

EASTERN TRANSSVAAL PREMIER MR Mathews Phosa yesterday met with a number of irate board members of the KaNgwane and KwaNdebele development corporations, whom he fired over the weekend

The chairmen of both development corporations, as well as a number of vice-chairmen and other key board members attended the meeting in Nelspruit and voiced their displeasure at learning of their dismissal in the media

Dismissing criticism from board members over the dismissals, Phosa said his office had been overwhelmed with support from big business for the restructuring

"The support we received after the Press reports was incredible. In fact, we've been told that the move should have been made long ago

(266B) Sowetan 4/7/95
There were 40 board members doing the jobs of only 10 or 11 people

"There were 40 board members doing the jobs of only 10 or 11 people and getting paid a substantial amount for just attending meetings

"In fact, interviews conducted by the commission investigating the whole issue found that some of the more competent directors were concerned that their colleagues knew nothing about the termination of the previous boards and the composition of a new, but temporary 11-member board to steer both corporations," Phosa said

Other former homeland parastatals within the Eastern Transvaal would also be streamlined within the next two months, he said

A permanent board will be appointed once the commission investigating rationalisation delivers its report at the end of July. The new board will most probably sit in Nelspruit. All assets owned by both the KwaNdebele and KaNgwane development corporations will be transferred to a new provincial corporation

The premier's office could not specify the assets controlled by the KaNgwane Development Corporation, but confirmed that the KwaNdebele Development Corporation held assets totalling R300 million

The new 11-member board will be announced this morning — *African Eye News*

Phosa shuffles development corporation board

Catherine Crookes

(266B)

6/17/95

THE Eastern Transvaal cabinet yesterday appointed 11 members to serve on the interim board of the Eastern Transvaal Development Corporation following the dismissal of all board members last weekend

The dismissals and restructuring of the boards followed an inquiry by a special commission appointed by Premier Matthew Phosa to facilitate the amalgamation of the development corporations of former homelands KaNgwane and KwaNdebele

The chairman and executive co-ordinator of the new interim board, Eugene Nyati, said the board members of the former homeland corporations had been sacked to "facilitate the transitional process".

The corporations had been established to underpin apartheid values, Nyati said. They were being restructured "to fall within the new national vision, and to get the best value out of public assets".

The interim board will be holding measure and will continue working on the corporations' current projects without implementing them

Selection criteria included knowledge of agricultural development, small business development as well as industrial and business development. Local area expertise was also an important criterion. Other aspects looked at when choosing the members was geographical spread and overall representation.

Nyati was emphatic that being on the interim board, "did not guarantee a position on the new corporation's board. They have merely been appointed to manage the transitional phase".

The final structure of the new corporation will be decided upon this weekend.

By JUSTIN ARENSTEIN

MORE than a million rands worth of renovations to the homes of two senior ANC members in the Eastern Transvaal were paid for out of the province's "low-cost housing" budget.

And the provincial government has been housing its senior politicians, their relatives, and some ANC party officials — including Premier Matthews Phosa — virtually rent free for at least six months.

These disclosures are contained in a report by the Eastern Transvaal government's finance department completed in February, but kept secret until now.

The report was commissioned by Mr Phosa to investigate the proposed sale of former homeland assets, including parastatal houses, and the current use of government property.

It was compiled by finance department official and former Kangwane director of finance, Mr W A "Hussy" Pott.

It states that the MEC for finance, Jacques Modipane, and the provincial ANC treasurer, Johannes Ka Shabangu, ordered renovations to their rented houses without seeking cabinet approval.

Instead, R1 434 382,78 was debited from a R19-million low-cost housing budget meant to create accommodation for disadvantaged communities.

The report blames the Kangwane department of home affairs whose officials still administer the use of the houses "and pos-

ANC leaders use poor's cash on own homes

(2668) (ST 9/7/95)

sibly the occupants of the homes" for the scandal.

Mr Shabangu said renovations had involved the almost complete demolition of the house because "it had terrible cracks in it, it leaked in the rain and had rats".

The account for his house was R775 188,86.

He said he did not know where the funding came from. "This is very strange. If it was not approved, why did the building continue for so long?"

Mr Modipane's renovations cost R659 193.

He could not be reached for comment as he had "gone into retreat" after being hospitalised for "flu and overwork" a week ago, his staff said.

Mr Phosa paid for R700 000's worth of renovations to his rented home himself.

Although politicians and their relatives paid minimal rentals for their homes, the department did not collect any rent, the report says.

Mr Phosa's rent for a house valued at R1-million is R142 a month and Mr Modipane's rent is R135 for a R700 000 house. Mr Shabangu pays R118 a month for a R1-million house and senator Boy Johannes Nobunga lives in a R258 000 house for R108 a month.

The report says the low-rent houses were allocated to ruling party politicians, their relatives and senior administrative officials.

Other documentation in-

The political rot of previous governments seems to have been adopted by large numbers of our democratically elected leaders.

icates that the rentals — only five percent of the property's market value — were based on a "political decision by the Kangwane department of home affairs."

The former Kangwane minister of home affairs, David Mkhwanazi, is the current provincial minister for environmental affairs.

Reacting to the report, Mr Phosa warned that free rides for government employees and politicians had come to an end.

"The political rot of previous apartheid governments seems to have been adopted by large numbers of our new democratically elected leaders," Mr Phosa said. "It will come to an end in the Eastern Transvaal."

Conceding he had benefited from the low-rental

scheme, Mr Phosa said he had commissioned two independent valuations of the parastatal properties rented by officials after learning of the discrepancy.

Mr Phosa said he had demanded that all office bearers living in government houses pay the difference between what they had been charged and the market-related rentals.

"Three days after finding out about the inequalities, I paid R8 000 into a fund, as did Mr Modipane. Mr Shabangu paid R13 000 — but this is only a start," he said.

"The money will be used to build a clinic or some other vital, concrete sign of our penance."

A provincial commission headed by Mr Modipane has been appointed to investigate similar abuses.

Phosa devolving power to local bodies

BD 10/7/95
Business Day Reporter

THE Eastern Transvaal provincial legislature was looking at devolving power to local government structures for their transformation into delivery agencies for the reconstruction and development programme (RDP), premier Mathews Phosa said at the weekend.

Speaking at an RDP debate in Midrand, Phosa said existing regional services councils could be transformed into reconstruction and development councils with access to an income base from taxes levied on residents

Councils could then address basic needs Immediate implementation of

the RDP was a necessity.

He said his province, in line with others, was transforming development corporations to ensure they were RDP-driven

Phosa felt local government structures were best suited to RDP delivery as they were closest to the communities in need of assistance

Provincial governments should explore ways of devolving powers to local level to facilitate this role

He suggested the formation of consultative structures and warned needs were so great that "we cannot wait any longer with the implementation phase"

Phosa said the Eastern Transvaal had identified its top RDP priorities

(266B)
These were water, electricity, housing, primary health care and human resource development

His province had focused on vocational training and educational programmes, Phosa said

A constructive relationship between labour and business was an urgent issue which required resolution, with government playing a role as facilitator

SA should devise "a simple, understandable investment package for foreign investors"

This should be bolstered by well-managed investment opportunities, lower crime and corruption levels, and government-sponsored entrepreneurial programmes

'No wholesale firings' promise

(2666) PD 21/7/95

NELSPRUIT — The final report on restructuring development corporations in the Eastern Transvaal has recommended that the KaNgwane and KwaNdebele development corporations be merged with one 11-member board and one MD

The commission said this would be more cost effective and would enable tighter implementation of development projects in emergent sections of the province

Commission vice-chairman and interim executive co-ordinator for the new board Eugene Nyati said employees were guaranteed jobs for only the next three months.

"We do not want to create a situation where the new corporation is encumbered with the present staffing problems, which effectively destroyed the previous corporations."

Nyati indicated that after three months there would be a review of the corporation's staffing needs and while envisaged posts would first be offered to employees, this would be done "solely on merit"

Premier Mathew Phosa's special adviser Brian Shrosbee promised there would be no "wholesale firing".

The commission recommended that the corporation be structured along strictly private sector lines and that five or six specialised units handle specific development areas.

Commission members praised Phosa's political courage in accepting the recommendations

Nyati defended Phosa's summary dismissal of all 40 development corporation board members three weeks ago

"Although the commission had not

yet delivered its final report when Phosa fired the CEOs, we did keep him and his cabinet fully briefed on our progress. The commission had already decided that a very much smaller board was required. We had to start with a clean slate and the dismissals helped us do this."

Nyati indicated that funding for certain interest areas handled by the corporations at present, such as housing, would be terminated as they had been duplicating what was essentially a government function.

"The primary role of the corporation is to target emerging entrepreneurs and set them up to succeed in the mainstream economy," he said.

The new corporation would be funded jointly by the government and a proposed provincial development bank, but funds would be allocated only to business units once business plans had been accepted.

The bank's role would be solely to access development finance at the most favourable rates and dispense this to the operating business units.

The commission stressed that although the new corporation would be created and funded by the government, it had to operate "at arm's length from political leadership".

While government would define the general policy and regulatory regime, the corporation's management must be given the autonomy to operate strictly according to private sector principles.

Directors and officials should be appointed on the basis of their expertise in the specific fields covered by the business units. — African Eye News.

No battle cries as IFP plots its future

This weekend's IFP national conference will look at ways for the party to consolidate its power in KwaZulu/Natal, report **Ann Eveleth** and **Mehlo Mvelase**

THE rumour mills have been peculiarly quiet this week in the run-up to the Inkatha Freedom Party (IFP) national conference opening in Ulundi tonight. Party sources poured cold water on earlier proposals for a parliamentary walk-out, a Government of National Unity split, and other impending national dramas which have historically marked IFP conferences.

No battle cry sounded over the continued constitutional deadlock or the disappearance of international media lion from the agenda.

But the IFP signalled the first legislative salvoes of its controversial "20-point" autonomy bid with two provincial Bills preventing KwaZulu/Natal traditional leaders from accepting central government payment in terms of the Remuneration of Traditional Leaders Act.

Approved recently by the IFP-dominated provincial Cabinet amid fierce opposition from the ANC, the Bills are all but assured parliamentary approval next month, and promise to pose the first Constitutional Court challenge between the two political poles.

Restricting the king and chiefs from receiving remuneration from any source in the Republic other than the provincial government, the two Bills represent amendments to two Acts of the former KwaZulu Government, which themselves enshrine a system of control over traditional leaders beyond mere payments.

Sections of the KwaZulu Amakhosi and Iziphakanyiswa Act, 1990, which remain intact despite the amendment, empower the MEC for traditional affairs, Chief Nyanga Ngubane, in consultation with the provincial Cabinet, to "suspend from office any *inkosi* suspected of having misconducted himself in any way (including if he) becomes a member of, or takes part in the affairs of, an organisation or association whose objectives are subversive of or prejudicial to the government or law and order". The proposed amendment to this Act further provides for any chief accepting unauthorised payment to be fined up to R500.



Buthelezi New Home Affairs office

While most sources reject the possibility of IFP leader Mangosuthu Buthelezi quitting the GNU to lead the provincial challenge, others point out that a recent move has made this unnecessary. Buthelezi opened a new Home Affairs office this week — in Ulundi — and he will frequently work from there, allowing him to take the reins of the IFP in advance of a "passive resistance" campaign to extract compromises from the ANC and National Party.

The sources say strategy talks this weekend will focus on how best to extract these concessions and bolster KwaZulu/Natal's powers, the details of the passive resistance campaign, the local government campaign strategy and continued grievances over the ANC's dismissal of international mediation, President Nelson Mandela's handling of the Shell House killings, "broken agreements" on the *ex-officio* status of traditional leaders in local government, the "obstructive" role of the ANC in KwaZulu/Natal, and the ANC's "roughshod" dominance of the GNU.

Narcs call for outside help

Rehana Rossouw
and **Stewart Wright**

THE Narcotics Bureau has called in the might of the United States' Drug Enforcement Agency (DEA) to help stem the flow of drugs

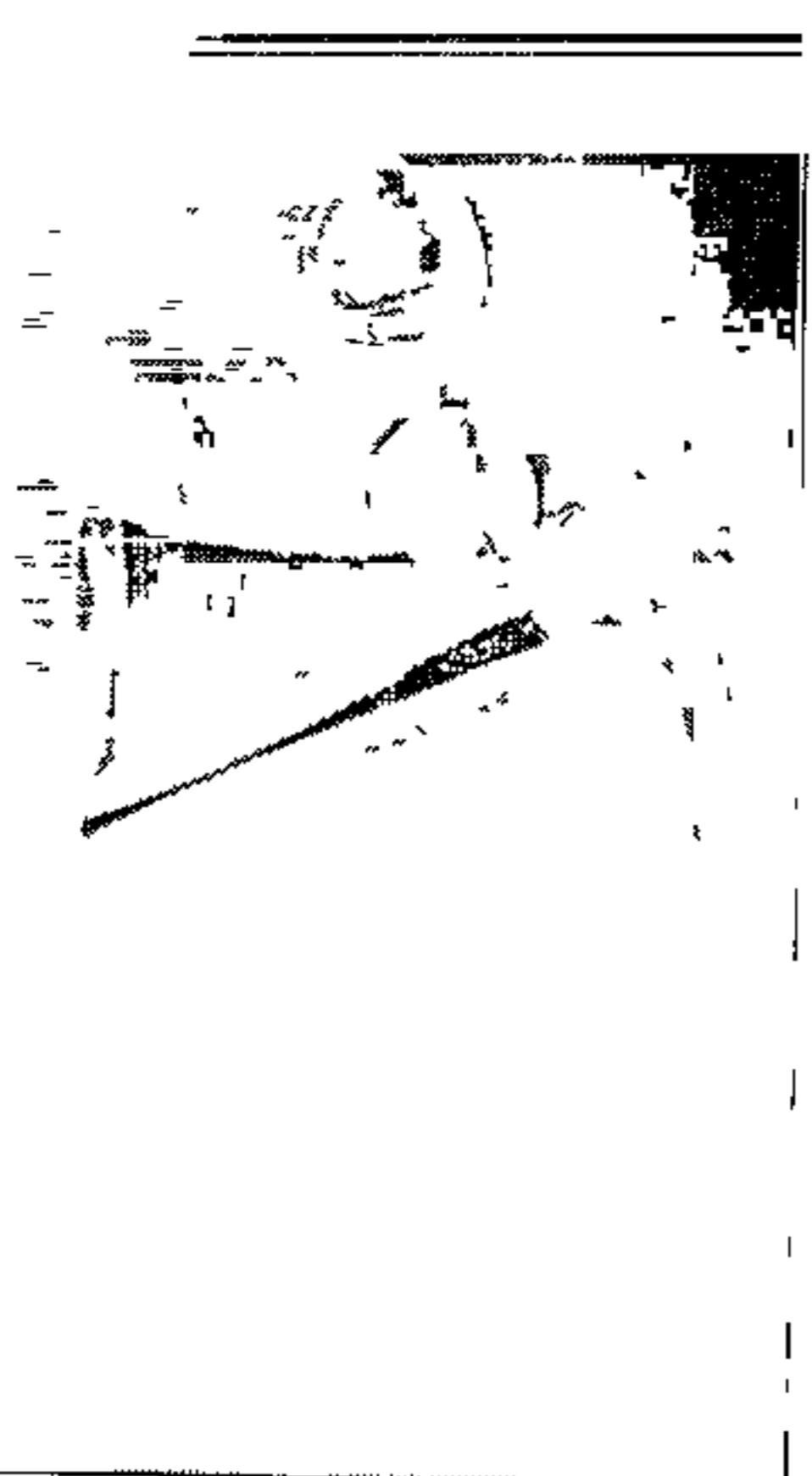
The DEA has helped to train local police in drug investigation and sent officials to Cape Town earlier this year to assess training facilities at the police training college.

Meanwhile, a group of neo-hippies, representing South Africa's alterna-

Gregory tried to lay a complaint of incompetence against Sanab with Grahamstown police, but was told by Green to take his complaint to the drug squad.

"We can't go to Sanab. These are the guys we are against," he said.

refused to con-



"We can use a helicopter to get to the field of combat drug trafficking," said police spokesman Colonel Raymond Dowd this week.

With the government expressing concern that Cape Town was becoming the gateway to Africa for drug cartels, and the Narcotics Bureau examining the efficiency of its drug-busting methods, the police have decided to elicit DEA assistance with drafting a blueprint to combat drug smuggling into South Africa.

While Mandrax and dagga remain the drugs of choice for Cape Town dealers and users, the availability of cocaine is increasing sharply.

Dowd said a relationship already existed between the South African Police Service and the DEA, with information and assistance being exchanged when needed.

The Alliance for Alternative Communities of Africa is angry that police arrested people for "ridiculously" small amounts of the "soft drug" dagga at Grahamstown's National Arts Festival, while hard drugs were freely available on the streets.

The group also claims that South African Narcotics Bureau (Sanab) officers were not able to recognize some of the "hard drugs" in circulation.

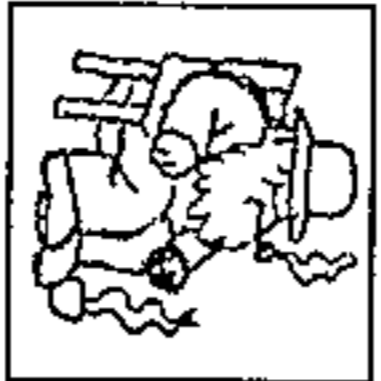
Alliance spokesman Roddy Gregory said "I told Grahamstown police liaison officer Warrant Officer George Green that if he gave me R500, within an hour I could have brought him a silver platter of heroin, speed, ecstasy, and five kinds of LSD, all from within a two kilometre radius of his police station."

"If we don't have a top-level meeting by the end of the week, I am going to park my bus on the steps of Pretoria (Union Buildings) and I am going to stay there," he said.

Grahamstown Sanab head Captain Gerrie Trytsman said almost 1,5kg of dagga was confiscated during the festival, 19 people arrested for possession and six for dealing.

Other than the arrest of one person for dealing in mandrax, no other "hard" drugs were confiscated.

Trytsman denied his men were on a crusade against dagga smokers, and said it was in their pursuit of hard drugs that dagga-offenders were arrested.



Krisjan Lemmer

GETTING SOMETHING

Red hand?

HERE'S an old joke that used to be told in the Dorshut Bar which went something like this: "Did you hear about the dyslexic activist? He got a job with the CNA." That joke came to mind when Oom Krisjan saw the headline on a newspaper sent to him by a friend in Johannesburg's northern suburbs. The headline appears a paper called the *North-Eastern Tribune*, and reads: "Quail hits out at 'hypocritical' CNA."

Expecting a major exposé of disparities in the prices of stationery, Oom Krisjan read on. In fact, the article was about councillor Claire Quail's attack, not on the suppliers of paperback books, but on a certain political party, which had allegedly disrupted a council meeting.

"CNA rules, KO," muttered At Naude.

Veels geluk

HERE in the Dorshut Bar, we welcome any excuse to drink another toast — so a few glasses were raised this week in celebration of President Mandela's birthday. In Johannesburg, however, they have other ways of celebrating. The *manne* hear that journalists' pagers were bleeping all over the city as anyone and everyone sent network-wide pager messages, voicing birthday greetings to the president.

Eventually, exasperated pager company Alphaspace responded with a general alert to its subscribers: "Please note that the president does not have a pager."

Castaway

ONE of the journalists who lost no time in celebrating Mandela's birthday was Radio 702's Jennifer Williams who, on her Tues-

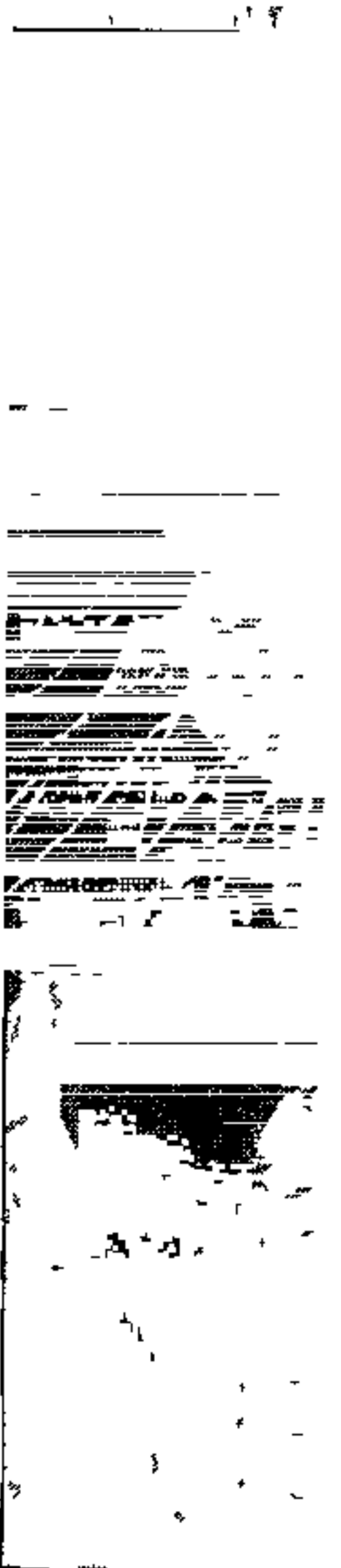
day morning show, suggested some gift ideas for the president. Oom Krisjan admires Ms Crys-

Williams' kind gesture — but does think that her suggestion of "an island holiday" was perhaps an insensitive gift for someone who has probably seen quite enough of islands already.

Mountain beaches

PRESIDENT Mandela's support for Lesotho to be given access to the sea has inspired some heated discussion in the bar. Just which piece of South Africa will be sunk beneath the waves in order that the ocean may lap the shores of the mountain kingdom? At Naude suggested digging a trench through East Griqualand, a move which would have the added benefit of settling the border *tuis* between Raymond Mhlaba and Frank Mdlalose once and for all.

Oupa van Tonder's proposal was more ruthless. "Just sink the whole of the *blertie* banana kingdom," he said. "Then we might have some peace and quiet at last."



PHOTOGRAPH HENNER FRANKENFIELD

High flier takes a dive

Jonathan Ancer

ASPING Rocker Joe Cocker could be the nemesis of Ranni Dewet, North-West Province's MEC for Media, Arts and Culture.

This week, the 27-year-old ANC MEC was battling for her political survival amid allegations that she had used government funds to hire a plane to take her and her friends to Joe Cocker's concert at Sun City last year.

The allegations are contained in a report by North-West Director General Job Mokgoro, who was instructed by Premier Popo Molefe to conduct internal audits of all the ministers.

A statement released by the premier's office this week said "It must be stressed that the report is of a preliminary nature." De Wet has refused to comment.



Invitation to a conference on FREEDOM OF EXPRESSION, PORNOGRAPHY AND HATE SPEECH

- The Freedom of Expression Institute is holding a conference on pornography and hate speech in the context of the right of freedom of expression enshrined in the Constitution. There will be overseas and South African speakers representing a range of viewpoints, including:
- Judge Sopiuka from the Canadian Supreme Court on pornography as harmful to women.
 - Ursula Owen from Index on Censorship on the case for defending freedom of expression in the debate on pornography.
 - Floyd Abrams, renowned US litigator, on hate speech.
 - Professor Shadrack Gutto, Deputy Director of CALS on legislating against racist speech in SA and
 - Joanne Fedler, lecturer in law at Wits, on a feminist critique of pornography.

Date: 3 August 1995
 Time: 08h30 to 17h00 A cocktail party will follow
 Venue: The Parklodge Hotel, De Korte Street, Bramfontein
 Cost: R100, including teas, lunch, cocktail party, and parking. Special rates on application.

RSVP: ALEX KUHN, AT 011 403 8403 (TEL) OR 011 403 8309 (FAX) BY 24 JULY 1995

Phosa defends restructuring

Theo Rawana

BO 24/7/95

(266B)

THE objective of restructuring the former KaNgwane and KwaNdebele development corporations into a single unit was not so much to reduce staff as to streamline the service for the people of the Eastern Transvaal region, premier Matthew Phosa's office said at the weekend.

The final report on restructuring Eastern Transvaal corporations recommended last week that they be merged into one with an 11-member board and one MD.

The commission had said the measure would be more cost-effective and would enable tighter implementation of development projects in emergent sections of the province.

Oupa Pilane, spokesman at Phosa's office, said at the weekend "The objective was to have the board run in a businesslike manner. We will be looking at restructuring to meet the demands of the people in the region.

"We will create new posts and people will be appointed on merit, with existing staff getting preference."

Since the previous boards were not

close to the people, new offices would need to be established.

Although retrenchments were in the pipeline, neither Pilane nor commission spokesmen could give either details of how many people were currently employed by the two boards or how many were likely to be employed by the restructured board.

Commission vice-chairman Eugene Nyathi said there were thousands of employees involved.

"Here we are not talking only of the corporations, but subsidiaries independent of them," he said.

The existing jobs were guaranteed for only three months, Nyathi said.

Nyathi said he could not say how much money the measures would save the province. "It was not our mandate to define the detail. But we know it will work out much cheaper, eliminating the duplication that existed. It will lead to much better fiscal control," Nyathi said.

Asked who the new MD would be, Nyathi said "The commission has no power to appoint an MD. Only the permanent board — which will be appointed by Cabinet — will do that."

New name dawns for Eastern Transvaal

JOHANNESBURG (P.M.) The premier met the members of Mpumalanga at the public school for a renamed Eastern Transvaal with Malabeni in the old province also in mind.

Prime minister Mr Pieter van Rensburg said there had been no other name proposed for all for name negotiation.

The most popular one in Mpumalanga was "Manga" but the name was rejected because of the fact that others in East Province and Malabeni which means coal, because coal is the backbone of our economy.

Mr Pieter van Rensburg

mentioned several other geographical names to be considered but they were not highly recommended. One gentleman said that in the Eastern Transvaal he knew of many other names, the largest being the Soutpansberg and others. He said the name should be considered to appear in all three.

Mr Pieter van Rensburg said he would be making a recommendation to the cabinet to consider the name tomorrow but added that his cabinet would still be in the process of the decision. The decision will be announced on September 15.

(266B)

Violence erupts in KwaNdebele

By Bhekie Matsebula, Sapa and Africa Eye News

SECURITY forces were deployed in the former homeland of KwaNdebele yesterday to quell violence by residents demanding incorporation of the area into Gauteng

At least two buses were set alight and a bread delivery vehicle was looted when protesters ran riot and blocked buses leaving commuters to Gauteng

Units of the South African National Defence Force and police removed road blockades set up by protesters in KwaNdebele's Kwaggafontein and Tweefontein areas

The roadblocks were apparently set up to enforce a work stayaway

The situation was so tense that police and soldiers had to be called in to stop the violent demonstrations

Fifty buses carrying workers to Gauteng were halted and passengers forcefully ejected by small groups of demonstrators

Three people were arrested in connection with the burning of two Putco buses

This was not just a protest against



Sowejan 1/8/95

Meyer has been asked to resolve the conflict.

Mabona says the protest is a criminal campaign.

the incorporation of KwaNdebele into the Eastern Transvaal but it was a completely criminal campaign by a certain group that wants to bring instability to the former homeland," Eastern Transvaal MEC for safety and security Mr Steve Mabona said

It was reported that the Pro-Gaut-

eng Action Committee had blocked all roads leading to Pretoria early in the morning

Mabona told Sowejan that a group of youths visited several homes in the major townships of KwaNdebele and threatened people not to go work

But large numbers of people

appeared to have defied the warning and reported for duty

Mabona said the youths confronted Putco depot officials at Kwahlhlanga and threatened to burn down their buses if they ferried people to work

He said hundreds of workers refused to be involved in the demon-

(2668)

strations and 178 buses managed to ferry commuters to Pretoria

Mabona and leaders of the Pro-Gauteng group were due to meet late yesterday to discuss the matter

Mabona said about 200 protesters allegedly held a meeting on Sunday night to develop a strategy for their action and met regional traditional leaders to solicit support

They threatened to close the offices of chiefs who did not declare support for their cause

"They have already managed to close one chief's office in the area, so their threats should be viewed as serious"

"When they did not get support from commuters this morning the demonstrators went on a looting spree and also burnt buses," Mabona said

There are two groups which had been formed in the entire former KwaNdebele homeland who are fighting each other over the incorporation of the area into either Eastern Transvaal or Gauteng

The matter has been referred to Minister for Constitutional and Provincial Affairs Mr Roelf Meyer

Threat of more mass action

Sowetan 2/8/95 (2068)

By Joe Mdhlela

PROTESTORS in the former homeland of KwaNdebele vowed yesterday to intensify their "rolling mass action" until the Eastern Transvaal provincial government agrees that some areas in the region be incorporated into Gauteng.

Their action is expected to take the form of consumer boycotts, demonstrations at government offices and a possible rent boycott, spokesperson for the Pro-Gauteng Coordinating Committee Mr Viljoen Ntsweni said.

A joint mass meeting of residents of Kwaggafontein and Siyabuswa has been scheduled for today.

The areas earmarked for incorporation include Moutse, Moretelle II and all areas which previously fell under the former

Ntsweni accused certain politicians, including former KwaNdebele Chief Minister James Mahlangu, of frustrating efforts to strike a deal on incorporation.

Chairperson of the ANC in the Mdotjana sub-region, Siyabuswa, Mr Alpheus Ntsoane, said the organisation had enlisted

the support of business people to back the "pro-Gauteng Initiative".

"We feel encouraged that we have received 100 percent support from all business sectors including Putco, taxi operators and all local businesses as we attempt to pressurise the government to accede to our demand to have parts of KwaNdebele incorporated into Gauteng," Ntsoane said.

Meanwhile, both Ntsoane and Ntsweni, have condemned what they claim is police interference in handling legitimate protest.

"Our comrades have been shot and arrested for expressing what they regard as a genuine demand," Ntsoane said.

Premiers to meet

It is expected that Gauteng premier Mr Tokyo Sexwale and his counterpart in the Eastern Transvaal, Mr Matthew Phosa,

will meet on August 8.

blockaded all roads leading to Gauteng. Fifty buses were stopped and passengers forcibly ejected from them. At least three buses were set alight. Police and the SA Defence Force were called in to stop further damage to property.

KwaNdebele to go to Gauteng?

(266B) Sowetan 3/8/95
Joe Mdhlela reports that the boundaries question is hotting up

PREMIERS OF GAUTENG AND THE Eastern Transvaal provinces will be engaged in discussions at Shell House next week on the burning issue of Gauteng's boundaries

Gauteng premier Mr Tokyo Sexwale and his Eastern Transvaal counterpart, Mr Matthew Phosa, are expected to consider a demand on Monday by the Pro-Gauteng Coordinating Committee to have the region incorporated into Gauteng

Sexwale's spokesman, Mr Chris Vick, confirms that the two premiers will meet to discuss various issues including the contentious boundaries

Also expected to attend the meeting is Deputy Minister of Provincial Affairs and Constitutional Development Mr Valli Moosa

Spearheaded a campaign

Earlier this week the Pro-Gauteng Coordinating Committee spearheaded a campaign in the former KwaNdebele homeland to have the region incorporated in Gauteng

In a memorandum presented to the Eastern Transvaal government on Tuesday, the committee demanded that areas including Moretele, Moutse, Siyabuswa and all regions

‘The bulk of our employed people sell their labour in Pretoria, Johannesburg and many cities and towns attached to the Gauteng region’

which previously fell under KwaNdebele, should be incorporated in Gauteng

Spokesman for the committee Mr Viljoen Mtsweni said millions of people in the region have been traditionally linked to either Pretoria and Johannesburg

“The bulk of our employed people sell their labour in Pretoria, Johannesburg and many cities and towns attached to the Gauteng region

“We are also geographically situated closer to Gauteng than we are to the Eastern Transvaal

“On the basis of these factors, we demand that we be incorporated into Gauteng,” Mtsweni said

Reluctant to agree

Spokesman for the ANC in the region Mr Buks Mahlangu said there were suggestions that Gauteng might be reluctant to agree to parts of the region being incorporated in Gauteng

He said these reasons might be political in part, including the fact that Gauteng may be unwilling to inherit the institution of chieftainship — which is prevalent in the former KwaNdebele homeland

Early this week unrest erupted in parts of the former homeland with various demonstrations including road blockades, stayaways and consumer boycotts.

The committee has given the provincial government until tomorrow to respond to its demand to have the region incorporated into Gauteng



Finger lickin' hard work: Umtata bureaucrats take an extended lunch

PHOTOGRAPH STEUART WRIGHT

Unemployed, but on the payroll

(2630) WM 4-10/8/95

Steuart Wright

PUBLIC servants queue to place their bags on the conveyor-belt metal detector at Umtata's Botha Sigcau government building. They wait patiently for the bags to emerge, unfazed by the fact there are no security personnel to check them anyway.

It is part of the ritual of coming to work — in a building where nobody has much to do and the hardest task is the struggle to stay awake.

In the faulty lift, which stops at every floor, I remind myself why I am here to see how Umtata's bureaucrats spend their time after announcements by the Eastern Cape Government that a "post-by-post analysis" of its bloated 150 000-strong civil service found it should be reduced by a mere 7 000 jobs.

The first door I poke my head around reveals five women up to their wrists in oily Kentucky Fried Chicken. Three of them are guffawing at their empty desks, while two stare out of the ninth-floor window.

These are health department clerks unashamedly taking an "extended lunch", which administrative officer Lohta Hokwana explains will probably last the rest of the day. She removes a drumstick from her lips, waves the bone at me and laughs: "Tomorrow morning we will start (work again)."

"We do filing," she says, "leave gratuities, deceased and retired, study leave and capturing files for the new government. But most of the time we spend looking for lost files."

I do some more snooping and find about one in three bureaucrats at least looking officious. Countless peer blankly through the windows and even more read newspapers.

Public Works clerk SC Jonas is one of these, and he frankly admits he is taking a break. "We give ourselves a chance to rest when there are signs of fatigue, because every day we are busy," he says.

On the seventh floor, I strike it lucky. A transport department worker in a brown suit and sleeveless V-neck jersey nods his greying head sleepily

over a thick open file on his desk. He is dozily woken as the squeaking hinges on his door alert him to my presence.

Uncoiled hinges appear to be the warning device of at least two other bureaucrats I rudely waken.

Local Government and Housing registry clerk Temba is one of them. "I am just waiting to go home after a day's work," he says candidly, with more than 40 minutes to home time.

He too sketches a picture of chaos, where he spends most of his day trying to locate lost files.

Temba says: "If I can be honest to myself and you, there are times you find people sleeping, or just standing along the windows or maybe having a chat in the corridor."

I walk down the stairs, seeing the funny side of Provincial Director General Thozamile Botha's attitude that the government is a major job provider in the Eastern Cape which, mindful of high unemployment, would like to keep it that way — even if it means employing people to listen for squeaking hinges. — *Eena*

Eastern Tvl border row hotting up

(266B)

Sowetan 4/8/95

Transvaal premiers to hold summit on the province's demarcation

GROWING TENSION between the Eastern Transvaal and two neighbouring provinces over border disputes will be discussed at a special meeting of the three provincial premiers in Johannesburg on Monday.

Eastern Transvaal premier Mr Matthew Phosa, Northern Province premier Mr Ngoako Ramathlodi and Gauteng premier Mr Tokyo Sexwale have to resolve the explosive situation surrounding KwaNdebele, Bushbuckridge and Groblersdal on Monday if local government election preparations were to proceed, Eastern Transvaal local government MEC Mr January Masilela said. Most Groblersdal and Bushbuckridge residents wanted to be incorporated into Eastern Transvaal.

Earlier this week, KwaNdebele residents wanting to be part of Gauteng staged violent stayaways and prevented buses from taking workers to Pretoria

and Johannesburg

The recently proclaimed provincial borders had split some Eastern Transvaal towns in two, Masilela said.

Rural areas adjoining the Eastern Transvaal towns of Graskop, Steelpoort, Ohrigstad and Burgersfort now fell under Northern Province

Masilela suggested they be joined with their respective towns for the elections.

The Kruger National Park has also been split in two, the part north of Skukuza to be administered by Northern Province and the rest by Eastern Transvaal. The park would maintain its independent character and would not be subjected to certain municipal by-laws, Masilela said.

Areas classified as having "special circumstances" included all national parks, as well as tourist towns such as Pilgrim's Rest and Marioth Park on the banks of the Crocodile River. — Sapa.

Bid to end border row

Sowetan 8/8/95 (266B)

By Joe Mdhlela
Political Reporter

THE African National Congress yesterday resolved that certain services in the Eastern Transvaal should be transferred to the Gauteng Administration

The recommendations were an attempt by the organisation to resolve boundary disputes which led to the eruption of violence in parts of the former KwaNdebele homeland last week

The Pro-Gauteng Coordinating Committee led by Mr Viljoen Motsweni is agitating for certain areas, including Moretele II and Moutse, to be incorporated into Gauteng

The meeting in Johannesburg was attended by the premiers of the two affected provinces, Mr Tokyo Sexwale and Mr Matthew Phosa. ANC NEC member and Deputy Minister of Provincial Affairs and Constitutional Develop-

ment, Mr Valli Moosa, also attended

The South African National Civic Organisation, Cosatu, the SA Communist Party and the farming community in the affected areas also attended

Senior ANC leader in the Eastern Transvaal Mr Buks Mahlangu said he was happy with the outcome of the meeting, but would expect provincial leaders to act swiftly to resolve the disputes

Moosa said the solution to the problem lay in the transfer of administration of essential services such as health and transport from the Eastern Transvaal to Gauteng

In this way, argued Moosa, people of the region would get facilities they would otherwise not get in their own region

Moosa stressed that the proposals were from the ANC and not the government

'Services the real issue'

Star 8/8/95

Gauteng set to run certain E Tvl areas

(2666)

■ BY JOVIAL RANTAO
POLITICAL REPORTER

A compromise solution was reached by ANC leaders from the Eastern Transvaal and Gauteng yesterday on calls by residents of Moutse, Moretele II and the former KwaNdebele homeland for their incorporation into Gauteng.

Deputy Provincial Affairs Minister Vali Moosa chaired a meeting with delegations led by the premiers of the two provinces, but both acting in their roles within the ANC leadership. Gauteng's Tokyo Sexwale and Eastern Transvaal's Mathews Phosa.

Moosa said it had been decided to set up an interprovincial co-operation structure through which Gauteng would be asked to take over functional administration of the affected areas.

"For example, the Gauteng government could be requested to provide health services to Eastern Transvaal residents on an agency basis," Moosa said, adding that decisions taken at the meeting were subject to approval by communities and ANC structures in the affected areas.

The move would have budgetary implications that would be discussed by the two provinces.

He said the two provincial ANC structures had agreed they should immediately set in motion a process, involving directors-general from both provinces, to identify areas of government administration which, if divided be-

tween the two, would not disadvantage any communities.

There was unanimity that the present demarcation of borders had disadvantaged some KwaNdebele communities.

"We are of the view that if we take these steps, we would have addressed the needs which have been raised by people in those areas. The provincial boundaries are a matter which will receive further attention from the ANC structures in the affected areas.

"The real concern of the people in those areas is not the boundaries or their liking or disliking for the premiers in the provinces. The real issue is the provision of services. If we change the borders and do not address the concerns of the communities, the people will still be unhappy," Moosa added.

He said the ANC was mindful of the fact that changing the boundaries would require consultation in Parliament. However, ANC representatives who attended yesterday were convinced they did not need a constitutional change to provide services in the affected areas.

Sexwale said the issue that had to be addressed was the provision of a better quality of life for all, irrespective of which side of the border they lived.

The meeting followed demands by residents in Moutse, Siyabuswa and Moretele II for incorporation into Gauteng. Last week they threatened stayaways and boycotts unless their grievances were addressed.

Compromise for residents (266B)

SPECIAL CORRESPONDENT

CT 8/9/95

JOHANNESBURG A compromise has been reached by ANC structures from the Eastern Transvaal and Gauteng on calls by Mofse, KwaNdebele and Morija II residents for incorporation into Gauteng.

Deputy Provincial Affairs Minister Mr Valli Mooka said an inter-provincial committee would be set up through which Gauteng would be asked to take over functional administration of the areas.

The ANC structures would help determine which services could be divided without depriving communities. They would also see whether provincial boundaries disadvantaged communities, Mr Mooka said.

Angry farmers allege funds mismanaged

BA 17/8/95
(266B)
NELSPRUIT — More than 250 angry black farmers marched on Eastern Transvaal agriculture MEC Lucas Neil's offices yesterday morning to demand that he be dismissed for alleged mismanagement.

The marchers were addressed by premier Mathews Phosa, who told them he sympathised with their plight and that he would meet the executive tomorrow.

The marchers charged that R5m which was allocated for farming in the province was being incorrectly spent.

"This massive sum was budgeted to develop agriculture in the province, but is being used by Neil as drought relief for big commercial farmers in the province," charged forum chairman Roy Nkosi.

"This is not developing anything, instead farmers are being encouraged to continue farming crops unsuited to our climate. Neil is continuing the policies of the past."

Nkosi believed the money should rather be used for agricultural job creation and skills training, with an emphasis on sustainable farming.

The department of agriculture released a statement questioning the forum's motive for marching after pointing out a meeting between forum members and Phosa had been scheduled for tomorrow.

"We have repeatedly stated the department has to act within treasury guidelines, legal procedures and criteria which are being developed in co-operation with the central agriculture department and organised agriculture regarding drought and other financial assistance measures," the statement said. — African Eye News.

11. **Mpumalanga is new name
for the Eastern Transvaal**

(2666) ARG 26/8/95

EASTERN Transvaal will be known as Mpumalanga, which means "place where the sun rises"

The new name has been adopted in the Eastern Transvaal legislature and has been used since yesterday

Four possible names were put forward after three months of debate and consultation.

Mpumalanga received the overwhelming support of members from across the political spectrum.

Nyati hits out at R2-m fee report

ET 4/8/95 (266B)

STAFF REPORTER

MPUMALANGA Economic Development Corporation chairman Mr Eugene Nyati hit out yesterday at a report saying he will collect R2 million as a consultant for a two-month rationalising programme of three government development corporations

He labelled the report in the Sunday Times as "absolute rubbish"

Mr Nyati acted as a consultant for rationalising three former homeland government corporations, namely the kaNgwane Economic Development Corporation, kwaNdebele Development Corporation and Agriwane, as well as six subsidiaries.

Although he could not immediately provide exact figures, he said he would do so in 10 days, but his personal fee would amount to about R150 000

7395

R300m boosts budget to tackle water problem

Sello Motlhabakwe

NELSPRUIT — Mpumalanga province has received R300m from the Water Affairs department, boosting its R16m budget to tackle the water scarcity problem in that region.

Public works, roads and transport MEC Laxon Mathebula said the allocation was part of his department's public works programme.

The funds would be deployed to improve the capacity of the Driekoppies Dam along the SA-Swaziland border

The dam, and efforts to improve road, rail and air links with Mozambique, tied in with recent Southern African Development Community (SADC) agreements for improved regional co-operation. Mathebula is in the Mpumalanga-SA delegation which held further talks on Friday with a Mozambican government group on the

upgrading of the Maputo corridor, a road through Mpumalanga to Maputo. The project, it is estimated, will cost R150m.

The talks would focus also on plans to dredge Maputo's harbour and proposed improvements to the railway link.

Mathebula unveiled about R30m in pilot public works projects last week. About 60 community representatives, who would control the projects, had been put on a capacity building course — partly because of irregularities uncovered in the feeding scheme.

Mathebula said discussions on a regional airport were progressing well. Six companies representing themselves and acting on behalf of town councils would make representations to a Cabinet committee tomorrow, he said.

Three towns are vying for the airport — Hazyview, Nelspruit and White River.

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7395

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TUESDAY
SEPTEMBER 5, 1995 ★

DEVELOPMENT CORPORATIONS CLOSED

Phosa orders probe of over-payment claim

CT5/9/95 (266B)

JOHANNESBURG: A commission has been appointed to investigate claims that officials employed to investigate the misuse of funds in Mpumalanga were paid R15 000 a day.

MPUMALANGA Premier Mr Matthews Phosa yesterday closed down the province's development corporations for a week to allow claims of extravagant payments made to officials to be investigated.

This follows claims that officials employed to investigate misuse of funds by development corporations inherited from former kwaNdebele and kaNgwane were paid R15 000 a day.

Weekend reports claimed that Mr Eugene Nyati, who was employed to head a commission to oversee the transformation of the development corporations, was paid R1 million and ran up an

account for R96 153 in air fares.

Mr Nyati has dismissed the allegations as "absolute rubbish".

He said the bulk of his commission's budget, estimated at R1,5 million, would be paid to subcontractors.

Mr Phosa has appointed his special adviser, Mr Brian Shrobbree, as a one-man commission to investigate the allegations of over-payment. He has also ordered the members of the development corporation not to make statements to the press.

"Shrobbree must investigate payments allegedly made previously to Nyati, M E Mohapi and Joy's Kitchen as well as travel com-

panies while an investigation was being conducted earlier this year into the transformation of existing structures into a new Conservation Corporation for Mpumalanga province," said a statement.

Available

Mr Nyati, Mr Mohapi, the chief executives of the kaNgwane Economic Development Corporation, kwaNdebele National Development Corporation, the Mpumalanga Conservation Corporation, Agriwane (the former agricultural development corporation in kaNgwane) and the general manager of support services of KEDC were instructed yesterday to make themselves available for consultation with Mr Shrobbree — Special Correspondent

Development corporations close for corruption probe

(2660)

STAN 5/9/95

■ BY JOVIAL RANTAO
POLITICAL REPORTER

Mpumalanga - Premier Matthews Phosa yesterday closed down the province's development corporations for investigations into claims that extravagant payments were made to officials from these corporations. Phosa's move followed claims 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 Eugene Nyati, who was employed to head a commission established to oversee the transformation of

the development corporations, was paid R1-million and ran up R96 153 in air fares.

Nyati has dismissed the allegations as "absolute rubbish". He said the bulk of his commission's budget, estimated at R15-million, would be paid to sub-contractors, including lawyers, advocates, auditors and accountants.

The premier has appointed his special adviser, Brian Shrosbree, to investigate the allegations of over-payment, according to a statement. He has also gagged the members of the development corporation from making statements to the press.

Shrosbree is due to present his findings to Phosa on Friday.

Probe into R15 000 a day claim

(2660) (288)

■ BY JOVIAL RANTAO

POLITICAL REPORTER

Star 6/9/95
Brian 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.

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Top civil servant cleared

Star 6/9/95 (2668)

■ BY JOVIAL RANTAO

A former top KwaNdebele civil servant who was suspended last year after allegations of fraud and mismanagement of government funds were made against him, was yesterday reinstated by the Mpumalanga provincial government.

Town planner T A P de Beer was suspended after allegations that he committed irregularities in the appointment of consultants while in the em-

ploy of the department of the chief minister in former KwaNdebele.

Phosa's office said the investigation has revealed that De Beer followed all the administrative steps in appointing the consultants.

Another allegation involving De Beer's involvement in irregular use of land in KwaMhlanga, the former capital of KwaNdebele, was also thrown out.

The investigation was done by reputed auditing firm Ernst & Young.

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SEBE'S 'MONEY'

Ciskei People's Development Bank used to crush businesses - Official

(2630)

CP 10/9/95

WAR

A Ciskei People's Development Bank official told the Grahamstown Supreme Court this week the late Ciskei president Lennox Sebe had ordered him to try to close down a township business empire owned by Ben and Caroline Nomoyi.

The Nomoyi's are suing Sebe's estate for more than R1,5 million for damage to their business and for the torture and detention of Mrs Nomoyi in 1987.

Nzimela Melville Tabo (45), a former management official at the bank, told Judge André Erasmus he had managed substantial loans to the Nomoyis.

He said he and the bank's managing director, Cecil Vanda, were summoned by Sebe and told to bring the Nomoyi's files. Sebe had told them Nomoyi

was using the bank's money to fund "bandits and rebels like Chief Lent Magoma" - Mrs Nomoyi's uncle - and others in the Transkei, said Tabo.

He said Sebe had instructed them to "strangle" Nomoyi's businesses by first withdrawing the bank's advisory support services and then foreclosing.

He said he could not see the point of it all, but it was difficult to say no to Sebe. He had informed the Nomoyis that Sebe had told him to call in the bank's loans. In reply to a question by the

judge, Tabo said the People's Development Bank of Ciskei was "indirectly" funded by the Ciskei government in the form of grants.

Under cross-examination by advocate Izak Smuts he admitted he had known the Nomoyis were in arrears with the bank. He also conceded that the Nomoyis' two drycleaning outlets, supermarket, butchery and house had been built entirely on loan money from the bank.

Mrs Nomoyi testified that Sebe had threatened she would be detained for a second time if she visited her husband who was hid-

ing in Transkei.

Last week she told the court she had been beaten and burnt across her breasts and thighs so badly by an elite Ciskei police unit that it took four months for her wounds to heal.

Under cross-examination by Smuts she admitted that prior to the trouble, she and her sister Lindelwa had served in an elite Ciskei police unit.

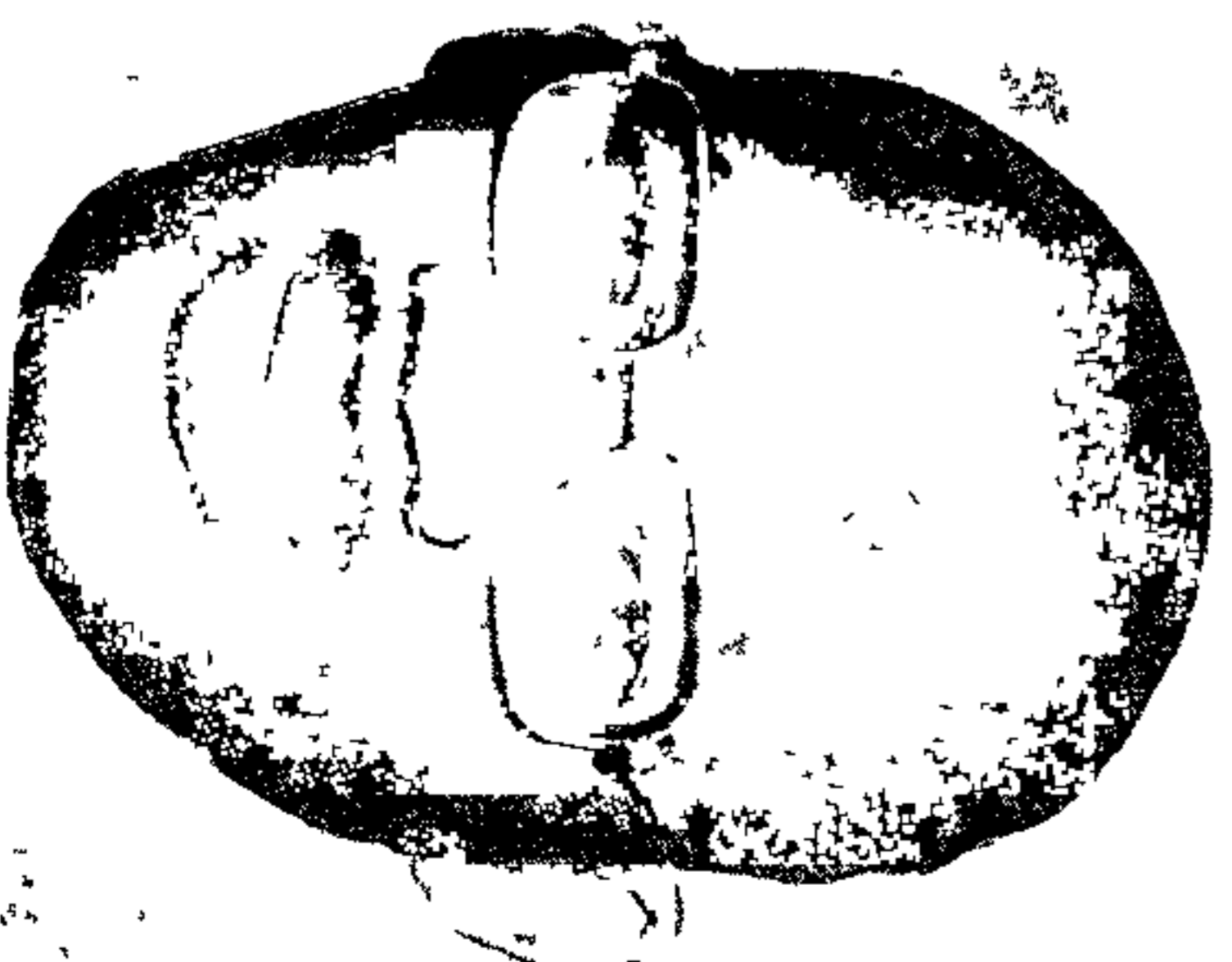
She said she had been brought before the president by Brigadier Fikile Zibi, who was in charge of

her detention.

She said Sebe had angrily accused her husband of siding with "terrorists" out to topple his government and had said that if she continued to support him, she would be detained again.

In reply to a question from the judge, she said she had felt threatened by Sebe saying he would "re-order" her detention.

Asked by the judge if she was sure Sebe had used the word "re-order", she said she could not remember, but he had definitely said he was going to redetain her - Eena



LENNOX SEBE

Fiddling while the Transkei flounders

(263B) CP 10/9/95
CENTRAL government must take over governance in Transkei before the area's mounting chaos dragged the rest of the provincial administration down with it, Eastern Cape Democratic Party MP Eddie Trent said this week

Trent said in a strongly worded statement that it was clear that the Eastern Cape government did not have "the capability or capacity" to cope with Transkei and govern the rest of the region.

Trent said he believed the provincial government had finally admitted that it was unable to handle Transkei and was "close to throwing in the towel". He said: "It is ridiculous to expect the Eastern Cape premier to take sole responsibility for sorting out the mess of the past independent homeland policy.

"The only way we will force the central government to focus their attention on the miserable existence being endured by the people of the Transkei is to force them (central government) to assume responsibility for that territory for a limited period until the situation has been brought under control.

"Unless this is done, our entire province will be dragged down the drain." - Ecna

Gqozo is next in the firing line

CP 10/9/95

By DAN DHLAMINI

(263B)

WHEN the Skweyiya Commission was set up by the North West provincial government to probe allegations of corruption in the province, former Bophuthatswana president Lucas Mangope cried, "why me



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 Soni, 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 govern-



BANTU HOLOMISA

ment Heath said the commission started in June this year and is expected to complete its investigations into 250 cases, which date back to 1976, in two years time.

Mpumalanga Premier Matthew Phosa said commissions of inquiry into corruption should not be restricted to the former TBVC states, but should also include FW de Klerk's former National Party government

Phosa, whose government is currently in the spotlight following allegations that it paid political expert Eugene Nyathi R15 000 a day, said corruption was corruption irrespective of who committed it

Phosa said the National Party members were currently receiving two salaries and were the ones on the gravy train, rather than their ANC counterparts

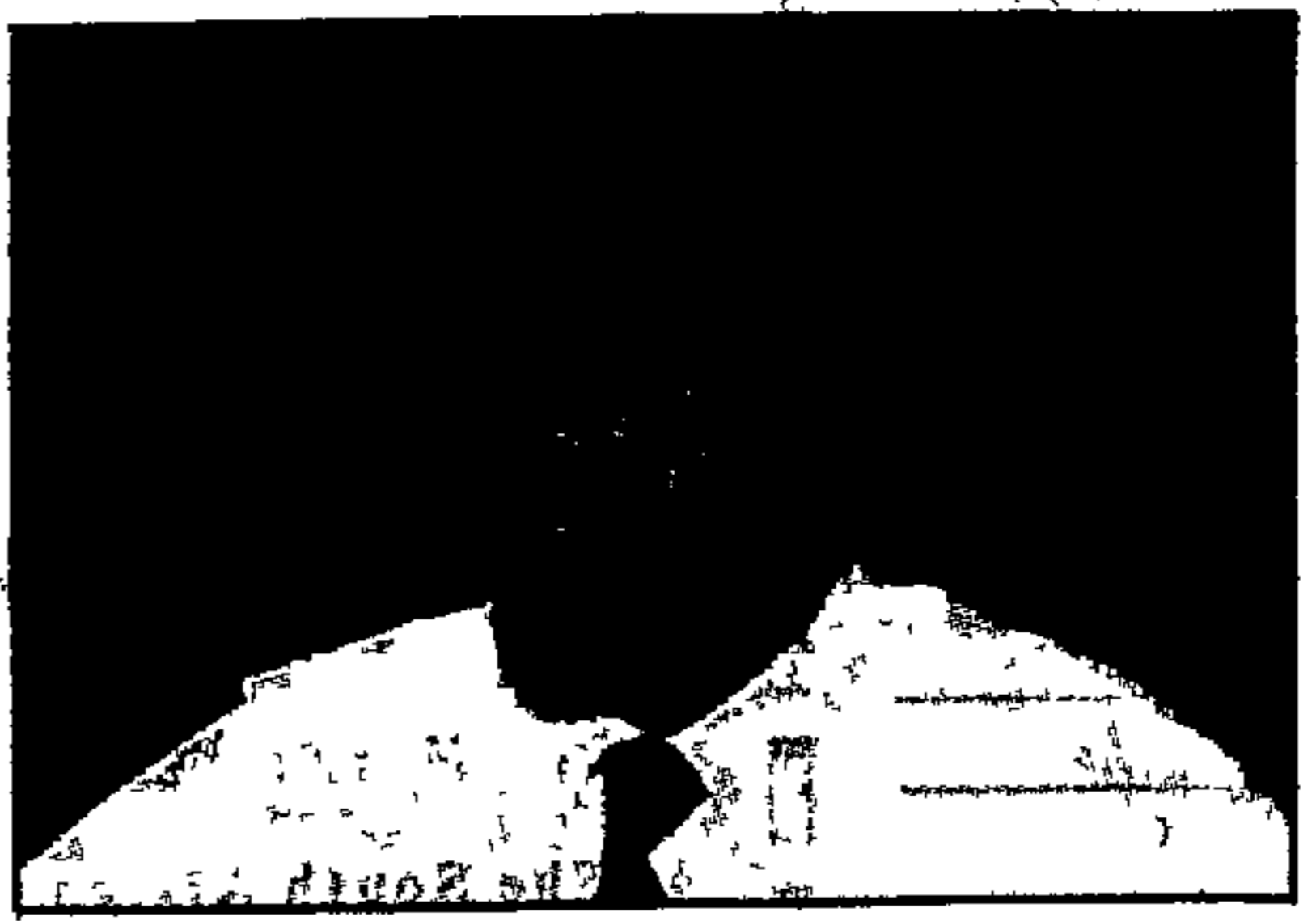
He also said that apart from the commission headed by Advocate Brian Shrosbee, which is investigating the Nyathi issue, and the Browdy Commission which is investigating the TBVC states, there was no other structure investigating corruption in his province.

A spokesman for the Northern Province, Saad Cachalia, said besides the Browdy Commission, the provincial government had set up the Assets Audit Committee (AAC) led by Brigadier J van Wyk to investigate corruption and misuse of state assets.

The spokesman for the Office for Serious Economic Offences (OSEO) Advocate Chris van Vuuren told City Press this week that the National Tourism Forum (NTF) which was headed by ANC MP Peter Mokoba was still under investigation.

Van Vuuren said the ESEO was not investigating Mokoba per se, but the NTF, which was disbanded in January

He said as soon as they were through with their



OUPA GQOZO

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 organisation's coffers

Meanwhile Norman Escoffery, an alien of Afro-Jamaican origin, who allegedly obtained a loan of more than R14 million from North West's Agribank, has been charged with fraud, corruption and theft

Pretoria Regional Court Prosecutor A Crauwkamp said Escoffery, 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 subjudice.

Attorney's report clears Nyati
Star 12/9/95 (266B) (257)

R140 000 a month fee 'justified'

■ BY JOVIAL RANTAO
POLITICAL REPORTER

Noted political and social analyst Eugene Nyati, who was hired by the Mpumalanga Province to help restructure its development corporations, was paid a total of R290 000 - R145 000 a month - for two months' work and is still owed R100 000, a commission has found.

The report also reveals that, according to the provincial Ministry of Environment, Nyati was paid another R147 780,50 for additional work.

However, attorney Brian Shroshree, who was appointed by Mpumalanga Premier Mathews Phosa to investigate allegations that Nyati had received in excess of R1-million, yesterday cleared him on charges of financial irregularities.

Ntsoaki Mohapi, who was chairman of the commission of inquiry to restructure the corporations, was paid R324 000, Shroshree said.

Both Nyati and Mohapi were paid an hourly fee of R540 and, according to The Star's calculations, must have worked an average of 12 hours a day. The calculations reveal that Nyati was able to complete 17 weeks' work in four weeks. According to the report, Nyati told Shroshree that he had worked a total of 715

hours until the end of August.

It was not clear yesterday how the rate, considered high by some consultants, was arrived at.

The report says that Nyati was paid a total of R1 736 065 by the KaNgwane Economic Development Corporation (KEDC). Of this, he paid R324 000 to Mohapi, R153 656 was used for travel (airfares, car hire and accommodation) and R40 409 for furniture and curtains.

Nyati also paid support services a total of R1 231 450. These included R39 435 to accountants Deloitte Touche, R34 279 to Coopers and Lybrand, and R79 467 to a third accounting firm, KPMG Aiken & Peat.

'Huge amounts'

Attorney Lucia Coter received R399 000, attorney Maurice Allis R200 000, the Centre for African Studies (Nyati's company) R286 000, and Edward Nathan & Friedland Attorneys R14 250.

Shroshree said that because of the huge amounts involved in payments to attorneys Lucia Coter and Maurice Allis, which made up 34,5% of Nyati's total cost - the lack of detail and "the premier's insistence on absolute transparency", the transactions needed further attention. "I recommend that a senior partner in Coopers & Lybrand be appointed to investigate," he said.

NYATI MITSU GIWA REKA

(266B) Kousu Jan 14/9/95

R860000000

By African Eye News and Bhekishe Matsobula

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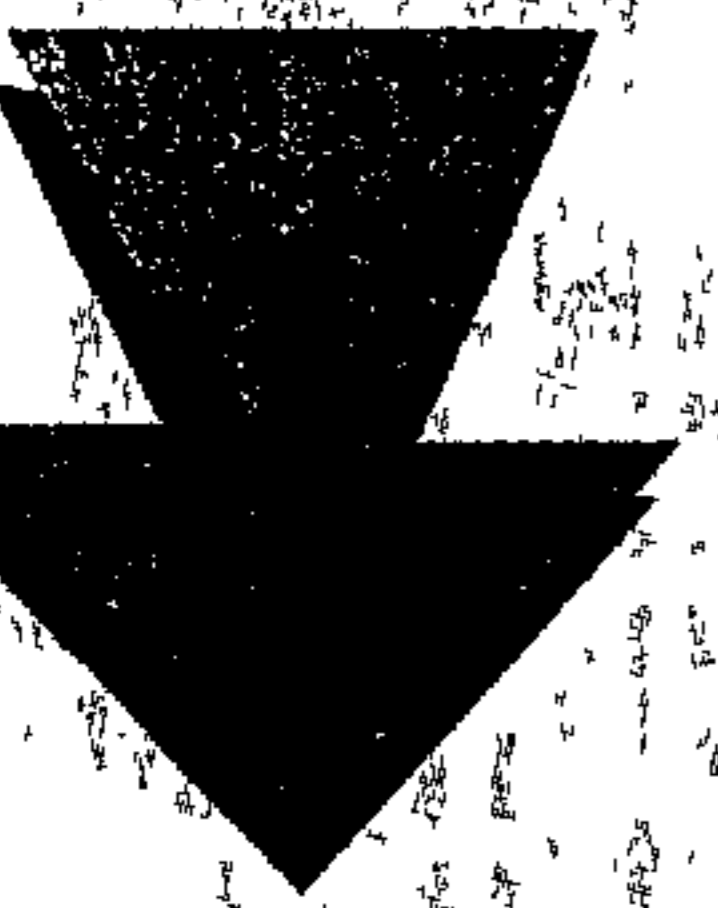
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Give Eugene, Silver!

Mr Eugene Nyati has been ordered to pay back R860 000 by Mpuu Janja premier Mr Mathwe Phosa



...and other scores of Mpuu Judge's office...

...and other scores of Mpuu Judge's office...

Repay funds, Nyati told

(266B) (266B) ARG 14/9/95

NELSPRUIT — Consultant Eugene Nyati, allegedly overpaid as chairman of a provincial board, has been told to repay R864 000 immediately to the government of Mpumalanga, the former Eastern Transvaal.

This was announced yesterday by Brian Shrosbree, chairman of the one-man commission which investigated allegations that Mr Nyati was overpaid for co-chairing the

Mpumalanga Development Corporation Board. Mr Nyati was charged with restructuring the board.

Mr Nyati's services to the Mpumalanga government would be terminated, Mr Shrosbree said, adding that this was in line with an earlier decision.

He said Mr Nyati was on his way to Nelspruit from Johannesburg yesterday to discuss the repayment issue — Sapa.

Nyati returns about R800 000

'Gravy train man' repays cash



Star 14/9/95

(2668)

■ LOWVELD BUREAU and SAPA

Nelspruit - Consultant Eugene Nyati yesterday paid up after Mpumalanga premier Mathews Phosa demanded he return R864 785 of the R1,38-million paid for about two months' work restructuring development corporations in the province.

Phosa's repayment demand flew in the face of an earlier exoneration of Nyati by the premier's special advisor, Brian Shrosbree, who had headed a five-day investigation into the pay charges after newspaper reports had dubbed Nyati a "gravy train millionaire" - charges he denied.

Phosa announced yesterday that further investigations had revealed apparent irregularities.

He said only one payment out of the R1 380 000 handed to Nyati had been made to several sub-contractors

He also said apparent irregularities had been discovered in payments totalling R750 000 which were made to lawyer Lucia Coter and "accountant" Maurice Allis

Coter had submitted an

PREMIER Phosa demanded that consultant paid up the entire sum yesterday

and the Society of Accountants would be advised of Allis' and Coter's alleged errors, he said.

The South African Board of Public Accountants and Auditors confirmed yesterday that the name Maurice Allis did not appear on its list.

No spend this money and to fully address the mandate given us by Cabinet and in the process save potential mismanagement and losses of hundreds of millions of rands is an admirable feat.
Eugene Nyati
(The Star September 3 1995)

Phosa had given Nyati until 11am yesterday to repay the money and Nyati

arrived a few hours later by aircraft. On arrival, he met Shrosbree and

paid him "money due" in the form of a cheque after they had reconciled their figures.

Nyati later said he had paid about R800 000, allowing him to close his books. All payments outstanding to consultants hired by him would be paid by the province.

Nyati had been appointed to merge two Mpumalanga development corporations and chaired the board of the Mpumalanga Development Corporation.

Phosa also announced that a new Development Board of Directors headed by Jabu Mabuza would take over the running of the corporations.

account totalling R399 000 but, when this was queried by auditors Coopers and Lybrand, she said an extra zero had been added erroneously and the total should have been R39 900.

Allis' R379 000 account did not have tax invoices or detailed bills, Shrosbree said.

Phosa said the matters would immediately be brought to the attention of the Auditor General and the Receiver of Revenue. The A Law Society

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Provincial govt threatens action to recover money paid to Nyati

NEI, SPRUIT — The Mpumalanga government has warned that it will be forced to take legal steps against political analyst and government consultant Eugene Nyati unless he returns more than R860 000 to it.

African Eye News reports the amount was a portion of more than R1,38m paid to Nyati from a government budget to lead a commission into the restructuring of the province's development corporations.

Premier Matthews Phosa said that despite claims to the contrary, it ap-

peared Nyati had still not paid any of the subcontractors listed by him as expenses during the probe into alleged mismanagement by the commission.

"The only amount that we can be sure he has paid is R134 000 to (commission chairman Ntsoaki) Mohapi. The rest of the money was earning interest in a bank account. We have therefore requested Nyati to repay our amount, plus R14 885,35 in interest."

Ingrid Salgado reports that Mohapi was employed as a sales trainee at the time of her appointment. She has

reportedly earned R324 000 in total for two months' work on the commission.

Nyati said yesterday he was going to make good on the outstanding payments. The repayment to government followed an agreement between himself and the Mpumalanga government.

Phosa denied this last night but said he believed Nyati had returned more than R600 000 by yesterday.

"I think we have set a precedent for national government on the need to act decisively on these matters," he said. Phosa also alleged that investigation

had disclosed that accounts totalling R778 000 could possibly be fraudulent.

The accounts, R399 000 of which was submitted by attorney Lucia Coter and R379 000 of which was submitted by chartered accountant Maurice Alhis, had been forwarded to the auditor-general and receiver of revenue for possible prosecution.

Coter's account was reduced to R39 000 following "an error" and Alhis's account was being investigated by auditors Coopers & Lybrand and the Law Society and the Society of

Nyati

~~(266B)~~ (266B)

Continued from Page 1

RD 14/9/95

Phosa denied that the measures indicated Nyati for mismanagement, insisting that although the allegations had contained substance, they had to be viewed in context.

However, as a result of the uncertainty surrounding Nyati's financial management of the commission into the restructuring of the corporations, his nomination as permanent chairman of the Mpumalanga Economic Development Corporation had been scrapped and Jabu Mabuza was ap-

pointed instead yesterday. Nyati would attend his final commission meeting next week.

Meanwhile, head of the investigation into Nyati's alleged mismanagement, Brian Shroobree, said yesterday he believed there was "nothing wrong" with the hourly rates of R540 paid to Nyati for his work on the commission. Normal rates stood at R600 and government rates were 10% lower than these. He had consulted widely on the matter, he said.

Phosa said he thought the rate seemed high and the matter would be investigated. The decision to employ Nyati and Mohapi as consultants was taken by the provincial cabinet. Both were nominated within this procedure.

Accountants had been informed of the possible infringements.

Phosa said that although government was not contesting Nyati or Mohapi's fees for services rendered, there was "a question about Nyati's disbursement of money."

"To be honest, we have asked him to stop paying accounts and to return all moneys due to us. The money returned to us will be used to settle any outstanding accounts, after the certifi-

Continued on Page 2

Payments a mistake, says govt

Ingrid Salgado

THE Mpumalanga 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 Shrobbree yesterday. They said that Nyati would remain the board's chairman until he handed over to a new board.

However, his stint as the Mpumalanga 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 Shrobbree as a result of the "misunderstanding". Shrobbree headed an investigation into allegations that Nyati had received excessive payments from government.

Phosa also rejected Nyati and Shrobbree's view that Shrobbree 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 Shrobbree'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 Ntsoaki Mohapi said yesterday she believed she had given her best as chairman of the restructuring commission.

Shrobbree's investigation revealed Mohapi had earned R324 000 for two months' work.

BD 15/9/95

Nyati: Officials gagged

(2668) 15/9/95
Sowetan Reporters

IN yet another dramatic about-turn, Mpumalanga premier Mathews Phosa has gagged his special investigator, Mr Brian Shrosbree, and any other government officials from commenting on the controversy surrounding Eugene Nyati.

The gagging follows a Press conference by Shrosbree and Mr Nyati in Nelspruit on Thursday morning. At the conference Shrosbree announced that after reconsidering all the information at its disposal, the government found that Nyati was innocent of any wrongdoing. This contradicted an earlier Press conference called by Phosa where he stated that due to an element of mistrust and possible "bad blood", he had decided to speed up the termination of Nyati's mandate as interim chairman.

In contrast, a statement issued by Shrosbree on Thursday morning stressed that "I am unable to find any wrongdoing on the part of anybody which was calculated to prejudice the province financially".

Nyati completed reconciling his accounts with the Government on Wednesday night after Phosa ordered that he return R860 000 or face legal action. Nyati was, however, only required to repay R613 200 after payments to subcontractors were deducted. "Mr Nyati now only owes us just over R11 000 but as we still have to pay him for services rendered during the month of September, the government will end up owing him money. This should not amount to more than R70 000," said Shrosbree.

A news flash released by Phosa after Shrosbree's comments stated that Nyati's post as interim executive chairman of the Mpumalanga Economic Development Corporation officially ended on Monday when a permanent board was appointed.

● Last night Phosa reiterated his statement that Nyati's services had been terminated from yesterday. "Today he will hand over the chairmanship to Mr Jabu Mabuza, the chairman of the board."

Gags put on Nyati probe

ET 15/9/95

NELSPRUIT: Mpumalanga Premier Mr Matthews Phosa yesterday gagged special investigator Mr Brian Shrosbree and any other government officials from commenting on a controversy surrounding consultant Mr Eugene Nyati

At a media briefing by Mr Shrosbree and Mr Nyati here yesterday, Mr Shrosbree 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 Shrosbree's comments stated: "No findings whatsoever has been made on any wrongdoing as far as this investigation was concerned

"The statement (yesterday) by Mr Shrosbree 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

No findings on wrong-doing'

Controversy over Nyati's fees not over

(266B) star 15/9/95

■ BY JOVIAL RANTAO
AND CLYDE JOHNSON

The Mpumalanga Province and consultant Eugene Nyati part ways today, but the controversy surrounding Nyati's deal to restructure the province's development corporations is not over.

Nyati was earlier this week cleared of wrongdoing by a one-man commission of inquiry but ordered to repay R613 200 in "mistaken" payments to him by the Mpumalanga government.

Mpumalanga Premier Mathews Phosa told The Star that Nyati, who yesterday concluded the activities of his commission, would today hand over the running of the Mpumalanga Development Corporation to the elected new chairman, Jabu Mabuza.

And to put an end to confusing statements about Nyati's position, Phosa yesterday barred anyone except himself and Mabuza from making statements about the affair to the media.

The confusion arose when Phosa's special adviser Brian Shrosbree, who headed a five-day investigation into the pay charges, held a press conference with Nyati yesterday. It was

announced that Nyati had been cleared of any wrong-doing and reinstated.

In a telephone interview with The Star, Phosa yesterday emphasised that no findings had been made on "any wrong-doing". The statement by Shrosbree and Nyati "does not reflect the view of Mpumalanga Province".

On Wednesday night Phosa had demanded that Nyati repay R864 785 of the R1,3-million he had received. It was later established that R613 200 was owed Phosa's demand flew in the face of Shrosbree's first exoneration of Nyati made at a press conference on Monday.

At the Shrosbree-Nyati press conference yesterday it was announced that a cheque for R613 200 had been deposited into a KaNgwane Economic Development Corporation account.

Accounting firm Coopers and Lybrand have completed their investigations into the R200 000 paid to the firm of attorney Maurice Allis, plus a further R179 000 being claimed.

Coopers and Lybrand found that the latter amounts were in respect of estimated projected costs.

A lawyer who had trouble with her nougnts

DEBIT NOTE NO: 0010

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VAT	49 000 00
TOTAL	399 000 00

DEBIT NOTE NO: 0011

R	350 000 00
VAT	49 000 00
TOTAL	399 000 00

POT THE DIFFERENCE . Lucia Cotter's accounts

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 Shroshree. First of all he produced an account on a letterhead for R200 000 and warned that he estimated a further R179 000 was needed to pay other consultants.

Mr Shroshree 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, audited and paid."

Mr Allis claimed R48 000 out of the R200 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.

By CHIARA CARTER
LUCIA COTTER, 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 breakdown.

According to the invoice, this included "attendances, consultations, advice given, perusing and considering voluminous documents, drafting and settling various contracts, further conferences and consultations, meeting with counsel, formal attendances, postage, petrols, 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 R35 000 and R4 900 VAT totalling R39 900.

She charged R10 000 for two trips to Nelspruit. This week Mrs Cotter, whose office is based in a luxury townhouse complex in Lornhill, 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 Cotter said she was Mr Nyati's attorney and Mr Nyati was also a personal friend.

Nyati Investigator Brian Shroshree 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.



SHUT OUT?... Mpumalanga Premier Matthews Phosa has severed ties with former employee Eugene Nyati

NTSOAKI MOHAPI / THE CHAIRMAN

Sunday Times Reporter
NTSOAKI MOHAPI may only be 25 years old, but she has earned herself R410 000 by sitting on two Mpumalanga commissions as part of Eugene Nyati's winning team.

First, she earned R26 000 as deputy chairman to Mr Nyati on a commission to investigate the Mpumalanga Parks Board.

Then, as chairman of a commission into restructuring development

corporations, she claimed R324 000 for 600 hours work. This was reduced to R108 000.

Miss Mohapi, who has a BA in political science from Emmanuel College in Boston, said she was paid what the job was worth.

Although she was chairman of the commission, the financial dealings were left to Mr Nyati.

A member of the commission she chaired said this week that while Miss Mohapi was a "very sweet

lady", she did not seem able to cope with the work.

After a stint with First National Bank after marriage, Miss Mohapi worked as a marketing consultant for Tandem SA, a computer company. In 1989 she went to the US where she obtained her degree.

After completing her studies, she worked as an administrative assistant in the ANC's Washington office before returning to South Africa in 1994.



Picture CHRIS COLLINGRIDGE

EUGENE NYATI THE CONSULTANT

By EDYTH BULBRING
EUGENE NYATI, the gum chewing, cellphone-hugging thirtysomething consultant, is an expert in living in the grey zone. He emerged in Johannesburg in 1988 as the director for the Centre for Policy Studies, an outfit often confused — to his advantage — with the former African Studies Institute at Wits University.

However, the professor, or doctor, as he is sometimes



Picture CHRIS COLLINGRIDGE

By CHIARA CARTER (266b) ST 19/19/95

... has severed ties with former employee Eugene Nyati

Picture: CHRIS COLLINGRIDGE

PI/THE CHAIRMAN

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thirtysomething consultant, is an expert in living in the
grey zone. He emerged in Johannesburg in 1988 as the di-
rector for the Centre for Policy Studies, an outfit often
confused — to his advantage — with the former African
Studies Institute at Wits University.

However, the professor, or doctor, as he is sometimes
referred to by confused clients, runs his "centre" from his
home and has no fixed office premises. His home tele-
phone number is unlisted.

His skumpy curriculum vitae, released by his agent,
Marie Grey, says he was born in a village near Newcastle,
lived in Zimbabwe and South Africa and studied at Unisa
and the University of Pittsburgh.

Ms Grey says he received a masters degree in
economics from the University of Pittsburgh although the
university says it has no record of Mr Nyati.

He has a reputation for being an independent critic of
the government, an economist and a political analyst.

He is often interviewed by newspapers and on
television and is in demand as a public speaker.

JOE MNTONGA THE PHARMACIST

By EDYTH BULBRING

WHEN it comes to moonlighting, Johannes Mntonga has
set a bench mark for those trying to hold down two jobs.

A pharmacist by profession, he holds down a full-time
job as sales director for Ella Cosmetics in Johannesburg.

But he was employed by chartered accountant Maurice
Allis as an investigator to "probe unrestrictedly" into
Mpumalanga's development corporations.

Mr Mntonga, who lives in Parkmore, Sandton, said he
did this job for Mr Allis in his spare time — "like at
weekends". He was paid R60 000 for the six weeks of work
and claimed another R61 000 in expenses.

He would spend his working time at Eugene Nyati's
office in Mpumalanga and after perusing documents
would go out and inspect the various corporation projects.

He says he was not paid a lump sum, but was paid out
small amounts when the need arose. He cannot remember
how he charged for his work.

He says he has known Mr Nyati for about 10 years,
when they were involved in another enterprise together.
He is also a long-time friend of Premier Mathews Phosa.
They were at high school together and Mr Phosa was later
his attorney.

On hearing this week that Mr Mntonga was sub-con-
tracted by Mr Allis to do investigative work, Mr Phosa
said "This is crazy, it doesn't make sense."



BIG LEAGUE ... Ntsoaki Mohapi believes she was
paid fairly for her work. Picture: JOE SEFALE

SHARON PILLAY THE CATERER

By JUSTIN ARENSTEIN

SHARON PILLAY, a secretary in the Mpumalanga envi-
ronmental minister's office, so impressed Eugene Nyati
while they both served on a previous commission to
restructure the Mpumalanga Parks Board, that Mr Nyati
asked that she be seconded to him as his assistant on the
second commission.

In her efforts to find a caterer who could deal with "all
the various dietary requirements such as halaal, kosher
and diabetes restrictions," Mrs Pillay turned to her moth-
er's company.

The family business, Joy's Kitchen, brought food from
60km away in Barberton to Nelspruit and was paid
R17 000. Joy's Kitchen was also used during the first
commission at a cost of R5 000. Tender procedures were
ignored in both cases.

Mrs Pillay says she chose the company because of its
accessibility and proximity. She says she was not aware
that it was her responsibility to inform her superiors of
her interest in the matter. She insists that as her minister
knew her mother was a caterer, there was no problem.

"Unfortunately she was sadly mistaken, but the worst
that we can say is that she was very foolish and we hope
she will not do it again," said Brian Shrosbree.

Premier Mathews Phosa has reported the matter to the
Public Service Commission.

Gravy high-flyer crashes to earth

ST 17/9/95

(266B)



JUST BETWEEN US . . . Eugene Nyati has a private word with Brian Shrosbree, who headed the payments investigation Picture: CHRIS COLLINGRIDGE

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 R600 000, he had another R117 000 cut from his fees on Thursday.

The probe into the high-flying 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 R269 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 R399 000 submitted by Mr Nyati's lawyer, Lucia Coter, was changed to R39 900 after Mrs Coter admitted "adding an extra nought by mistake". Mr Phosa has submitted Mrs Coter's account to the Law Society;

- A bill for R200 000 from Mr Nyati's accountant, Maurice Allis, was found to contain a R121 000 claim for "detective" work

The gravy train millionaire

WASTE PROBE MAN POCKETED R15 000 A DAY

FLASHBACK: Sunday Times headline on September 3

It transpired the work was done by a Sandton cosmetics sales executive, Johannes Mntonga. Mr Mntonga said he had done it in his spare time, "like on weekends".

Independent auditors Coopers and Lybrand have recommended the account be investigated further;

- An estimate of additional work from Mr Allis for R179 000 was dropped after further investigations by the auditing firm;

- Mr Nyati had allocated R286 000 to the Centre for African Studies. This is his own organisation, and

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 R860 000. He also announced that Jabu Mabuza 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, Ntsoaki Mohapi, and Mr Nyati.

Miss Mohapi 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 R540 an hour, has come down from R324 000 to R103 680.

Mr Nyati's claim for 715 hours worked was cut down to 410 hours.

● FULL STORY Pages 4 & 5

By PETER MALHERBE, EDYTH BULBRING and JUSTIN ARENSTEIN

WHEN Eugene Nyati arrived in Nelspruit towards the middle of the year, he took the tropical Lowveld town by storm

Here was a man who had gained a national reputation on television as a straight talker and economic whiz kid

His conservative economic philosophies made him the darling of the corporate world

Said Mpumalanga Premier Mathews Phosa this week "He came very highly recommended. We were all very impressed by him"

Mr Nyati, political and economic consultant, found himself in the best of both worlds

Ensnared in the luxury Pine Lake Sun with a hired Mercedes Benz at hand, he flitted between Nelspruit and Johannesburg by plane, running up a travel bill of almost R100 000 in two months

Back in Johannesburg he signed up to build a luxury home costing R720 000 in the exclusive northern suburbs Danferm development

DETECTIVE

In Nelspruit he set up an office in the Drum Rock Hotel - leased by the Mpumalanga government - and decked out his office with R40 000 worth of furniture

And when he needed assistance with his commission of inquiry - into the restructuring of three homeland corporations - it was to his friends in Johannesburg that he turned

His attorney, Lucia Cotter, and his accountant, Maurice Allis, both ended up working for the commission

Lake Mr Nyati, they were independent operators who worked from home

No one is quite sure what they did for Mr Nyati - another commission member insists that their work was never presented to the commission

But they were to be paid handsomely for their assistance

Mr Allis even hired consultants to help him with his task For detective work he took on the services of a Sandton pharmacist, Johannes Mntonga The sales director at a cosmetics house, Mr Mntonga managed to fit in his commission work after hours and at the weekends He would receive a R60 000 salary and R61 000 in costs over a six-week period

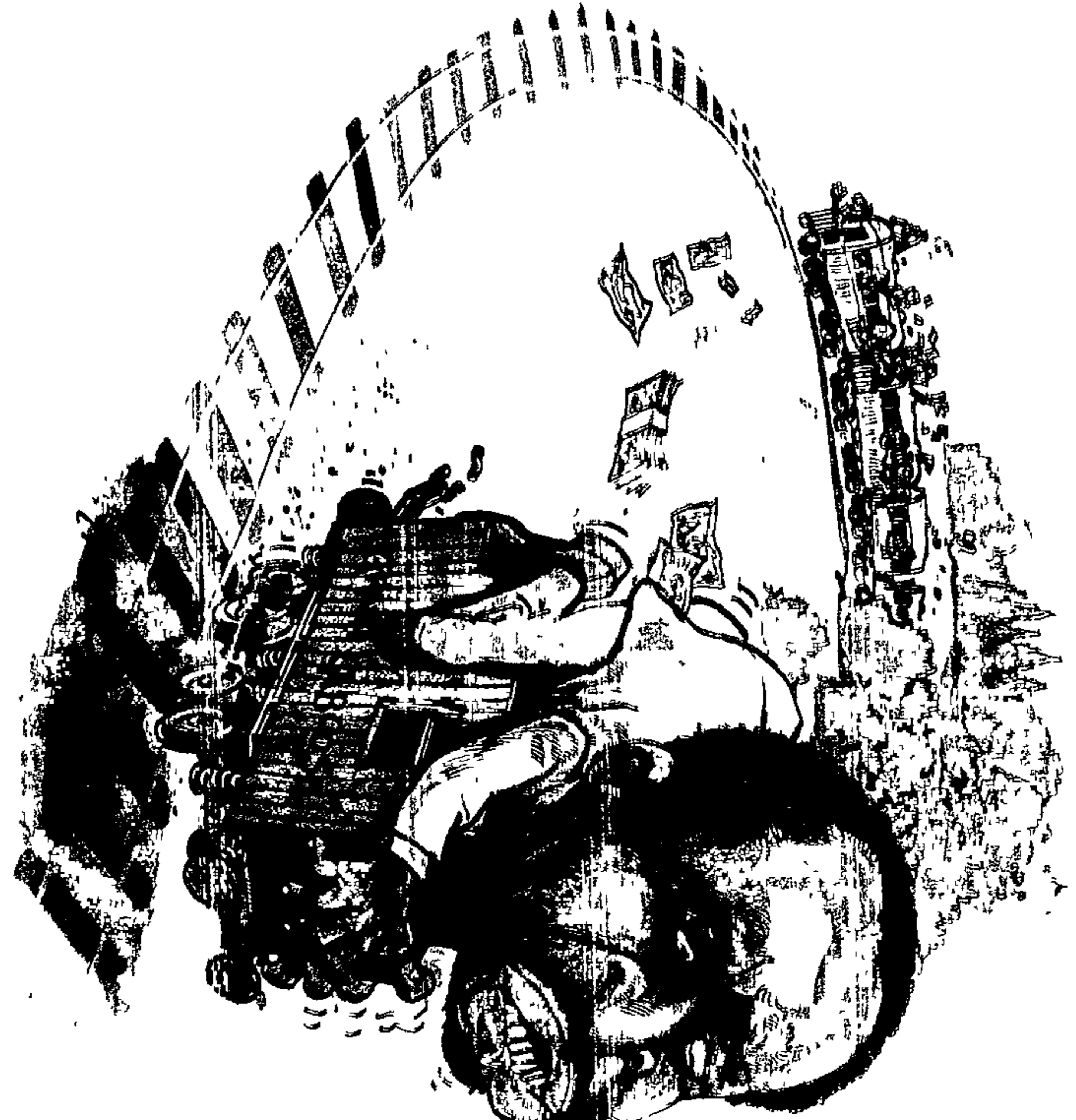
As Mr Nyati's work on the interim board was coming to an end, it seemed almost certain that he would be appointed as the chairman of the new Mpumalanga Economic Development Corporation

But then a sealed brown envelope was delivered anonymously to the Sunday Times office two weeks ago

Inside were documents that would unleash a government inquiry and cast a shadow over key figures in Mpumalanga, the old Eastern Transvaal

Memorandums, official statements and cheque requests indicated that the gravy train was steam-rolling through the province at high speed - with some questionable payments being made to Mr Nyati from state coffers

Oh, how the mighty are found to be



AND SO THE STORY GOES

SUNDAY SEPTEMBER 3

THE Sunday Times reports that Eugene Nyati paid himself R15 000 a day The headline is "Gravy Train Millionaire"

MONDAY SEPTEMBER 4

MPUMALANGA Premier Mathews Phosa appoints Brian Shroshree to investigate the payments and shuts down the development corporations Mr Nyati says "I will do anything to defend my honour"

MONDAY SEPTEMBER 11

MR PHOSA addresses a press conference to announce the commission's preliminary findings

TUESDAY SEPTEMBER 12

MR SHROSBREE tells the Sunday Times "This morning I said to Mr Nyati that I would be speaking to the premier and I expected that the R390 000 overpayment would be paid back to us today and that the other amounts he has to pay would be paid today or the money paid back to us"

WEDNESDAY SEPTEMBER 13

MR PHOSA tells a press conference that Mr Nyati's employment with the Mpumalanga government has been "terminated" and demands R864 000 back from Mr Nyati "The only amount that we can be sure he has paid is R144 000 (commission chairman Nisoeki) Mo-a-pl The rest of the money was earning interest in a bank account We have therefore requested Nyati to repay our amount, plus R14 856.35 in interest"

THURSDAY SEPTEMBER 14

MR SHROSBREE tells a morning press conference "Mr Nyati is chairman of the interim board until he has handed over to the new board I am unable to find any wrongdoing on the part of anybody calculated to prejudice (the) province financially"

FRIDAY SEPTEMBER 15

MR PHOSA asks the MEC for Finance, Jacques Modjane, to investigate procedures relating to the appointment of consultants and commissions He tells the Sunday Times "I'm unsure to say that any account is unquestionable"

YOUR SMOKE CAN HARM THOSE AROUND YOU

15 mg tar 1.4 mg nicotine As per Government agreed method



being made to Mr Nyati from state coffers.

By Sunday, September 3, reporters had pieced together the story. Mr Nyati had paid himself a staggering R1,23-million for two months' work on the commission, ironically set up to investigate waste and inefficiency in three former homeland corporations.

Under the headline "Gravy Train Millionaire", the report said that Mr Nyati, the deputy chairman, and Ntsoaki Mohapi, the commission chairman, had paid themselves R15 000 a day.

An angry Mr Nyati denied that the money was for his own pocket. He said he had to pay out his sub-contractors for work done on the commission.

He called the article racist and threatened to sue the Sunday Times. "I have a responsibility to perform and no one will be allowed to sabotage it, not even press leaks," he said.

On Monday, September 4, Mr Phosa's special adviser, Brian Shrobbree, began investigations into the payments.

ALARM BELLS

The three former homeland departments — and the Mpumalanga Parks Board, subject of an earlier Nyati investigation — were closed down to prevent documents being removed.

A week later Mr Shrobbree delivered an interim report which appeared to clear Mr Nyati of wrongdoing as he had submitted justification for the R1,23-million payment.

But the picture would change drastically.

By Wednesday Mr Nyati would be reeling under fresh disclosures and be facing demands from Mr Phosa that he repay the bulk of the money.

Perhaps the most damaging to his pristine image was the claim that he had prevented discussion of his payments at a meeting of the interim board of the restructured Mpumalanga Economic Development Corporation, which he headed.

In a bid to justify where the R1,23-million had gone, this week Mr Nyati submitted to Mr Shrobbree a list of bills from "consultants".

However, alarm bells began ringing within the provincial government when the bill for work done by relatively unknown consultants ran into hundreds of thousands — compared to the modest R14 250 account from tax expert Michael Katz.

Three bills demanded particularly close scrutiny. They amounted to R885 000, the bulk of the R1,23-million paid to Mr Nyati.

The first was for R286 000 — in favour of the Centre for African Studies. This is the name of Mr Nyati's own business which he operates from his home in Johannesburg.

Confronted by Mr Shrobbree, Mr Nyati said he would personally get only R200 000 of the billed amount.

But Mr Shrobbree insisted that as it was Mr Nyati's company, the con-

found to be splattered with gravy

sultant would be benefiting from the full amount and it should form part of his service fee.

Then there was an account from Mrs Coter, the attorney who operates from her home in Lonehill, Sandton. The one-page bill listed a charge for R399 000.

Mrs Coter was known to the Sunday Times as Mr Nyati's lawyer, as she had tried to intervene on his behalf before the publication of the "Gravy Train Millionaire" report.

Mr Shrobbree referred the bill to Coopers and Lybrand in Pretoria for investigation.

Mrs Coter told the auditors that she made an error and "added an extra nought". The correct amount was R39 900 — a discrepancy of nearly R360 000.

The new bill included a R10 000 charge for two motor-car trips to Nelspruit — 10 hours at R500 an hour. A return air flight from Johannesburg to Nelspruit costs R701.

The third bill, for R200 000, was in the name of accountant Mr Allis, who operates from a flat in Killarney, Johannesburg.

He stated further that there would be additional costs of R179 000. This was also referred to the Pretoria auditors.

APPOINTMENT

When the auditors finally received a more detailed bill from Mr Allis, it emerged that he was personally owed only R48 000. He said he had also hired consultants whom he had to pay, including pharmacist Mr Mntonga who received R121 000 in his capacity as a detective.

Mr Mntonga was to be paid for conducting research and meeting the people of Mpumalanga before reporting back to Mr Nyati.

However, Mr Mntonga is a full-time sales director for a cosmetics firm and lives in Sandton. He said he did the work part-time over six weeks. The auditors have recommended further investigation.

Mr Shrobbree said this week that the commission members had been unaware that Mr Nyati had employed Mr Allis and Mrs Coter as consultants and their work had never been presented to the commission.

On Tuesday Mr Shrobbree discovered that Mr Nyati, who received the R1,23-million in July had, however, not paid any of his consultants.

Mr Shrobbree asked him to repay the R360 000 discrepancy on the

Coter bill by the end of the day, but he failed to do so.

On Wednesday Mr Phosa ordered Mr Nyati to pay back R864 000 by 11am. Later that day Mr Nyati gave the government a cheque for R613 000, saying that he had already paid out R240 000 to consultants he had hired.

By the end of the week, it was clear that Mr Nyati's service with the Mpumalanga government was over.

Insiders suggest he was to have been the chairman of the new Mpumalanga Development Corporation, but as the controversy escalated the provincial cabinet decided against his appointment.

OUTBURST

The unanswered question remaining is how much Mr Nyati will finally make from his stunt with the Mpumalanga government.

There is no doubt that R15 000 a day was allocated to Mr Nyati while the commission of inquiry into the homeland corporations sat from mid-June to mid-July.

A signed memorandum dated July 3 1995, from Gravett Herbst, the chief executive of the Kangwane Economic Development Corporation, to Mr J P W Otto, the general manager: support services, notes: "I hereby confirm that two cheques in an amount of R15 000 X 7 days, i.e. R105 000 each, be paid over to Miss T Mohape and Mr E Nyati."

Mr Phosa told a press conference that had the Sunday Times not exposed the payments to Mr Nyati, the Mpumalanga government could have incurred grave damages.

Mr Shrobbree acknowledged this week that no fee had been agreed when the commission was appointed. Mr Shrobbree calculated that Mr Nyati should be paid R540 an hour for the 715 hours work he had claimed until the end of August — which works out to R386 000.

He is still due to be paid for time worked in September.

Interviewed this week by the Sunday Times in Mpumalanga, Mr Nyati refused to discuss the accounts submitted on behalf of his consultants.

"Why do we have to be accountable to the Sunday Times?" he asked.

After an angry outburst he invited Sunday Times reporters to "piss off".

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I'm innocent, says attorney

Ingrid Salgado

THE attorney who submitted an erroneous account to Mpumalanga consultant Eugene Nyati said yesterday she had been innocently dragged into the controversy surrounding him

Lucia Coter, who submitted an account of R399 000 for services rendered on behalf of Nyati, said she realised she had made an error when she was approached by auditors who were acting on behalf of the Mpumalanga government. The actual account should have been R39 000.

Coter said nobody had been prejudiced by the error, and the auditors and Mpumalanga premier Mathews Phosa's special adviser, Brian Shrosbree, had cleared her.

"I have been innocently sucked into this saga which is affecting my practice," she said.

(2666) BD19/9/95

Nyati man to pay up

(266B) Sawejan
20/9/95

MATHEWS PHOSA'S MPUMALAN-
GA government is set to
recover more money from
controversial consultant
Eugene Nyati

Phosa's special investigator, Mr Brian Shrosbree, yesterday disclosed that Mr Maurice Allis, Nyati's private accountant, had promised to "substantially reduce" the R121 000 fee he had claimed for private investigations.

Shrosbree said Allis had promised to repay the money after they challenged the huge fee this week

Allis had claimed he had spent the money on his private investigator, Mr Johannes Mntonga, a pharmacist employed as sales director by Ella Cosmetics in Johannesburg.

Mntonga was reportedly instructed to try to uncover irregularities within the three development corporations in Mpumalanga.

The pharmacist told government investigators this week that he only did the detective work during his spare time and on six weekends.

For this, he charged R60 000 as well as an additional R61 000.

Shrosbree said: "We spoke to Maurice Allis, who hired Mntonga, and told him that this just wasn't going to wash.

"After explaining that we couldn't

accept the account, we told him to go away and renegotiate the costs because they were completely unacceptable. I received a telephonic undertaking on Tuesday that a substantial reduction would be forthcoming," he said.

Of the R1,23 million paid to Nyati to conduct the restructuring of the corporations, he has been forced to repay almost R1 million to the government.

In addition, Nyati agreed late last week to cut his own fee by R117 000, while commission chairman Ntsoaki Mohapi also agreed to cut her fee by R220 000.

Another account that has since been reduced from R399 900 to R39 900 is that of Nyati's lawyer, Lucia Cotter, who claimed to have "mistakenly" added an extra zero.

The cuts follow a commission meeting during which both Nyati and Mohapi agreed that the number of hours they worked may not have been as high as the amount they claimed for.

Government spokesmen yesterday refused to speculate on whether this admission amounted to fraud.

Special investigator Brian Shrosbree will be submitting a comprehensive report to provincial finance MEC Mr Jacques Modipane today for discussion by the provincial cabinet. - *African Eye News*.

Nyati must cough up more cash

(2668)

The Mpumalanga government is set to recover more money from controversial consultant Eugene Nyati.

Premier Mathews Phosa's special investigator, Brian Shrosbee, yesterday said Maurice Allis, Nyati's private accountant, had promised to "substantially reduce" the R121 000 he had claimed for private investigations. Allis had claimed he had spent the money to pay his private investigator, Johannes Mntonga, a pharmacist employed as a sales director by a Johannesburg cosmetics firm. Mntonga was reportedly told to uncover irregularities in the three development corporations operating in Mpumalanga.

But Mntonga told government investigators he had only worked on the investigation in his spare time and during six weekends. For this, he charged R60 000 and an additional R61 000.

Shrosbee said Allis had been told Mntonga's fee "won't wash" and the account would not be accepted. Allis gave him an undertaking that a reduced account would be submitted, he said. — Own Correspondent

Star 20/9/95

Phosa calls for procedural investigations

(266b)
Star 20/9/95

■ BY CLYDE JOHNSON
LOWVELD BUREAU

Nelspruit — Mpumalanga premier Mathews Phosa has called for an investigation into procedures relating to the appointment of commissions of inquiry and their consultants.

Making the announcement at the weekend, Phosa said he had requested his Finance MEC, Jacques Modipane, to investigate all procedures to be followed in the appointment of commissions of inquiry.

His announcement follows the yoyo debacle surrounding the payment of consultant Eugene Nyati over the past fortnight.

Nyati had to repay money to the province after newspaper articles revealed apparent irregularities in funding for his commission which was held to rationalise the region's development agencies.

Phosa also called for an investigation into the appointment of consultants, the authorisation processes of commissions of inquiry and consultants and payment procedures.

He requested Modipane to consult closely with members of the Mpumalanga tender board, the legislative finance business standing committee and the consultative business forum of the province.

"I want to ensure that we put into place a streamlined transparent process and systems to enable us to account to



Mathews Phosa ...
"All our decisions need to be based on clearly defined policy decisions in the future."

our electorate, the public and all interest groups," he said.

"All our decisions need to be based on clearly defined policy guidelines to be used as a basis for our future actions."

Phosa said he hoped all government structures, whether at central, provincial or local level, would follow suit in conducting open and transparent investigations into the spending of public funds.

This was particularly so when outside agencies were recruited by the government.

EASTERN TRANSVAAL 'STOLE OUR NAME'

Anger in Mpumalanga

ET 21/9/95 (66B)

JOHANNESBURG: Residents of the kwaZulu/Natal township of Mpumalanga resent Eastern Transvaal taking the name for their province.

THE creation of a second Mpumalanga in South Africa has angered residents of the first, who say their town's name was stolen and have laid a complaint of theft.

Residents of Mpumalanga township in kwaZulu/Natal yesterday accused Mpumalanga province, formerly Eastern Transvaal, of stealing its name.

Mpumalanga township community leaders have laid a complaint of theft, and claim the

Eugene Nyati "scandal" has damaged their township's good name.

Mpumalanga, meaning "where the sun rises", was the name chosen by Eastern Transvaal residents as the new name for their province. The name was accepted by the provincial government on August 24.

Inkatha Freedom Party spokesman Mr Siphso Mlaba said Mpumalanga, kwaZulu/Natal, residents were "absolutely

unhappy about what (Mpumalanga Premier Mr Mathews) Phosa has done about our name because now people will not know which is the original one"

The ANC in the township shares the IFP's unhappiness. ANC spokesman Mr Meshack Hadebe said the situation was "disturbing and out of control".

He said residents could not approach Mr Phosa, but hoped kwaZulu/Natal Premier Dr Frank Mdlalose would take up the matter with Mr Phosa and possibly find a solution.

Dr Mdlalose was asked for comment and promised to take

the residents' complaint further.

The chairman of Mpumalanga province's name-changing committee, Mr Joseph Mbazima, said they had received no official complaint.

He said the province had become aware of the township residents' dissatisfaction this week. If an official complaint were lodged, the provincial government would sit down with township residents to resolve the matter.

He described the situation as unfortunate, but said the difference was that "one is a province and the other a township" — Sapa

MPUMALANGA SCANDAL

Government must share the blame

F.M. 22/9/95 (266B)

Most disturbing about the Mpumalanga "gray train commission" scandal is the provincial government's utter neglect to adequately control the appointment, payment and *modus operandi* of the "consultants" it hired to preside over the restructuring and consolidation of the former KaNgwane and KwaNdebele development corporations.

Provincial premier Matthews Phosa may have the most to answer for on government's side — though there is no suggestion of impropriety on his part. Apparently he used his influence to ensure the appointment of consultant Eugene Nyati — chief pork-barreller in the debacle — to head the interim board overseeing the two development corporations with combined assets of about R180m.

It was through his position at the helm of the corporations' board that Nyati was able to transfer R1,3m of corporation (government) money into his own bank account — to cover expenses and subcontracts for the commission, says Mpumalanga Finance MEC Jacques Modipane.

Luckily, this did not last more than two or three weeks. Modipane says all of the money, plus about R15 000 in interest (though minus Nyati's R269 000 and co-commissioner Ntsoaki Mohapi's R144 000 for the two months work) has been returned to the development corporation.

Modipane baulks at a suggestion that political leaders should be held responsible, and will not speculate on whether Nyati or members and subcontractors of the commission will be prosecuted.

"We have learnt a lesson," he says, "Somehow or other — through lack of knowledge, insight and experience — we as politicians were not aware of what we were doing."

Perhaps it was eagerness to cut bureaucratic corners that prompted Phosa to brush aside basic caution. It is to his credit that, after learning of the commissioner's extravagance from a *Sunday Times* report, he acted swiftly and openly to investigate and curtail his activities.

One of the most damning observations of

government's negligence comes from the premier's special adviser Brian Shrobbree who, after investigating the commission's activities, reported last week.

"The only appointment authority I am able to trace is the letter addressed by the premier on May 23 after his announcement in parliament. 'Nowhere, however, are terms and conditions of employment, fees, allowances or any financial arrangement set down in writing. No verbal discussions took place in this regard'."

Modipane says the provincial executive committee decided enthusiastically to appoint Nyati and Mohapi to head the commission after Nyati was recommended by a member of the KaNgwane development corporation.

"His was a nationally-recognisable name, and we didn't see anything wrong with appointing him," says Modipane. When asked why the youthful and relatively inexperienced Mohapi (25) was brought in to head the commission with Nyati as her deputy, Modipane says "We were made to understand that they worked as a team."

Another point of contention is Nyati's fee of R540 an hour — which he has defended as ac-

ceptable and fully market-related.

The Department of Transport has 68 consultants, most of whom are paid less than R150 an hour, though a few receive an hourly rate of up to R250. In addition there are consultants who work on specific projects. The highest paid of these is "Stuart Scott" — it is unclear whether Scott is a person or a company — whose annual payment for four unspecified projects is just under R1,6m.

Mark Swilling, director of Wits University's Graduate School of Public Development and Management believes consultants play a generally positive role, provided that they play a limited role. He insists that their role should be limited to that of providing "strategic advice" on policy and that they should not become involved in the implementation of policy.

"That's when things go wrong," he says.



Phosa should have acted with greater caution

"That's maybe where Nyati went wrong"

Consultants should be asked to recommend a strategic plan, not to implement it.

Safeguards already exist: tender boards have to approve consultants before they can be paid. "Politicians should be circumspect. They should not try to override tender boards by putting political pressure on their chairmen."

Swilling thinks R500 an hour is not excessive for a good consultant. Lawyers and accountants earn that much and more. He quotes the case of the American consultant who was paid US\$1 000 an hour in SA.

A Development Bank official, who declined to be identified, says top consultants do not charge more than R250 an hour. If they get that, they "think they are on a bloody good deal." He thinks Nyati's fee is excessive.

There would be no question at the bank of a consultant being able to subcontract work out and to pay them. If the consultant needed outside help, he would have to submit a list of proposed companies or persons and the bank would choose which ones it considered best, retain control over them and pay them itself.

The question is whether Nyati's actions amount to a breach of law, and what actions may follow the questionable accounts submitted by subcontracted lawyer Lucia Coter and chartered accountant Maurice Allis. The full details of the commission's financial dealings have yet to be released, but if some of the allegations made so far prove correct, they may constitute *prima facie* cases of fraud.

Shrobbree's final report, incorporating investigations by Coopers & Lybrand in Pretoria, was due to be handed to the Mpumalanga executive committee on Wednesday this week, when the body will decide what further actions are necessary.

Nyati, meanwhile, was scheduled to deliver his final report on the restructuring of the development corporations to a new interim board on Thursday. ■

TRADITIONAL LEADERS

Challenge of the chiefs

The ramming through parliament of the Constitution of the RSA Second Amendment Bill (see *Leading Articles* September 15) was defended by the NP's Roelf Meyer as essential if the community elections were to be held on November 1. As Minister of

Provincial Affairs & Constitutional Development, Meyer made it sound as if those parties who opposed the Bill's passage (thus opposing the NP/ANC alliance on the issue) were merely being obstructive

This is disingenuous. The Bill provides for far more substantive constitutional changes — specifically relating to the status of traditional leaders — than Meyer inferred

One effect of the amendments is that, in most areas where local elections do actually take place, it could become the prerogative of the ANC to appoint those traditional leaders of whom it approves to serve as nonelected members of the new local authorities

The interim constitution of 1993 requires the establishment of a national Council of Traditional Leaders, with enabling legislation to be introduced "not later than six months as from the commencement of this constitution." This has simply not happened, so the council cannot — as intended — have oversight of legislation affecting its constituency

Indeed, the Constitution Amendment Bill is rigged to circumvent any appeal to the Constitutional Court on legislation enabling, for example, the payment of traditional leaders to be made from central rather than provincial coffers

It does so by saying, in effect, that laws affecting the chiefs need not be vetted by the Council of Traditional Leaders — because it does not exist. Section 182 of the interim constitution now reads as follows (the italicised proviso is what has been added)

"The traditional leader of a community observing a system of indigenous law and residing on land within the area of jurisdiction of an elected local government shall *ex officio* be entitled to be a member of that local government *provided that he or she has been identified in a manner and according to guidelines prescribed by the President by proclamation in the Gazette after consultation with the Council of Traditional Leaders, if then in existence, or if not, with the Houses of Traditional Leaders which have then been established* and shall be eligible to be elected to any office of such local government"

What this linguistically indigestible clause means is that, in the absence of a Council of Traditional Leaders, the appointment of chiefs to local authorities ultimately becomes the president's discretion

The explanatory memorandum to the Bill



Meyer *disingenuous accusation (against opponents)*

frankly explains that the appointment function is further devolved upon the premiers of the provinces "after consultation with the elected members of a local government and with the traditional leaders of the area concerned"

ANC and IFP traditional leaders in KwaZulu-Natal have apparently combined forces to petition President Nelson Mandela to desist from high-handed treatment of the chiefs. It is to be asked why the national Council of Traditional

Leaders has not yet been formed while the Volkstaat Council has, an application will be made to the Constitutional Court to nullify last week's Constitution Amendment Bill

The court may find itself in the position of having to judge whether a parliamentary amendment to the constitution can itself be unconstitutional. Yet the constitution before it, which is its sole guideline, would be the amended one. It would have to unravel the logical knots involved in this situation

On the ground, events indicate that traditional leaders of all political persuasions believe they are being stripped of their prerogatives — and slowly being turned into dependants of the ANC-dominated government. Their resistance has only begun ■

INKATHA POLITICS

More shake-ups?

FM 22/9/95

There is growing speculation in KwaZulu-Natal that political heads will roll over the intrigue and infighting which is ripping through Inkatha's supposedly united front

Among the first tipped to go is provincial premier Frank Mdlalose. Rumour has it that Inkatha leader Mangosuthu Buthelezi recently endorsed the appointment of Government of National Unity Correctional Services Minister and recently elected Inkatha deputy chairman Siphon Mzimela as premier candidate in the event of an early provincial election being called

This assumes, of course, that Mdlalose and provincial finance MEC Senzele (Johnny) Mhlungu survive the current storm over the alleged use of R5,5m of public provincial funds to pay the salaries of Inkatha aligned self-protection unit members between September 1994 and March this year. Mdlalose claimed in May that they were paid from "donations"

Others whose jobs could be on the line are some, or all, of nine Inkatha represen-

tatives on the 20-person provincial legislature's constitutional affairs standing committee who — apparently against the wishes of the leadership — are committed to achieving a constitution through negotiation and consensus. Party hardliners insist on a constitution based exclusively on Inkatha principles contained in what is known as the "Green Paper," but other KwaZulu-Natal political parties refuse to discuss a constitution on this basis

Considerable progress has, however, been made in negotiations based on combined aspirations. And since Buthelezi has repeatedly stated that an early election is inevitable in the province if insufficient progress is made on the drafting of a provincial constitution, the insistence on the Green Paper is likely to precipitate one

Buthelezi has denied any knowledge of a rift between himself and his provincial legislators, and denied that any jobs were on the line. "As for Mzimela's nomination, that has not even been discussed," he says

But in a weekend speech at Nongoma he threatened to resign his party leadership unless he was able to lead a party which acts with unity of intent and purpose, inspired by common goals. He also hit out at an unrepresentative clique using Inkatha to serve their own interests, and stressed the need to fight off enemies both within and without the party — comments suggesting a purge could well be on the cards

He points out that the behaviour of the constitution-makers in the national assembly, and the gibes that Inkatha never won the last provincial election fairly, suggests that no autonomy will be possible without a mandate. KwaZulu-Natal must therefore have an election, he says

UCT Prof David Welsh says "Rather like the franchise issue which was just left hanging by the National Convention in 1908, KwaZulu-Natal remained unfinished business in the multiparty negotiations and is still as far from resolution as ever in the Constitutional Assembly" ■



Mdlalose *on the skids from party fighting*

Mpumalanga town name was 'stolen'

(2665) SAN 22/9/95
The creation of a second Mpumalanga in South Africa has angered residents of the first, who say their town's name was stolen and have laid a complaint of theft.

Residents of Mpumalanga township in KwaZulu-Natal accused Mpumalanga province, formerly Eastern Transvaal, of stealing its name.

Mpumalanga township community leaders have laid a complaint of theft, and claim the Eugene Nyati "scandal" has damaged their township's good name.

IFP spokesman Siphon Mlaba said Mpumalanga,

KwaZulu-Natal, residents were "absolutely unhappy about what (Mpumalanga Premier Mathews) Phosa has done about our name because now people will not know which is the original one".

ANC spokesman Meshack Hadebe said the situation was "disturbing and out of control".

The chairman of Mpumalanga province's name-changing committee, Joseph Mbazima, said if an official complaint was lodged, the provincial government would sit down with township residents to resolve the matter - Sapa

Still no end to the serial killings

Just when South Africans thought the spate of serial killings had come to an end, another killer's graveyard is uncovered. **Jan Taljaard reports**

WHEN David Selepe was arrested in December last year for the brutal slaying of 15 young women in and around Cleveland, Johannesburg, it was thought that one of South Africa's worst spates of serial killings had come to an end.

But more bodies were found, in Pretoria's Atteridgeville. This time, it was said, it could not have been the same killer. The "Cleveland Strangler" had been killed by a policeman who alleged that Selepe had attempted to attack him while visiting a murder scene.

This week, police made their most gruesome discovery yet when the bodies of 10 young women were found in a field outside Boksburg. This brought the total number of victims attributed to Selepe and what could have been a copycat killer or killers to 40.

The killer who ostensibly took over where Selepe left off became known as the "Atteridgeville Strangler". Fifteen victims were eventually connected to the Atteridgeville slayer.

The bodies found this week, like the Atteridgeville and Cleveland victims, were of young females, many of them from rural areas, with the exception of a two-year-old boy who



Killing field: Forensic experts sift through evidence at the crime scene outside Boksburg

PHOTO MYKEL NICOLAOU

emerging from the bondage of a racist, sexist and class-conscious past, it is accepted that black, rural females are close to the bottom rung of society.

The new South African Police Service is desperate to prove that it is there for all the country's citizens. However, the cases that could help detectives to do just that are proving to be shrouded in mystery. Detectives are stymied by what are obvious connections between the incidents and factors that, simultaneously, tend to disprove such links. Police are, for instance adamant

While the police are officially keeping silent on new developments with the purported aim of not letting the killer in on any progress, it may also be a silence brought on by differences among investigators.

Perhaps reflecting the debate within the police, speculation on the street revolves around whether, rather than three unconnected killers, the Cleveland, Atteridgeville and Boksburg cases may be linked; whether later murders were the work of a so-called copycat killer, and even whether there could

previous killer in whose bloody footsteps he tried to follow.

Although the lust-driven serial killer usually operates alone (well-known examples are Ted Bundy, Jeffrey Dahmer and the Yorkshire Ripper), there have also been well-publicised cases of killer couples, like Moors Murderers Ian Brady and Myra Hindley. There have been partnerships, such as cousins Kenneth Bianchi and Angelo Buono, and even a case where two brothers, Ralph and Tommy Searl, committed their murders quite inde-

pendently that took place in the early Seventies in San Francisco were completely racially motivated. Five former prisoners, all of them black, racked up a tally of 15 white men, women and children, but it is speculated that they may have been responsible for the murder of almost 200 other people.

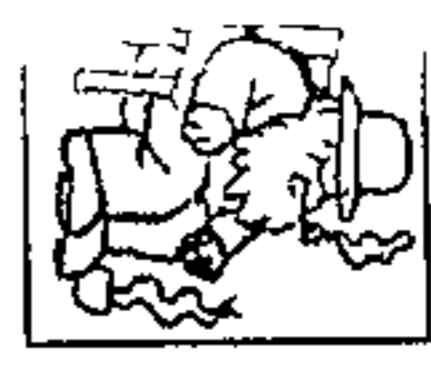
These were not sexually motivated killings — which is the one thing that investigators seem to agree motivated the Cleveland, Atteridgeville and Boksburg murders. And in the case of sex killings, the victim and the murderer almost always, without exception, belong to the same race group.

Understandably, the police would not be drawn to comment on the race issue. When young, black boys in Atlanta became the victims of a serial killer, the community reacted by expressing fears that a white racist may be the murderer. Public outrage reached such intensity that almost R1-million was eventually sucked up by the investigation.

Perhaps more valid was their fear that the police were not very enthusiastic in trying to solve the murders of children who were not white and middle class. Eventually a black man, Wayne Williams, was arrested and convicted for the murders.

Williams never confessed and although the forensic evidence was overwhelming it was not enough to put paid to rumours and speculation that, for example, linked the killings to the activities of the Ku Klux Klan. And perhaps this should be the lesson the police must apply to the cur-

The common denominator between the victims introduces a new element into the investigation. In a society



Krisjan Lemmer LIFE ON THE SOUTHERN TIP

Heil to the truth

NATAL, attorney-general Tim McNally, who is suing the Mail & Guardian over an article which he believes attacks his integrity, has now responded to the offending article in a leader-page piece in the Natal Witness. What the *manne* in the bar found particularly interesting was the literary sources which McNally invokes in his article: "There is a theory that the Big Lie has more chance of being accepted by the public than the Little Truth. This is a variation on one of Hitler's more memorable quotes (Mein Kampf Ch 10)."

Oupa van Tonder, who has fond memories of his days in the Ossewa Brandwag, reckons McNally can't be such a bad ou after all.

Phoneticquette

AFTER all the *geraas* that there's been over accents on S&M ever since the station was launched, a friend of mine Krisjan who visited the S&M studios was amused to see a telephone number advertised on the oticeboard as a "pronunciation hotline". Just to make sure no lost consonants or flat vowels slip through the net, an after-hours number and then a cellphone number have been handwritten in underneath the office number. And under that is a completely different number for "African language pronunciations".

Swazi slot I

OOM KRISJAN is thinking of devoting a regular slot in his column to the things-on in the kingdom of Swazi-

so-called Cleveland killings Forensic evidence links him to the crimes beyond any dispute, they say

some ghosts still enable the *manne* to while away many a happy hour in the Dorobuit bar. Now the conversation has been further stoked by the news that Swaziland's Elders of the Nation have banned the August edition of *Playboy* because of a "negative" article on King Mswati II — the essence of the article was that being king of Swaziland is a *lekker* job because it enables you to have any woman you want. The Elders of the Nation, who advise the king, last year ordered the closure of a sex shop on the grounds that "the sale of imitation sex organs was against Swazi culture".

Now the Swazi senate is trying to pass a Bill to close down a nightclub which features strip shows. At Naudé tells how, a few years ago, his cousins in Ermelo would often take a trip down to Mbabane to indulge in pleasures of the flesh, which in those days would have been far too damaging to South African morals to be allowed within the borders of the Republic. Naudé is convinced that the latest moral crackdown in the kingdom stems from jealousy now that the Swazis can no longer compete on turf which was once theirs for the taking.

Swazi slot II

SWAZI King Mswati has urged his ministers to set an example to the nation by getting rid of their pot-bellies. "Exercise to keep fit and become more efficient," he told them.

The king issued his instructions during a passing-out parade of prison officers at the Matsapa Prisons Training College at the weekend.

He singled out Deputy Prime Minister Dr Sishayi Nxumalo and Justice Minister Chief Maweni Simelane as good examples of people who took pride in keeping fit. He disclosed that the two ministers did weightlifting to

There are numerous examples of copycat killings where an arrested killer professed an admiration of a

same time and in the same area. In a race-conscious country like South Africa, other possibilities also come to mind. The so-called "Zebra"

ping the horror and making the country safe, it will not do to have serial killer suspects shot dead before their cases can be tried in court.

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Gravy train officials caught

POLICE CONFISCATED more than 150 government vehicles from Mpumalanga provincial officials over the long weekend, after the government reacted to growing public concern at the unauthorised personal use of government resources by officials.

258 Sowetan 27/9/95 (2668)

The province-wide blitz was ordered by provincial acting premier Mr Jacques Modipane after his office received a number of telephone calls from irate community members complaining that officials were using government vehicles to attend soccer matches, parties and picnics.

"The 150 vehicles that were confiscated from unauthorised officials in the Lowveld region are only half of what

the police actually found," according to provincial government spokesman Mr Oupa Pilane.

"We are still waiting for reports from the Highveld region but expect a similar number of vehicles to have been confiscated there."

The swoop, however, hasn't been greeted positively by a large component of government officials who accuse the premier's office and the Department of Safety and Security of "unfairly" launching a witchhunt. "We were allocated cars by the gov-

ernment and were never told not to use them during weekends," complained a very senior official in the Department of Roads and Transport.

"Then, suddenly, we get stopped by police and have our vehicles confiscated. It's very embarrassing and inconvenient. They treat us like criminals."

Mr Pilane concurs that officials were not warned that action would be taken for the unauthorised use of vehicles. "Not even ministers were warned. Why bother launching a crime prevention exercise if you warn culprits

beforehand that you'll be checking up on them," he said.

"Even ministers have to have a valid itinerary for using government vehicles and we will be taking serious disciplinary action against anyone apprehended this weekend."

He added that similar action would be launched to combat the misuse of other government resources such as computers and electronic equipment.

"We are viewing all this very seriously and will not stand for anything that could be construed as gravy train behaviour. The past weekend's action was a responsible and accountable reaction to a problem pointed out by the public we were elected to serve," he said - *African Eye News*

Blitz on govt officials' cars

Star 27/9/95 (2668)

Mpumalanga police confiscated more than 150 government vehicles from officials at the weekend.

The clampdown, ordered by acting premier Jacques Modipane, was carried out throughout Mpumalanga, African Eye News Service reported yesterday.

The blitz came in the wake of calls from members of the public that officials were using government vehicles for purposes ranging from picnicking to partying.

Some of the affected officials complained of not being given forewarning that their official vehicles were not for private use.

"The whole exercise was a witch-hunt," one official said. "They treat us as if we are criminals."

Mpumalanga government spokesman Oupa Pilane said no one had been warned of the blitz — not even MECs, who had to have valid itineraries for the use of official vehicles. To have issued prior warning would have made the swoop pointless, said Pilane. He added that disciplinary steps would be taken against those caught at the weekend — Sapa

Premiers

'stalling

elections

(266B)

PREMIERS Mathews Phosa and Ngoako Ramathlodi have been sharply criticised by the ANC for allegedly being responsible for the postponement of local government elections in the disputed Groblersdal and Marble Hall areas.

Groblersdal and Marble Hall are the only regions in Mpumalanga that will not be holding elections on November 1.

Confirming the postponement, the chairman of the Mpumalanga Local Government management committee, Mr Neels Zaayman, said the unresolved border dispute between Mpumalanga and Northern Province had forced officials to postpone elections in the area.

"We call upon the leaders of both provinces to desist from their narrow political and provincial interest and live up to the interests of the people and nation as a whole," said Mpumalanga ANC spokesman Vusi Sibuya.

Numerous demonstrations were held in the Groblersdal area recently where the majority of residents were demanding to be incorporated into Mpumalanga.

Consultative process

Deputy Minister of Provincial and Constitutional Affairs Mr Valli Moosa said a consultative process was instituted to resolve the matter.

Marble Hall's TLC chairman Mr Fazzle Ismael said those who made deliberations on Marble Hall's incorporation issue came from as far as Pietersburg and not from Marble Hall.

He said this was in opposition to the agreement made at Kempton Park last year that border disputes be negotiated with the affected residents.

"It is only affected people who can decide their fate, but since it has been said we have to go to the north, we as the TLC have no problem," said Ismael.

Personal assistant to Mpumalanga MEC for local government Edwin Morgan said the incorporation issue was being dealt with by Moosa's office. — *African Eye News*

How governments let consultants cash in

(266B) W.M. 28/9/95

Marion Edmunds

CONSULTANTS Eugene Nyati and Ntsoaki Mohapi have made the Mpumalanga government look stupid — not only by doing its work faster and better, but also by showing up the provincial government's carelessness with taxpayers' money

This week, as the Nyati scandal in Mpumalanga came to a head, the auditor-general's office decided to release a special report on government consultants three months early, in November instead of next January, to tighten up on the use of consultants

And suggesting culpability — or at least negligence — on the part of Mpumalanga's cabinet, it emerged this week that Mpumalanga consultants were left to set their own salaries, calculate their own hours of work and subcontract as they wished. Mohapi, a consultant in two Mpumalanga commissions, was able to draw two salaries at once

Deputy Auditor-General Professor Bertie Loots said this week that millions of rands of taxpayers' money was spent on consultants this year, and by releasing a performance audit on consultants early, his office wanted to encourage government to establish proper management and auditing controls.

It is clear from what has emerged over the last three weeks that, in the case of Mpumalanga government at least, those controls are missing.

The debacle has also revealed a bizarre dependence by the politicians on consultants. It is ironic that a consultant employed by premier Mathews Phosa, his special advisor Brian Shrobbree, is sorting out the Nyati mess in Phosa's absence.

Phosa is in the United States to collect an honorary doctorate

The MEC for Environmental Affairs, DS Mkhwanazi, told the *Mail & Guardian* that the April appointment of Nyati and Mohapi — at a joint R244 520 13 — to chair an investigation into the restructuring of parks boards was "worth every cent" because in six weeks they had resolved problems that had beset his department for 18 months

But Mkhwanazi could not explain how the consultants' fees were set, how much was paid per hour, what proportion if any was for travelling and expenses and exactly how many hours the commission sat.

Not much has been made of the large salaries paid to the two consultants on the first commission, nor were questions asked when they were almost immediately appointed to chair a second commission, this time into the restructuring of the development corporations which had been inherited by the Mpumalanga government.

The payment to Nyati and Mohapi for work on this commission appears to be the straw that broke the camel's back, with Nyati taking the headlines

While senior politicians are scrambling to make head and tail of his accounts, Mohapi, the chair of the commission, has been largely overlooked.

The *Mail & Guardian* discovered this week that Mohapi collected payment for sitting on both commissions — R96 000 for the first and, after intervention by Shrobbree, a scaled-down R124 000 for the second — as well as drawing a salary as a full-time employee of a computer hardware company, TAS, in Johannesburg

A spokesman from TAS said this week that the company had been shocked to learn that Mohapi had pocketed money from the Mpumalanga government, while she was still getting a salary from them.

"By rights, that money should come to us, but we are not going to chase it," said the spokesman.

No-one seems able to explain how it is that a 25-year-old BA graduate got to be the chair of one crucial commission and the vice-chair of another.

Mkhwanazi said that her appointment had been a cabinet decision, but would not reveal who had motivated her appointment.

Admittedly, her CV is impressive and she has held down 10 jobs and completed a three-year degree in the United States in the space of seven years, but she has not yet earned herself a reputation as Nyati has, nor, according to people who have worked with her, has she the authority or knowledge or political acumen necessary to take on such responsibility

ANC chief whip Philip Radebe said nobody quite knew who had paid money into Mohapi's account in the first place and that it was a grey area that still had to be explored.

Border conflict leads to blockade

Sowetan 3/16/95

THE simmering border dispute between residents who wish to remain in Mpumalanga and Northern Province officials, who have managed to secure a ruling that the area be officially included in their province, resulted in a number of roadblocks and stayaways early yesterday morning

The blockade, which was led by an Action Committee consisting of the Agricultural Union, ANC, Freedom Front, PAC, National Party and Sanco representatives, was erected by the pro-Mpumalanga faction and was only dismantled by police at about 7am (266B) (266A)

The protracted border dispute has resulted in the delay of local government elections in the region – making it the only area in Mpumalanga that will not be voting on November 1

No violence, intimidation or other incidents were reported yesterday but a large crowd of sympathetic residents did gather at the roadblocks to show their support for the pro-Mpumalanga campaign

This campaign was described by a spokesman as a last-ditch demonstration of the region's determination to remain within Mpumalanga – *African Eye News*

fective default procedures and changing local government budget priorities.

The restructuring of local government would entail reviewing the functions of local government and instilling the need for greater efficiency and effective use of resources and accountability for those resources, Meyer said.

Ideally, each level of government should generate enough revenue to finance its own expenditure, but fiscal disparities had made this impossible.

He said that there were problems associated with the existing system of

that the aims of Masakhane were not producing desired results, and that politicians at all levels of government should seriously advance the cause for payment of services.

Government should also, he said, take a firm stand and resolve a minimum standard of services, since communities were expecting more than they could afford.

If current trends of service delivery and payment for services continued, local government would face collapse, Meyer said.

Phosa angered by blacklisting

Kevin O'Grady

ANGRY Mpumalanga premier Mathews Phosa yesterday gave a Witbank-based credit bureau 48 hours to reverse a blacklisting imposed on him because of debts incurred by the former KwaNdebele homeland.

Phosa said he had instructed state attorneys to proceed with a defamation case if his name was not removed from the list, which has been published in credit-rating bulletins and circulated to banks and retailers in the province.

"Something like this has never happened in government before. It's very malicious," he said. He was informed of the blacklisting by his spokesman, Oupa Pilane, while he was on a trip to New York.

It had been drawn to Pilane's attention that Phosa's name appeared in the Eastvaal Bulletin.

The blacklisting followed a Supreme Court judgment against the

Mpumalanga government for a R44 294 debt incurred by KwaNdebele for vehicle repairs carried out by Lazarus Ford.

Phosa said he accepted Mpumalanga was the legal successor to KwaNdebele and that "if you talk about who is responsible (for the debt) it's Mpumalanga ... but it has nothing to do with me personally."

The summons stated "very clearly" that he was named as the defendant in his capacity as premier "and they had a responsibility to check who was being sued", Phosa said.

The blacklisting would theoretically prevent Phosa from opening accounts or qualifying for bank loans, but he said it was unlikely it would have this effect. "Everybody is very angry about this," he said.

He did not want to "overreact" and had decided to give the bureau, which he could not name, the opportunity to reverse the blacklisting.

Cape office for Cosatu

Wyndham Hartley

BD 3/10/95

COSATU is to open an office near Parliament before the end of the month to ensure that the interests of the working class are looked after effectively in the legislative process.

Prominent Johannesburg trade unionist Neil Coleman is to head the office, which will mean in effect the relocation of a department of Cosatu to Cape Town.

Coleman said that the old style lobbying of government "behind closed doors" was a thing of the past, but the Cosatu office would ensure the interests of the working class were carried forward and "the culture of openness" asserted.

Cosatu secretary-general Sam Shilowa said yesterday that while Cosatu was a member of the ruling alliance along with the ANC, it would be failing its members if it relied on alliance meetings to protect its members' interests in the Parliamentary process.

Dispute affects two towns

Star 5/10/95 (266B)

■ BY JOVIAL RANTAO
POLITICAL REPORTER

Local government elections will not be held in Groblersdal and Marble Hall - the two towns which for months have been the subject of a political tug-of-war between Mpumalanga and Northern Province.

Mpumalanga MEC for Local Government January Masilela told The Star that legal complications in the demarcation dispute prevented the proclamation of these towns for the purposes of the November 1 elections.

"We could not proclaim these towns because of a court interdict obtained by the Groblersdal Transitional Local Council.

We're doing all we can to ensure that the elections will take place before March 31 1996," Masilela said.

He said he had, in terms of local government election regulations, applied to Provincial Affairs and Constitutional Development Minister Roelf Meyer for an exemption from local government elections.

The court interdict by the Groblersdal Transitional Local Council followed an agreement, brokered by the Ministry of Provincial Affairs and Constitutional Development, that Groblersdal and Marble Hall should be administered by Northern Province.

The agreement has,

however, been rejected by the mainly white residents of these towns, who have made public their stand against the incorporation into Northern Province. They have been joined by residents from two black townships - Leeuwfontein and Motetema - who currently reside in Northern Province but want to be governed by Mpumalanga.

Northern Province has said that it wants both Marble Hall and Groblersdal in return for its surrender of the Bushbuckridge region to Mpumalanga.

A committee has been formed by the ANC in both regions to look for an expeditious way of dealing with the problem.

'Blacklisting was an error'

(266B)
Kevin O'Grady

BD 5/10/95

THE Mpumalanga credit bureau which blacklisted provincial premier Mathews Phosa because of a Supreme Court judgment against his government has apologised to him in writing.

The premier's spokesman, Oupa Pilane, however, said yesterday that an earlier threat of legal action still stood unless the Eastvaal Credit Bureau made a public apology for its error.

Phosa set a deadline for 9am yesterday to reverse the blacklisting and said he would proceed with a defamation action if the bureau failed to comply. His blacklisting was reported in weekend newspapers.

In a letter sent to Phosa yesterday, Eastvaal Credit Bureau MD E Raal said a correction of the entry in the September 15 Eastvaal Credit Bulletin would appear in today's edition.

Raal said the bureau blacklisted Phosa after a Supreme Court judgment, listing him as the defendant, was published in Campbell's Weekly. A Mpumalanga motor dealer had sued Phosa's government for debts incurred by the former KwaNdebele homeland.

Raal wrote that the defendant should have been the KwaNdebele government. He apologised for the error and requested members to amend their records.

Nov 9/10/95

Phosa accepts apology

(zbbb)

Nelspruit - Mpumalanga Premier Mathews Phosa yesterday accepted a public apology by the Eastvaal Credit Bureau for blacklisting him for a R44 294 debt incurred by the former KwaNdebele government.

Phosa's name had been removed from the list and the bureau published an apology in its latest issue.

"This is a positive development, inspired by eminent commonsense and the principles of simple justice," Phosa said.

He had instructed state attorneys to proceed with the application to cancel the "erroneous" judgment, he said. The application was expected to be heard in the Supreme Court this week, he added. - Sapa.

BY ADAM COOKE

Allegations of corrupt deals in Mpumalanga tender board

More dubious dealings within provincial tender boards have been brought to light as a profitable bid for road traffic signs in Mpumalanga was said to have been won by a tender nearly a quarter-of-a-million rands higher than that of its closest competitor.

Managing Director of Tri-Cor Signs, Nizoo Chagan, claims that his bid of R1,7-million last month was turned down even though it was R223 985 less than the winning tender.

He claimed the board initially refused to read competing tender prices aloud to the relevant parties, a standard practice after all tenders have been submitted. However, officials did comply after appeals were made to the Department of Public Works, which is responsible for road signs.

At the public reading Chagan claimed it was clear the race for the tender was between two companies, and what turned out to be

the winning tender was not one of them.

The Star has spent the past week trying to contact the board for comment, but has only been met with evasive or uninformed reactions.

Several phone calls to the Mpumalanga Tender Board revealed that staff in the department were unaware of either the director's name or the deputy director's whereabouts.

The contract was awarded to

Matara Suppliers, allegedly owned by a black businessman who has never been in the road sign manufacturing business. This company does not have a registered number in the province.

"Taxpayers' money is being used to pay over-priced contracts for a product that no-one even knows about - this man has no experience in the business," Chagan said.

He said his Johannesburg-

based company has a large branch in Secunda in Mpumalanga and employs over 250 people.

His attorneys, Savage, Jooste and Adams, have requested a full written report on the details of the board's decision. But as yet there has been no response from the board.

He said the province's finance MEC, BJ Modupeane, who was also the man who put the brakes on gray train surfer Eugene Nyathi, has promised to look into the matter but as yet there has been no response.

"We have tried to get clarification on why the tender was awarded to a higher priced bid, but the authorities just duck and dive," said Chagan.

paqpaqs unom Aljapih

Danish aid for Mpumalanga

(2668) (2668)
Kathryn Strachan

01/11/95

DANISH environmental and development agency DANCED said yesterday it would spend R15m on building capacity in the Mpumalanga department of environmental affairs.

Environmental Affairs MEC David Mkhwanazi said the funds would be used to create managerial and technical capacity to develop an integrated environmental programme for the province.

First on the agency's agenda would be the training of at least 40 officials in diverse disciplines, from environmental education to waste management. Training would be provided to enable officials to fulfil their legislative responsibilities regarding air pollution and waste and environmental impact management. Government and non-governmental representatives would also be involved.

Another important part of the deal was the development of a policy for integrated environmental management and co-operation between government and private sector. The policy would ensure environmental implications were considered for all new government policies, as well as public and private sector developments.

Phosa is blacklisted

MPUMALANGA'S champion for economic empowerment, premier Mathews Phosa, is set for a shock when he returns from an investment foray in the United States tomorrow – he has been blacklisted by credit rating companies in his own province

This means that the globe-trotting premier will not be able to open any accounts at supermarkets or clothing stores, or even qualify for bank loans.

The blacklisting, published in credit rating bulletins and distributed to retailers and banks throughout the province, follows a Supreme Court judgement against the Mpumalanga government for a R44 294 debt incurred by the former KwaNdebele homeland

"This is an unexpected side effect. We were forced to take the former homeland to court when it refused to pay a debt for vehicle repairs that our

CP 11/10/95 (266B)
client, Lazarus Ford, was contracted to do," commented Bronkhorstpruit attorney W J Ebersohn.

"You can't just sue the government per se, so the head of whichever department or province is always named as the defendant. But we never dreamed that Phosa would be punished in his personal capacity"

Phosa was unavailable for comment, but his spokesman, Oupa Pilane, said: "These homelands are like ghosts – they come back from the grave and haunt us.

"Their offences were committed before we assumed power, but we still have to continually answer for them. We will definitely be getting our state law advisers to look at the whole issue this week, and hopefully the premier's credit lines will be restored at the same time," he said. – African Eye News.



**PHOSA ...
Blacklisted.**

Warning on TBVC plight

BARRY STREEK

(266B) (333)

It is a continuing problem in the former independent homeland areas, one where on our land larger than the three provinces, in all cases could read on their own the Joint Standing Committee on Public Accounts report today.

It reflects a long time taken on the provinces, in question might not be able to implement city, local financial management for year, to come, it is not in a report added in parliament, the financial management of the former homeland of Eastern Cape, Northern Cape, Venda and Ciskei TBVCs have been completed in many other areas, but the statement by the joint committee indicates the problem is more serious than previously reported.

CT 12/10/95

Premier Phosa turns the tide

Star 13/10/95 (266B)

The Crocodile River flowed quietly and the Jacaranda trees, bright from the summer sunlight in the Mpumalanga province, swayed gently and harmoniously from side to side in response to a north-easterly

It was peaceful – at least from a distance

The temperature in Mpumalanga this week averaged 26° C but emotions and tempers in most areas in the former heartland of the Right remained below freezing point

Mpumalanga premier Mathews Phosa is the architect of this peace and harmony, which many thought would be impossible because of the attitudes of some people opposed to change and the complexity of merging three administrations into one

In the past eight months Phosa has managed to win over the support of the National Party and Freedom Front which are the opposition in his government. His recipe was a simple one: "In this province we place an emphasis on things which are common among us and leave our difference to take the back seat

"We also share a common vision and interest. Our vision is to promoting economic development and stability. Our current economic growth of 4,5% is an indication that we're succeeding

"The common interest of all the parties is to serve the people of Mpumalanga and how we do that is reflected in the agendas of the different parties. We've known and worked with each other for a long time and there's

DESPITE being in the news with stories linking the homeland to the practices of a corrupt former administration, Mpumalanga province has made great achievements, Political Reporter Jovial Rantao reports

no reason why our relations should collapse because of a few weeks' campaign," Phosa said

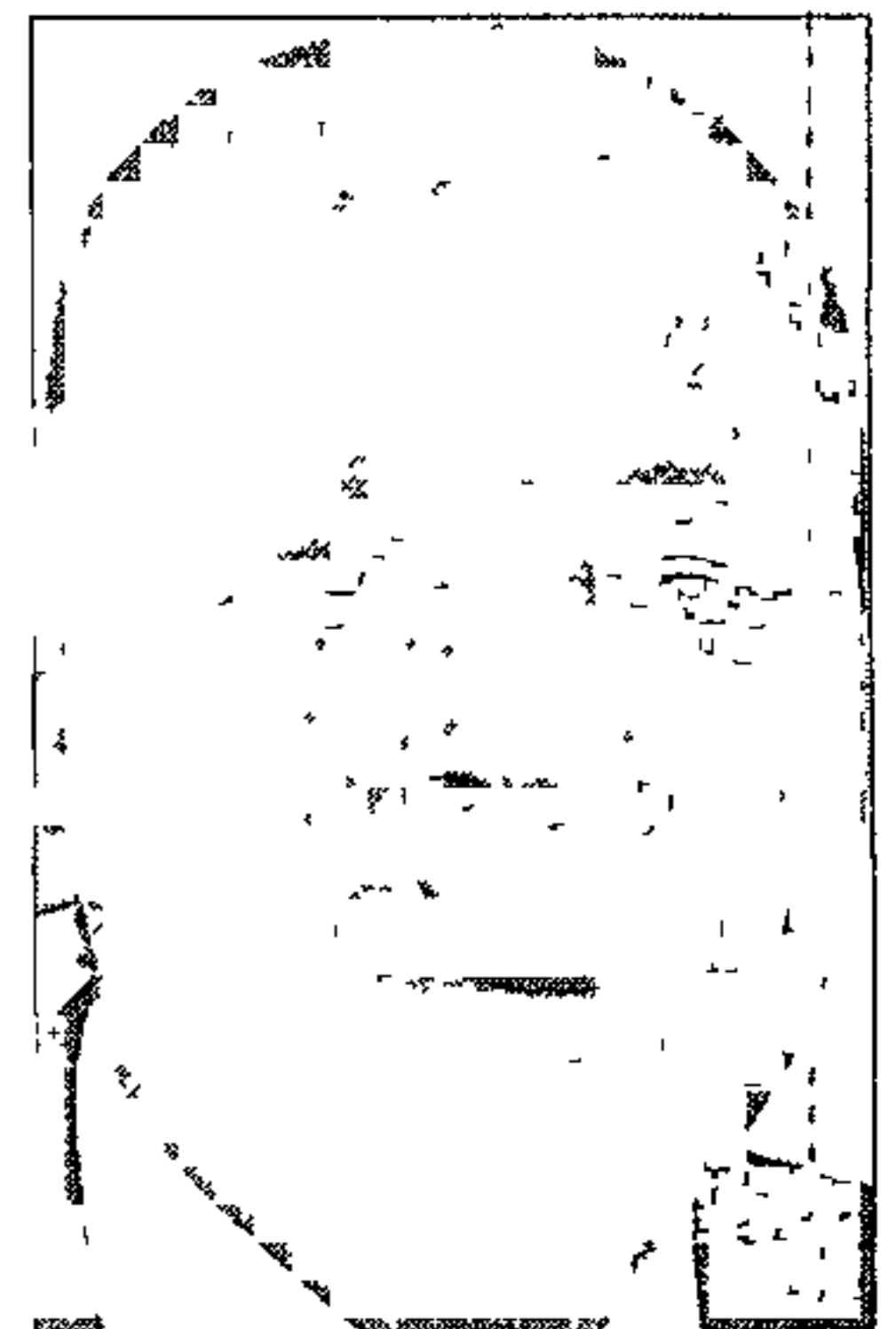
Unblushingly Phosa claimed ANC credit for the climate which has enabled the Mpumalanga government to deliver to its population of 3-million. He never seemed to stop once he had started talking about what his government has delivered

Water, roads, houses, school renovation, clinics, toilets, low crime levels – the list is endless

"We claim credit for all of that," he said. "That's why the electorate should trust us because we delivered on our promises"

Despite the Government's achievements and its efforts to foster harmonious race relations, there are still incidents of racism reported around the province

"We will attack racism during our election campaign and beyond November 1. Racism could undermine the achievements we have made. We will expose and



Mathews Phosa ... claims kudos for the harmony.

root it out," Phosa said

He was particularly perturbed about the continuous eviction of black farmworkers by right-wing farmers. He believed that it would cause unnecessary racial tension in the province

Another source of concern is the threat by some farmers to boycott elections and stall RDP projects if 40% of the seats in Transitional Rural Councils are not reserved for them

The sole representative of the NP in the Mpumalanga provincial executive MEC for Agriculture, Dr LJ Nel felt that while the ANC had the majority power, his party, which has steadily gained membership, would spring surprises in some areas

Clear-cut political patterns

have emerged in the province. All indications point to an ANC victory in mainly black rural areas, while urban areas and cities will see a battle between the ANC, NP, FF and many other organisations such as ratepayers associations

A total of 1 573 candidates will contest elections in 316 wards across Mpumalanga. Twenty-eight parties have registered for the elections. Close to 1 000 voting stations are in place

Thirteen parties and 157 candidates were rejected by returning officers for various reasons

Whatever the outcome of the elections, it seems the Mpumalanga province has built a strong foundation for good inter-party and race relations post November 1

Phosa supports national commission of inquiry call

(266B) Star 18/10/95

■ BY JOVIAL RANTAO
POLITICAL REPORTER

Mpumalanga Premier Mathews Phosa, who inherited corrupt administrations of the former KwaNdebele and KaNgwane governments, today said Mandela's call for a national commission of inquiry, "came like pristine fresh air to the nation".

"We stand ready with important evidence to supply to this commission arising from ongoing investigations we have undertaken," Phosa said, suggesting that the national commission of inquiry should operate simultaneously in all nine provinces.

His statement coincided with the Democratic Party call for a commission of inquiry into corruption in the former Transkei, where R1-billion is believed to have been unaccounted for, and with publication of the findings of the Skweyiya Commission of Inquiry which has advised the North West government to take steps to recover millions of rands.

Phosa said although the steps taken by the North West government to expose corruption by the former Bophuthatswana leaders was a step in the right direction, he would also want to see investigations into corrupt activities of the former Transvaal, Cape and Natal provincial administrations.

He said the national commission of inquiry should go as far

back as 10 years and try and recover taxpayers' money "and maybe we won't have problems funding the RDP".

With the exception of the United Christian Democratic Party (UCDP), major political parties have welcomed the steps taken by the North West government to expose corruption and recover millions allegedly embezzled during the 17 years of Bophuthatswana's existence.

The DP has called for a commission similar to the Skweyiya Commission, which investigated alleged corruption and theft in Bophuthatswana, to be established in the Eastern Cape to probe similar allegations.

DP spokesman on finance Ken Andrew yesterday questioned why the ANC-led government of the Eastern Cape has failed to institute an equivalent inquiry into alleged fraudulent activities in the former Transkei during the tenure of former military ruler and now Deputy Environmental Affairs Minister General Bantu Holomisa.

"It has been reported that more than R1-billion is unaccounted for in the former Transkei homeland. It's imperative that the true facts are brought to light as soon as possible, and the Government must ensure that it's seen to be investigating all allegations of improper conduct," Andrew said.

R180m loan for water project

(266B) 30 19/10/95

Theo Rawana

THE Japanese government had loaned R180m for water provision in Mpumalanga, Water Affairs Minister Kader Asmal said in Pretoria yesterday

Asmal said the project comprised pipelines, purification works and reservoirs

The loan's repayment period was negotiable, he said. This suited SA needs, particularly insofar as it favoured local emerging contractors and promoted labour-intensive methods.

ANC graft probe pinpoints Phosa

■ BY JOVIAL RANTAO
POLITICAL REPORTER

ANC deputy secretary-general Cheryl Carolus is heading a top-level ANC inquiry into the origin and contents of a document which contains serious and damaging allegations against the Mpumalanga provincial government and Premier Mathews Phosa.

The document questions, among other things, the ownership of the Drum Rock Hotel, which has been leased to the Mpumalanga Department of Environmental Affairs at a cost of more than R177 000 a month.

One of the allegations is that Phosa and Environmental Af-

fairs MEC David Mkhwanazi have bought the hotel and are leasing it back to the provincial government.

Phosa has dismissed the 5-month-old document as a "smear" and has emphatically denied the allegations, which he described as false, damaging and defamatory.

He offered The Star a copy of the lease signed with the owners of the hotel and the then Transitional Executive Council sub-committee, which was charged with setting up provincial governments.

The lease agreement was signed on behalf of the province by former provincial secretary, and now the premier's special

adviser, Brian Shrosbree.

The Star understands that there have been strong suspicions that the document has emanated from the ANC's provincial caucus.

The existence of the document and the investigation have been confirmed to The Star by senior ANC officials, including national chairman Jacob Zuma and ANC provincial secretary-general Solly Zwane, who is also involved in the probe.

Other allegations are that the millions of rands worth of renovations to the homes of senior Mpumalanga ANC members have been financed using the province's budget for low-cost housing, and that party of

officials, including Phosa, are living virtually rent-free at Thekwane Estates, an area between Nelspruit and the township of KaNyamazane.

Zwane told The Star that a probe revealed that some officials were not paying market-related rentals.

Allegations raised in the document pinpoint a security wall surrounding Phosa's house, which he described as "State property", and the appointment of two former homeland cabinet ministers to the provincial executive council.

Zwane said. "We expect to hand over a report to (ANC) national chairman Jacob Zuma in mid-November."

Star 23/10/95

(2668)

Phosa denies anonymous allegations

BD 24/10/95 (266B)

Ingrid Salgado

MPUMALANGA premier Matthews Phosa denied allegations yesterday that he was living "virtually rent free" near the province's capital or that renovations to his home had been paid by the provincial government.

Phosa was responding to allegations made anonymously in a document handed to the ANC's national office five months ago. ANC secretary-general Cheryl Carolus is conducting an internal investigation into the source of the allegations.

Phosa's spokesman Oupa Pilane said the premier occupied "an old house", renovated at his own cost, on which he had a R700 000 bond taken by himself. Phosa paid

rent over and above a monthly bond of about R10 000

"The premier turned down an offer to live in a fancy state-owned house in a Nelspruit suburb and preferred to live with a community of farm workers," Pilane said. Phosa used it as his official house.

The document also claimed Phosa and environmental affairs MEC David Mkhwanazi owned a hotel that the Mpumalanga government was leasing at more than R177 000 a month. But Pilane said the Drum Rock Hotel was owned by the Lanro Family Trust and the lease agreement had been entered into by the former transitional executive council, effective from July last year.

Pilane said the premier had "no idea" where the allegations came

from. "This is a stale, cheap and unsustainable smear signifying not very much. It just shows how far desperate dirty tricks manufacturers can go in lying."

Responding to claims there was suspicion the document had emanated from the ANC's provincial caucus, Pilane denied there was tension among top ANC officials in the province. However, there were "people who feel threatened by Phosa and may do anything to smear his name".

The Mpumalanga government recently investigated anonymous allegations that the province had paid consultant Eugene Nyati excessively for work for the government. Pilane said it was possible there were links between the origins of the two sets of allegations

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Cosatu leader quashes 'suppression' charges

Renee Grawitzky

BD 24/10/95

COSATU's Witwatersrand regional leadership yesterday reacted strongly to allegations made by some members that a weekend congress had tried to suppress debate on the future of the organisation's alliance with the ANC.

Cosatu Wits regional chairman Velaphi Nkosi said individuals were trying to mislead workers in the region, "and they should understand that Cosatu is not controlled by individuals but by the mandates given by workers".

He said the tradition within Cosatu had always been one of debate around issues. In addition, there had always been a tradition within the federation of differing views being held by members.

The resolutions allegedly submitted by the regional structure of the Chemical Workers' Industrial Union had, in fact, not been submitted by any constitutional structure within the union but by certain individuals, Nkosi said.

He said the regional executive committee had agreed before the congress that resolutions submitted by affiliates had to be within the framework of parameters adopted at the federation's national congress in September last year.

The congress had resolved to maintain the alliance with the ANC, although the alliance should be reviewed from time to time.

He said that if the so-called resolution on the ANC-Cosatu alliance had been discussed "it would have only been the beginning of the process of discussion around the alliances".

The national congress was the only body which could rescind the position adopted at the previous national congress.

Velaphi said the role of the alliance in relation to the government was highlighted in the secretariat report which would be discussed by the regional executive committee.

Outstanding issues not addressed at the congress, including the resolution tabled by the SA Clothing and Textile Workers' Union on the role of the International Monetary Fund, would be referred to the regional executive committee for discussion.

Careful with inquiry, says Holomisa

By NEWTON KANHEMA

Erstwhile Transkei military leader Bantu Holomisa has warned the Government that an inquiry into corruption in the former homeland's administration could lead to a "massive

cover-up". The deputy environment minister said this would happen if the inquiry involved civil servants and judicial officials who served under the previous government

(266B) Star 28/10/95

◆ Transkei inquiry

(266B)
Star 28/10/98
In a letter to the Cabinet yesterday, Holomisa said former civil servants and judges should not draw up the terms of reference or be appointed to such an inquiry "On the question of inquiry, I recommend that the composition of any future commission of inquiry into the corruption of the SA and homeland government must of necessity reflect the heterogeneous nature of the South African population.

"The National Party has always been, and is still, strategically placed in the governing process. There is all the likelihood and probability that the Nats shall emerge unscathed in any commission of inquiry if it is composed mainly of old South African judicial officials who shall entirely rely on the co-operation of old Pretoria bureaucrats who have always demonstrated unshakable loyalty to the NP government."

He said the envisaged inquiry should focus not only on homeland administration but also take in "the mother of all violence, financial mismanagement and corruption in the old South Africa, the National Party. The drawing of the terms of reference for the commission of inquiry should not be left to old NP-appointed officials and judges only."

Holomisa said the imminent retrenchment of more than 200 senior civil servants in the former Transkei could result in "mass suffering" by the families of the affected employees, which would discredit the ANC

Mpumalanga hiccups

MORE than 50 polling stations in the former KwaNdebele did not open before 11am yesterday because voting equipment was not delivered to them

Regional election official Rudolf von Allenann reported that equipment could not be delivered to the polling stations after 10 hired trucks failed to deliver polling booths and boxes

Heavy rains caused two of the trucks to get stuck in the mud while travelling to rural voting stations, while another truck broke down due to mechanical problems

Election officials dispatched army

patrols and a spotter plane to search for the remaining seven trucks that are believed to be lost in the former homeland

Mpumalanga chairman of the Provincial Election Task Team Neels Zaayman said that "quite bluntly, we are not even considering postponing the poll in KwaNdebele. People will vote on Wednesday"

He did however say that extended voting time may be necessary at the stations

In other areas of Mpumalanga police had to intervene in a row near

the Machadodorp voting station just after 7am

Zaayman said police were called after a group allegedly tried to intimidate a busload of voters into voting for the ANC

Police arrived on the scene quickly and sorted out the affair without incident

No one was detained and voting returned to normal

Predicted clashes between labourers and farmers in areas such as Piet Retief and Ermelo had not materialised - *African Eye News*

Sowetan 2/11/95 (266B)

Mpumalanga voting goes smoothly but set to be low

Tim Cohen

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NELSPRUIT — After a shaky start, voting in the local government election got underway in all areas in Mpumalanga and was running smoothly by noon yesterday, but the province looked to be heading for a fairly low poll, provincial authorities said.

Election co-ordinating committee chairman Neels Zaayman said two trucks with ballot papers got stuck in mud in the former KwaNdebele area and were consequently unable to reach the polling stations in time.

A total of 15 wards were affected by the delay, which was significantly reduced by the intervention of an SANDF plane which spotted the trucks and helped them back on the road.

In the vast majority of the areas in the province, where just over 1-million voters were due to go to the polls, voting got underway on time, and only minor unrest incidents were reported.

Zaayman said that at sunset yesterday, about 43% of the voters had gone to the polls in the Lowveld district, about 50% in the East Vaal district,

BO 2/11/95 (266B)
while in Witbank, the biggest council in the Highveld district, about 50% of eligible voters had gone to the polls

"Anything we get over 70% will be a bonus," he said.

Mpumalanga premier Matthews Phosa had requested that all potential voters who were in the vicinity of voting areas should be allowed to vote even after the polls technically closed.

Farmers, unhappy about having only small automatic representation on rural councils, were expected to hinder the elections by not providing farm workers with transport to the polls. Yet, unlike the case in other provinces, they did not carry out their threat.

Returning officers at a variety of polling stations reported that a number of potential voters had arrived at the polls only to find that their names did not appear on the voting lists. This had not happened often, however.

In the vast majority of the province's councils, the ANC will be defending the large popular support it achieved in the national election, chiefly against the NP, but also against many independent candidates.

Premier will sue over document leak

■ BY CLYDE JOHNSON
LOWVELD BUREAU

Nelspruit - Mpumalanga Premier Mathews Phosa and Environmental Affairs MEC David Mkhwanazi are planning to sue the "persons" responsible for leaking an internal ANC document to The Star last month.

The document speculated that Phosa and Mkhwanazi had purchased the Drum Rock Hotel and were leasing it to the Mpumalanga Department of Environmental Affairs for more than R177 000 a month.

Other allegations were that millions of rands had been spent

on renovating the homes of senior ANC members out of the province's low-cost housing budget and that party officials - including Phosa - were living virtually rent-free on an estate between Nelspruit and Kanyamazane.

Both men said they had a good idea as to who was responsible for the leaking of the document to the press, adding they had no intention of laying the matter to rest.

"An internal ANC investigation is progressing well. We have already consulted with our personal legal advisers and intend suing the responsible person or

persons for R2-million," Mkhwanazi said yesterday.

Mkhwanazi said they found it strange that the document had been leaked on the eve of the municipal elections.

Phosa has dismissed the five-month-old document as a "smear" and denied all allegations.

He described them as false, damaging and defamatory.

Robert Vilke, managing trustee of the Linro Family Trust, which owns the Drum Rock Hotel and leases it to the Mpumalanga government, denied the building had been sold to either Phosa or Mkhwanazi.

(266B)

Star 3/11/95

Premier and squatters' eviction court battle postponed

Legal counsel for the Alexandra East Bank squatters and for the premier of Gauteng yesterday agreed to postpone any court battle over the squatters' eviction to next Friday.

Counsel for both sides also agreed in the Rand Supreme Court that the interim interdict due to come into effect yesterday,

allowing the council to begin evicting squatters and demolishing shacks, would also be extended until next Friday.

An urgent interdict brought by four of the squatters against the eviction and the proposed demolitions will be heard together with the premier's application.

Angry scenes on the East

Bank have marred efforts by the council to demolish shacks which they say have been built since the interim order was granted two weeks ago. Police were called in when squatters stoned council workers.

The four squatters were represented by Advocate George Bizos.

Star 3/11/95

THE NOKIA ACADEMY

Early lead in the east

Tim Cohen

NELSPRUIT — Early results in Mpumalanga showed the ANC taking a substantial lead over the NP, with independent candidates making a strong showing.

Results of only 21 of the 77 local councils were available by the late afternoon.

With results declared in 18 of the 77 elections, the ANC gained 140 seats against the NP's 32 and the Freedom Front's 16. Other parties performed poorly, with the CP, PAC and IFP winning only one seat each.

In the proportional representation election, the ANC was streaking ahead late yesterday with 61% of the total number of votes declared against the NP's 15% and the Front's 7%.

But independent candidates made a solid showing, as demonstrated in the ward elections where independent candidates gained almost twice as many votes as the NP.

The independent candidates were also clearly affecting the ANC, as the party's 61% share of the vote in the proportional representation election was slashed in the ward election to 48%.

But the independents could not stem the ANC, which will control 13 of 21 areas declared, even though the format of the election was weighted against the party.

Narrow ANC win in Bloemfontein

BD 3/11/95

Wyndham Hartley

BLOEMFONTEIN — The election in Bloemfontein — widely seen as the litmus test for the political parties in the Free State — has been won by the ANC by the narrowest of margins.

There was only one seat in it for the ANC, with the combined opposition of NP, FF, CP and Bloemfontein Ratepayers' Association winning 24 of the 50 council seats. The ANC added one seat in Bloemfontein to the 15 from Mangaung, and with 10 proportional representation seats it ended up with 26.

The ANC had won 41 of the Free State local authorities by early yesterday evening. Results from 24 centres were still outstanding. The ANC's performance in the rural councils was poor, with just two ANC-controlled councils out of 10 announced by 7pm.

The capital city was considered a genuine electoral test between the parties because it has roughly equal numbers of people in Mangaung and traditionally white areas. This means the weighting given elsewhere to white areas by dividing the seats equally between township and town regardless of population was absent.

In many smaller towns this weighting was apparent. Either the NP, a local residents' or ratepayers' association, or a collection of independents, won all the "white" seats, while the ANC mostly took all the "black areas" in the ward elections. When the proportional representation tallies were added at the end the ANC outscored its opponents by about three to one.

Temptations to read national signif-

icance into the election in the Free State are dangerous. The large number of independents elected in various areas shows that in an election mainly run on national political issues, local people and politics still played a role.

The number of independents, particularly in townships, demonstrated ANC difficulties with civic associations and maverick members who stood against former colleagues. In many smaller towns independents have as many candidates in the wards as the main political players gained in the

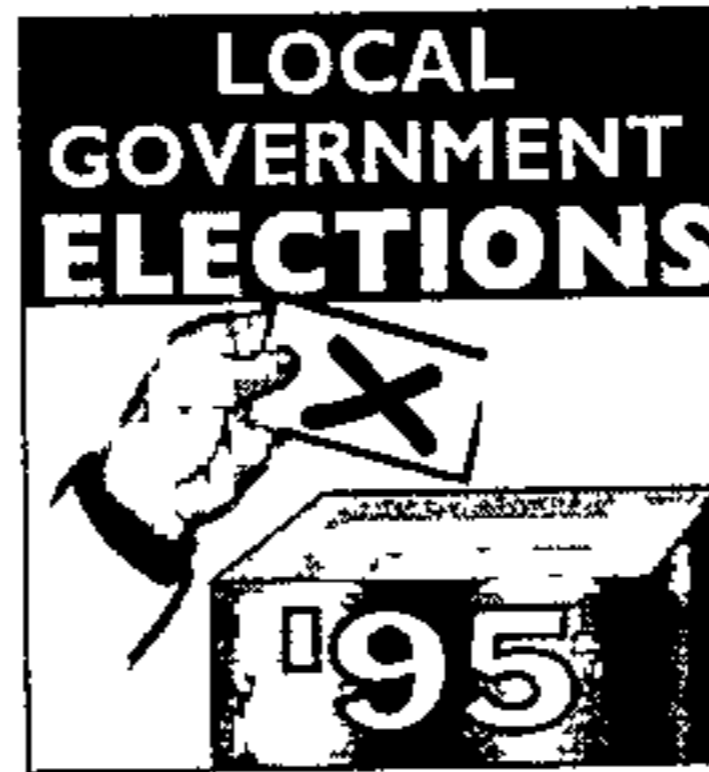
proportional representation election. The politics of these towns the next few days is likely to be characterised by wheeling and dealing to form alliances or coalitions for the election of mayors and senior officials.

Voter turnout was generally high for a local government election, but the ANC will be concerned at percentage polls in some of

its strongholds. These low turnouts robbed it of more proportional representation seats and contributed to the two-seat majority in Bloemfontein.

Low turnouts have been ascribed to apathy and anger at RDP non-delivery. There were losses from the ANC to the NP and the PAC, but these were minimal. The NP, after a massive effort in black areas, must be disappointed.

The CP as a political force in the Free State appears to be at an end. The FF has taken over as the legitimate face of right-wing politics. However, the NP consistently polled two to three times more votes than the FF in traditional white areas. As the NP campaigned on a nonracial platform, this must be a setback to the FF Volkstaat aspirations and the CP.



Mixed fortunes for smaller parties

Ingrid Salgado

SMALLER national political parties expressed mixed views on their performances in Wednesday's elections.

The DP declared itself back in business yesterday after winning a solid portion of wards in greater Johannesburg and what it described as a surprising number in the former NP-dominated Western Cape.

In Johannesburg's eastern metropolitan substructure, DP candidates won 11 out of 31 wards where counting was complete, while early results showed it had gained four seats in the northern MSS, DP spokesman Jack Bloom said.

Sapa reports DP leader Tony Leon saying results showed voters saw the DP not only as "effective opposition, but also the party with

the policies for effective management of local government." DP candidates in rural Western Cape had "suffered although it had won seats in fragmented areas in the province". The IFP was reluctant to speculate on the outcome of elections but spokesman Anthony Grinker said the party hoped to win seats on the East Rand and parts of Soweto in Gauteng.

Bloom said the party had won back all old support bases lost to the NP in national elections last year. It had also made extensive gains in non-traditional areas.

In the predominantly right-wing town of Germiston, DP votes trebled compared to the general elections. "This is a real breakthrough. We have displaced the Freedom Front as the second major party there."

Meanwhile, the African Christian Democratic Party said it was

disturbed by the number of drunk and disorderly voters who pitched at the polls. "There were people who couldn't stand on their own two feet, who could not think with a clear mind and had to be helped to booths," a spokesman claimed.

Early results indicated ACDP ward candidates had done poorly, although the party said it received 5,6% of the vote in Pietersburg and Tzaneen in Northern Province and 18,4% in Seaview, just outside Port Elizabeth.

Residents and Ratepayers Association spokesman Bernard Lapidus said the association was pleased with preliminary results in greater Johannesburg.

Candidates contesting two seats in the eastern MSS, three in the northern MSS and seven in the southern MSS failed to win wards but scored more than 10 000 votes.

Phosa gives mom-in-law a hiding

ARG 4/11/93

(2668)

MIDDELBURG — The ANC's landslide win in the local government elections means Mpumalanga Premier Mathews Phosa will not have to worry about his mother-in-law watching his every political move

Vengie Habile, top of the DP's proportional list in the province, failed to win either a ward or party seat

She was also first on the DP's list for Middelburg and the first black to stand in a predominantly white suburb in the town

"This has taught the DP a very hard lesson," Mrs Habile said after the party's Middelburg loss was announced

"Its members must take off their stiff white collars and straitjackets and get to grassroots level"

With only 428 votes cast for the DP in Middelburg, the party failed to win either proportional or ward seats.

Explaining her failure to win Ward 13, Mrs Habile said despite promises by neighbours to vote for her, "they just stayed away from the polls entirely"

The DP, however, still stands a chance to win Ward 1 in Middelburg, as the ANC candidate died shortly before the elections, making it necessary to hold a by-election on November 29 — Sapa

Council members accused of fraud

By NICOLA KOZ

TWO senior members of the Highveld Regional Services Council have been suspended following allegations of maladministration and financial malpractices extending "into millions"

On Friday the premier

of Mpumalanga, Mathews Phosa, said chairman Paul Broodryk and the chief executive officer, Gert Smith, had been temporarily suspended from duties pending an investigation into the allegations

Mr Phosa said he had requested the chief magistrate of Nelspruit, Mr H W

Moldenhauer to head the investigation

Mr Broodryk said yesterday "Please by all means let them investigate me I have nothing to hide"

Mr Phosa was informed of the allegations about a month before the local elections.

(2668) ST 5/11/95

Riding the wavecrest

IF YOU asked any black professional 10 years ago about Jabu Mabuza, the response would probably have been "Jabu who?" But today the former taxi driver can be ranked among the country's top 10 black managers

Mabuza, 38, group advancement manager of beer and leisure giant South African Breweries, recently became chairman of the newly established Mpumalanga Development Corporation (MDC)

This position effectively means he will have to oversee not only the practical amalgamation of three former homeland corporations, but the transformation of those institutions as well

MDC was born out of the amalgamation of the KwaNdebele Development Corporation, KaNgwane Development Corporation and the KaNgwane Agricultural Development Corporation

"I hold this position with pride because that is an area to which I have an emotional attachment, having been born there and grown up there," he says

He looks at his appointment - to head an institution that will drive development planning and funding for Mpumalanga - as the fulfilment of his desire to help the Government meet people's needs

Ironically, the MDC was born out of the big storm involving the "gravy train" fees which were allegedly charged by consultants who proposed the restructuring of the three former homeland corporations

Mammoth task

Even though that storm has settled, Mabuza says he is aware that a mammoth task still lies ahead and believes he has something to offer

"I don't claim to be an expert academically or otherwise, but I understand the needs of the people in that area"

When he was at secondary school in Mpumalanga, he recalls, there were times when there was no food in the dining hall and pupils would leave their classes to hunt wild animals in order to eat

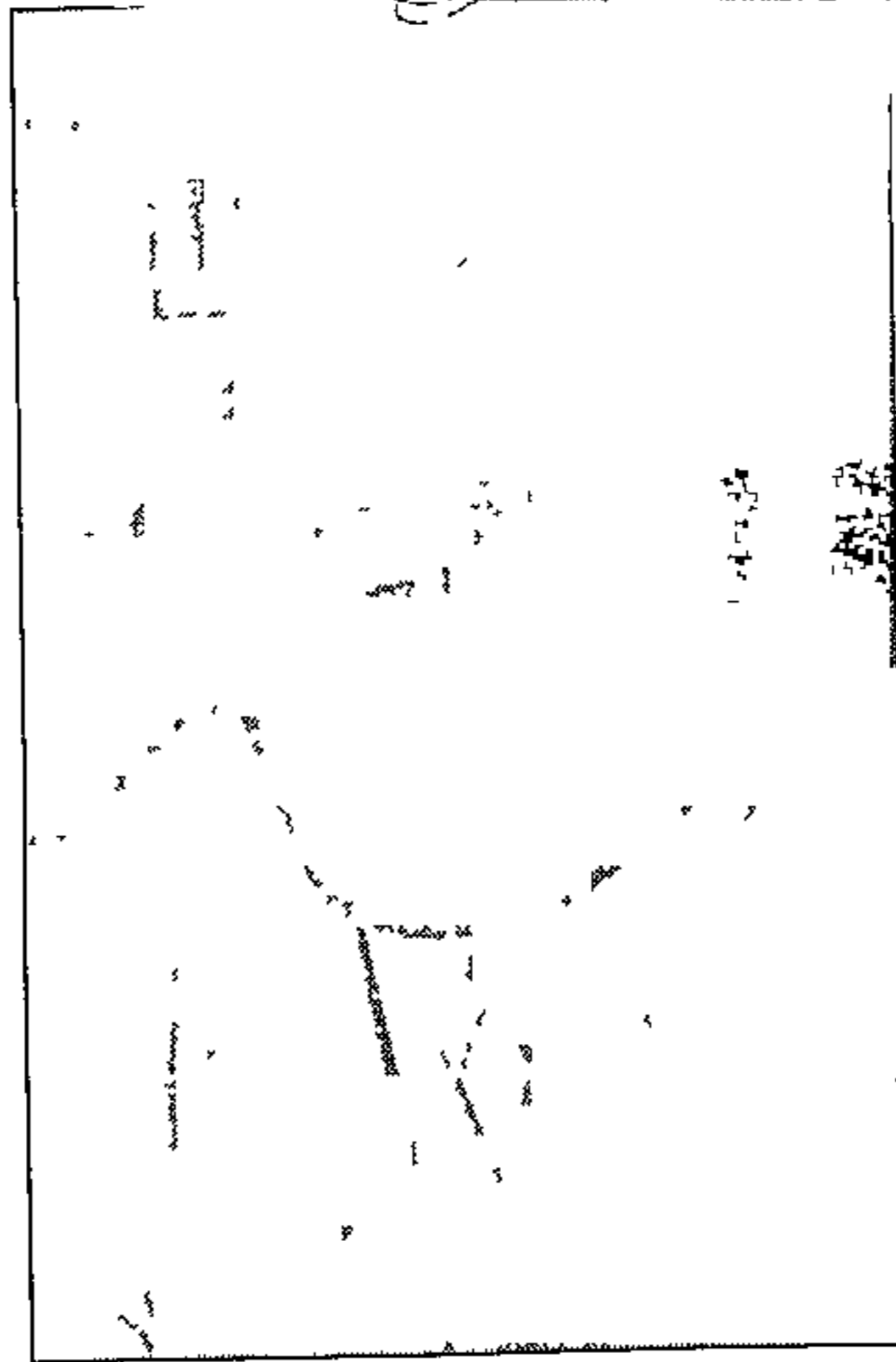
"At times, we were told that there was no bread because it had rained heavily and therefore the truck could not cross the flooded river," he says

When Mabuza visits his rural home, he still sees his father wake up very early in the morning and walk a long distance to his job as a construction worker

It is this kind of humbling experience that fills Mabuza with confidence that he has what it takes to steer the MDC in the right direction

The MDC's formation, he says, is the beginning of a long process of transformation, but he shies away from detailing the nature of the

Ten years ago, Jabu Mabuza was fairly unknown. Today, the senior manager for the SAB has taken over as chairman of the newly established Mpumalanga Development Corporation. Business editor **Mzimkulu Malunga** speaks to him



Jabu Mabuza . . . at the right place at the right time.
PIC LEN KUMALO

restructuring process

"I don't want to pre-empt the transformation process," he argues, adding that the only fact he is certain about is that the MDC will have one chief executive officer

Bigger area

Mabuza is cautious when he talks about rationalisation "While we will transfer and rationalise, we are also conscious that we are now serving a bigger area and the skills will be deployed somewhere else"

To allay the fears of technocrats in the development corporations which preceded the MDC, Mabuza says everything will be done in a "transparent way"

Pressed to say whether some jobs will be lost as a result of the planned rationalisation, Mabuza is still elusive "I cannot pre-judge," he says "Where people do not fit into the new

(266B) Newban 6/11/95

There are many black people out there who are better than me, but due to luck, here I am. I was at the right place at the right time

scenario, their plight will be handled in a humane way"

Apart from rationalisation, Mabuza and his colleagues on the new board are also confronted by another thorny issue - that of affirmative action

On this issue, he is adamant that affirmative action is a necessity and that MDC will have a clear policy on it

He has "no ambitions to be the MDC's CEO" because he does not "have the skills", but feels a CEO should be appointed sooner to lessen the pressure on him

Currently he shuttles between Gauteng, where he works for the SAB, and Mpumalanga "to keep an eye on the technocrats"

The shuttling puts a strain on Mabuza as he still has to be up-to-date with his SAB work

He is SAB's most senior black manager and the only black member of its management board

For a man who just over 10 years ago was driving a taxi and did not finish his law degree at Turfloop University, Mabuza has come a very long way

The question that comes to mind is whether he is of a special breed

He frowns at the suggestion "There are many black people out there who are better than me, but due to luck, here I am," he says

He adds that he rose so quickly because "I was at the right place at the right time"

Phosa calls for investigation

(266B) Sowetan 6/11/95

Sowetan Correspondent

MPUMALANGA premier Mr Mathews Phosa has called on Nelspruit chief magistrate Mr Heinrich Moldenhauer to investigate alleged maladministration and financial malpractices in the Highveld Regional Services Council.

Making the announcement at the weekend, Phosa said both RSC co-chairman Mr Paul Broodryk and chief executive officer Mr Gerhard Smith had been temporarily suspended from duty until investigations have been completed.

Phosa said irregularities had

been brought to the attention of the MEC for local government "some time ago" but he had delayed making the announcement until after the local government elections that took place last Wednesday

Political squabble

"I did not want the investigation - running into millions of rands - to develop into a political squabble so I waited until now to announce it.

"Out of good manners I telephoned Minister Roelf Meyer and local agriculture MEC Mr Lucas Nel to inform them of the investigation which I assured them was not a political issue," Phosa said.

He refused to go into detail but hinted that the allegations included the purchase of vehicles and office equipment, financial transactions, nepotism and unfair dismissals running into millions of rand

He said key witnesses, some of them fearing for their lives, were afraid to testify unless they were assured of protection

All staff members had been issued with letters assuring them that their jobs were not in jeopardy and were called upon to continue work as usual.

Phosa said he remained totally and irrevocably committed to a clean and transparent government.



RSC probed as two suspended

SPECIAL CORRESPONDENT

CT 6/11/95

NELSPRUIT: Irregularities in the Highveld Regional Services Council are to be investigated by the chief magistrate here, Mr Heinrich Moldenhauer.

Announcing this, Mpumalanga Premier Mr Mathews Phosa said the RSC's co-chairman, Mr Paul Broodryk, and chief executive officer Mr Gerhard Smith had been suspended. *(266B)*

The investigation involved millions of rands, Mr Phosa said. He refused to give details, but hinted that the allegations included the purchase of vehicles and office equipment, financial transactions, nepotism and unfair dismissals running into millions of rand.

He said key witnesses were afraid to testify unless they were assured of protection.

Nyathi playing hide-and-seek?

By WALL MBELE

SELF-STYLED political and economic analyst Eugene Nyathi — who took the country by storm with his incisive and fearless analysis of complex political and economic issues — has gone underground.

(2668)
Nyathi's sudden disappearance comes in the wake of sensational disclosures by a monthly magazine that he is not the man he claims to be

Nyathi's neighbours in the upper middle class suburb of Magaliesis near Four Ways, north of Johannesburg, said that since the Mpumalanga gravy scandal — in which Nyathi was found to have deposited more than R1 million in his personal bank account — he had rarely been seen at his home

The neighbours, who asked to remain anonymous, claimed Nyathi had told them he had a business in Pittsburg in the United

States — and they suspected he might have gone there.

■ A Home Affairs official told City Press that if it was confirmed that Nyathi had illegally entered South Africa, he would be arrested and deported to Zimbabwe — where it is believed he was born

As the mystery surrounding Nyathi deepens, his neighbours also claim he told them he was a

■ To Page 2 CP12/11/95

Nyathi (2668)

CP12/11/95

Zimbabwean — although he has in the past claimed that he was a South African and was born in Newcastle in KwaZulu/Natal

■ And as new information about Nyathi's shadowy past comes to light, sources within the National Intelligence have also expressed concern about his background

They told City Press that when Nyathi first came into the country they had been surprised that he was in the company of the later assassinated Namibian anti-apartheid activist Anton Lubowski.

However, Swapo leaders and the Namibian mission in South Africa know nothing about Nyathi's relations with Lubowski

"In fact," said one official, "we don't know him"

They promised to provide more information yesterday, but at the time of going to press the

Namibian deputy high commissioner had not contacted City Press

Intelligence sources told City Press that "Nyathi may have acquired his SA citizenship through dubious ways" and said they suspected it must have been organised for him by top officials of the previous government.

■ Nothing has been heard of Nyathi — a much sought after newspaper and TV commentator — since the Mpumalanga government established that he had secretly deposited more than R1 million of the provincial government's funds into his personal account

The disgraced Nyathi was forced to abandon his work as a vice chairman of the commission whose brief was to restructure Mpumalanga's development corporations.

Nyathi has been a consistent critic of alleged government overspending.

Sowetan

Friday
November 17
1995
Daily
National
(incl. VAT)

Building the Nation

Third Force cops held

Sowetan 17/11/95 (266B)

By Mathatha Tsedu
and Bhekis Matsebula

Plot to assassinate Mpumalanga premier leads to breakthrough

THE MPUMALANGA POLICE special-task unit yesterday arrested at least three people, including two white policemen, for allegedly smuggling guns to fuel violence in black areas.

The arrests seen as a major breakthrough in investigations against the Third Force, follow an affidavit by a Bushbuckridge-based Mozambican businessman, who was allegedly involved in a plot to assassinate Mpumalanga premier Mathews Phosa earlier this year.

The man, who cannot be named but is involved in a Mozambican refugee organisation, implicated senior police and army officers in the smuggling of hundreds of AK-47 rifles from Mozambique. The rifles were allegedly given to the Inkatha Freedom Party in Johannesburg's townships.

Some of the policemen implicated in the scheme are based at the Nelspruit police station. But the man names former top police officers and a former defence minister as part of the smuggling ring. The arrests yesterday were the climax to a series of events which started with the detention of the Mozambican. In interrogations it emerged that he was to meet two of his white handlers outside Kempton Park yesterday, where he was to be paid for a load of 150 rifles already delivered.

Mpumalanga MEC for safety and security Mr Steve Mabona told *Sowetan* yesterday that the man was taken to the place of the meeting.

Mabona said when the two white men arrived they asked for the Mozambican and later introduced themselves as members of



Mathews Phosa

the police national intelligence unit investigating the plot to assassinate Phosa.

"They brought with them a statement that was purportedly made by the Mozambican but it was not signed," Mabona said.

The men were arrested by the unit and were still detained at the Tembisa police station late yesterday, Mabona said.

According to the affidavit in possession of *Sowetan*, Phosa was to have been killed at

Maklana when he went to address a meeting early this year.

"The reason given was that he was not doing his work properly. I was told each person, including myself, would be given R25 000 if the plan was carried out," the affidavit of the Mozambican states.

"The man was a member of a syndicate that smuggled at least 100 AK-47 rifles each week. At first I did not know where these guns were taken. Later I was part of the people who took them to Volksrus, Mzimhlophe in Soweto, Natspruit and Zonkizizwe," the man said.

Border post

The man was paid R15 000 for the guns he brought into the country. He said he paid R150 a rifle in Mozambique and brought them to South Africa through the Komatipoort border post.

"When I leave (sic) Maputo, I phone Captain X and Major Y that I am on my way. We approach the border between 8 and 9pm. Captain would then phone or go to Maklana camp and tell the SANDF members who are stationed at gate 04 to remove those who are at gate 05.

"When we arrive at gate 05, there would be nobody. There is only one soldier," the man said.

The man said the "Boers" trusted him and wanted "me to organise people to vote for the NP in 1999, and if the NP wins, I would be paid R30 000 and a car," he said.

Joy as ANC candidates reinstated

(266B)

■ BY JOVIAL RANTAO
POLITICAL REPORTER

The ANC in Mpumalanga was yesterday "over the moon" following the reinstatement by the Supreme Court of the organisation's six candidates in the Hazyview Transitional Rural Council, one in the Witbank Transitional Local Council and seven in the Greater Nkomazi council.

ANC provincial spokesman Jackson Mthembu said the ANC had resorted to the law after the candidates were disqualified under questionable circumstances. *24/10/95*

Mthembu said Witbank candidate Henry Nkosi was disqualified because of non-payment for services. He was reinstated when the ANC produced proof that he was up to date with his payments.

"The courts have proved in all cases that they are for democracy. We don't view this as a victory for the ANC but as one for the democratic process in our country," Mthembu said.

The reinstated Nkomazi East candidates are Samuel Shabangu, Christinah Ngwenya, Grace Mahlalela, Thomas Makhushu, Nobuhle Khoza, Johannes Mandlazi and Martha Mashile. The Hazyview candidates had been disqualified by the returning officer because the organisation's address did not appear on their application forms.

R112m for infrastructure

PIETERSBURG: About R112 million has been allocated to Northern Province by the RDP office for improvement of infrastructure, provincial Land, Housing and Local Government Minister Mr John Dombu, said at the weekend.

(266B) (S) Sapa, Staff Reporter

CT 27/11/95

Official accused of R1,2-m (266B) embezzlement for 28/11/95

Middelburg - Highveld Regional Services Council (RSC) chairman Gerhard Smith appeared briefly in the Middelburg magistrate's court on charges of embezzling R1,2-million while co-ordinating arrangements for local government elections in KwaNdebele.

At the appearance on Friday, he was not asked to plead and was released, African Eye News Service reported. The case was postponed to January 30.

The allegations against Smith surfaced during a continuing commission of inquiry into the RSC, appointed by Mpumalanga Premier Mathews Phosa to investigate financial and management irregularities.

It is alleged that Smith wrote a cheque for R1,2-million in the name of a voter education project and allegedly fraudulently deposited the money with a company in which he had an interest. He then allegedly transferred the amount to a personal savings account.

A second cheque for R1,5-million, made out in favour of the same company, was cancelled by Nelspruit chief magistrate Heinrich Moldenhauer, chairman of the commission. - Sapa.

R2,7-m theft rap

Government official probed over additional R10-m

THE EXECUTIVE CHAIRMAN of the Highveld Regional Services Council appeared briefly in the Middelburg Magistrates' Court on Friday after being charged with stealing R1,2 million while coordinating arrangements for local government elections in KwaNdebele.

A second cheque for R1,5 million in favour of the same official was also stopped by government investigators before being paid out.

Suspended from duty

Mr Gerhard Smith is the second senior RSC executive officer to be suspended from duty this month following criminal allegations.

He is also being investigated for possible

additional expenditure totalling almost R10 million, most of which has not been accounted for by the RSC.

Government sources indicated that although only R1,3 million was budgeted for, the RSC had spent a total of R11,9 million.

Co-chairman of the RSC Mr Paul Broodryk was accused by premier Mr Mathews Phosa earlier this month of deliberately attempting to sabotage the elections in the former homeland of KwaNdebele after elections there were delayed for between 12 to 14 hours.

Smith, who has also been suspended from duty, was not asked to plead by the court on Friday and was released on his own recognisances. The case was postponed to January 30 pending further police investigations into the alleged theft. The allegations against Smith surfaced during an ongoing commission of inquiry into the Highveld RSC, which is currently sitting in Middelburg. Phosa launched the commission and appointed Nelspruit chief magistrate Mr Herrich Moldenhauer to investigate massive financial and management irregularities within the RSC after being approached by disgruntled council employees.

Phosa said the Highveld RSC presently administered almost one third of Mpumalanga's rural areas. Smith allegedly wrote a cheque for R1,2 million from a budget for voter education and fraudulently deposited it into a company in which he has an interest. He allegedly then

Southern 28/11/95

266B

transferred the entire amount into a personal savings account.

The second cheque, for R1,5 million, was also made out in favour of Smith's company but was cancelled by magistrate Moldenhauer last week before payment.

Illegal salary increases

The commission has also found that other RSC officials will have to repay the provincial government at least R72 000 after paying out illegal salary increases in July.

The increases followed the irregular upgrading of the RSC from a Grade 9 local government authority to a Grade 11 structure. *African Eye News.*

Holomisa protests at Transkei probe

(266B)
Stan 39/11
BY JOVIAL RANTAO

Political Reporter

29/11/95

The Government and the ANC seem set for a head-on collision with former Transkei military ruler and now Deputy Environmental Affairs Minister General Bantu Holomisa, who has accused them of waging a campaign against him and former Transkei Defence Force (TDF) members.

Relations between Holomisa and the Government are likely to be strained by an alleged investigation by state intelligence structures into the activities of the former Transkei Military Council (TMC) which he headed, and that of former TDF officers who have been integrated into the South African National Defence Force.

"The thrust of the investigation is to establish the role the TMC played in assisting liberation movements prior to the elections," Holomisa said.

The deputy minister is also unhappy that there was allegedly a campaign to dispose of him and others who were charged with mobilising support for the ANC ahead of the general election. Holomisa said it had become apparent that "now that the enemy has been overcome" and the ANC's objectives realised the ANC could afford to turn inwards and ferret out elements in its ranks who were deemed undesirable.

"It was precisely for this reason that I asked the NEC (national executive committee) members not to consider my name when electing national working committee members," he said.

The ANC yesterday denied that any investigation was being conducted on Holomisa and said it viewed the allegations in a serious light.

'Give up party politics for growth and reconstruction'

(266B)

CLYDE JOHNSON

Lowveld, Bureau

Star 29/11/95

Nelspruit - Mpumalanga Premier Mathews Phosa has called for party politics to be left aside for three years to allow all efforts in the province to be concentrated on economic growth and reconstruction.

Speaking during the closing session of this year's provincial parliament yesterday, he called on all economic sectors to ensure they and the government shared a common view of where the province should be headed.

"In this regard I wish to state very clearly that I do not regard the local government as one of small parliaments where political issues are debated to death, and we should not create paper-driven agendas leading to conflict and drawn-out academic discussions.

"Instead, I see the local government structures in our province as development-driven vehicles which should have a clearly focused agenda on the improvement of the quality of life of the community they serve," he said.

Summarising successes achieved during 1995, Phosa said contact with Germany, Canada, Taiwan and other countries had delivered handsome dividends in the fields of training, tourism, trade relations, economic empowerment and other areas.

Regarding the role of a premier as manager and guider of the province he said he had been thinking of ways to create space for strategic interventions so that delivery could be made where the needs were greatest.

Instruments, systems and institutions of government should be primarily aimed at delivery, he added.

"My role in future should be to fine tune the government to a point where the whole process is aimed at using our budget and all our resources creatively to stimulate the economy to deliver on basic needs and spend time effectively to deliver within the framework of the RDP"

His theme for 1996 would be to concentrate on human reconstruction and economic empowerment

POLITICS

Phosa plans economic growth

By Joe Mthlela
Political Reporter

Premier says it's necessary to help develop neighbouring countries too

A GAUTENG-MPUMALANGA-Maputo corridor is in the process of being established in which transport communication links will be developed in the region to ensure maximised economic growth, Mpumalanga -premier Mr Mathews-Phosa said yesterday

Opening a media conference in Hazyview near Bushbuckridge, Phosa said "The world has become a village and therefore it is necessary to contribute to the economic development of

not only South Africa but our neighbouring countries as well" Phosa said it was easy to pontificate and complain that South Africa was "flooded by foreigners" "This will be a trend if we do not

help develop the economies of our brothers and sisters across our borders" Turning to a need for vocational training, Phosa said "Vocational education is extremely important if Mpumalanga is to become the economic grant envied by other provinces" Plans are at an advanced stage to establish a mobile vocational centre in which various trades from bricklaying to plumbing would be taught.

(2668) Sowetan 8/12/95

"We need to get out of the old mould of focusing on the over-production of teachers and begin to look at the needs that stimulate economic growth through training," he said Phosa argued that "we have to become a nation of job creators rather than job seekers"



Security minister Sydney Mufamadi

'Firearm unit will remain'

By WALLY MBHELE and JUSTINE ARENSTEIN

MINISTER of Safety and Security Sydney Mufamadi yesterday lambasted Mpumalanga's provincial MEC for Safety and Security for a "distortion of the truth"

Flatly denying there was any agreement to "disband" the firearms unit in Mpumalanga province, Mufamadi was responding to statements made by Steve Mabona - that he had requested Mufamadi and police commissioner George Fivaz to disband the unit because they were allegedly involved in arms smuggling.

"Any claim that such an agreement was entered into amounts to a distortion, a misrepresentation or a misunderstanding

"If any member of the SAPS are implicated in criminal activity they, as individuals, will be firmly dealt with by way of criminal charges or in terms of police regulations," he said

R18-m secret is scouted out

By WALLY MBHELE

THE MPUMALANGA government has cancelled a lucrative and secret security contract worth over R18 million per year with the controversial Gray Security Services.

The company - allegedly owned by a top former intelligence officer of the notorious Rhodesian Selous Scouts who is now based in the United States - has enjoyed extraordinary benefits in Mpumalanga

The Mpumalanga MEC for safety and security, Steve Mabona, this week conceded to City Press that such a contract had existed

He said the "whole mess" had been inherited from the former KaNgwane homeland government

According to City Press sources, the contract - in force since 1986 - gave Gray Security Services the following benefits.

■ A guaranteed multi-million rand security contract for nearly ten years;

■ A fully equipped, free government training centre in Matsulu,

■ The use of government owned firearms of all types,

■ Free accommodation and offices with full amenities in government owned property - especially built for this purpose - in four centres, and

■ Ammunition, vehicles and uniforms provided and paid for by the government

Mabona did not deny any of the above allegations, although he said he was not sure about the exact amount of the contract "I'm told it's quite substantial," he said

"We have come to an agreement to nullify these contracts and restructure the security system in the whole province," he said

■ City Press has learnt that after an alleged plot to assassinate Premier Mathews Phosa was uncovered, Mabona withdrew the Gray security personnel from the premier's house and replaced them with SA police Services personnel

Dissatisfaction

City Press also heard that as dissatisfaction over the continuance of the contract grew within the Mpumalanga government, the company had allegedly tried to blackmail the government by telling its employees that the Phosa government wanted them to lose their jobs

This, according to sources, was because a decision had been taken to ask tenders "for the security services which Gray Security Services had never tendered for since 1986 They had come from the former KwaZulu to handle the former KaNgwane government's security contract - which was given to them on a plate"

It is believed the Mpumalanga cabinet is now preparing to put out tenders

Sources claimed Gray Security Services had employed people with contacts and influence in the ANC in a bid to keep its contract

Among those allegedly employed by the company was the wife of a government official, Sam Cronjé of the finance department - who also serves as an adviser to the minister on the tender board

"Gray Security services has also donated R176 000 to the Mrs Phosa Street Children Centre - when in the last ten years they never donated even a cent to the people of KaNgwane," a source said.

It is also understood that the formation of a joint venture between Gray Security Services and a black company led by Peter Kneves, a business partner of the former KaNgwane chief minister, is imminent

Sources say Gray Security Services is also planning to change its name to Phakamani Security Services

"There is no doubt in my mind that the writing is on the wall for Gray Security Services now that the gravy train they were riding on is coming to a stop," said a source.

"They are using all their resources to hold on to the contract, even if it means giving up 50 percent of their profits"

■ Attempts to reach the Gray Security Services' headquarters in Cape Town before going to press were unsuccessful

(266B) EP 10/12/95

Rumours about Mpumalanga MEC

Source 11/12/95 (266 B)

By Abdul Millazi
Labour Reporter

MPUMALANGA MEC for finance Mr Jacques Modipane has been accused of tampering with decisions of the Tender Board to ensure that contracts to distribute matriculation textbooks were given to his bookstores.

Premier Mathews Phosa said at the weekend that the allegations against Modipane were contained in pamphlets from anonymous sources and were circulated in the province.

According to a source close to the provincial government, the allegations were that Modipane gave tenders for matric books to bookshops owned by him. These included Teledi Book Sellers, Lowveld Books, Las Vegas and Mothabela Books. The pamphlets also accused him of being a member of the "mafia".

The source said "Modipane does not own any business, this is obviously

A pamphlet alleges Tender Board decisions were tampered with

a ploy by some whites who want to create the impression that blacks cannot run a government. We will, however, trace the source of the pamphlet that was sent to government offices and determine where it was faxed from."

Official suspended

Modipane has since suspended Tender Board procurement officer Mr Vincent Khoza, who was in charge of giving out tenders, until the investigation is completed.

He has also suspended the tenders for matric books and called for a police investigation into the allegations.

He said the suspension of tenders would not affect next year's book supply for Sub A to Standard 9 which would be purchased directly from sup-

pliers and has called an urgent meeting of the Tender Board today to discuss the matter.

Meanwhile, the man claiming to have been trained to assassinate both Phosa and safety and security MEC Mr Steve Mabona is believed to have gone into hiding after being released from prison on Friday.

The would-be assassin claimed that he received training and orders to kill Phosa from senior police officers who were disgruntled with reforms initiated by the premier in the province.

Lukhele was arrested after abandoning his alleged mission and surrendered himself to Phosa in April and implicated six of the province's top police officers.

Phosa: serious about the job

By Joe Mdhlela
Political Reporter

Balanced reporting by the media will ensure good governance, says premier

MPUMALANGA premier Mathews Phosa is so determined to make a success of his province that he even wakes the Members of the Executive Council in the middle of the night.

In an interview with *Sowetan*, he said "I am serious about making Mpumalanga a success. To that end, I do not hesitate to get the MECs out of bed in the dead of night if there is something that needs to be done."

He added "From choice, we decided to assume positions of responsibility and we dare not fail our people who are looking to us for the delivery of services."

Getting up in the middle of the night for a good cause is a small price to pay for Phosa. The bigger reward is knowing that good governance will be the order of the day.

Phosa is also aware that good governance must ensure that there is accountability. He emphasises that the media can play a role in ensuring that accountability permeates the whole system of governance. "Right down to all our people in the province."

"It would be much easier to account to my MECs about the things we do. But we also need to account to the

world, hence the importance of the media," he said.

However, he cautioned that the media also had a responsibility to be balanced and fair in reporting events.

"The media have the power to influence the man in the street by what they show on television, broadcast on radio and print in newspapers and magazines.

"It is therefore extremely important that reporters should be fair, that they should not only report the negative, the scandals and the shortcomings but also positive stories and the successes of the government."

Maintaining a balance

Without prescribing to journalists, he said it would be preferable if they maintained a balance between "victories and scandals."

He said "You, as reporters, can influence the people of South Africa to have faith in our country, and highlight areas in which people are reconciled and working together in the transformation process."

Turning to corruption, Phosa said "It is the right of any reporter to act immediately should there be any evidence of corruption. We as govern-

ment expect constructive criticism and reporting."

He also said that despite the majority support for the African National Congress in the province he was encouraged by the harmonious interaction with parties like the National Party and the Freedom Front.

Consistent with the spirit of nation-building, Phosa spoke fondly of his wish to bring Inkatha Freedom Party leader Chief Mangosuthu Buthelezi on board the Constitutional Assembly.

"It is a pity Buthelezi is spinning the hand of friendship extended to him by the chairman of the Constitutional Assembly, Mr Cyril Ramaphosa," he said.

"But we should not despair. I think if we are hoping for a lasting peace, Buthelezi must be persuaded to rejoin the constitutional process."

In the final analysis, nothing would please Phosa more than seeing Mpumalanga become the leading province as far as development is concerned.

"To achieve that, hard work is needed," he said, "including nudging MECs to take their jobs seriously."



Mpumalanga Premier Mathews Phosa ... determined to make his province a success.
PIC LEN KUMALO

Former homeland leaders not under probe – Ramathlodi

By ROCKY MOKOENA

CP 17/12/95 (266B)

NORTHERN PROVINCE premier Ngóako Ramathlodi distances his government from the establishment of a commission of inquiry into the activities and maladministration of the three former homeland leaders in the province

Ramathlodi, speaking after a two-week trip to the Far East, told City Press that his government was not prepared to target any individual for investigation

He said the commission would cost the provincial government a lot of money and would be against the reconciliation policy in the province

"We are not going to investigate the failure of our opponents. Our task is to improve the living standards of people," said Ramathlodi

He said the government had a provincial police task team to investigate the misuse of government properties that involved all government officials.

The call for an inquiry came after the appearance of Nelson Ramodike in the Pietersburg regional court

He was not officially charged but the case involved a car parts theft syndicate using former Lebowa government cars.

Ramathlodi said the task team had made a breakthrough in their investi-

gation and many people would be charged

The other leaders involved in the inquiry are military leader Brig Gabriel Ramoshwana of the former Venda and Cedric Nxumalo of the former Gazankulu

The homeland leaders were accused of maladministration during their office period and misusing government funds.

Other government property, including furniture and cars, was reported missing before the general election

Ramodike is alleged to have misused government funds in that he built institutes that never functioned. He is alleged to have been earning more than former South African President F W de Klerk during his term of office

In the former Venda many government departments collapsed because of lack of finance

More than 3 500 government employees were forced to leave their jobs as the provincial government had no funds to cover their salaries

Ramathlodi said he would not interfere with the central government if it found it necessary to establish the commission against the three former leaders

Towns want to switch provinces

2618
19/12/95
PIET RETIEF — Piet Retief and surrounding communities in Mpumalanga were demanding their reincorporation into KwaZulu-Natal, reincorporation of Piet Retief into KwaZulu-Natal committee spokesman Alson Hlatshwayo said yesterday.

The communities of Thandukukhanya township, the villages of Comondale and Moolman, the Greater Pongola and several other areas around Piet Retief want to secede from Mpumalanga because they were traditionally part of KwaZulu-Natal.

The communities' demand won the support of local chiefs. Both the chiefs and the communities maintained there was no proper representation in the demarcation of the borders of SA, Hlatshwayo said.

The process was dominated by the ANC, he said. A referendum would have been most appropriate to handle the process.

Mpumalanga local government acting director Wessel van As said if the communities wanted reincorporation into KwaZulu-Natal, they should take their request to regional premier Matthews Phosa.

Warwick Dorning, spokesman for KwaZulu-Natal local government MEC Peter Miller, said: "The provincial administration of KwaZulu-Natal will be very careful not to interfere in the internal affairs of a neighbouring province, but as is the case with the East Griqualand issue and the Eastern Cape, the province of KwaZulu-Natal would be happy to enter into properly structured discussions with its counterparts in the province of Mpumalanga, with a view to finding a mutually satisfactory solution to the issue." — Sapa

Towns want to switch provinces

(266B) (264)
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Police men accused of plot to kill Mpumalanga premier

By JOVIAL RANTAO
POLITICAL REPORTER

Police men based in Mpumalanga and a Gauteng-based former Civil Co-operation Bureau member have been implicated in plots to murder Mpumalanga Premier Mathews Phosa and his Safety and Security MEC Steve Mabona.

Mabona told the *Saturday Star* that the police men had trained eight black men to use in the assassination. The police men then planned to kill the hit-man once Phosa was dead.

He identified the three police men but, on the basis of legal advice, the *Saturday Star* is withholding their names.

President Nelson Mandela, Safety and Security Minister Sydney Mufamadi and Police Commissioner George Fivaz have been given details of the alleged assassination plans.

Mabona said the murder plot was linked to arms-smuggling between Mpumalanga and Mozambique. He said Mpumalanga police investigators went as far as Gaza province in Mozambique to gather information and evidence on the alleged plots and arms smuggling.

The MEC has also raised concern that his recommendation to Fivaz that the implicated police men should be suspended until an investigation proved them innocent or guilty was not heeded. "I recommended the immediate suspension of the police men over two months ago and to date, nothing has been done," he said.

A spokesman for Fivaz, Supt Leah Shubambo, confirmed that investigations were under way but refused to disclose their progress.

She referred the *Saturday Star* to a recent statement issued by Fivaz on the matter.

In that statement, Fivaz said he had instructed the chief of the Crime Investigation Service to launch a thorough probe into the allegations.

Mabona said that according to a source, Phosa was to be killed because he "knew too much and is clever, cruel and seeks revenge."

The other reason Phosa was marked for death was a belief by the alleged conspirators that he would avenge and dismiss all police men who planned to kill him in 1985 when he was still a member of Umkhonto we Sizwe.

Phosa and his intelligence structure's main source was two former Third Force operatives who were part of the assassination plot. One of them, Jerry Lukhele, who revealed the mur-



MATHEWS PHOSA: Police said to have plotted assassination

der plot in April, was arrested and charged with perjury by police men appointed to investigate his statements.

The charge was dismissed by a Pret Relief magistrate, and Lukhele was released and is in hiding.

Lukhele said that the first time the group came close to killing Phosa was on September

29 last year, when Phosa was invited to open a shopping complex in Secunda.

On that day, would-be assassins armed with rifles and Makarov pistols were about 15m from Phosa waiting to strike. Lukhele said the large number of people who attended the ceremony made it impossible to carry out the mission.

The second attempt was on February 2 this year at the Kriel colliery near Witbank. According to Lukhele, gunmen were scheduled to shoot Phosa as he walked around with nine executives. A sixth-sense decision by Phosa to deviate from the planned route is believed to have scuttled the plans.

The third attempt on Phosa's life was to be made on April 8 at Watervalboven. Lukhele said that two days before the attempt, he and seven Third Force colleagues were driven to a place called Squamans, a camp formerly used by the internal stability unit.

At the camp, Lukhele and his colleagues were allegedly met by a brigadier and a colonel. On April 7 they were taken to an SA National Defence Force camp in Mbuluzi, near the Mozambique

border, where they were given military training.

At the camp, Lukhele said, he and his colleagues were introduced as "crime investigating detectives" searching for stolen vehicles. It was from this camp that Lukhele broke away from the group and reported the plan to the provincial ministry of safety and security and was handed to the police.

After interrogation sessions, police said Lukhele was mentally ill, a claim which was dismissed by a medical doctor. Lukhele said there were attempts by police to poison him while he was held at an Mpumalanga police station.

The fourth attempt on Phosa's life was revealed to him by the Crime Intelligence Service, which said it had received evidence that right-wing individuals with AWB links were planning to murder him by sabotaging his car.

Mabona was to be eliminated because he wanted to move police headquarters from Middeburg to Nelspruit and allegedly wanted to get rid of senior police men implicated in hit-squad activities and other crimes.

PS. - LA - E. TVL.

1996 - 1997

POLITICAL BRIEFS

(266B)
**Mpumalanga
gets own flag**

THE Western Cape was pipped at the flagpost yesterday by Mpumalanga, which became the first province to fly its own flag

The Mpumalanga flag — the first new provincial flag since the 1994 elections — features a prominent red Barberton daisy with a yellow top section and a green bottom section, bisected with parallel blue and white stripes.

But the local ANC said it was "quite happy with one national flag". It has yet to nominate a member to the province's technical flag selection committee.

ANC provincial spokesman Mr Cameron Dugmore said his party supported a provincial coat of arms, but not a flag.

This is in spite of a unanimous executive committee decision early last year to have a new flag for the Western Cape and a subsequent high-profile flag design competition in the media.

A technical committee narrowed 700 entries down to 50 before a joint committee with five Western Cape Arts and Culture Group members and five people nominated by the five parties represented in the legislature, made the penultimate choices.

It is this committee that cannot function because not all parties are represented on it

CT 7/3/96

**Cabinet backs
Games process**

THE cabinet endorsed the process for evaluating Cape Town's bid for the 2004 Olympics yesterday, cabinet secretary Dr Jakes Gerwel said.

Sports Minister Mr Steve Tshwete had "updated cabinet on the process for preparing the bid for the Olympics", he said.

**FW: ANC must
reposition itself**

THE ANC needed to reposition and redefine itself as a political

L

Nyathi cost the public R1 380 000

(2666) *Sowetan*
18/4/96

By Joe Mdhlela
Political Reporter

Auditor-general's report finds that cost could not be justified

A SPECIAL REPORT BY the auditor-general has shown that it cost taxpayers R1 380 000 in 16 days to pay for the salaries and expenses of controversial political analyst Mr Eugene Nyathi and his deputy, Miss Ntsoake Mohapi

Both Nyathi and Mohapi were employed by Mpumalanga to restructure the province's development corporation

The cost, according to the report, could not be justified "and does not accord with the principles of economy, efficiency and effectiveness"

The report also revealed "serious irregularities" which needed further investigation

Mr Douglas Maphiri, a spokesman for the Auditor-General,

said Mohapi's appointment had given rise to "further questions"

"Evidence could not be found to support the assertion that Mohapi had the experience or qualification to discharge the duties and responsibilities associated with the assignment," Maphiri said

Commission of inquiry

He said it had not been clear if Nyathi and Mohapi were appointed as consultants or chairperson and member of the commission of inquiry

"Even if that were the case, the auditor-general wishes to point out that it was done in a manner which does not comply with Chapter T of

the Treasury instruction," Maphiri said. He said evidence at the disposal of the auditor-general indicated that payments made to Nyathi and Mohapi amounted to R15 000 a day.

"There was no control over payments made to Nyathi due to the fact that he authorised payments himself," he said

Payments due to Nyathi up to August 31 last year were reduced by R116 700 from an original amount of R386 000 to R267 400

The report also revealed that Nyathi had been appointed chairman of the board at a salary of R24 000 a month

Nyathi had received R100 760 in overtime pay

15
15
15

Nyathi, Mohapi probe shows 'irregularities'

Mduduzi ka Harvey

CONSULTANTS Eugene Nyathu and Ntsoaki Mohapi's involvement in a Mpumalanga government commission of inquiry had given rise to "serious irregularities", an auditor-general's report showed yesterday.

The report, which recommended further investigation, found that a treasury instruction stipulated that Mohapi, as commission chairman, should have received R587 a day, while Nyathi should have been paid R461. Instead, the report said, both received R15 000 a day.

Nyathi and Mohapi served on a committee to investigate the structure of nature conservation and a commission of inquiry held into the restructuring of development corporations in the province.

The auditor-general noted with concern that sufficient effort had not been made to recover amounts overpaid and that no action had been taken against the co-ordinator of the commission.

In addition to his positions on the commission and the committee, Nyathi was also chairman of the interim board of directors of development corporations at a salary of R24 000 a month. With overtime he received R100 760 for September last year.

Nyathi

~~258~~
~~256B~~

Continued from Page 1

BD 18/4/96

year — a maximum of 31 session days

— Mohapi as commission chairman should have received R18 197 and commission member Nyathi R14 291. An audit on the appointments indicated there had been no written communication from the province which confirmed the appointments and no written terms and conditions of employment, fees, allowances and other arrangements could be furnished.

The report said there was no evidence of Nyathi and Mohapi's appointment as consultants. It added that even if there was, the "necessary steps" had not been taken to ensure they were the best people available for the job, in terms of their qualifications, experience, track records and expertise.

The report questioned Mohapi's experience or qualifications to adequately discharge duties and responsibilities associated with the assignment.

The Mpumalanga premier's spokesman Oupa Pilane said the provincial cabinet would study the report before commenting. It would be tabled before the provincial legislature next week. Neither Nyathi, who is believed to be in the US, nor Mohapi could be contacted for comment.

'irregularities'

The report also found there was no control over payments to Nyathi because he had authorised payments himself. This was shown by the fact that payments due to Nyathi up to August 31 last year were, after investigation, reduced by R116 000 from R386 100 to R267 400.

The report said board members had questioned certain large payments, to which Nyathi responded by removing the item from a board meeting agenda.

The report said if the assumption was made that the commission sat from June 19 to the end of July last

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BD 18/4/96

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KwaNdebele accounts in R14-m tangle

(266B)

STAFF REPORTER

Star 18/4/96

An Auditor-General report on the accounts of the KwaNdebele government and lower authorities in the area for the financial years 1992-1993 and 1993-1994 has revealed R14,66-million in unauthorised expenditure

Two audits showed up significant shortcomings in internal control systems in departments and magistrates' offices

Other shortcomings included

- The non-collection of taxes,
- Improper and insufficient bookkeeping systems,
- Poor control over government stores and expenditure payments and "serious doubts over the reasonableness of the appropriation accounts", said a statement released by Auditor-General Henri Kluever

► Report slams pay

Report slams appointment, pay of Nyati and Mohapi

(266B) Star 18/4/96
BY JOVIAL RANTAO
Political Reporter

The appointment last year and remuneration of "political consultant" Eugene Nyati and Ntsoaki Mohapi by the Mpumalanga government has been slammed by Auditor-General Henry Kluever in a special report that followed a six-month audit investigation.

Kluever found that in appointing Nyati and Mohapi, government treasury rules and regulations were violated. He also found the appointments did not comply with chapter T of the Treasury Instructions, which prescribes the manner in which a commission of inquiry should be appointed. The appointments did not accord with principles of economy, efficiency, effectiveness and probity.

Kluever found that payments of R15 000 a day to Nyati and Mohapi significantly exceeded the stipulated daily remuneration of chairpersons and members.

Nyati and Mohapi were commissioned by the Mpumalanga government to restructure the province's parastatals in an exercise aimed at curbing waste and inefficiency. They also served on a committee to probe the structure of nature conservation. Nyati was later appointed chairman of the interim board of directors of the Mpumalanga Development Corporation at a salary of R24 000.

"If the assertion that they were appointed as members of the abovementioned bodies stands, then they should have been paid according to Treasury Instruction T42, which stipulates that the chairperson of a commission is paid R587 per day and a member

R461 per day. If the assumption is made that this commission sat from June 19 to the end of July 1995, then a maximum of 31 days were at the commission's disposal as session days. Flowing from this, Mohapi should have received R18 197 as chairperson of the commission of inquiry and Nyati R14 291 as a member of the commission," the report said.

The investigation found there were no controls over payments made to Nyati, mainly because he authorised the payments himself. This was evidenced by the fact that payments due to him up to August 31 1995 were, after investigation, reduced by R116 700 from R386 100 to R267 400.

"It would further appear that Nyati made all the decisions about payments without the involvement of the members of the interim board," the report said.

There was no written communication from the provincial government to Nyati and Mohapi confirming their appointment to the bodies concerned.

Mohapi's appointment, in particular, gave rise to some questions. Evidence could not be found to support the assertion that she had the experience or qualifications to discharge the duties and responsibilities associated with the assignment adequately.

Without divulging details, the report said there was evidence of serious allegations which needed further investigation.

A spokesman for the auditor-general's office told The Star the report would be tabled in the Mpumalanga legislature and then referred to the provincial public accounts committee.

Millions 'were spent without authority'

Mduduzi ka Harvey

BD 19/4/96

(266B)

The former homeland governments of KwaNgwane and KwaNdebele had spent unauthorised amounts of more than R16m and R14m respectively, says an auditor-general's report.

A spokesman for auditor-general Prof Bertie Loots said, however, the KaNgwane report was incomplete because of the inability of various departments to submit correct and acceptable financial returns on time.

Loots said the absence of internal checking and control indicated a serious lack of effective financial management. Even after extension of the closing date for submissions of financial accounts from March 1993 to September that year, certain accounts were still outstanding.

What the report found particularly disturbing was the failure of departments' accounting officers to produce returns for the years under review.

These delays in the preparation and closing of accounts, statements and returns had meant a proper and final audit could not be carried out.

Part of the auditor-general's investigation probed the sale of government land to KaNgwane government officials, and it was found that more than 30ha of land with four houses on it had been sold to officials for slightly more than R23 000.

Spokesman for the auditor-general's office Douglas Maphiri said the homeland's finance department secretary had said the properties were not sold through the Tender Board but were simply allocated by then home affairs department to political incumbents. The amounts paid for the prop-

erties were merely the transfer costs.

More information on these transactions had been requested from the home affairs department by the auditor-general's office. However, this was not forthcoming.

Other matters which could not be properly reported on because of the lack of information included free services by government, investments by government, outstanding revenue and financial guarantees.

Other concerns about financial management were "tardiness" in disposing of audit queries, poor control of staff and salary matters, and the failure of most departments to furnish annual reports.

The report attributed financial discrepancies in KwaNdebele to shortcomings in internal control systems and inadequately trained staff in departments and magistrates' offices.

It said the shortcomings had resulted in unauthorised spending, non-collection of taxes and debts, improper acquisition of goods and services, poor control of salary matters and poor control of government stores, which had led to cases of fraud.

Auditor-general Henri Kluever said these shortcomings were so severe that his office could not rely on the homeland government's financial accounting systems and accounts.

□ Sapa reports that Mpumalanga finance minister Jacques Modipane has denied accusations by the auditor-general that the provincial government had not made sufficient effort to recover money paid to consultants Eugene Nyathi and Ntsoki Mohapi last year. Legal proceedings had been instituted against Nyathi.

TUESDAY
APRIL 23, 1996 ★

Audit probe reveals abuse, corruption (2668)

OWN CORRESPONDENT

CT 23/4/96

JOHANNESBURG An audit investigation into the financial affairs and management of the former KaNgwane and KwaNdebele self-governing territories has unveiled a catalogue of mismanagement and corruption and a flagrant abuse of rules and regulations by the former governments.

Auditor-general Mr Henri Kluever has revealed that in KaNgwane the investigation uncovered unauthorised spending of over R16 million — R6m in the 1990-91 financial year and R10,7m in the 1991-92 financial year.

In KwaNdebele, the probe uncovered unauthorised spending of over R13m

Kluever said the 1991-93 reports on the two territories were being released only now because legislation had to be amended for issues to be dealt with at provincial level. The two areas have been integrated into Mpumalanga.

The probe found that five government farms of over 30 hectares and worth millions of rands were sold for "nothing" in violation of Tender Board regulations. It was also found that two farms in Lilydale and three in Louieville were sold to political incumbents who only had to pay the transfer costs.

"The argument was that it had not cost the KaNgwane government anything," the report said.

KaNgwane, KwaNdebele audit reveals graft and abuse

(266B) Star 23/4/96

By JOVIAL RANTAO
Political Reporter

An audit investigation into the financial affairs and management of the former KaNgwane and KwaNdebele self-governing territories has unveiled a catalogue of mismanagement, corruption and a flagrant abuse of rules and regulations by former governments.

Auditor-General Henri Kluever has revealed that in KaNgwane, his investigation had uncovered unauthorised expenditure of more than R16-million - R6-million in the 1990-91 financial year and R10,7-million in 1991-92.

The 1991-93 reports on the two territories were being released only now because legislation had to be amended in order for issues to be dealt with at provincial level. The two areas have been integrated into Mpumalanga.

The probe also discovered that five government farms worth millions of rands were sold for "nothing", in violation of Tender Board regulations. The auditor-general found that two farms in Lilydale and three in Louieville were sold to political incumbents who had to pay only the cost of transfer.

"The argument was that it had not cost the KaNgwane government anything," said his report.

The exact value of the properties had not been ascertained, making it difficult to establish what financial gain the officials enjoyed.

In separate reports, the auditor-general said he could not express an opinion on the financial affairs of the two territories. His probe has revealed the inability of various government departments to submit correct and acceptable financial statements and returns in time.

"This confirms not only poor record-keeping by departments and serious shortcomings in internal checking and control, but is also indicative of serious and continued lack of effective financial

management," the auditor-general said in his report on KaNgwane.

The late or non-submission of statements and returns by accounting officers had had a detrimental effect on the finalisation of his report. KaNgwane's appropriation, finance and miscellaneous accounts for 1990-91 and 1991-92 had not yet been submitted. There were significant concerns over financial matters such as poor control over staff and salary matters.

"Failure to reply to audit queries timeously once again hampered the execution of an efficient audit and necessitated several personal letters to accounting officers. Despite assurances that all steps possible would be taken to normalise the situation, most informal queries and minutes had not yet been replied to and/or dealt with properly at the time of writing this report."

In KwaNdebele, the audit investigation uncovered unauthorised expenditure of more than R13-million. It also revealed significant shortcomings in internal control systems over a wide spectrum of government activities.

These shortcomings had resulted in unauthorised expenditure, overpayments, non-collection of taxes and debts; improper acquisition of goods and services; poor control over salary matters; improper bookkeeping in respect of payments and receipts, and poor control, if any, over government stores and expenditure payments, which in several cases led to fraud.

"The shortcomings were of such a nature and extent that this office could not rely upon the government's financial accounting systems and accounts. In addition, the shortcomings reported on may not be exhaustive," Kluever said.

"This office is not in a position to express an audit opinion on the reasonableness of the government's appropriations, revenue, deposits, tribal levies and trust accounts for the 1992-93 financial year."

Nyati returns R600 000 to govt

Kevin O'Grady

20 25/4/96

(266B)

OVERPAID consultant Eugene Nyati had returned more than R600 000 to the Mpumalanga government since it was discovered last year he had overcharged for his services to a commission of inquiry, the auditor-general's office said yesterday.

An auditor-general's report last week said Nyati and commission chairman Ntsoaki Mohapi had earned R15 000 a day instead of R461 and R587 a day respectively. The report was critical of insufficient effort being made to recover the amounts.

However, an auditor-general spokesman said yesterday that the Mpumalanga administration had provided "evidence not made

available previously" on Tuesday that showed Nyati had returned R613 200 to the KaNgwane Economic Development Corporation in September last year.

The spokesman said it was unclear how much of the reported R1,5m Nyati received in salaries, overtime and expenses claims he should still repay. Mohapi has reportedly not repaid any of the money overpaid to her.

The report had been referred to the Mpumalanga legislature's public accounts committee.

Meanwhile, Sapa reports the DP said it was concerned about the expenditure burden of consultants, which had rocketed to R1bn in a single year. The party urged government to stay within the budgeted limits for consultants.

Nyati repaid 'thousands of rands'

By JOVIAL RANTAO
Political Reporter

The Mpumalanga government has produced evidence that Eugene Nyati had paid back R613 200 to the KaNgwane Development Corporation after his services as a "consultant" were terminated by the provincial government last year, the office of the auditor-general said yesterday.

Its statement said the evidence had not yet been made available when its report was finalised and published in The Star recently.

The report condemned the appointment and remuneration of Nyati and Ntsoaki Mohapi by the Mpumalanga government, and will be referred to the provincial accounts committee which will launch its own investigation.

The statement followed denials by Mpumalanga MEC for finance

Jacques Modipane that the government had not done enough to recover money overspent by Nyati and Mohapi.

In a report released last week, the auditor-general found that in appointing Nyati and Mohapi, rules and regulations were violated. The appointments did not comply with Chapter T of the Treasury Instructions, which prescribes the manner in which a commission of inquiry should be appointed.

The auditor-general found that payments of R15 000 a day to Nyati and Mohapi significantly exceeded the daily remuneration of chairperson and members stipulated in the Treasury Instructions.

Nyati and Mohapi were commissioned by the Mpumalanga government to restructure the province's parastatals in an exercise aimed at curbing waste and

inefficiency.

They also served on a committee to investigate the structure of nature conservation. Nyati was later appointed chairman of the interim board of directors of the Mpumalanga Development Corporation at a salary of R24 000.

The auditor-general's probe found there was no written communication from the Mpumalanga government to Nyati and Mohapi confirming their appointment on the bodies concerned. The provincial government could not produce written terms and conditions of employment, fees, allowances and other financial arrangements.

And evidence could not be found to support the assertion that Mohapi had the experience or qualifications to adequately discharge the duties and responsibilities associated with the assignment.

(266B) Star 25/4/96

Nyati repay
Mpumalanga (266B)
over R600 000

ESPPH - Consultant Mr
In one of the reports of the
Minister of the Environment and
Tourism in 1997, it was noted that
south of the head of the dam the
proposed to be done.
A probe into the debt of
the Mpumalanga government of
R1.5 million in 1997, it was
found that the government
of Mpumalanga had a
management

Nyati is ordered to find all
the money made on the
account held by the Mpumalanga
government and report the
R1.5 million to the
order to investigate
Nyati and to report them
if any of the money is
up expenses of the
to order the minister
announced a system
paid out the R1.5 million
economic Development Corporation
in September 1997. It was
paid in June for the
months and had reported
monthly report - Sept

CT 25/4/96

Mabuza named in KaNgwane financial chaos

M+G 17/23/5/96 (266B)

An auditor general's report has implicated high-ranking officials in a multi-million rand spending spree in the former homeland of KaNgwane, writes **Justin Arenstein**

NATIONAL Parks Board chairman Enos Mabuza, formerly chief minister of KaNgwane, is among the officials pinpointed in a report by the auditor general as being responsible for the R118-million debt incurred by the former homeland

Other government officials named in the report include Magisi Zitha, also a former chief minister and now South African ambassador to Mozambique. The report also implicates at least one provincial MEC, various provincial department directors, virtually the entire top management of the Mpumalanga finance department and several MPs

According to the auditor general's two most recent reports for 1992-93 and 1993-94, KaNgwane officials went on a multi-million rand spending spree that was so badly accounted for in the final years of the homeland that the auditor general still cannot complete a proper audit.

As a result, the province of Mpumalanga inherited debt of R118 650 568 from KaNgwane when the homeland was absorbed into the provincial administration in 1994.

Men responsible for authorising what appear to be state-paid family holidays to Disney World, the allocation of state land to politicians without payment, and other irregularities, have been transferred to the Mpumalanga Finance Department, which the auditor general notes has failed to respond to repeated notification of the irregularities.

Some of the lowlights of the former homeland's financial chaos are

- R6-million of unauthorised expenditure in 1990-91 and R10-million which still remains unexplained.

- Nearly R4-million of excess expenditure by the chief minister's department on a school supposed to

cost less than R5-million

- The allocation of four properties with houses to ministers for no more than the transfer costs.

- Four trips abroad by then-chief minister Magisi Zitha — now South African ambassador in Mozambique — with his wife and two of his staff at a cost of nearly a million rand, including a visit to Disney World, restaurant meals and theatre tickets.

- Differences of millions of rand between cheques issued and the amounts reflected in the finance department's books.

- Unrecorded leave, double salary payments and the payment of once-a-year merit and other bonuses "more than once a year" to teachers.

- Despite advice from the auditor general to the contrary, the sale of 42 government vehicles in 1992-93 for R207 402 — substantially less than their book value.

The auditor general is aware of many similar cases which he could not report on as officials had failed to provide sufficient information or documentation

Asked to comment on his expenditure of R959 000 on four foreign trips, Ambassador Zitha refused to explain why state finances had been used for entertainment and meals, despite his having a special allowance for food and other needs "I cannot remember what happened three years ago. I haven't had time to prepare myself for these questions. All I can say is that every experience can be used to learn things that benefit your country.

"Even the visits to places like Disney World gave us information we could have used in our own country," he said.

Zitha also admits he received a 3,9ha plot with two houses on it for only R5 795.

The auditor general questioned why the disposal of this and other properties was not through the Tender Board. He was told by the secretary of finance that as "the transfer costs were paid, the argument was that it had not cost the KaNgwane government anything"

Zitha said "the Tender Board wasn't involved because the land belonged to a tribal authority and I personally asked the chief to sell it to me"

Zitha referred inquiries to Tiny Jor-



Enos Mabuza: Denies his farm belonged to government

PHOTOGRAPH ELMOND JIJANE/CDC

daan, formerly the chief minister's accounting officer and now Mpumalanga's director of health affairs. Jordaan denied involvement in the sale, saying none of the farms in question were tribal land, and the sale should have gone through the Tender Board.

The other recipients of land were the previous chief minister Mabuza, now chairman of the National Parks Board and non-executive chairman of many Johannesburg businesses, Professor Simeon Rapinga, now an MP, an ex-minister Tsehontoe Dlamini.

Mabuza also denies his farm belonged to the government and says he purchased it from a KaNgwane parastatal development trust. Asked why the sale had not gone through the Tender Board, he said he believed he should be given first option as he had previously rented and developed the land

Ambassador Zitha refused to say how many vehicles he had received from the KaNgwane State Vehicle Scheme now being investigated by the auditor general. Earlier reports indicate that some of the vehicles were sold to KaNgwane employees for as little as 65 cents, and that the wife of Mpumalanga premier Mathews Phosa bought a Toyota Corolla 1300 for R1 130.

The auditor general's report has been forwarded to Mpumalanga's Standing Committee on Public Accounts for further investigation

Mpumalanga considers R140-m complex to house all govt staff

Star 20/5/96

BY JUSTICE MALALA
Provincial Correspondent

(2668)

department

The Mpumalanga provincial cabinet is considering building a R140-million government complex to house about 3 000 staffers in Nelspruit in a bid to save long-term costs and centralise its operations

The plan, which was revealed in Mpumalanga premier Matthews Phosa's budget vote, will be discussed by the provincial legislature next week, and tenders would be called in June if it is approved

"At the moment we are spread all over town and it is very difficult to co-ordinate things, even just delivering something to a person in a different

"The cost we are operating at now is also huge. If we were in one place things would be easier," a cabinet spokesman said

The plan should save the government about R895-million in the next 10 years through saved costs

The media and communication sections of the provincial departments are also to be centralised to promote coherence and reduce red tape

"Right now, we are not properly in gear and getting information from the departments is very difficult

"In the new set-up the media officers will have a direct link with the premier's office and thus be able to liaise better," the spokesman added.

Mpumalanga emerges as possibly top growth point

20-22/5/96 (2666)

Lukanyo Mnyanda

MPUMALANGA has emerged as possibly the greatest growth and opportunity area following the announcement of the Maputo corridor which, if properly carried out, could uplift local communities, says the Colliers RMS quarterly retail research barometer.

It identified the province as the first growth point to be supported by government through the corridor, which could lead to a general increase in disposable income. This would be good for retailing.

The quarterly said new growth points were manifesting themselves, mainly because of the change of government, the redefinition of provincial boundaries and completion of local elections.

KwaZulu-Natal and the Western Cape, which are to hold local elections within the next month, were also expected to progress. Macro issues such as the loca-

tion of provincial governments, the integration of communities and the swing to urbanisation had largely manifested themselves in metropolitan areas like Johannesburg, Durban and Cape Town.

"These will be supported by the development of new service and supply facilities as the need for satellite activities builds."

Colliers RMS said new employment opportunities would be created in these areas, a factor which would have a positive effect on communities' disposable incomes.

Areas such as Nelspruit, Pietersburg, Bloemfontein, Kimberley and the Vaal Triangle were identified as potential major growth areas for the retail industry. "This will apply also to Maritzburg, Worcester and the George-Knysna area once these areas have settled politically."

The barometer also identified "a great deal of potential" in formerly black areas while take-up in

SA's CBDs was also good, although growth was limited to specific areas within each city.

Colliers RMS identified a general upward turn in rural rentals where a shortage of good space had developed.

"Our experience at the moment is that in spite of the weak rand and consequent rising costs and falling disposable incomes, retailers are still positive about their future. Many are predicting a retail boom in the next 12 months."

However, the barometer warned that the sustainability of that upturn could be short-lived.

Operating costs continued to run at steeper than 10%-16% increases, due mainly to the large labour input in those charges and the ageing of many properties.

"Our portfolio reflects an average across-the-board retail operating cost of R10m², with lows of about R7,50m² and highs of approximately R15m²."

FINANCIAL MANAGEMENT IN THE PUBLIC SECTOR

MPUMALANGA'S LEGACY

(266B) FM 24/5/96
 When people heard Eugene Nyati, consultant to Mpumalanga's provincial administration, had paid himself R15 000 a day, they concluded the public sector was spending too much on consultants. The total 1995 consulting bill was reported to be R1bn.

Whatever the merits of the Nyati case, the use of consultants may reflect frustration with a sluggish Public Service Commission. Do departments, in immediate need of staff with strategic and management skills, choose to bypass the commission in favour of quicker, more effective private-sector consultants?

The real issue is not Nyati's huge fee but the absence of internal controls to prevent him rewarding himself so handsomely.

Subsequent reports by the Auditor-General show the depth of the problem.

In 1992-1993, lack of internal controls

and adequately trained staff in KwaNdebele led to fraud and questionable figures in the appropriation accounts. There was no improvement in 1993-1994.

Most departments in KaNgwane were either unable to submit financial statements and returns or could not meet deadlines in 1992-1993 and 1993-1994.

Those received were often incorrect or not acceptable. Four properties on 31 ha, including five houses, were allocated to politicians who paid about R6 000 for each property.

Mpumalanga inherited the problem when KwaNdebele and KaNgwane became part of the province after the election. Finance & Support Services deputy DG Leon Botha outlines corrective steps being taken.

His department's mission and objectives are being revised to allow a more co-operative relationship with the Auditor-General's office. The aim is now to address queries raised by the AG's report within three months after year-end.

A new financial system has been written and was implemented on April 1,

Tenders are being invited for an internal control system for the province. These will integrate secondary financial systems such as procurement and asset registers, and

To address the shortage of skilled staff, a senior management team has been put together. Most of the directors' places have already been filled. The focus is now on the lack of middle management and identifying crucial positions that need to be filled.

The Auditor-General's office would have preferred implementation of the basic financial system used by the other provinces but has not expressed doubts about the quality of the system being adopted.

Provincial auditor Douglas Maphiri says "There is a marked improvement in co-operation between the (AG's) office and the (Finance) de-

partment — both parties are represented on an audit steering committee."

Next year's audit report will reflect how well the province has tackled its staffing problems. ■



Eugene Nyati

Phosa reshuffles executive

Kevin O'Grady

(2666)

BD 4/6/96

MPUMALANGA premier Mathews Phosa reshuffled his executive council yesterday, trimming it by two posts and filling the position to be vacated by NP agriculture MEC Lucas Nel at the end of the month.

Addressing the provincial legislature, Phosa announced the appointment of local government MEC January Masilela to the agriculture portfolio and said housing MEC Craig Padayachee would now be responsible also for local government

Phosa abolished the youth affairs and RDP portfolios — held by Steven Mbuyisa and Joseph Mbazima respectively. Mbuyisa would now work in the premier's office and as special adviser on youth and intergovernmental affairs. Mbazima would advise the premier on the RDP process. Phosa announced also the creation of a new sports, arts, culture and recreation portfolio and appointed Senator Lassy Chiwayo to the post. Finance and economic affairs and tourism portfolios were expanded

I ne strange fight over Groblersdal

Sameban 9/7/196

Black areas surrounding Groblersdal will remain in Northern Province

By Khathu Mamalla

YOUR ENEMY'S ENEMY IS YOUR friend. This best describes the current dispute between Mpumalanga and Northern Province over Groblersdal and the surrounding black areas.

The Conservative Party town council has teamed up with a forum, consisting of mainly African National Congress supporters, to force the Northern Province government to leave Groblersdal in Mpumalanga and transfer the surrounding areas to Mpumalanga as well.

This alliance was formed when new provincial boundaries were drawn up in 1994. Groblersdal fell under Mpumalanga but all black areas surrounding the town were left in Northern Province.

Primary objective

The ANC in both provinces discussed the issue at several meetings and they agreed that Bushbuckridge, which was in Northern Province, should be incorporated into Mpumalanga in exchange for Groblersdal.

The ANC in Northern Province then passed a motion transferring Bushbuckridge to Mpumalanga, and the ANC in Mpumalanga passed a motion to transfer Groblersdal to Northern Province.

But the matter was complicated by the formation of the Eastern Transvaal Joint Forum Alliance early last year.

The primary objective of the forum was to campaign for the incorporation of Saaplat, Dlanale, Tafelkop, Moterema, Leeuwfontein, Elandskraal

Local ANC leaders who want our areas to remain in Northern Province are being marginalised

and Marble Hill into Mpumalanga.

Forum chairman Mr Legogoru Legoba, a prominent ANC member, said the forum passed a resolution that the black areas near Groblersdal should be transferred to Mpumalanga.

"There will be no (local government) election in this area if we are not in Mpumalanga," said Legoba, adding that the forum enjoyed the support of most people in the disputed areas.

He added that although the forum was not politically aligned, most of its members were ANC supporters.

Asked why he felt so passionate about being part of Mpumalanga, Legoba replied "I am really tired of people asking me what is so special about Mpumalanga."

"They never answer me when I ask them what is so special about Northern Province. Historically, we are from Mpumalanga."

Legoba denied that forum members were puppets of rightwingers who wanted to have local government elections postponed indefinitely so that Groblersdal could continue to be governed by a whites-only council.

"We are not being used by anybody. We want to be in Mpumalanga



Senator Sam Motsuenyane ... it is too early to say what will happen to the disputed areas.



Mpumalanga premier Mathews Phosa .. the Eastern Transvaal Joint Forum Alliance wants several areas incorporated into his province.

with Groblersdal, so the question of trying to make the town a *volkstaat* therefore falls away," he said.

These sentiments were echoed by forum general secretary Mr Leonard Malasi. He said people had resolved to be incorporated into Mpumalanga after the general elections in 1994.

Community guidance

"The bottom line is that we want to be in Mpumalanga," he said, adding that forum members were ready to hold an election as long as it was administered by the Mpumalanga government.

Malasi said he was a strong supporter of the ANC but on "this matter I am guided by my community."

He said the dispute had brought together different organisations, and that some of those who supported the pro-Mpumalanga forum were members of the National Party.

"It is just a coincidence that the Boers in Groblersdal also want to remain in Mpumalanga. Local ANC leaders who want our areas to remain

in the Northern Province are being marginalised because they are going against the wishes of the community."

He said people were increasingly becoming emotional and that violence could erupt.

"Northern Province has taken a tough line on this matter, saying our case is a non-starter. The Northern Province government should be democratic and listen to the people."

Groblersdal mayor Mr Willem Jansen van Rensburg confirmed that his council wanted the town to remain in Mpumalanga.

"We depend on the Leskop Dam in Mpumalanga. Some of our farms are in Mpumalanga and our social lives, churches and sports are linked with Mpumalanga," he said.

"We want to remain in Mpumalanga and should anybody force us into Northern Province, we will fight him in court."

He also supported the forum's demand that surrounding black areas be part of Mpumalanga. "We are not

racists. And we do want elections for a new local government to be held."

However, ANC Eastern Region secretary Mr Patrick Legoro believes that the aim of the forum was to confuse people.

Support decision

If there were forum members who claimed to be ANC members, he said, they should support the decision taken by the provincial leadership of the ANC.

"The dispute was about Groblersdal - not the black areas. Those areas are in Northern Province and they will remain in that province," said Legoro.

He said forum members did not have any reason to want their areas to be transferred to Mpumalanga - except that their grandparents' graves were in Mpumalanga.

Recently senators, led by Dr Sam Motsuenyane, visited the disputed areas. He said it was too early to give an indication of what would happen to these areas.

Probe unloads R3,24-m from the gravy train

Report accepted by Mpumalanga's
cabinet on malpractices such as salary
boosting described as utterly shocking

Star 31/07/96
BY JUSTICE MALALA
Provincial Correspondent

A commission investigating malpractice in the Highveld District Council of Mpumalanga has so far recovered R3,24-million from companies and individuals that had benefited from over-payments and bloated severance packages

The chairman of the regional executive council, Piet Smith, has been found responsible.

He was appointed three days before the 1994 election.

In a report that was accepted by the Mpumalanga cabinet yesterday, the Moldenhauer Commission found that "malpractice and maladministration had occurred and in some cases it can be described as utterly shocking".

The report found the regional executive council upgraded itself from grade nine to grade 11, which meant higher salaries

It also found that the council had made a donation of R1,5-million to a private company

Criminal charges have already been laid against Smith and more may follow, Mpumalanga Premier Mathews Phosa's spokesman Oupa Pilane told the media yesterday

Phosa said Smith's appointment had been made "in the utmost bad faith" and those who had made him chief executive of-

ficer should have known better

"It is therefore difficult not to conclude that Smith's appointment was done with a spectacular arrogance and a special, callous disregard for the public's interest

"His appointment on 24 April 1994, only three days before the election, represents a classical case of planting a virus into a system."

Phosa has appointed a task team to act on the commission's recommendations, which include following up monies which were fraudulently paid out.

The Mpumalanga government will also start measures to tighten up controls

Phosa said his government had inherited a "muddy and smelly octopus whose long and twisted arms and legs must be chopped off with a sharp machete before its ugly head can finally be crushed"

The council services areas around the town of Middelburg.

According to the commission, a candidate of the National Party in the 1994 election was paid on a higher salary scale on the basis of information supplied by Smith

The commission also said "ridiculous" severance packages were devised for the staff

These included paying salaries for five years, outstanding loan amounts on cars and houses, clothing allowances and removal costs

Tentacles of the fraud octopus will 'be chopped off with a sharp machete', reports Justin Arenstein

THE former head of one of Mpumalanga's regional councils, Gerhard Smith, went down in history as the main tentacle of a "muddy and smelly octopus" this week after he was fingered for milking at least R3,24-million from the province.

On digesting the findings of a commission of inquiry into the council's shenanigans, Mpumalanga Premier Mathews Phosa described Smith — a former public administration lecturer at Pretoria Technikon — and his accomplices as "a muddy and smelly octopus whose long and twisted arms and legs must be chopped off with a sharp machete before its ugly head can finally be crushed".

Phosa clashed with Smith and the Regional Service Council (RSC) co-chairman, Paul Broodryk, during the local government elections in 1994, when he accused them of deliberately sabotaging the elections.

After expressing his disgust, recovering R3,2-million for the government and establishing strong legal arguments for the recovery of the remaining R454 800, Chief Magistrate Heinrich Moldenhauer, who conducted the commission, advised Mpumalanga to ditch all regional service councils, which have now been transformed into district councils.

As chief executive officer of the Highveld Ridge Regional Service Council, Smith had a budget of more than R213-million on hand.

According to the commission, Smith's crimes included fraud, theft and using state resources for personal enjoyment.

Moldenhauer ordered criminal charges to be brought against Smith to recover R1,2-million allegedly paid into his private bank account under false pretenses

During the hearing Smith was described as a wilful liar who had repeatedly misled his colleagues for his own financial gain and who resorted to childish excuses when cornered.

It emerged that anyone who stood up to Smith and his multi-million spending spree, which was unwittingly bankrolled by the state, was dismissed or discredited.

Mismanagement and overspending during his reign resulted in questionable expenditure totalling a further R11,7-million, for which Smith admitted that no proper audits had been conducted.

R3m graft surfaces in Mpumalanga

Other instances of what Moldenhauer calls "outrageous" mismanagement and financial misappropriation include the awarding of a R20 000 allowance to Smith to write a doctoral thesis.

Smith reportedly convinced both the RSC and the Regional Local Government Association of South Africa each to award him an amount of R10 000 between April and August 1994. Smith admitted that although one year had passed, he "had not yet started with his studies".

The figure of R10 000 appears at least three more times during the 150-page commission report, including an instance where Moldenhauer writes that he was shocked to learn how Paul Broodryk had been given R10 000 spending money for a foreign trip. Smith also authorised a "questionable" donation of R10 000 to the Middeburg South African Police Club, a R15 000 donation to the Eastern Transvaal Youth Choir, where Broodryk's son was a member, and a R150 000 donation to Pretoria Tech-

nikon for a 'techno-library' in Witbank. Possibly the most bizarre charge against Smith involves the illegal installation of a two-way radio belonging to the ambulance service in his private car. Smith had allegedly used the radio to eavesdrop on traffic officers' communication and avoid speed traps during his frequent and "very fast" trips on the highway between Pretoria and Middelburg.

Realising their days were numbered, Smith and Broodryk reportedly convinced the RSC to grant them power of attorney to design a new severance settlement agreement for council employees. According to the proposal, staff members resigning under certain conditions were eligible to be paid out their full salary for five years, as well as outstanding amounts on all loans for motor vehicles, houses and furniture. Study loans and outstanding amounts on clothing and other subsidies also had to be paid in full.

In the end, it was his refusal to report to the police an illegal shooting of a cow that led to his downfall. He withdrew the charges laid against the shooter by a junior employee and sought to discipline him. The junior promptly reported his reprobate ways to the provincial governor.

(2668)

MTG-2-8/8/96

Grahamstown debate heats up

GRAHAMSTOWN — Three years of controversy wrought by an illegal redundancy and reappointment scheme for four senior Grahamstown municipal officials has come to a head.

The 1993 scheme involved golden handshakes to the officials who were then re-appointed with no change in their status. It was discovered in mid-January 1993 by then municipal administrative officer Mike Earl-Taylor.

The ratepayers' association will comment on the matter after its bi-monthly meeting. Earl-Taylor also referred the matter to the Public Protector in Pretoria. Civil and criminal court cases are pending.

In 1993, Earl-Taylor exposed the misappropriation of R2,7m in public funds which had been paid to the Cape Joint Pension Fund as the actuarial cost to purchase R13 964 316 worth of pensionable annuities for supposedly redundant officials. The scheme was purportedly rescinded due to public outrage and the intervention of the auditor-general, but part of the scheme had already been implemented.

In February 1993 the city council took a secret resolution to "compensate" the officials with payments totalling R65 000. Cheques already paid into the fund and then cashed were disguised as interest-free loans. It is also alleged councillors were involved in a scheme to buy almost R1m worth of pensionable service from public funds.

Earl-Taylor has also brought a charge of fraud against a former senior municipal official. Grahamstown police confirmed last week that the matter had been referred to Eastern Cape attorney-general Les Roberts. Earl-Taylor said he held the entire former council responsible — Ecna.

(2638) BD 6/8/96

Investigators detained for trespassing

(266B)

Nelspruit - Two investigators appointed to probe allegations of massive irregularities in the Mpumalanga Development Corporation were detained by police yesterday afternoon after MDC managing director Patrick Mogorosi accused them of trespassing.

The men had been examining documents at the MDC's Witbank headquarters at the time of their detention.

Charges against Mogorosi include allegations that he ordered a R10 000 chair for his office, received between R14 200 and R26 200 every month for travel expenses without submitting logsheets and ordered a multimedia "games" computer for his house at MDC expense.

Documents also indicate the MDC apparently paid for a cell-phone in his ex-wife's name, a security guard employed at Mogorosi's house was paid R5 000 a month by the MDC, and a secret bank account was used to cover some of his expenses.

Although Mogorosi was cleared of any wrongdoing by an emergency investigations team appointed by the MDC board last week, spokesman Professor Joseph Maseko admitted the team had not called any witnesses except the accused. It had not examined any evidence and had not attempted to verify any of Mogorosi's testimony.

As a result the chairman of the Mpumalanga select standing committee of finance, National Party whip Chris MacPherson, launched a public hearing into the accusations yesterday.

The five ANC members of his committee boycotted the hearing yesterday morning, while Premier Mathews Phosa's office released a statement from the provincial speaker, accusing MacPherson of not following the house's rules and regulations.

MacPherson said he would hand all documented proof indicating mismanagement to Public Protector Selby Baqwa.

He said he had received two telephone death threats at his home on Sunday.

The investigators were released from custody without being charged late yesterday - Sapa

Star 29/10/96

Information gives rise to fresh irregularity probe

BD 30/10/98

(266 B)

John Diudiu

IN AN about-face, the board of the troubled Mpumalanga Development Corporation last night announced the suspension of the parastatal's MD Patrick Mogorosi and appointed an independent probe into alleged irregularities Chairman Jabu Mabuza said

auditors Coopers & Lybrand would carry out the independent probe into Mogorosi's conduct with regard to corporate governance, his contract of employment, and the law governing the state-owned enterprise.

The investigation, commencing a day after a board inquiry cleared Mogorosi of a number of allegations, would also look into claims of financial impropriety and table its findings in mid-November

Mabuza said the surprising move — which followed 24 hours of drama involving attempts by the chairman of the provincial standing committee on finance to launch a more thorough probe — was prompted by new information emerging. "If proved to be true, (the information) will be of grave concern to the board," he said in a terse statement suspending Mogorosi on full pay. It was understood the suspension came after intervention by provincial premier Mathews Phosa.

Phosa also called for the probe that resulted in the sacking of controversial consultant Eugene Nyati who was hired to restructure the corporation. Phosa met Chris MacPherson, the NP provincial MP who chairs the finance committee, twice yesterday.

The catalogue of allegations against Mogorosi include the existence of a secret bank account from which the board and his expenses were paid; a credit card; a private satellite dish paid from corporation coffers; and excessive travel claims on three cars.

According to MacPherson, who appeared to be on a lone crusade earlier this week, there seemed to be serious departures from guidelines stipulated in the Eastern Transvaal Development Act.

Staff back suspended MD

John Dlodlu

DD 12/11/96 (266B)

THE crisis at the Mpumalanga Development Corporation deepened yesterday when the parastatal's staff gave a vote of no confidence in the corporation's chairman, Jabu Mabuza, and questioned the independence of a probe into suspended MD Patrick Mogorosi by auditors Coopers & Lybrand.

The staff forum, which claimed to represent a majority of workers, also called on politicians in the province to take an "arm's length approach" to the corporation's business. Staff forum spokesman Mandla Masilela said Mabuza, who announced Mogorosi's suspension last month, a day after clearing him, had acted unprocedurally in his suspension.

The forum also believed Coopers & Lybrand would not be "independent and fair" in their inquiry as they had previously audited books of the KwaNdebele National Development Corporation, one of the three merged parastatals of the reshaped corporation.

Mogorosi was suspended after allegations that he had abused his credit card, bought himself a satellite dish with corporation money, made double travel claims and opened a secret bank account to pay for his expenses and those of board members.

Finance standing committee chairman, NP MP Chris MacPherson, has threatened to reopen a parliamentary inquiry if he is not satisfied with the current inquiry.

Mpumalanga parliamentary committee probe put on hold

BD 12/11/96 (266B)

John Diudlu

THE Mpumalanga standing committee on finance has temporarily suspended its probe of allegations of serious financial irregularity at the provincial development corporation, pending the outcome of an independent inquiry into the parastatal's MD, Patrick Mogorosi.

However, Chris MacPherson, the NP MP who chairs the committee, vowed yesterday to reopen the parliamentary investigation if he was dissatisfied with the findings of the current inquiry by auditors Coopers & Lybrand into allegations against Mogorosi. "We have a team in place in case there's any cover-up," he said.

Mogorosi was suspended last month by Mpumalanga Development Corporation's board after claims that he had abused his cellphone, owned three cars financed by the corporation, had made double travel claims and had used company funds to buy a satellite dish.

MacPherson said the decision to shelve his inquiry was taken after

agreement with premier Mathews Phosa and his finance MEC, Jacques Modipane, that the terms of reference should be broadened to include his claims that the corporation had deviated from procedures laid down in enabling legislation.

MacPherson is meeting investigators today and Jabu Mabuza, chairman of the board, tomorrow.

An earlier board inquiry cleared Mogorosi, but he was suspended.

MacPherson said the corporation had not submitted regular reports to government and had yet to give business plans to allow funds to be channelled to development projects.

Other claims against Mogorosi include land purchased with government funds, credit card abuse and meeting expenses out of corporation coffers.

Mogorosi was suspended after Phosa intervened in the matter. Phosa also cut short the high living of Eugene Nyathi, a consultant who was hired to restructure the corporation.

The allegations against Mogorosi could result in his sacking.

Parastatal staff demand to know inquiry results

John Dluolu

PD 14/11/96 (766B)

EMPLOYEES at the Mpumalanga Development Corporation and a provincial MP are to step up pressure on corporation chairman Jabu Mabuza to release the findings of an inquiry into suspended MD Patrick Mogorosi.

NP provincial MP Chris MacPherson, who chairs the standing committee on finance, held brief talks with Mabuza yesterday on the crisis at the corporation after the suspension of Mogorosi.

Mabuza had said the report of an investigation by auditors Coopers & Lybrand would not be made public, sparking off fears of a cover-up, MacPherson said yesterday.

"He told me the report will only be sent to the board, but will not be published."

MacPherson, who had threatened to

hand over the allegations against Mogorosi to the public protector, said he would take the matter up with provincial premier Mathews Phosa.

"The premier assured us that the inquiry would be transparent," he said.

Mogorosi was suspended by the parastatal's board a week ago, after allegations that he had abused his credit card, bought himself a satellite dish using company funds and made double travel claims.

Obed Mtsweni, spokesman for the staff forum, which claimed to represent the majority of the corporation's employees, said last night employees would stage a sit-in if the results of the inquiry were not made known at tomorrow's mass meeting in Ekandustria, Bronkhorstpruit.

The Mpumalanga case comes after a week of drama at another parastatal,

Transnet, which sacked director Siphon Nyawo after allegations of abuse of a company credit card.

The forum, which had raised concerns about the independence of the Coopers & Lybrand probe, said it would also call for Mabuza's resignation if he reneged on his word to disclose the results of the inquiry.

MacPherson, who suspended a parliamentary inquiry last week after a truce with government, has expressed fears that the corporation's board might have known about the claims against Mogorosi.

Mogorosi's supporters said the allegations were part of a conspiracy to oust him after his fierce restructuring, in which he axed three CEOs and more than 20 GMs at the corporation.

Mabuza was unavailable for comment last night.

MD fired and money-back demanded after audits

266A

Nelspruit - The managing director of the Mpumalanga Development Corporation (MDC) was dismissed yesterday for financial impropriety and other officials in the province have been ordered to pay back large sums of money they are alleged to have spent on foreign trips.

Patrick Mogorosi was sacked by the corporation's board on the basis of an independent investigation by auditors into allegations against him of financial irregularities and possible fraud.

Included in the investigation was Mogorosi's R480 000 annual salary, travel claims of between R14 200 and R26 200 a month, and the alleged purchase of a R10 000 executive office chair.

The board's chairman Jabu Mabuza said Jeff Rapoo, the MDC's general manager of finance and administration, would act as managing director pending a new appointment, according to African Eye News Service.

Mogorosi was suspended from his post while the auditors Coopers and Lybrand investigated more than 24 alleged instances of financial irregularities, mismanagement and possible fraud.

The auditors investigated the legality of three luxury company cars, Mogorosi's MDC house, a security guard paid R5 000-a-month, an all-expenses-paid trip to the Atlanta Olympics, as well as personal loans and advances totalling more than R25 000.

Meanwhile, the province's select standing committee on public accounts has ordered South Africa's ambassador to Mozambique, Mangisi Zitha, and other officials

of the former KaNgwane homeland to pay back more than R100 000 they allegedly spent on trips to the United States where they visited Disneyworld.

The officials include the province's environmental affairs MEC David Mkhwanazi and health affairs director Tiny Jordaan. According to the select committee they made double claims for food, refreshments and tips to hotel personnel during two trips abroad.

No official reasons were given for some of the trips, including one by Zitha, Mkhwanazi and Jordaan. This trip cost the taxpayer R440 000 and is still under investigation.

Select committee chairman Hein Mentz told the provincial legislature on Monday that although the irregular use of state funds and possible overpayments had been brought to the attention of Mpumalanga's finance department on July 14 last year, no reply or remedial action had been taken.

Recommending that the outstanding money be recovered as a matter of urgency, Mentz said more efficient control measures had to be instituted.

No recommendations were made to discipline the officials involved or to demand an explanation as to why the finance department had not made any attempt to recover the funds.

The provincial government was told of the mis-spending by the auditor-general last year, when he said he had been unable to carry out an audit on the trips because of poor record-keeping and missing records - Sapa

Star 20/11/96

Mpumalanga Development Corporation MD sacked

John Dladu

THE board of Mpumalanga Development Corporation sacked the parastatal's MD, Patrick Mogorosi, yesterday after receiving what one board source called a damning report on allegations of financial irregularities involving more than R100 000.

Emerging from a tense week, which included a sit-in by corporation employees, board chairman Jabu Mabuza said the corporation intended to institute legal action against Mogorosi to recover funds he had spent illegally.

Mabuza, who suspended Mogorosi in the face of employee resistance last month, announced the appointment of corporation GM Jeff Rapoo as acting MD, and a small executive team, pending the recruitment of a new MD.

Sources close to Mogorosi said last night he was unhappy about his dismissal, saying he had not been afforded a hearing by the board and might challenge his sacking in court.

Staff forum spokesman Ephraim Mosoma expressed dissatisfaction with the board's decision, saying "We want to meet the board to discuss the dismissal."

It is understood that investigators from Coopers & Lybrand found evidence corroborating most of the allegations against Mogorosi, including exorbitant travel claims, the installation of a satellite dish in his office, trips abroad without itineraries and abuse

of a corporation credit card.

Mabuza said the inquiry findings, which were not made public, had "shaken the core of my being.. I feel personally let down."

In an apparent reference to the earlier dismissal of controversial consultant Eugene Nyathi, Mabuza said "We (the corporation) continue to be a sociopolitical disappointment to the people of the province."

Observers attributed Mogorosi's suspension to premier Mathews Phosa's intervention, which strengthened the board's hand in appointing independent investigators.

Phosa, campaigning for clean administration, also pulled the plug on Nyathi's controversial work in restructuring the corporation.

Mabuza, who committed the corporation to clean and efficient administration, said of the probe and Mogorosi's suspension "I believe we acted in good time."

Other sources said Mogorosi's dismissal, which followed the axing of Transnet director Siphiso Nyawo for abuse of his company credit card, was "just the tip of an iceberg."

Sources close to the corporation said some senior executives had accepted posts without formal job offers.

Mabuza said "The lesson to be learned from this was the MD was not subject to normal personnel procedures. This was a complete abuse of trust and authority."

BD 20/11/96

(2668)

TAX INVOICE / BELASTINGFAKTUUR

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From:

SALDRU
 Old Medical Building, Hiddingh Campus
 University of Cape Town, 31 Orange Street
 Cape Town, 8001

Date
 Datum 28/5/96

To
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 Library - Periodical Div
 Acquisitions Dept, Berkeley
 CA USA 94720

VAT. Regd No.
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Please pay on Invoice
 Cheques should be made payable
 to the University of Cape Town

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MD's axing welcomed by Mpumalanga govt

John Dlodlu

(2668)

BD 21/11/96

THE Mpumalanga standing committee on finance has welcomed the sacking of the head of the provincial development corporation, but has called for the probe to be widened to stamp out corruption in the troubled corporation.

National Party MP Chris MacPherson, who chairs the standing committee on finance, said yesterday the committee had welcomed the dismissal of MD Patrick Mogorosi, but felt further investigation was necessary "to go deeper" into other allegations of financial irregularity at the Mpumalanga Development Corporation.

Mogorosi is planning to contest his dismissal.

The staff forum, which claims to represent a majority of the corporation's employees, is seeking a meeting with the board to protest Mogorosi's axing.

Provincial premier Mathews Phosa has endorsed the board's decision to terminate Mogorosi's services.

Mogorosi, suspended since the end of last month, was fired after a report from Coopers & Lybrand detailing extensive cases of abuse of corporation funds.

The inquiry found the cost of Mogorosi's office furnishing, nearly R100 000, represented 41% of the total budget for furnishing head office. He had made exorbitant travel claims, undertaken overseas trips without itineraries, interfered with internal audits and flew first class instead of business class.

MacPherson expressed concern that no concrete steps had been taken to tighten up controls.

Senior Mpumalanga official may face criminal charges

By JUSTICE MALALA
Provincial Correspondent

Controversial Mpumalanga Development Corporation managing director Patrick Mogorosi, sacked on Tuesday after allegations of financial irregularities involving more than R100 000, may face criminal charges

MDC board chairman Jabu Mabuza said yesterday his board had sought the advice of a top Johannesburg law firm on the matter and would soon be advised on what action to follow

He said the firm had also been

briefed "with a view to instituting a civil action to reclaim losses"

Mpumalanga Premier Mathews Phosa told the provincial legislature on Tuesday evening that the MDC board had handed its report, said to be "damning", over to him and he had accepted its recommendations, one of which was that Mogorosi be sacked

The National Party had raised the matter of corruption in government and parastatals at the legislature, and Phosa said his government and the NP were "allies in fighting corruption"

Workers unhappy at Mogo-

rosi's sacking were said to be in a meeting late yesterday to decide on what they would do next, but Mabuza said work had been going on throughout the day and the offices were calm

Mogorosi was suspended from his post after auditors Coopers and Lybrand investigated 24 instances of alleged financial irregularities, mismanagement and possible fraud. His annual salary was R450 000

Matters investigated included over-claiming on his travel allowance by more than R100 000 for his two private luxury cars

and R89 000 expenditure on trips to Europe and the United States for which there were no itineraries or formal approval

Also under scrutiny was the R171 000 spent on furnishing Mogorosi's office, which was more than 40% of the total cost of furnishing the corporation's offices as a whole, and R45 000 spent on furnishing his office at home, which included installation of a R15 000 computer

Another unauthorised expense uncovered by the auditors was payment of R3 500 a month for a personal security guard

(266A) Star 2/11/96

Mogorosi tells lawyers to challenge his

John Diudlu

266b
FD 22/11/96

THE controversy at the Mpumalanga Development Corporation shifted onto the legal terrain yesterday when it emerged that sacked MD Patrick Mogorosi had instructed lawyers to challenge his dismissal

Mogorosi, who was suspended last month, was dismissed on Tuesday by the parastatal's board following a report from independent auditors indicating extensive abuse of authority.

Last night board chairman Jabu Mabuza stood by his earlier decision to terminate Mogorosi's services, saying "For now, his services are terminated."

He confirmed Mogorosi had indicated his intention to challenge his dismissal which was mutually opposed by the staff forum, the body which claimed to represent the corporation's employees

It is understood Mogorosi is contesting his axing on the grounds that he was not given a chance to present his case to the board and that the report's findings could not be used as a basis for the board's decision

A source close to Mogorosi, who confirmed the corporation had been notified of his intention to challenge the decision, said the former MD wanted the board's decision nullified "He is also chal-

lenging the contents of the report," the source said

Mabuza said "The matter is now being handled by our lawyers I cannot comment further as the matter is now sub judice."

One legal source said Mogorosi stood a chance of being reinstated, albeit temporarily, on the technicality that he was not afforded a chance in a disciplinary hearing

"The report, by Coopers & Lybrand, found Mogorosi had over-

claimed travel expenses (more than R100 000), travelled overseas without itineraries and violated internal staff procedures by travelling first class instead of business class

Mabuza called on workers to focus on transformation and development "Jeff (Rapoop, the acting MD) is facing a formidable challenge (of implementing the development agenda)

"He has the full support of the

board," he said

Meanwhile, the industrial action which coincided with the allegations against Mogorosi had been called off, sources confirmed last night

The staff forum, which staged several sit-ins, this week demanded a meeting with the corporation's board at which Mogorosi's dismissal was to be opposed

However, it appeared workers had backed down

5
2

Dismissal

Northern Province thrashes out problems

(266A)

Premier Ngoako Ramatlhodi has set up a commission of inquiry into the province's procurement system

By JUSTICE MALALA
Provincial Correspondent

The top five officials of the ANC in the Northern Province met their national counterparts this week to discuss, among other things, complaints about a commission of inquiry started to investigate the province's procurement system

Premier Ngoako Ramatlhodi established the commission on November 5 after several complaints over alleged irregularities in the executive council's decision to award three separate building contracts worth more than R50-million to the same construction company

However, more complaints surfaced, saying that the premier should not be the one to appoint such a commission

ANC spokesman Ronnie Mamoepa confirmed yesterday that the meeting had taken place and said it was a regular meeting "which discussed matters of mutual interest"

The meeting came as the ANC Youth League (ANCYL) in the Northern Province travelled to Johannesburg to meet Deputy Environment Affairs and Tourism Minister Peter Mokaba to discuss his withdrawal from the leadership race in the province

The meeting with Mokaba and the top five officials of the ANCYL in the province comes after the youth organisation held meetings with its national working committee to discuss the issue

Another meeting is scheduled for tomorrow

The youth league and several

regions of the ANC in the province had earlier approached Mokaba to stand for the chairman's position in the organisation and he had agreed to enter the race

He later said, through a statement issued by the ANC's department of information and publicity, that due to his workload he could not challenge Ramatlhodi, who had been chairman for four years, for the position

Mokaba, who returned from Tunisia on Tuesday, could not be reached for comment yesterday.

It is understood that if Mokaba does not present himself for the position, other contenders, Health MEC Joe Phaahla and current secretary-general Collins Chabane, will return to the race for the ANC provincial chairmanship

Star 22/11/96

S DAY, Tuesday, November 26 1996

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Parks chief quit over commercial plan

Bonlie Ngqiyaza

DIFFERENCES of opinion on a new commercial strategy for the National Parks Board were responsible for the unexpected request for early retirement at the weekend by the board's CE, Robbie Robinson.
It was reported yesterday that the new strategy — designed to increase revenue by attracting more tourists to national parks — entailed appointing a commercial director to the board.
Robinson said yesterday he had opposed the resolution by four members of the board's financial committee at a meeting last Thursday be-

cause it negated what his entire career had centred on — integrating conservation and game park and protecting the environment
He said every conservation and game park needed a warden to balance promoting tourism
The strategy, he said, sought to divide the two. Board chairman Enos Mabuza said reports on the envisaged strategy were "pure speculation" at this stage, as it had not been adopted by the board
Robinson, however, said he believed that the board was seriously considering adopting the financial committee's recommendations
Mabuza denied knowledge of tensions and rumours of a power tussle within the board, saying

Robinson had been entitled to retirement as far back as two years ago.
The board said it accepted Robinson's request for early retirement and commended him on the good work he had done to lay a solid framework to take the the organisation into its "next phase of development"
It praised Robinson for endeavouring to eliminate discrimination within the parks board and expressed its satisfaction with transformation to strategies which sought to link conservation to development and "provide material benefits to communities adjacent to national parks"
Robinson will retire at the end of March

Chairman denies anyone has been fired

John Diudlu
CONFUSION continued at the Mpumalanga Development Corporation yesterday over the status of four employees accused of handing over confidential documents to a parliamentary investigative team
Weekend reports sug-

gested two of the four managers who allegedly handed over the documents, had already been dismissed
However, last night the parastatal's chairman, Jabu Mabuza, said no one had been dismissed.

According to sources close to the corporation, the disciplinary hearing, instituted after complaints from acting MD Jeff Rapoo, had recommended that Attie Botha and Coral Snyman be dismissed. But the official who

had to fire them had yet to receive the report.
A disciplinary committee's decision on the other two was awaiting the outcome of hearings into their conduct
The charges against the four

from an inquiry into allegations of financial irregularities against dismissed MD Patrick Mogorosi being investigated by a parliamentary committee
The four allegedly handed over documents to investigators when corporation procedures forbade this, unless ordered by a court

BD 26/11/96

BD 26/11/96

Mogorosi reinstated pending investigation of irregularities

John Dladlu (266B)

THE Mpumalanga Development Corporation has reinstated its sacked MD Patrick Mogorosi after he challenged his summary dismissal

Mogorosi was dismissed last month after an auditors' report found he had violated the corporation's internal procedures, but subsequently took legal action against the corporation

Corporation chairman Jabu Mabuza yesterday confirmed Mogorosi had been reinstated. "He has asked for a chance to defend himself against the allegations. We have agreed to a process that will give him a chance to clear his name." **BD 4/12/96**

Mabuza refused to discuss the case as the matter was with his lawyers and neither Mogorosi nor his lawyer could be reached

In terms of the agreement, Mogorosi would be retrospectively suspended to last month pending the outcome of a fresh investigation — to be chaired by an outside party — into allegations of irregularity against him.

The allegations which led to his dismissal included claims that he had violated internal staff rules by flying first class instead of business class, lived in expensive hotel suites abroad, made double travel claims and trav-

elled overseas without itineraries

Sources close to Mogorosi said he had contested the dismissal on the grounds he was not given a forum to defend himself against the allegations

As in former deputy minister Winnie Madikizela-Mandela's case, the corporation's board regarded this exercise as a process of properly doing what needed to be done "There is no question about his dismissal," sources said

However, it was not clear whether, as in the Madikizela-Mandela debacle which embarrassed the president's office, Mogorosi would decide to tender his resignation while the board was in the process of "doing it right this time"

The latest twist followed a week which saw the auditor-general's office instructing an official to look into the possibility of opening a formal probe.

Mpumalanga sources also said the home of provincial National Party parliamentarian Chris MacPherson was broken into last weekend. MacPherson, who chairs the standing committee on finance, has been calling for a wider inquiry into the affairs of the troubled enterprise and has threatened to hand over details of the allegations to the public protector's office.

It has also emerged that the strife at the corporation had strained relations among political parties in the province.

Phosa shuts down corrupt body

(2668)

ST 8/12/96

By ELIAS MALULEKE

MPUMALANGA Premier Mathews Phosa has closed the province's development corporation which has been hit with allegations of gross financial mismanagement in the past two years.

The corporation first hit the headlines last year when the Sunday Times revealed how self-styled business consultants Eugene Nyati and Ntsoaki Mohapi were earning more than R15 000 a day each.

Nyati and Mohapi were appointed by the Mpumalanga government to coordinate the formation of the corporation from the former government parastatals of the Kwandebele Development Corporation, Kangwane Economic Development Corporation and Agringwane.

Nyati and Mohapi paid themselves huge salaries without government approval or knowledge.

They also ran up huge bills for air fares, hotel accommodation and travel allowances.

The two were axed after a probe found they had enriched themselves.

Both still owe the government hundreds of thousands of rands.

Two weeks ago, the newly appointed chief executive of the corporation, Pat Mogorosi, was sacked after it was found by a commission of inquiry that he was allegedly guilty of financial irregularities involving more than R100 000.

The commission found that Mogorosi had bought an office chair for R10 000, owned three luxury company cars, employed a security guard for himself, installed a top-of-the-range multimedia computer for games and a satellite television set, and claimed between R14 000 and R24 000 for travel expenses a month.

Speaking at the closing of the 1996 Mpumalanga legislative assembly on Thursday, Phosa said the corporation was a remnant of the apartheid era when institutions were created to cater primarily for the needs of black people.

He said the resources allocated annually to the corporation could be used to create much-needed infrastructure in needy communities.

The chairman of the corporation's board, Jabu Mabuza, could not be expected to spend "valuable time on a white elephant" that had failed to change the lives of the people, Phosa said.

Mixed response to plan for closing parastatal

John Dlodlu

THE planned closure of the troubled Mpumalanga Development Corporation — which sacked and reinstated its MD Patrick Mogorosi in the space of a month — has generated a mixed response from stakeholders in the province

Reacting to premier Mathew Phosa's announcement of the "systematic dismantling" of the parastatal, National Party provincial MP Chris MacPherson said yesterday he was "flabbergasted" by the move

MacPherson, who chairs the standing committee on finance, said "I pity the employees of the corporation"

However, in an upbeat letter to Phosa, National African Federated Chamber of Commerce (Nafcoc) provincial president SS Skhosana said "I wish to express our appreciation of the decision taken by yourself to dismantle the corporation"

"It has always been Nafcoc Mpumalanga's view that the corporation needs to be dismantled"

Provincial sources have indicated that workers had yet to be officially told of the plans so that they could digest the implications ahead of the Christmas break

Sources close to fired MD Mogorosi, who has since been reinstated and placed on suspension, said that he remained determined to "clear his name", but they were not sure how this would be done under the current circumstances

MacPherson, who has been involved in efforts to root out corruption at the corporation, vowed to ensure that the

winding down of the corporation's business would be done in a constitutional manner

However, the premier's precise intentions remained unclear

"We hope the legislature will be kept on board this (closure) cannot be done unilaterally," said MacPherson. He believed the problems at the corporation had been with the management, and not with the corporation as a whole.

In his year-end address last week, Phosa called the corporation — which was formed through the merger of several former homeland development companies — a white elephant "that does not materially change the lives of the people we serve"

He proposed a focused institute for economic empowerment in the corporation's place, and gave the assurance that the restructuring process would be managed with "great humanity, sensitivity and in consultation with relevant structures"

It is understood that government took the decision to close the corporation on the basis of the amount of public money being consumed by salaries, administration and consultants' fees. Sources said little, if any, capital was being spent on the province's development needs

Fears were expressed that plans to integrate the corporation's employees into the provincial bureaucracy could be difficult as salary levels were generally significantly higher than those of public servants

The fate of the financing corporation which acted as treasury to the corporation was unclear yesterday

2010/12/196

266B

Mogorosi resigns as settlement is made

John Dlodlu

IN A dramatic turn of events at the troubled Mpumalanga Development Corporation, suspended MD Patrick Mogorosi resigned this week after reaching what is believed to be a generous settlement with the board.

Mogorosi's resignation amid a disciplinary hearing called by the corporation's board effectively puts an end to a three-month saga at the parastatal which prompted the provincial government to shut down the state-owned corporation. A statement also made it clear the corporation was not proceeding with the inquiry.

Although sources close to the case believe Mogorosi's package was gener-

ous, both parties refused to disclose the terms of the deal yesterday.

However, the terse statement said he had resigned "on mutually acceptable terms".

Mogorosi was fired last December after a string of allegations of financial irregularities and the violation of internal corporate procedures.

However, he was reinstated after challenging that his dismissal not procedural, claiming he had not been afforded an opportunity to defend himself against the allegations.

A disciplinary inquiry, chaired by an outside lawyer, was initiated by the board last December. A previous board-appointed inquiry had cleared Mogorosi of a number of allegations

Webber Wentzel Bowens labour lawyer Mosh Thulare, who represented Mogorosi, last night denied suggestions that his client's resignation was a "quid pro quo" for the cancellation of the inquiry. The resignation was also not an admission of guilt by his client.

At the start of the inquiry, Mogorosi's lawyer called on the corporation to pay his legal costs. While this request was initially refused by the board, it is unclear whether the settlement includes the taxpayer financing Webber Wentzel Bowens' fees.

Thulare said it was an "all-inclusive" settlement, while corporation board chairman Jabu Mabuza said he

Continued on Page 2

BD 6/3/97

Mogorosi

Continued from Page 1

did not believe the costs to the corporation far outweighed the benefits flowing from the deal.

While stressing the confidentiality of the deal struck earlier this week, Mabuza welcomed the settlement, adding: "We are happy now that there's certainty (at the corporation), and that

the matter is now being put to rest."

Sources close to both parties said there was no point in continuing the hearings given the fact that the Mpumalanga government had called for the corporation's closure.

In a parliamentary address last year, Mpumalanga premier Mathews Phosa called for the systematic dismantling of the corporation and the establishment of a much leaner institute that would contribute to economic empowerment.

(2666)

BD 6/3/97

Bloated staff will gobble up Mpumalanga's

(266B)

BP20/3/94

cut

NELSPRUIT — Almost 92c of every rand in Mpumalanga's budget for the 1997/98 fiscal year would be spent on public service salaries and other recurrent expenditure because of the provincial government's bloated staff component, finance MEC Jacques Modipane said during his budget speech yesterday.

Despite losing at least 6 000 employees during the past year, this was an 11% increase in recurrent expenditure against last year's figures.

Capital expenditure, in comparison, was cut 36% in order to meet central government's macroeconomic plan growth targets by 2000.

Modipane said a further reduction in capital expenditure would be made during the next fiscal year.

Stressing that Mpumalanga's 1997/98 budget of slightly more than R5bn was in effect 8,5% down on last year's total allocation, Modipane said the only way Mpumalanga would meet its targets would be by slashing public service staff figures a further 15% before 2000.

"The time for trade-offs, be they political, social or technological, has dawned... We will need to have the guts to offset the popular remuneration of civil servants against the provision of other goods and services," he said.

Finance director-general Leon Botha described the budget as survival planning. "If we can survive this, then we'll be able to survive anything," he said.

In line with national policies, the education and health departments took the lion's share of the budget, with public works and housing close behind.

Modipane said "This is not the budget which will change the lives of people this year, but it is a good start to our multi-year budgeting approach, in which we will attempt to target very specific areas for accelerated development in a staggered three-year budget plan."

Botha said Mpumalanga was leading the way in the expansion of own revenues, collecting R180m by improving collection and enforcement systems.

Modipane, dismissing criticism that Mpumalanga had grossly overpaid mem-

bers of the House of Traditional Leaders, said the province had a "duty to maintain the status quo... If we had decreased the chiefs' salaries they would have embarked on guerrilla warfare."

Other interesting points in the budget included the decision not to make any provision for the Mpumalanga Parks Board's estimated budget deficit.

Opposition MPLs said this meant there was no "safety net" for the parastatal if its controversial deal with Dolphin Group failed to materialise.

Mpumalanga also did not budget for packages for returning teachers because, Botha said, central government had merely asked the provinces to gauge how many public servants might seek

retrenchment.

"When we need the money, central government will transfer it to us," he said.

The province neglected to make provision for any capital investment to get its first international airport off the ground — a project Nelspruit-based businessmen claimed was costing the province at least R1m a day in lost trade opportunities.

However, R200 000 had been set aside for another feasibility study by foreign consultants later this year, Botha said.

Opposition MPLs and parliamentary observers described the budget as a conservative yet focused and well researched attempt to accommodate central government's macroeconomic growth strategies — African Eye News Service

The province where graft is rewarded

M+G 27/3-3/4/97 (266B)

Mpumalanga government officials have repeatedly glossed over corruption in their ranks, reports Justin Arenstein

INSTEAD of being charged or being held publicly accountable for the widespread maladministration which forced the government to dismantle the Mpumalanga Development Corporation, its CEO, Patrick Mogorosi, was granted a "generous settlement" and a promise not to discuss the issue by the province.

Mogorosi was also allowed to resign from his post instead of being dismissed, despite an independent investigation by Coopers & Lybrand which found that he had abused his financial powers and had routinely intimidated staff into altering accounting records.

The settlement, which has outraged opposition politicians in the province, is the latest in a string of instances where Mpumalanga's government has seemingly failed or refused to take legal steps against officials who have defrauded it.

Other high-profile cases in which the government has failed to either recover its losses or prosecute include the notorious "Nyatigate", where consultants paid themselves up to R15 000 per day while advising the government on how to save money.

"It obviously pays to be a criminal in Mpumalanga. I mean, we're telling all state employees here that they should steal as much as possible because if we catch them we'll only ask for the money back if they're unlucky and will actually reward them for their troubles. We'll even promise not to speak about it," finance committee chair and National Party Member of the Legislature Chris MacPherson said this week.

Among the findings Coopers & Lybrand detailed in a confidential report to the government were that Mogorosi spent at least 41% — or R171 797 — of the entire parastatal's furniture budget on equipping his personal office with, among other items, a large-screen TV, an expensive music centre and a Grundig

satellite dish for "training purposes"

Mogorosi was also found to have repeatedly over-claimed on his travel allowances for the SAAB 900SE convertible and 300E Mercedes Benz allowed him by the MDC and to have also booked a first-class air ticket to the United States for R37 703, against the express advice of his finance director.

Citing instances where Mogorosi had forced finance staff to change audit reports or at times even dictated their contents, the report said that it had found ample evidence of his "intolerance to opposition" and his abusive behaviour of staff.

After the report was leaked to the press, Mogorosi was immediately sacked by Premier Mathews Phosa, but was reinstated in January after he challenged the dismissal as non-procedural.

The corporation immediately suspended him and launched internal disciplinary proceedings, but these were abandoned this month after Mogorosi accepted a "retirement" package. Part of the agreement is an undertaking by both Mogorosi and the MDC not to comment on the settlement's terms.

Pointing out that the investigations into Mogorosi's activities had already cost at least R775 000 and that Coopers & Lybrand had found unequivocal evidence of maladministration, MacPherson asked why no criminal proceedings had been instituted.

'By letting Mogorosi walk, we're discouraging whistleblowers from reporting corruption because even after being convicted those they accuse will have the freedom and financial means to take revenge," he added.

Mogorosi is not the first high-profile official who the provincial government has seemingly failed to prosecute.

Former government consultants Eugene Nyati and Ntsoaki Mohapi were also not charged after investigations almost two years ago revealed that they had paid each other up to R15 000 per day while advising the government on how to save money.

Although they were ordered to pay back the R800 000 that Nyati had in his personal account, plus significant portions of their salaries, Mohapi still owes Mpumalanga about R200 000.

Despite recommendations that criminal proceedings should be launched to recover the money, Mohapi has still to be charged.

Legislative investigations last year into who recommended and appointed the two consultants also failed when one senior official after another denied knowing where the order to appoint them originated.

Mohapi was appointed chairman of at least one committee despite having only a Bachelor of Arts degree and no relevant experience.

Provincial director general, Frank Mbatha, and senior officials from the province's finance and treasury departments also repeatedly failed to deliver reports to the public accounts committee on

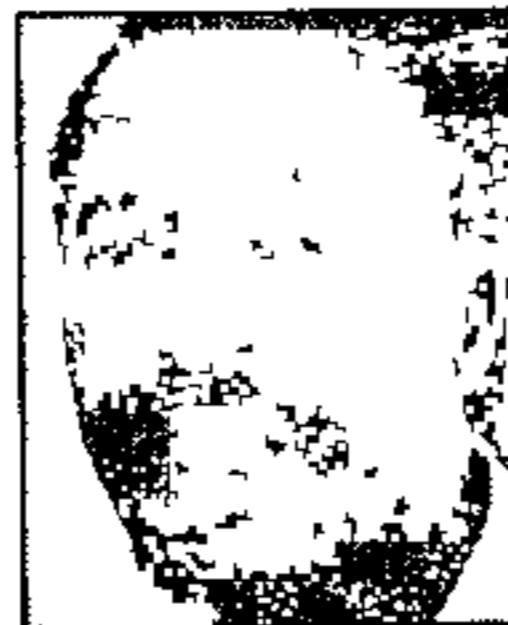
government farms which were ceded to four politicians at minimal costs without going through the tender board and without treasury approval.

Officials, including Mbatha, told the committee that because senior politicians such as South Africa's ambassador to Mozambique, Mangisi Zitha, were involved, the issue was "too sensitive to be discussed in public."

Mbatha, however, promised to deliver a full report on the issue, including an explanation of why National Parks Board chairman Enos Mabuza was only charged roughly R7 000 a farm but was able to mortgage it for almost R450 000 a year later.

Committee chairman Hein Mentz told the M&G this week that he had still not received any documentation and had referred the matter to Public Protector Selby Baqwa in frustration.

Even traffic officers in Mpumalanga point out that their chief, Henry Brazer, has admitted to sending relatives on a holiday to the US using government funds. After signing an "admission of guilt" letter, he was merely required to pay the money back in installments and was later promoted to provincial traffic director.



Eugene Nyati

Nelspruit workers left out of Samwu's fight against privatisation

SHARON HAMMOND

Nelspruit — The Nelspruit branch of the South African Municipal Workers' Union (Samwu) said yesterday that it did not know about the union's plans to protest against Nelspruit's plans to privatise its water and waste services

Louis Mthisi, Samwu Nelspruit's secretary, and an employee of the town council, said any

action would only be taken after the council had explained what it meant by privatisation

Samwu, at national level, "declared war against privatisation" in reaction to the council's plans and said marches would be held across the country on May 1.

He said the issue had only so far been discussed with shop stewards at the council, and that Samwu, at national level, would first attend a conference organi-

ET (PR) 9/4/97

(2668)

ised by the Development Bank of SA about public-private sector partnerships, before discussing the matter with the council

"After that, I'm not sure what resolution will be taken," he said

Samwu's "war" declaration might also be premature, after the council postponed announcing the winner of the bid for the contract from Monday to April 30 Etienne Garnett-Bennett, a council spokesman, said the date

had possibly been postponed to allow for further discussion

"This (public-private sector partnerships) has never been done in South Africa before, which probably explains why the unions are reacting this way," he explained

Also unaware of the brewing "war" is Cosatu's Nelspruit branch Cosatu said this week that it would hold a conference to decide what action to take against the council for its privati-

sation bid, but Michael Nkosi, its local chairman, said he was unaware of the conference and, in fact, favoured privatisation

"Where we live, there is no water supply. We believe service would be better from a private company," he said

Ying for the tender are eight companies including Sanco Investment Holdings and a consortium headed by Britani's Brwater — African Eye News Service

Time to resolve boundary issues

Star 8/5/97 (266B)

All border disputes have the potential to destabilise a country's political atmosphere. In South Africa, six provinces have boundary problems, like the one that erupted recently in Bushbuckridge involving Mpumalanga and the Northern Province.

These problems were not resolved during the multiparty negotiations and are now beginning to strain provincial relations.

At the negotiations, decisions were not made about exactly where to draw certain provincial boundaries. Some towns situated on the boundaries of provinces were left uncertain as to which province they will belong to.

The interim constitution stipulated that residents living in affected areas should be consulted. The contesting provinces would make recommendations to the national government, which has the final say.

However, when the new Government came to power in 1994, the matter was shelved. The 1995 deadline to have the fate of these towns resolved passed without the Government ensuring that the matter was settled.

Today, the issue has become contentious and explosive, and threatens the peace as well as tourism, since some affected areas are near game and nature reserves.

People living in the North West townships near Kuruman are historically, culturally and ethnically attached to the North West. The people worry that they



PROVINCIAL MATTERS

By Hopewell Radebe

are using their buying power in Kuruman, and that it benefits the Northern Cape. They want the town to belong to the North West.

The Northern Cape has seen this outcry as an opportunity to have the townships taken away from the North West and incorporated in their province to increase its number of black voters, among other things. The ANC has been lobbied to support this view. The townships' population is seen as a strategic advantage to balance the power of the mostly coloured community in the Northern Cape.

The ANC cannot rely upon the support of coloureds, who tend to favour the National Party

This means the Northern Cape could be given the North West's township.

Within the boundaries of KwaZulu Natal, on the other hand, a region of Mzimkhulu, which belonged to the former Transkei, is situated. Some people objected when Transkei's territorial boundaries were given to the Eastern Cape, thinking it included Mzimkhulu. They wanted the area to belong to KwaZulu Natal because it was, after all, landlocked by the province.

A commission of inquiry was set up to investigate the feelings of the community. Its recommendations are yet to be released but it is believed it has been found to be appropriate for the area to belong to the Eastern Cape.

Mpumalanga and the Northern Province almost succeeded in resolving the border disputes involving Bushbuckridge in the east, near the Kruger Park and Groblersdal, a major agricultural business district.

The provinces tried to resolve the matter through an agreement to have Bushbuckridge given to Mpumalanga because of popular demand. But when views of the Groblersdal community showed support to belong to Mpumalanga, the Northern Province felt succumbing to demand might be political suicide for its premier.

The province lobbied support and eventually got the Mpuma-

langa legislature to pass a resolution agreeing to have Groblersdal given to the Northern Province.

The problems at local government level in these areas have grown bigger than anticipated as leaders have turned the border issue into a local matter used to canvass support. The conflicting views have divided the community. The matter has led to the exchanging of blows because the debate at this level is often emotional and lacks reasoning.

Politicians in Bushbuckridge, for example, are evaluating the delivery track records of the two provinces and are telling people they will be economically better off in the province the politicians favour.

The matter has become so ugly that protesters have started interfering with economically essential areas like the Kruger National Park, where the safety of tourists is threatened.

Provinces must demand that the National Council of Provinces challenge the Government to find an amicable solution. The power to evaluate and change provincial boundaries lies with national government.

Otherwise, this matter could lead to racial or ethnic rivalry as explosive as the KwaZulu Natal conflicts which have lasted for decades. People have become so emotional about the issue that they are behaving as if their villages, towns or townships will be physically uprooted and planted somewhere else.

Residents divided over action

(266A) (266B) Sowetan 22/2/96
By Khathu Mamalla

BUSHBUCKRIDGE residents are sharply divided over the mass action aimed at forcing the Northern Province government to transfer the area to Mpumalanga.

ANC deputy chairman in Shatah, Mr Krisjan Mokoena, said residents were divided on the mass action as there were some who wanted to remain in Northern Province

The organisers of the protest action, which started last Monday, want everybody, including students, to stay away. However, some residents have ignored the call as they want Bushbuckridge to remain in Northern Province," said Mokoena.

He said shops and government offices were forced to close last week by a group of people. Attempts to speak to the organisers of the stayaway proved fruitless yesterday.

Northern Province government spokesman Mr Jack Mokobi said he was aware of the action in Bushbuckridge. He was not aware of the involvement of civil servants in the stayaway.

He warned that action would be taken against anyone who stayed away from work. Mokobi said there was no need for people to march and stay away from work as there was an agreement to transfer Bushbuckridge to Mpumalanga.

Border fight still on

By VICTOR MOHLALA

~~(266A)~~ (266B)
IT WAS not quite the 'Million People March' called for by the Bushbuckridge Border Committee, but 100 000 people marched to the Bushbuckridge police station this week to hand over a memorandum rejecting the ANC National Working Committee's announcement that Bushbuckridge would remain in the Northern Province.

Slamming the ANC's announcement, Border Committee secretary Themba Godi said: "It is not for the ANC to respond to this matter. Our demand is addressed to the central government and not the ANC as a political party."

CP 25/5/97
 Meanwhile, residents had collected R12 000 by Friday to take the border issue to the constitutional court. The Border Committee treasurer, Prince Ndlovu, said they were expecting more money as people were still collecting.

Residents argued that the Bushbuckridge border issue had been on the table even before the start of constitutional negotiations.

The Border Committee charged that the ANC had broken signed agreements between Mpumalanga and the Northern Province that the region would be transferred to Mpumalanga.

Going mad for Mpumalanga

ST 25/5/97

Violent protests over provincial boundaries threaten the economic wellbeing of the game park industry

(2bb8) (18)

GRAEME ADDISON

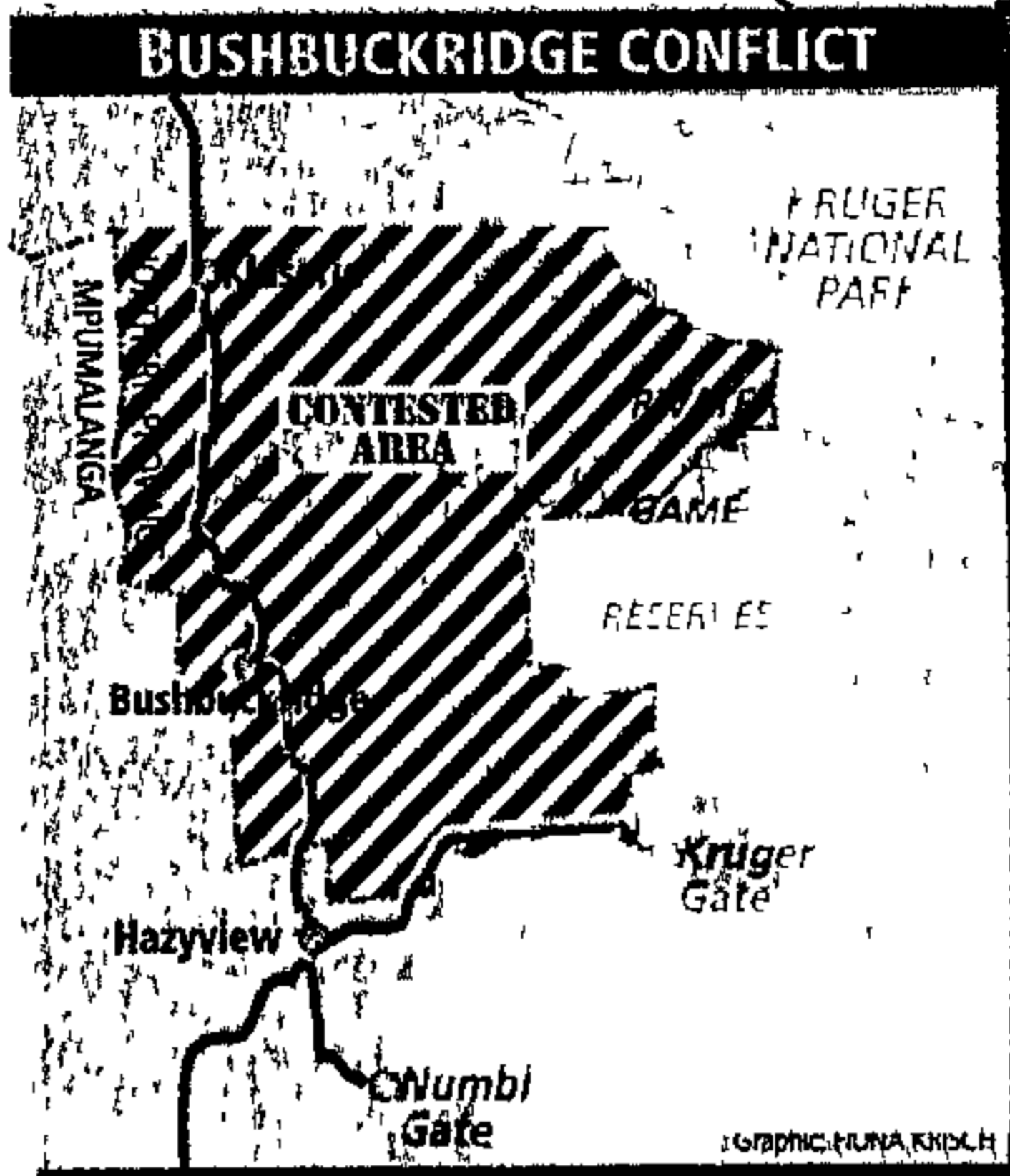
THEMBA Ndlovu didn't waste time. As soon as police moved the tree blocking the road leading to the Kruger Park, he set about carving an elegant giraffe from it, hoping the tourists would return.

Around him lay piles of burnt tyres — which had been used to blockade the road — and rocks which had been hurled at police in the "border war" in the Northern Province where locals are demanding incorporation into Mpumalanga.

Business has been bad since the protests turned violent earlier this month and scared off the tourists.

A German woman had to be treated for burns suffered in a petrol-bomb attack on a tourist bus, and delivery trucks have been stoned and set alight.

There are signs of protest at nearly every intersection between Hazyview and Klaserie, and at most of the intersections on the way to the Kruger Gate. The main road at



BATTLE ZONE: Stone-throwing protesters have wreaked havoc in this once peaceful region

Bushbuckridge, a major taxi terminus and market, was barricaded with a pile of trees and billboards early this week.

People in the area — who used to be governed by the former homelands of Lebowa and Gazankulu — do not wish to be ruled by the Northern Province because they say it marginalises the Tsonga, Shangaan and Pedi.

They also believe that Mpumalanga, with its coal, timber and game reserves, is richer and offers better services.

This week, the Minister of Provincial Affairs and Constitutional Development, Mohammed Valli Moosa, rejected the protesters' demands, telling Parliament the ANC had opposed balkanisation under apartheid, and that provincial identities should not take priority above a common South Africanism.

The battle lines on the border have been forming for years. Soon after the elections in April 1994, Northern Province and Mpumalanga reached an accord to swap Groblersdal for Bushbuckridge. But protests swept through Groblersdal and the deal was put on ice.

Residents of Bushbuckridge became impatient and started organising, spurred on by Mpumalanga Premier Mathews Phosa, who made no se-

cret of his wish to see his boyhood home territory included in the province he ruled. When the handover failed to materialise, the people of Bushbuckridge sent petitions to the provincial leaders and, during 1996, took to the streets to demand incorporation.

Those in Groblersdal did the same, to oppose being shuffled off to Northern Province.

Finally this week the ANC's national committee ruled that neither Bushbuckridge nor Groblersdal would change hands. It was the last straw for the taxi operators whose routes lie mainly to the south of Nelspruit, and who objected to paying licence fees to Pietersburg in Northern Province. Women too, who constitute 53 percent of Bushbuckridge's population, wanted access to clinics and hospitals in the south.

Perhaps the key to everything is the huge potential of the region's game parks for tourist growth and jobs. The Kruger Park alone creates direct employment for about 4 000 people and has spawned one of Africa's largest tourism infrastructures — with the private game lodges and reserves concentrated along the western fringes of the park.

The main benefits of

tourism in the region accrue to Mpumalanga.

The main national road from Johannesburg to the game parks in the area is the N4 from Gauteng to Nelspruit. The section from Nelspruit to Maputo is being upgraded in the Maputo corridor construction project. A major aim of the project is to spread subcontracting work and training to black communities along the corridor.

Northern Province does not get a look-in on the project, while its own roads — especially those in the Bushbuckridge area — are in an alarming state of disrepair.

Mpumalanga also gets the lion's share of commerce emanating from big-game hunting in the Lowveld, trout fishing around Dullstroom, adventure activities like hiking and rafting on the edge of the Drakensberg escarpment and tourist accommodation everywhere.

At stake in the dispute are the provinces' reputations and powers.

Northern Province is impoverished and more crowded than Mpumalanga, and its administration is a shambles.

To help it along, central government this year increased its budget allocation by 2,7 percent (to R10,3-billion) while Mpumalanga's was cut by 4,3 percent (to R4,8-billion).

Given the populations of the provinces — 5,2 million and 3 million respectively — the budgets imply that for every rand spent on people in Northern Province, only 80c will be spent in Mpumalanga.

But the difference is not as great as it seems. Most of Northern Province's people live in poverty with little immediate hope of improvement.

Mpumalanga, on the other hand, is one of the provinces most favoured for investment.

But now chaos threatens the economic wellbeing of the tourism belt in the disputed areas.

The villagers are resolute that they will make the area ungovernable and the ANC is gamely trying to pretend business can carry on as usual under the tight clamp of the security forces.

Disgraced minister says he'll challenge report

JUSTIN ARENSTEIN

MPUMALANGA's controversial former safety and security minister, Steve Mabona, said yesterday that he would challenge the Moldenhauer commission's findings after studying the report.

He claimed that chief magistrate Heinrich Moldenhauer had a vendetta against him.

Mabona is still a member of the province's legislature and is entitled to a salary of about R16 000 a month. He is also still a member of the ANC.

In an exclusive interview Mabona said "The assertion that I was incompetent is obviously unfair and I was also never given an opportunity to answer these accusations of financial irregularities."

"I am not bitter about this thing at all. I am human and perhaps made some mistakes, but I also did a lot of good."

Mathews Phosa, the premier of the province, likened the corruption within Mabona's safety and security department to "worms crawling around on a piece of rotten meat."

"I told him (Mabona) the report was very damaging and then I gave him the salient points and told him to sleep on it. He came back to me on Friday and had the moral courage to accept its findings and resign."

Although Phosa refuses to confirm it, government sources said he would send a copy of Moldenhauer's report to Deputy President Thabo Mbeki for a decision on possible steps against Deputy Speaker Baleka Mbete-Kgositsile.

Concerns not addressed in the report's findings include the fact that her answers to a number of questions at the commission were vague or completely incorrect.

These include not remembering vital parts of her test or how she got from Cape Town to Johannesburg. Mbete-Kgositsile also insisted that she had been forced to stop and pull off from a number of robots during her practical driver's test.

There are no robots in Delmas, where she took the test immediately after



BANISHED TO THE BACK SEAT: Deputy Speaker Baleka Mbete-Kgositsile's driver's licence has been declared invalid.

I sit here ready with truth as a belt tied around my waist, with righteousness as my breastplate. Let us put on all the armour that God gave us so that we can stand against the devil's evil tricks. For we are not fighting against human beings, but against wicked spiritual forces in this heavenly world. I believe that at the end of this inquiry the whole truth about corruption will come out.

— Steve Mabona, during testimony

Phosa's acceptance of the report yesterday, Mbete-Kgositsile expressed regret that she had travelled to Mpumalanga for her licences but insisted that she had been inadvertently caught up in a "web of impropriety of which I was unaware."

Phosa praised junior traffic officer John Muller, who exposed the rot in the department. Phosa said Muller's investigations had led to the closure of all the province's former homeland test centres in 1995 and to the arrest of several officers.

"These people did their country a great service and they must be protected from victimisation or other repercussions."

STEVE MABONA, MEC for safety and security

"The commission wants to express its wish that Mr Mabona will apologise to the press and especially to the reporter, Justin Arenstein, for accusing them of racist remarks and false reporting while he himself was not well informed."

"His active role in creating an atmosphere where certain driving schools control some of the traffic officers is totally inexcusable. The evidence relating to the mon-

ey he spent against the traffic control and traffic safety vote account is also very disturbing."

"Mr Mabona neglected to perform his assigned duty over the past three years. The commission therefore feels obliged to recommend that the Premier dismiss Mr Mabona as a member of the executive council in terms of Section 132(2) of the Constitution."

BALEKA MBETE-KGOSITSILE, Deputy Speaker of the House of Assembly

"The commission recommends that the licence issued to Ms Baleka Mbete-Kgositsile is not in accordance with the relevant Act Section 73 of that Act

Kick t

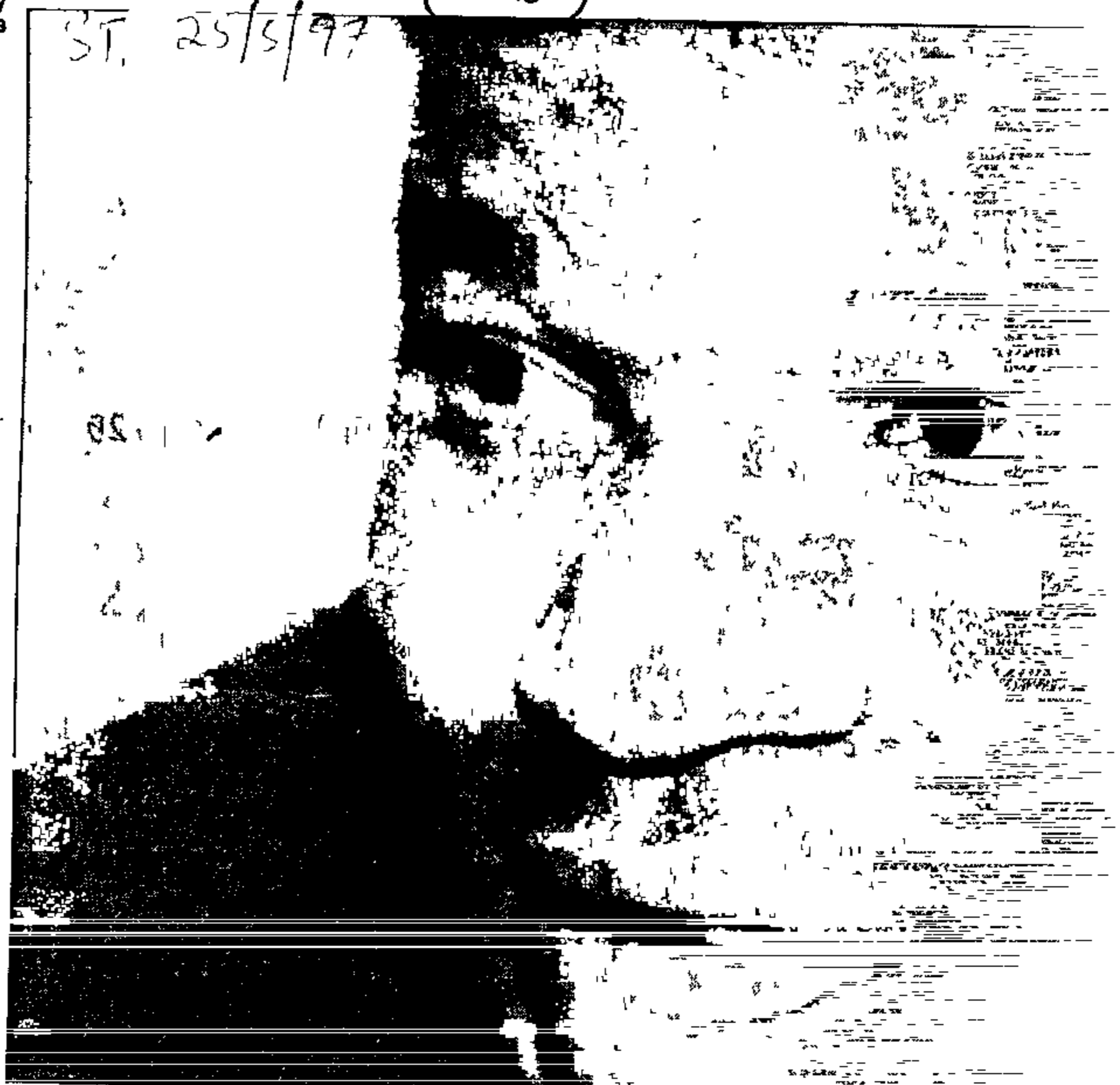
THE POWER OF THE B:

Top MP's 'fake'

ANC cries racism as police probe deputy Sp

was in

APRIL 13 1997 — the Sunday Times



FORCED TO QUIT: Mpumalanga safety and security MEC Steve Mabona neglected to perform his Moldenhauer commission

THE KEY FINDINGS:

therefore applies and Mbete-Kgositsile must, on demand by the registering authority which issued such licence, or a police officer, surrender her 'driver's licence'."

WILLIAM HENRY BRAZER, Mpumalanga Director of Traffic

"His inability to make important decisions, questionable decisions he took, as well as his total inability to manage the staff, make it impossible to rectify the chaos in his division while he is the director."

"The commission recommends that the director general of the provincial administration of Mpumalanga discharge

Brazer in terms of Section 17 of the Public Service Act 1994 after consultation with the public service commission of Mpumalanga."

MMELI SOKHO, head of Mpumalanga department of safety and security

"He does not have the ability to control his staff."

"The director general of the Mpumalanga provincial administration must investigate the possibility of transferring Advocate Sokho to a post where he will not be in control of a department or division."

"If this is not possible, the commission recommends that Advocate Sokho be discharged."

ick them out!

RAY HARTLEY
Political Correspondent

(267) (266B)

ST 25/5/97

MPUMALANGA Premier Mathews Phosa announced in Nelspruit yesterday that his safety and security MEC, Steve Mabona, had resigned and his traffic director, Henry Brazer, had been suspended.

Releasing the findings of the Moldenhauer commission into malpractices concerning the issuing of drivers' licences, Phosa said Brazer and the head of the safety and security department, Mmeli Sokho, had been charged with misconduct and been suspended.

The commission was asked by Phosa to look into irregularities concerning the driver's licence of the deputy Speaker, Baleka Mbete-Kgositsile, after a Sunday Times report. Phosa praised the media for its role in exposing corruption.

The commission's chairman, Heinrich Moldenhauer, found that Mbete-Kgositsile's licence, which was issued after a special test ordered by Mabona and conducted by Brazer, did not meet the requirements of the law. He ordered her to "surrender" her licence.

Mbete-Kgositsile said yesterday she would hand in her ID document to the Department of Home Affairs to have the licence expunged, but asserted that she was "inadvertently caught up in a web of impropriety of which I was — at the time — unaware".

The commission found that Mabona had created an atmosphere in which driving schools had "control" over traffic officers, and that he had neglected to perform his duties during his three years in office.

Moldenhauer ordered Mabona to apologise to the journalist who broke the Mbete-Kgositsile licence scandal in the Sunday Times "for accusing him of racist remarks while he himself was not well informed".

"The evidence relating to the money he spent against the traffic control and traffic safety vote account is also very disturbing," said Moldenhauer.

Mabona resigned late on Friday night, apparently after Phosa made it clear that he would be fired if he did not do so.

Moldenhauer found that Brazer should face charges for "wilfully or negligently" issuing drivers' licences.

"His inability to make important decisions, questionable decisions he took, as well as his total inability to manage the staff, make it impossible to rectify the chaos in his division while he is the director," he said.

Moldenhauer also recommended that Sokho be moved "to a post where he will not be in charge of a department or division" or, if this was not possible, that he be discharged from service.

He found that Phosa had been misinformed about corruption and about the issuing of Mbete-Kgositsile's licence by Mabona.

"For these reasons the commission is convinced that the provincial legislature and the premier cannot in any way be held liable for the disarray in the department of safety and security," Moldenhauer said.

The acting secretary general of the ANC, Cheryl Carolus, has meanwhile welcomed Phosa's swift action to deal with the corruption, adding "We hope this will be emulated by other provinces".

POWER OF THE BIG NEWS

MP's 'fake' licence

cries racism as police deputy Speaker's test

APRIL 13 1997 — the Sunday Times breaks the Big News



Steve Mabona neglected to perform his duties, according to the findings of the Picture: HERBERT MABUZA

GS:

Brazer in terms of Section 17 of the Public Service Act 1994 after consultation with the public service commission of Mpumalanga."

MMELI SOKHO, head of Mpumalanga department of safety

Bushbuckridge: a sense of betrayal

MIKE MASIPA
Bushbuckridge

Elijah Matsaane has lived in Marite, one of Bushbuckridge's numerous villages, about 100km from Mpumalanga's capital, Nelspruit, all his 73 years.

He has always known the village to be in the "East" and cannot understand why residents were divided and placed under the jurisdiction of ethnic homelands on the basis of the languages they spoke.

North-Sotho speaking, Matsaane and many others were administered by the Lebowa government before the 1994 election.

Fellow residents in neighbouring villages were controlled by Gazankulu solely because they were Tsonga-speaking.

People protested against the division but had no alternative because the "Boer government was not democratic and would not care a hoot", said Matsaane.

When the election ushered in democracy in 1994, the people thought they would finally be heard.

When he voted for the ANC in 1994, Matsaane hoped the "madness" would stop.

After all, this was the government of the people, and Nelson Mandela's party had promised that Bushbuckridge would eventually be returned to the "East", Mpumalanga.

But during negotiations to define provincial borders, Bushbuckridge residents found themselves embroiled in a familiar argument.

They wanted the area to be incorporated into Mpumalanga because they have always considered Nelspruit their economic centre.

Instead, they were incorporated into Northern Province, whose capital Pietersburg is about 300km away.

Last week, when the ANC

national working committee announced it would not accede to residents' demands, the Bushbuckridge community vented its frustrations at a protest which turned violent.

Then on Friday, Matsaane joined 20 000 fellow villagers at the local Pauliana stadium to protest against the "ANC's betrayal".

"I never thought I would one day cheer at derogatory statements made about the ANC. But now they are messing things up."

A speaker was booed and jeered off the stage when, in an involuntary action, he shouted "Viva ANC" as he began his address.

To many who took part in the march, the ANC had done the unforgivable.

As Themba Godi, leader of the Bushbuckridge border crisis committee, said "The ruling party will reap what they are sowing come the 1999 elections."

(266B)

(266A)

Star 26/5/97

Committee vows to defy govt threat

Somehan 26/5/97

(266A) (266B)

N Province says public servants must return to work today or be disciplined

By Khathu Mamaila

THE BUSHBUCKRIDGE Border Committee, which is spearheading the mass campaign to have Bushbuckridge transferred to Mpumalanga, has vowed to defy the Northern Province government's warning that public servants who do not report for work today will be penalised.

Committee spokesman Mr Azaph Nxumalo said, "The government is obviously trying to use intimidation tactics to break the four weeks stand-off in the area. Our people will never bow to intimidation.

"In actual fact, if there are people who should not be paid, it is the politicians. They are clearly not doing their work. If they were, this area would be incorporated to Mpumalanga and life here would be smooth," Nxumalo said.

Northern Province director general Mr John Malatji issued a circular instructing all public servants to report for work today or face disciplinary action.

Malatji issued the warning after he was

instructed by the provincial cabinet to bring the situation back to normal.

There has been no schooling for the past four weeks and government employees have not been working, following a call for rolling mass action aimed at forcing the Government to incorporate the area into Mpumalanga.

On Friday, thousands of residents marched on the Bushbuckridge police station where they faxed an open letter to President Nelson Mandela, requesting him to intervene and resolve the matter.

Residents have been collecting R10 per household following a call by the Border Committee to raise funds to take the Government to the Constitutional Court. More than R107 000 was raised within a week.

Meanwhile, the Trade Union of South African Authorities said in a statement that the crisis in Bushbuckridge was a political crisis which should be solved by the politicians.

The union called on the Government to ensure the safety of workers before making threats of disciplinary action.

Residents urged to

Mpumalanga cabinet reshuffled

(2666)
Mpumalanga Premier Mathews Phosa yesterday announced a reshuffle in his provincial executive committee following the resignation last week of safety and security MEC Steve Mabona over the driver's licence scam.

Phosa replaced Mabona with former chief whip Jackson Mthembu

Mthembu has been given the public works, roads and transport portfolio, which now includes the traffic directorate that Phosa moved out of the safety and security department.

Mthembu headed the ANC's provincial campaign during the 1994 elections and was instrumental in initiating changes within the legislature.

Phosa believes Mthembu would be able to transform and restore the dignity of the traffic department.

Phosa has given Public Works, Roads and Transport MEC Luckson Mathebula the task of transforming the safety and security department. - Provincial Reporter.

Stan 30/5/97

Successor to safety and security chief named

NELSPRUIT — Mpumalanga's former safety and security MEC Steve Mabona has been replaced by public works MEC Jackson Mathebula.

Announcing the replacement, premier Mathews Phosa said yesterday that the move illustrated his administration's commitment to open and accountable government.

Conceding that Mathebula, who was not at the press conference, did not have a background in law enforcement, Phosa insisted he was chosen because he was the best man for the job.

"You do not have to be a lawyer to be the minister of justice. You just

have to be a competent leader."

Jackson Mathebula, provincial ANC chief whip and a former senator, will replace Mathebula as public works, roads and transport MEC.

Phosa said the corruption-riven traffic directorate had been transferred from safety and security to public works and would therefore be managed by Mathebula.

Mathebula is one of the most influential leaders in the provincial ANC and has almost completely restructured the ANC's management of the legislature and its members in the past six months.

Party insiders say Mathebula was

BD 30/5/97

given the public works post instead of safety and security because Phosa hoped he would restructure the department, which is in a shambles.

The public works department is so inefficient that the health and education departments have been forced to establish their own internal works components to handle building and other projects.

Phosa refused to be drawn on whether Mabona would retain his position in the provincial legislature and the ANC in the light of the Moldenhauer report's findings on his management of safety and security over the past three years.

(266B)

ANC Youth League leader James Nkambule said Mabona's fate would be decided at a special provincial caucus on June 22. The ANC's new provincial chief whip will be announced in about two weeks.

Phosa expressed support for housing MEC Craig Padayachee's handling of the investigation into Motheo Construction's R185m rural housing project.

"The investigation might lead us into taking further steps to secure clean and good governance in the province, as well as speeding up our already good standards of housing delivery," he said — Sapa.

arises is that we need strong political commitment to enforce such a concept, such a programme, but we find that for various reasons we do not have the machinery to ensure that we can provide the drugs and monitoring that are necessary for these patients. We do have a revitalised tuberculosis control programme in the country. [Time expired.]

Mr A ALLY Mr Chairman, I would like to thank the hon the Minister for a very positive response to my interpellation, but what I believe is that the causes of TB are many and varied, and one of them that the Minister has mentioned is overcrowding, and I would like to suggest to the Minister that, in getting a very strong commitment from Government, there should be an interaction between the Minister of Housing, the Minister of Education and the Minister for Welfare and Population Development.

I know that there is now a hue and cry throughout the country that the reduction of the maintenance for children to R75 will further affect the poverty of the people of our country. I think that because the Western Cape has the highest average, which some people estimate to be 559 per 100 000 of the population and with our bid for the Olympics for the year 2004, it is imperative that we do something. I am very happy to read, in the document the Minister handed to us, that the Government is on the offensive, but I think time is against us. There are many factors that are tying our hands. We have a high incidence of HIV. [Interjections.] [Time expired.]

THE MINISTER OF HEALTH The hon member has just referred to the R75 per child that is being proposed. May I remind the hon member that African children get zero rands, so R75 will be a very great improvement. It certainly will improve their access to food and their nutritional status, and that should be a point scored against TB, not for increasing TB in the country.

Secondly, this country is spending R500 million on TB, but because it had not adopted the correct strategy and programmes, we have little to show for that R500 million that we have been spending. With the programme that we are embarking upon, we will manage to contain TB.

However, let me warn hon members that there is no magic. One has to improve the socio-economic

the form of all of the main taxes, personal income tax, company tax and sales tax, is collected by central Government and then it is ensured, through the mechanism of the Financial and Fiscal Commission, that the per capita expenditure on all South Africans, regardless of the province in which a person may live, is the same. This is to ensure that a person living in a province with a smaller GDP is not prejudiced as a result of that fact alone. Therefore, regardless of which side of a provincial boundary one lives on, the national expenditure on the individual remains the same.

A thread running through the entire Constitution is the concept of nation-building. It promotes the idea of a South African identity, a South Africanism and a new South African nation over and above any other identity, be it linguistic or cultural, that people may have. It certainly requires that a provincial identity should be secondary to the national South African identity.

In dealing with border disputes, it may be wise to remind the House that the interim Constitution, which was repealed a few months ago, left a number of border areas. [Time expired.]

Mrs P DE LILLE Mr Chairperson, I want to welcome the talks between the Minister and the border dispute committee, although it is a bit late - six weeks after the violence erupted in the province. If the dispute had been addressed earlier, violence would have been avoided. Therefore, it is wrong to blame the violence for the border situation in Bushbuckridge. We should rather blame the way in which the situation was addressed at the outset.

I just want to put the problem in context. In 1994, according to the interim Constitution, provision was made for a referendum. In addition, an undertaking was given by the Government that this provision would be put into effect. Taking advantage of this provision, the people of Bushbuckridge established a referendum-facilitating committee which collected over 500 signatures. Thereafter these signatures, in the form of a petition, were delivered to Parliament.

So it cannot be said that the people of Bushbuckridge did not try the constitutional option. The promised constitutional amendment raised expectations for the people of Bushbuckridge.

Instead, the response they got from the ANC was that it was too expensive to hold a referendum and also that the provincial governments rejected a referendum. What happened thereafter was the formation of the Bushbuckridge border committee to further attempt to find a solution for a peaceful settlement.

Violence has not really been part of the approach of the people of Bushbuckridge. After the refusal to recognise the border committee the uprisings started. The department refused to deal with this committee and referred the matter to the ANC National Working Committee, further increasing the frustration of the campaigners in that area. A constitutional matter was then based on an ANC decision and there was no separation between Government and ANC. This is unacceptable, and we also regret the loss of life in the area.

I want to agree with the Minister that our approach should be one of "one nation, one country" and "South Africa comes first and then loyalty to provinces". At the World Trade Centre the PAC warned against hard borders. We did not support the creation of many provinces. We now have economic migration from the poor to the rich provinces and this dispute is fuelled by non-delivery in the Northern Province.

A further problem was created when the provincial government said that a referendum was not necessary and that Parliament, through constitutional amendment, could deal with the problem. The issue of Bushbuckridge was then linked to Groblersdal which is another grey area, and therefore the two-thirds majority was not achieved by the portfolio committee. Groblersdal is still controlled by a CP council and local government elections have never been held there. This is unacceptable. The African people's right to have a council elected by democratic vote has been violated in this instance. We must separate the Bushbuckridge dispute from the Groblersdal dispute, and both problems need to be addressed through constitutional means.

I would also like the Minister to investigate the role of four MECs in the Mpumalanga provincial government in this whole problem. All four MECs come from Bushbuckridge and therefore had a direct interest in the dispute. In preparation for the

conditions of the people in order to deal with TB. One has to have both Dots and drugs in order to contain TB. The sooner national consensus is reached on feeding, housing, education and health, the sooner we will be able to deal with TB.

Debate concluded

Bushbuckridge border dispute referred to Parliament/parliamentary committee

4 Mrs P DE LILLE asked the Minister for Provincial Affairs and Constitutional Development.

Whether he intends referring the issue of the Bushbuckridge border dispute to Parliament or a parliamentary committee for consideration as a matter of national concern, if not, why not, if so, what are the relevant details?

N1490E INT

THE MINISTER FOR PROVINCIAL AFFAIRS AND CONSTITUTIONAL DEVELOPMENT Mr Chairperson, I would like to thank the hon De Lille for raising what is an important matter of public concern.

Border issues tend to be very emotional issues, no matter whether they concern international, provincial, municipal, magisterial or even school area boundaries. It is therefore not difficult to activate such issues in order to promote particular political, commercial, personal or other interests. Nations have been taken to war on artificially activated border disputes. These are some of the reasons that our own provincial boundary disputes are so difficult to resolve and that, in spite of the most delicate approaches, there are from time to time flare-ups in and around affected areas. As far as this issue is concerned, I am currently in discussion with the Chairperson of the National Council of Provinces about the possibility of this matter being referred to the National Council of Provinces for its attention.

However, may I say that the South African Constitution very fundamentally declares South Africa to be a united country. It creates a single South African economy and national economic policy. As far as economic policy is concerned, that is purely a national competence. The reason for this is to ensure equity across the country. Revenue, in

1999 elections, they want to maintain their constituencies in those provinces. This is an issue that is not being raised, but which has a bearing on the resolution of the dispute.

As far as the task teams are concerned, we want to commend the Minister for the fact that we are now finally moving to a situation where the legitimate border committee, elected by the people of Bushbuckridge, can engage with members of the department to find a solution to this dispute. We as the PAC want to tell the Minister that if there is anything that we can do to help find a solution to this dispute, we are ready to talk to him, because some members of our party are involved in the border committee. [Interjections]

THE MINISTER FOR PROVINCIAL AFFAIRS AND CONSTITUTIONAL DEVELOPMENT
Mr Charperson, I would like to thank the hon De Lille for the constructive manner in which she is approaching this matter. I think it is a matter in which all political parties should certainly show an interest.

Before I go into dealing with some of the matters which she has raised, may I just say that for the past three years this Government, and also the majority party, has attempted to do everything in its power to resolve numerous border disputes in different parts of the country without any success whatsoever. This is an extremely vexed problem.

At the end of the day we have decided to take the approach of, rather than promoting a change in the boundaries, asking the question: What are the actual real material problems that people may want to have addressed when they ask for a boundary change? What are the root causes?

That is the question we had to ask in the boundary dispute between Kwazulu-Natal and the Eastern Cape, when the Trengove Commission's recommendations were completely unimplementable as a result of the two legislatures differing on those recommendations. We were able to get an agreement on the part of both provinces that that boundary dispute should be put on ice and that, in the meantime, the two provinces would co-operate in such a manner as to facilitate good administration and good governance in that area. We think that this is a possible way for us to look for a solution to some of the other problems.

I held a meeting with the Bushbuckridge border committee on Friday last week, and the President also had one with them yesterday afternoon. In our discussions, we were able to agree with the committee. [Time expired]

Mrs P DE LILLE Charperson, the developments in Bushbuckridge have now truly degenerated into a national crisis. As the PAC said yesterday, it is unacceptable for our children to stay out of school, even for one day, at a time in our country when we are at pains to re-establish and engender a positive culture of education. Also, at a time when the economy and, in particular, jobs are trying to come out of a deep hole, it is unacceptable that, by our own delays, the economy in Bushbuckridge is being weakened by absences from work, sabotage, arson, and the wanton destruction of property. We must condemn the destruction of property in the strongest terms possible.

Addressing the problems there, as a matter of urgency, will stop the violence and disruption of normal life in Bushbuckridge. But the fact of the matter is that the broken promises by politicians are a bad reflection on the integrity and honesty of our Government. This is just one of the many promises made and not fulfilled by the Government.

THE MINISTER FOR PROVINCIAL AFFAIRS AND CONSTITUTIONAL DEVELOPMENT
Charperson, the hon member is less than correct when she refers to broken promises in that manner. Nobody can deny that the Government, the Deputy President and I personally, as well as the majority party for that matter, have tried everything in our power, over the past three years, to address this problem. This has involved a great deal of time and energy and numerous meetings which all of us have been involved in.

I do not think it is correct to simply say, willy-nilly, that there have been broken promises. The Cabinet even went as far as tabling a constitutional amendment Bill with the portfolio committee last year, in an attempt to change the boundary. But that is behind us. What I would like to do is to join the hon De Lille in condemning the destruction of property in the area and the illegal action that has been taken.

I am quite happy to report to Parliament this afternoon that a joint task team has been established

between the Bushbuckridge border committee and my department, after an agreement reached by all sides that it is more than possible to arrive at a solution acceptable to everybody through a process of discussion. That task team is at work already this week, and I am more than certain that this will lead to a cessation of some of the activities that have been taking place in the area, and that we will be able to find an equitable solution to this problem.

What we really need to do is to ask ourselves: What is it that needs to be done in order to uplift the conditions of people in Bushbuckridge? We also need to be honest about the fact that, at the end of the day, provincial boundaries really do not matter all that much.

Debate concluded

QUESTIONS

†Indicates translated version

For oral reply

President of the Republic

Question standing over from Wednesday, 4 June 1997

Cabinet Ministers: gifts kept as personal property

*2 Mr J A JORDAAN asked the President of the Republic

- (1) Whether Cabinet Ministers are permitted to keep and use as personal property gifts given to them in their official capacity as Ministers (a) while in office and (b) once they cease to be Ministers, if not, what is the policy in this regard, if so,
- (2) whether they are required to pay tax on the value of the gifts they keep, if not, why not, if so, what are the relevant details,
- (3) whether he intends changing the policy in respect of such gifts, if not, what is the position in this regard, if so, what changes does he intend making? N1237E

THE EXECUTIVE DEPUTY PRESIDENT (for the President of the Republic)

- (1) (a) and (b) Yes
- (2) No. As gifts normally encompass the

gratuitous disposal of property, they are not related to services rendered and therefore not regarded as income for tax purposes.

- (3) No. In terms of the Code of Conduct applicable to Ministers, only small gifts may be accepted, provided that Ministers have satisfied themselves that the gifts are not being presented to influence them in any improper manner. Ministers shall register any gift received which in their estimate exceeds the value of R350. At their discretion, Ministers may use gifts received for motivational purposes in their respective Departments. Gifts that are seen to be of a tradition/customary nature, need not be registered. The parliamentary Code of Conduct in regard to Financial Interests provides for gifts and hospitality to be disclosed by its members and that includes Cabinet Ministers who are bound in similar terms.

Executive Deputy President

Question standing over from Wednesday, 21 May 1997 (transferred for oral reply in terms of Rule 202)

*1 Mr N J J VAN R KOORNHOF - Executive Deputy President [Written Question No 164] [Withdrawn]

New questions

Registered NGOs collapsing

*1 Dr M S MOGOBA asked the Executive Deputy President

- (1) Whether any registered nongovernmental organisations have collapsed since 1994, if so, how many,
- (2) (a) what are the prospects of the National Development Agency (NDA) being fully established and (b) how will the NDA coordinate and monitor development? N1347E

THE EXECUTIVE DEPUTY PRESIDENT

- (1) Nongovernmental organisations (NGOs) in South Africa are not required to register with any Government entity. Only those nongovernmental organisations which seek a fund-

Troops sent to Bushbuckridge

(SAPA) (2668) 6D 6/6/97
PIETERSBURG — Police and troops were deployed in areas of Bushbuckridge in the Northern Province yesterday morning in a bid to prevent further violence following more unrest on Wednesday, police said.

Northern Province police spokesman Senior Superintendent Phuti Setati said the funeral of a woman killed in a recent road accident had been scheduled to take place at Marietjie in the Bushbuckridge area yesterday morning.

A low-profile security force presence was being maintained to ensure what Setati termed criminal elements did not take advantage of the funeral to commit further acts of violence.

He said that on Wednesday a truck was gutted, a paraffin tanker set alight and slightly damaged and a truck driver was slightly burnt when he was petrol-bombed.

Elements among residents of Bushbuckridge had over the past several weeks engaged in acts of violence. These elements were agitating for the incorporation of Bushbuckridge into Mpumalanga.

Both the Northern Province government and the African National Congress have said Bushbuckridge will remain in the Northern Province.

Similar unrest has occurred recently in Balfour and Delmas in Mpumalanga. — Sapa. D

Mpumalanga 'allowed itself to be manipulated by adviser'

Nelspruit - Mpumalanga acting premier Jacques Modipane has admitted the provincial government allowed itself to be manipulated by former government consultant Eugene Nyathi, who was accused of transferring R800 000 into his personal account from government coffers

Admitting the government had made mistakes, Modipane said: "Politicians are human, like everyone else, and we sometimes have made mistakes

"We even allowed ourselves to play into the hands of people like Eugene Nyathi, but we have recovered our financial losses and are prosecuting where necessary"

Modipane denied the government had repeatedly failed

to charge or punish officials, politicians and consultants who had been convicted of corruption.

He was responding to National Party leader F W de Klerk's charges last week that, despite overwhelming evidence that Nyathi had irregularly transferred R800 000 to his personal bank account, no legal action had been taken against him

Modipane said "You must appreciate Nyathi never actually stole money from us. He simply transferred it and repaid it when a refund was demanded."

Mpumalanga has featured prominently in corruption scandals estimated to have cost thousands of rands. Nyathi

was accused of embezzling government funds along with his colleague Nsoaki Mohapi.

"As for Nsoaki Mohapi, we are in the process of prosecuting her for refusing to repay the R200 000 she owes us," Modipane said, adding that Mohapi was defending herself in a court action

De Klerk also questioned why Mpumalanga Development Corporation chief executive Patrick Mogorosi had been granted a large gratuity package and been allowed to resign after external auditors revealed he had irregularly spent travel and furniture allowances and tampered with internal audit reports.

Conceding there was unease among the public regarding the gratuity package given to

Mogorosi, Modipane said the details of the package would be revealed at a later date

Criticising Mpumalanga's decision to allow former safety and security MEC Steve Mabona to resign when the Moldenhauer report on corruption and fraudulent licences in the province had advised he be dismissed, De Klerk said it appeared Mpumalanga had become a haven for corruption where the only censure was that culprits had to repay their loot if they were caught

Modipane referred to the establishment on Wednesday of a steering committee which would manage the dismantling of the Mpumalanga Development Corporation and its sister finance corporation. - Sapa

Star 6/6/97

(266B)

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Troops sent to Bushbuckridge

(244) (266B) BD 6/6/97

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DD9/6/97
**Bushbuckridge violence
brings protest from premier**

~~(266A)~~ (266B)
PIETERSBURG — Northern Province premier Ngoako Ramathlhodi has condemned violence in the Bushbuckridge area, where a border dispute has sparked unrest.

"We cannot afford instability such as experienced in the Bushbuckridge area. We recognise the right to protest peacefully, but the constitution also provides protection to the lives and property of people," Ramathlhodi told the provincial legislature, joining other provincial MPs who have expressed concern about the unrest.

Residents in the Bushbuckridge area have been campaigning for the area to be part of Mpumalanga instead of the Northern Province.

Other border disputes are raging in the Groblersdal/Tafelkop areas of Mpumalanga, where residents are refusing to be part of the Northern Province.

Ramathlhodi called on all political parties to condemn those elements "bent on destabilisation and destruction".

Education MEC Aaron Motsoaledi said his department had put measures in place to ensure that teachers who did not return to their schools today would not receive their salaries.

Motsoaledi said his department was aware that many teachers in various schools had not reported for work since the beginning of the year. — Sapa.

Province accused of cover-up

BD 11/6/97

(2668)

NELSPRUIT — The National Party yesterday accused Mpumalanga's provincial government of trying to cover up a R300 000 "golden handshake" given to disgraced former Mpumalanga Development Corporation head Patrick Mogorosi

Mogorosi was indicted by an independent audit of the parastatal earlier this year for gross misspending of state funds, including irregular travel claims, the use of 43% of the corporation's entire furniture budget to equip his own office and irregular hotel and flight expenses

The auditor's report also slated Mogorosi's repeated interference with internal financial audits and his "abuse of power" or victimisation of staff who questioned the correctness of his expenditure

Although initially fired from the

corporation on the basis of the report from Coopers & Lybrand, Mogorosi was appointed again in January when the corporation realised that it had been in contravention of various labour law regulations

He was then immediately suspended and internal disciplinary action was taken against him

"But then, even though this disciplinary action found even more gross misspending of a very personal nature, the disciplinary steps were dropped, he was paid a large gratuity and the government swore itself to secrecy about the whole issue," said Lucas Nel, NP leader in the provincial legislature

"Even more alarming is the fact that this was all kept secret from the taxpayer, whose money was used to pay a man two reports have described as possibly being criminal" — Sapa

Change to ^(266A) border 'is not negotiable' ^(266B)

PRETORIA — Government had no intention of transferring Bushbuckridge from Northern Province to Mpumalanga, President Nelson Mandela said yesterday.

"There is no question of changing the borders at all," he told reporters after meeting the Bushbuckridge border committee in Pretoria.

The committee has led violent demonstrations in recent weeks to demand the incorporation of Bushbuckridge into Mpumalanga.

Mandela said a task team had been set up to discuss a settlement.

A review of existing borders would not form part of such talks. "That is the firm policy of the government," he said.

Mandela said he was confident the task team would find a solution which would satisfy all the parties concerned.

Details about efforts to resolve the issue could not be given because the matter was sensitive.

Committee chairman Enos Maunye said residents hoped a solution would be found. "Let us try and have confidence in the minister responsible in this matter."

At least 42 people have been arrested in Bushbuckridge on charges of arson, intimidation, assault, and property damage. — Sapa.

DD 11/6/97

Two provinces plunge into dire financial straits

NEI SPRUIT — Mpumalanga's provincial government cannot pass most of its departmental budgets for the 1997/98 fiscal year and is in a budgetary crisis after discovering that it will have a deficit of more than R900m unless the national government provides additional funds.

And in Pietersburg yesterday the Northern Province legislature was told that its R10,9bn 1997/98 budget would be insufficient to meet the province's needs.

Although Mpumalanga officials declined to speak about the province's crisis yesterday, National Party (NP) members of a number of legislative select standing committees confirmed they would be attending an emergency meeting of all committee chairmen tomorrow to address the funding problem.

In March, Mpumalanga tabled a R5bn total budget for 1997/98, which is an effective 8,5% cut on last year's allocation.

Select standing committees review and pass departmental budgets before they are ratified by the legislature.

will be built in Mpumalanga during 1997," said NP leader Lucas Nel.

Nel said, however, that national government appeared "sincere" when it insisted that it did not have the additional necessary funds.

For every R1 of this year's budget, 92c is spent on salary and other recurrent expenditure. Capital expenditure such as the building of schools and roads, has already been cut 36%, but will have to be cut almost completely if the additional R900m deficit cannot be covered by national government.

Meanwhile, in Pietersburg yesterday, public expenditure standing committee chairman Mame Kriel told the legislature that despite the shortfalls no additional funding was expected from central government, except for instances of dedicated funds or funding of the National Council of Provinces and the House of Traditional Leaders.

Kriel's committee identified numerous areas of concern. Education was declared in crisis, with the education department experiencing a shortfall of millions of rands. Textbooks were not being bought and exams might not be properly administered. Roads annually needed hundreds of millions of rands in rehabilitation and reconstruction.

Kriel said the rise in current expenditure would eventually diminish capital expenditure, needed for sustained economic growth and development.

Some senior state officials were reluctant to resume responsibility for matters that were their prime duty. Continuous complaints from the private sector about unpaid bills were adverse publicity for the province. Kriel said a master economic and development plan for the province would be addressed — African Eye News Service, Sapa

BD 11/6/97

BD 11/6/97

BD 11/6/97

New finance scandal rocks Mpumalanga

Star 19/6/97 (266B)

Phosa calls for inquiry into allegations of unauthorised expenditure by members of the province's legislature

By HOPEWELL RADEBE
Provincial Reporter

Another scandal has hit Mpumalanga, this time involving unauthorised expenditure of several hundred thousand rands by members of the provincial legislature, the provincial Speaker and his deputy

Premier Mathews Phosa has responded by calling for a commission of inquiry following allegations that the Speaker, Elias Ginindza, spent R272 000 of state funds on renovations to his house and allegedly failed to account for the expenditure

It is also alleged Ginindza allowed deputy Speaker Cynthia Maropeng to take personal advances from the legislature worth R75 000 in the past eight months

Several members of the provincial legislature and junior staff have also had access to substantial loans far exceeding legal limits of about R40 000

Phosa ordered an investigation into the provincial legislature last year that uncovered the disappearance of computers, abuse of overtime claims and irregular staff appointments

During the debate in the provincial legislature last week, Ginindza said he had been forced to carry out the alterations in his house, including the installation of an electric gate, because of police concerns about his safety

However, an audit priced the materials and labour involved at R75 000

Ginindza is believed to have proposed that the builder should work for the legislature

to make up the difference.

The investigation found that Maropeng had been allowed to repay the advances by running up additional travel and accommodation expenses. The expenses were to be deducted from the advances owed.

Sources close to the premier said he had no legislative powers to appoint a commission to probe activities of the legislature without the Speaker's permission. But he wants Ginindza to come clean about these allegations for the sake of maintaining the integrity of the legislature.

Attempts to reach Ginindza last night were unsuccessful because he was in an urgent meeting with the legislature's administration director Jomo Sibozwa discussing the premier's proposal.

Bushbuckridge gives notice to quit

(ALB) (25/9) M+G 20-26/6/99

The failure of a secret deal over Bushbuckridge has led to the frustration of residents, writes **Stuart Hess**

THE border rebellion in Bushbuckridge was fuelled by the breakdown of a secret deal to allow the Northern Province and Mpumalanga to share power in the troubled territory.

Political leaders in the region say a secret deal had been struck in late 1995 when the two provincial governments leaders agreed the disputed territory would be "politically managed" by Mpumalanga while the Northern Province would handle administration and the delivery of services.

But several local African National Congress leaders say the deal collapsed after Mpumalanga Finance MEC Jacques Modipane, who has his traditional power base in Bushbuckridge, began using activists in the area to agitate for its formal inclusion into Mpumalanga.

There is massive popular support for the area to be incorporated into Mpumalanga — support Modipane has jumped on.

An impromptu survey conducted by the *Mail & Guardian* this week indicated most residents firmly believe their lives would be better if Bushbuckridge fell under Mpumalanga. They believe the Northern Province is incapable of delivering the goods.

Thousands of people have in recent weeks embarked on violent protests, which have already claimed at least one life in the area. President Nelson Mandela's announcement last week that the area would stay governed from Pieterburg prompted a new outburst of stone-throwing and torching.

Community leaders and local ANC members, who want to remain anonymous, accuse Modipane of using the border dispute to strengthen his position in the Mpumalanga provincial government.

They say Modipane who sometimes acts as deputy to premier Matthews Phosa could not retain his



New identity Many Bushbuckridge residents, like Frank Mhisi (left), want to go over to Phosa's province and show it (above) PHOTOS: SIDDIQUE DAVIDS



post as the second-most powerful member of the provincial cabinet if Bushbuckridge remained in the Northern Province. They claim he is using his influence among militant groups in the region to whip up resistance to rule from Pieterburg.

Modipane was not available for comment this week, but Phosa said this week the allegations against him were "unfounded. We've heard

these allegations before and we have investigated them and found nothing."

There had been a deal to jointly run Bushbuckridge, he said — an agreement signed openly in 1995. He declined to comment on why the deal had soured. But it is likely the deal would have floundered without formal backing from the national government.

Constitutional Affairs Minister Valli Moosa, who has been negotiating in the border dispute for national government, was unavailable for comment.

Residents say they have good reasons for wanting to go across to Phosa's government. Frank Mhisi, a standard ten teacher at Mchaka High School, believes the national leadership of the ANC did not understand the problems in Bushbuckridge.

"I doubt that they understand the issue or the geography of this area," says Mhisi. "If you look at a map of Bushbuckridge is in Mpumalanga, we belong there."

He says Bushbuckridge was "excluded" from the Northern

Province's plans to deliver housing, health and other social services to rural areas of the province.

Others say the set-up perpetuates the situation that applied during the apartheid era when Bushbuckridge was ruled over by the Gazankulu and Lebowa homelands with capitals in the far north and hundreds of kilometres away from their homes.

The area has a long history of resisting apartheid rule. Labour tenants in the Bushbuckridge area waged massive struggles against exploitation by commercial farmers in the 1960s. The region was one of the strongest support bases for the ANC during the 1980s and early 1990s and this militant tradition is now feeding the border protests.

"The national government should not stand behind the argument that we are one country and borders are unimportant," Mhisi says. "Why make provinces and borders if those provinces are not going to be responsible for delivery?"

Other residents share Mhisi's sentiments. "We are not against Northern Province but against their deeds,

since they took over they've done nothing valuable," says Ben Mabuba, principal of Lucas High School in Mchuhlu township, south of Bushbuckridge.

He expressed concern about the closure of schools. "Idle youngsters have reverted to stoning cars and crime will increase if this problem is not solved soon," he adds.

"Mandela must come and see, we struggle, we have no work, he doesn't care about us," says vegetable seller Veronica Mhisi. "Mpumalanga is nearby, we do our shopping there but Pieterburg is so far away why must they be in charge?"

Bushbuckridge Border Committee which wants the area moved, and community leaders, who oppose the shifting of the border, both blame the lack of service delivery and administration for resentment among residents.

But the two differ on the reasons for such failings. "We are so far away from Pieterburg that the Northern Province government forgets about us," says Prince Ndlovu, a member of the border committee.

Local community leader Sam Mkhabela, however, says there is "nothing wrong" with the provincial government.

He says it is the transitional local council's responsibility to "render services to the community" and that it "doesn't matter which province they fall under. If the leadership on the ground doesn't change Bushbuckridge will still experience the same problems."

Mkhabela is the director of a local non-governmental organisation, the Network Education Project which assists high school dropouts and young people who have failed matric.

Other local ANC members say the ANC must take overall responsibility for the trouble in the area. "We are fighting for one unitary state. If the Northern Province as an ANC-led government is failing to deliver then the ANC should deal with it," he adds.

One local teacher came up with an innovative solution. He felt the government could solve the problem by creating a tenth province. "Bushbuckridge is such a big area, they must just make it into another province."

Task team will try to negotiate end to Bushbuckridge dispute

SAPA 24/6/97 (SAPA)
Bushbuckridge - A task team appointed by Constitutional Affairs Minister Valli Moosa is expected to visit the Bushbuckridge region this week to try to negotiate a solution to the Mpumalanga border dispute

The seven-member team was expected to arrive in the area today, said the Bushbuckridge Border Committee

Pan Africanist Congress MP Patricia de Lille would be touring the area today and would meet the committee to be briefed for a report back to Parliament, African Eye News Service reported yesterday

Residents, demanding the transfer of the Bushbuckridge area from Northern Province to neighbouring Mpu-

malanga, staged sporadic running street battles with police and army patrols over the past nine weeks

Both the African National Congress and the Government announced that the area would remain in Northern Province

Six schools, three government office complexes, four houses and at least fourteen vehicles were torched during the protests, which were estimated to have cost the local tourism industry at least R25-million in lost bookings

The task team is led by constitutional affairs departmental official Richard Sizani and includes representatives of the Mpumalanga and Northern Province governments - Sapa.

4-1270

(2660)

Co-operative governing may resolve Bushbuckridge row

(2666)

Star 26/6/97

By HOPEWELL RADEBE
Provincial Reporter

Even though formally belonging to Northern Province, Bushbuckridge could get basic services delivered from Mpumalanga, according to a spokesman for Provincial Affairs and Constitutional Development Minister Valli Moosa.

Mpho Mosimane said the main function of the task team appointed by Moosa was to identify whether problems that led to violence in Bushbuckridge were created by insufficient delivery of services.

This involves finding out whether the community felt they had reduced access to health, welfare and educational facilities. If this were the case, Mpumalanga would be requested to provide those services to the community. Mosimane said Northern Province would then settle the adminis-

trative costs with its neighbour.

The minister saw this kind of "co-operative governance" as the only viable option "for the sake of peace" in the region, Mosimane said.

He said Mpumalanga Premier Mathews Phosa and his Northern Province counterpart Ngoako Ramatlhodi were scheduled to join the task team soon to find solutions for area.

It would be the first time the two premiers got involved in the dispute simultaneously. The last time Ramatlhodi became involved was when he was held hostage for more than five hours by the Bushbuckridge border dispute committee in 1995, demanding that he let the area be administered by Mpumalanga.

Mosimane said the premiers' participation in the discussions was to decide how best to improve things such as housing delivery and other social development inadequacies.

Border opts for stability

By PHALANE MOTALE

BUSHBUCKRIDGE residents who have been fighting for the past two months for the incorporation of their area into Mpumalanga, have decided on a temporary compromise to return stability to the area

The Bushbuckridge Border Crisis Committee this week promised to end the two-month long stayaway if the government legally committed itself by transferring the administration of the region from the Northern Province to Mpumalanga, with the understanding that the border dispute would be addressed within a predetermined time frame.

Thousands of pupils and students from various schools and colleges have not attended classes and hundreds of civil servants have not reported for work for the past two months

Businesses have collapsed and the public transport system has been grounded, while several government buildings have been torched. More than 50 people have been arrested and several have died in ongoing violence in the area

Committee spokesman Prince Ndlovu said nothing positive had been achieved from meetings with Constitutional Minister Vaili Moosa and President Nelson Mandela in recent weeks

(2668) CP 29/6/97
"Nothing tangible has been gained by the committee out of this meetings

"But if the government can at least transfer the administration of Bushbuckridge to Mpumalanga, that will be 50 percent of our initial demand

"The people will then call off the stayaway and negotiate the border issue while the area returns to normality"

Ndlovu said the committee's lawyers would within a week serve the Northern Province government with papers to appear in the Constitutional Court

"One should bear in mind that the appointment of a task team by President Mandela was not seen by the committee as a replacement of the planned court interdict.

"If the government does not want to toe the line, the people are more than determined to continue fighting until our demands are met," he said

No serious incidents of violence were reported from the area this week, except the death of a taxi owner who was gunned down on Wednesday

Police said the unidentified man's death was linked to the ongoing taxi violence in the area

He was the third taxi operator to be killed in the area in the past two weeks

Officials face courts

Top civil servants to appear in connection with licence scams

By Pamela Dube
Political Reporter

More than 20 senior officials of the Mpumalanga traffic, justice and home affairs departments are to appear before the courts next month in connection with licence scams in the former KaNgwane and Kwandebele homelands.

Mpumalanga police Commissioner Mokoena Maletle said the 23 suspects, including two members of the public, had been charged with issuing and receiving fraudulent learner's and driver's licences.

Traffic officers Charles Mduli, Sydney Muhwayi, Madoda Sikhonde, Lawrence Khumalo, Duma Mokoena, and officials of the justice and home affairs departments

Edward Nkosi, Victoria Marango, Robert Mkhatswa and Lucy Nzimande will appear in the Criminal Regional Court on August 25.

The case against the officials is the result of investigations carried out by a task team set up by Mpumalanga Premier Mathews Phosa last month, newly appointed MEC for works, roads and transport Mr Jackson Mthembu said yesterday.

"I'm impressed by the task team's efforts to end corruption in the traffic department," Mthembu said.

The task team was established by Phosa after the damning Moldenhauer Commission report on the licence scam, which revealed there was rampant corruption in the province's testing stations.

It was headed by the provincial director-general, Mr Frank Mbatia.

The commission's findings implicated high-ranking officials, resulting in the resignation of MEC for safety and security Mr Steve Mabona and the suspension of traffic director Mr Henry Brazer and department head Mr Stanley Sokho.

Disputed licences

The team's task was to investigate 43 disputed licences issued in the past year at the seven testing stations in the former KaNgwane and Kwandebele homelands.

The probe was confined to the issuing of learner's and driver's licences, covering the 12-month period up to the beginning of the Moldenhauer Commission.

Mthembu revealed that the South

African Police Service had widened its investigations of all testing stations in the province, including those run by local authorities.

Every traffic officer is under investigation and members of the public found to have engaged in criminal acts of bribery will be expected to answer for their deeds, Mthembu warned.

The licence obtained by National Assembly Deputy Speaker Ms Baleka Mbete-Kgositse, with Mabona's assistance, also formed part of the investigations, Mthembu said.

Mthembu said the task team had closed four of the seven testing stations - Siyabuswa, Ekangala, Kwagafontein and Kwamhlanga - as recommended by the Moldenhauer Commission.

"We had to close them to ensure

proper procedures mechanisms are in place. We will have to decide whether to reopen some or not," Mthembu said.

Yesterday Mthembu and his officials toured the four stations to assess the restructuring process.

Other suspects who are awaiting trial include Kabokwen testing station officials Eifas Ngenya, Edward Khoza, Smitz Mbamba, Michael Mhlongo, Sipho Sibeko, Simon Ntintinde and Midas Khumalo.

Also implicated in the scam are Tobias Maphungela, Jacob Mathenjwa, Norman Sibeya, John Madonsela, Christopher Mbazima, and two civilians, Skonfire Mashaba and Margaret Mkhatswa.

They are from the Tonga region and are also awaiting trial.

Peace plan for Bushbuckridge

Kevin O'Grady

(2669) (16/7/97)
20 16/7/97
THE premiers of Mpumalanga and Northern Province had agreed that certain government functions in the disputed Bushbuckridge area would be transferred from Northern Province, in which the area falls, to its neighbour, the provincial affairs ministry said yesterday.

The proposal was made by a task team set up between government and the Bushbuckridge border committee recently in an attempt to satisfy the committee's demands that the area be transferred from Northern Province to Mpumalanga.

The plan was accepted at a meeting yesterday between Provincial Affairs Minister Valli Moosa, Mpumalanga premier Matthews Phosa and Northern Province premier Ngoako Ramatlhodi, Moosa's spokesman Mpho Mosimane said.

He said Moosa was confident the agreement, the details of which still needed to be finalised, would "solve a lot of the problems in the area".

Bushbuckridge has been plagued by violent protest and was until last week the scene of a two-month stayaway by public servants and school pupils in a dispute over which province it should belong to.

Sapa reports Moosa said "Those government functions which may be more convenient to be provided by the administration of Mpumalanga province will be provided by that province on an agency basis on behalf of Northern Province".

Northern Province would transfer the necessary funds to Mpumalanga in order for this to occur, he said.

Mosimane said the task group would be joined by provincial government representatives who would assist in determining which functions should be transferred.

Committee spokesman Prince Ndlovu was cautious in his response to Moosa's announcement. He confirmed the task team had made the proposal but said he would only comment after receiving details of the agreement reached by the premiers.

He said the proposal that certain functions be transferred did not mean that the committee had abandoned its wish for the border to be altered.

Meanwhile, five schools in the Bushbuckridge area have been damaged in arson attacks since Sunday. Police said yesterday the latest attacks occurred at Dwarsloop and Kasteel during the course of Monday night. Three other schools were damaged earlier.

Star 16/7/97

Bushbuckridge border dispute 'sorted out'

BY HOPEWELL RADEBE
Provincial Reporter

(266B)

The Bushbuckridge border dispute may finally be laid to rest following Mpumalanga's acceptance of the responsibility to administer services on behalf of the Northern Province in the region.

Addressing a media conference after a three-hour meeting in Pretoria with the Government's Bushbuckridge border task team, Northern Province Premier Ngoako Ramatlhodi and Mpumalanga Premier Mathews Phosa, Constitutional Development Minister Mohommed Valli Moosa said the Government would be using its

constitutional powers to override court actions by white municipalities in Groblersdal who were challenging incorporation into Mpumalanga.

He said this would speed up the process of facilitating municipal elections in the area. Groblersdal is the only place in the country still under the transitional authority structures.

Phosa said Mpumalanga had the ability to deliver services required by Bushbuckridge and it was eager to begin. However, services would be channelled through as soon as the task team completed its task of identifying and separating functions that could be best rendered by either Mpumalanga or Northern Province.

Mpumalanga finally passes rejigged budget

60 17/7 197

(266B)

NELSPRUIT — Mpumalanga's provincial legislature finally passed its R5bn budget yesterday after months of debate and two days of intense closed-door wrangling between portfolio committees and departments resulted in the reallocation of R74,6m to four of the province's most severely under-funded departments

Opposition parties in the province warned, however, that the R1,7bn allocated to education was not enough to cover the department's running costs for the whole year, and that some of the province's health functions would have to revert back to national government unless additional funding was found

Premier Matthews Phosa conceded that the province had needed to cut its capital projects severely to ensure the projected R940m deficit was eliminated, but stressed the problem was a national one, with central government spending only 7% of its budget on capital delivery-orientated projects.

He said the remainder was spent on a civil service which had to be trimmed and restructured if funds were to be freed up in the future for capital development projects

Phosa rejected reports that the four-month budgetary debate had been a "crisis", saying that while it had taken longer than expected, there had been no good reason to rush the process and risk misjudging budgetary needs.

Provincial National Party leader Lucas Nel, however, branded the province's handling of its budgetary process as "clumsy poorly planned and uncoordinated highly costly to

the taxpayer and a recipe for catastrophe unless more money is found".

Mpumalanga's finance department lost the most during the often heated two-day budget workshop earlier this week, with R59m being cut from its R655m budget

The legislature has been criticised by the Institute for a Democratic Alternative for SA (Idasa) and the Freedom of Expression Institute for barring the press and the public from the joint portfolio committee workshop where the cuts were decided.

However, officials yesterday continued to refuse to say why the departments which were ordered to cut their budgets had not done so voluntarily when it first became clear there might be a R940m deficit

The budgets of the economic affairs, housing, public works and traffic departments were all cut back. The joint portfolio committees also recommended a task team be established to re-evaluate the province's R4,7m worth of merit bonuses.

Education scored most, gaining an additional R24m.

The province's environmental affairs department scored an additional R20m in an apparent attempt by the legislature to meet contractual obligations to the Dolphin Group by underwriting the Mpumalanga Parks Board's basic expenses

The other departments to receive additional funds were the legislature itself and the sports, arts and culture department, which received R18m and R12m respectively. --AENS

Woman fears for life as husband who shot her seven times gets bail

By DAN DHLAMINI

A POTCHEFSTROOM woman who cheated death after her former husband of seven years shot her seven times earlier this year, now fears for her life again.

Linda Rampou expressed her anger and fears outside the Potchefstroom Regional Court this week shortly after her former husband, Daniel Rampou, pleaded guilty to a charge of attempted murder and had his R1 000 bail extended pending social workers' reports in mitigation of sentence.

Walking with a limp from the shooting, Rampou said she could not understand why her former husband was not kept in police custody or had his bail increased to restrict his movement.

"Now that he has been found guilty he is more dangerous. He can kill me and the children because he knows he is going to jail anyway," said a visibly shaken Rampou.

Also furious at the release was the investigating officer, Captain JJ Coetzee.

"Initially I had said they should not release him on bail. I was, however, dismayed to learn that he had been granted bail while I was out of town," Coetzee said outside the courtroom.

In a written statement read by his lawyer M Visser, the defendant voluntarily pleaded guilty to charges.

He said he was aware that shooting Rampou could have killed her and that he knew it was wrong. He had gone ahead and shot her - but was now remorseful.

State prosecutor J Horn accepted the plea and did not oppose the defence's application for the extension of bail.

However, Horn told magistrate JD Pretorius he would call on Linda Rampou to testify when the case resumed on August 28, to show how strong the case against the defendant was.

According to court records, the defendant shot the unsuspecting Rampou near a taxi rank in town on February 22 after she had jilted him after seven years of marriage.

Mpumalanga to provide some of Bushbuckridge's services

But border committee remains in the dark about developments

By PHALANE MOTALE

THE Bushbuckridge Border Crisis Committee is still in the dark about the latest developments regarding the border dispute, nearly a week after the premiers of Mpumalanga and Northern Province held talks with Constitutional Minister Vali Moosa.

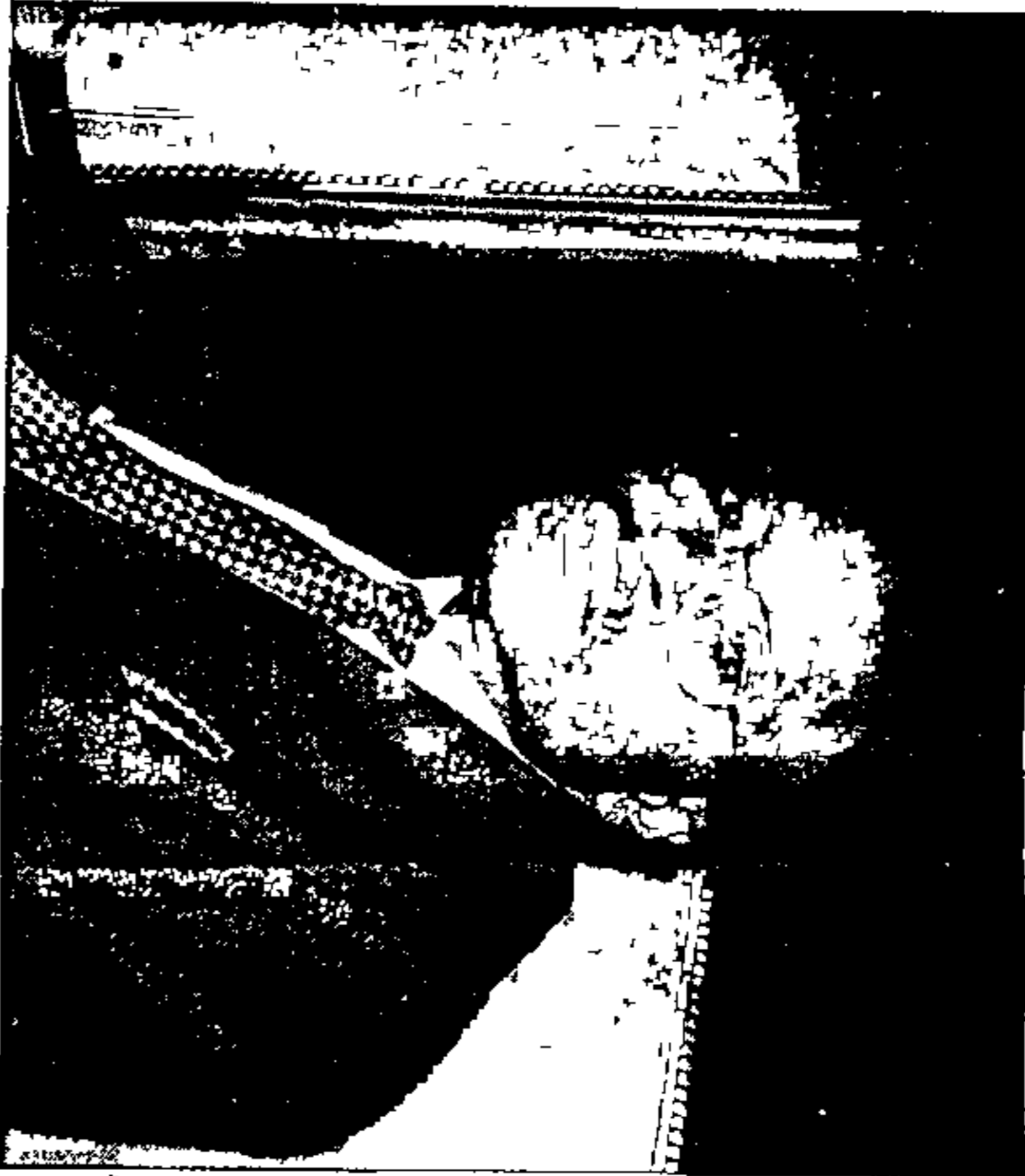
Committee spokesman Prince Ndlovu said they have not yet received a report of the minutes between Moosa and delegations from the two provinces led by premiers Ngwako Ramathodi and Mathews Phosa.

"We cannot comment on the situation at present because we have not yet received a report-back from the meeting.

"We are still in the dark about the contents of the report and the resolutions adopted by the meeting," Ndlovu said.

Moosa told a media conference in Pretoria earlier this week that Bushbuckridge would remain part of the Northern Province but some govern-

CP 20/19/97



HOLDING TALKS - Northern Province Premier Ngwako Ramathodi, who met with Constitutional Minister Vali Moosa. Pic ANDRIES MCINENKA

ment functions would in future be administered by Mpumalanga on an agency basis.

He said he, Ramathodi and Phosa had accepted a recommendation to this end by a joint government and

border committee task team set up a few weeks ago.

"Those government functions which may be more conveniently provided by the administration of Mpumalanga will be provided by that province on an agency basis on behalf of the Northern Province," Moosa said.

This means the Northern Province will transfer the necessary funds to the Mpumalanga government for the delivery of services.

Moosa could not say which services would be affected, adding that this had yet to be determined by the task team. The Border Committee recently compromised by calling off a two-month long stayaway and re-opening negotiations with the government concerning the dispute.

Two weeks ago, the Northern Province government changed its tune in regard to the civil servants in Bushbuckridge who were not going to work because of unrest in the region.

The provincial cabinet decided that to contribute to the normalisation of the situation, the salaries of civil servants would be paid. Last month's salaries would also be paid.

The cabinet expressed its gratitude that children had been allowed to return to school and again urged all to go back to work.

Three 'vigilante' businessmen on murder charge freed on bail

By PHALANE MOTALE

THREE alleged members of the Mapogona-Mathamaga - a vigilante group of Sekhukhune businessmen - who were arrested

in connection with the murder of a theft suspect in the Northern Province, have been released on bail. Daniel Dinkwanyane (60), Andries Mathou (54) and Daniel Mogale (55) have been released on bail of R5 000 each this week, after appearing in a Sekhukhune court.

Safety and Security MEC Seth Ntshai ordered the arrests as part of a strict clampdown initiative after months of confrontation between the police and the group.

Most of the supposed leaders of the group were arrested at the weekend, after the alleged murder of four people last week in the Sekhukhune area. The police action is the strongest indication so far that police intend getting tough on all vigilante groups. At least 82 other alleged members have been arrested and are to face various charges of murder, as well as assault, attempted murder and public violence, arising from previous alleged criminal acts.

M+G 8-14/8/97

(2668)

No payback from gravy-train consultant

Justin Arenstein in Nelspruit

Mpumalanga's provincial government "ran out of patience" with its former high-rolling government consultant, Ntsoaki Mohapi, this week and asked South Africa's most powerful investigation body, the Heath Special Investigative Unit, to extract the R220 000 she owes the government. Mohapi paid herself the money, at a rate of R15 000 a day, more than

two years ago while charring a task team with fellow high roller, Eugene Nyati. The task team's mandate was to advise the provincial government and its parastatals on how to be more cost-effective.

Both Mohapi and Nyati were ordered to repay just over R1-million to the government after the press revealed their R15 000-a-day salaries and their knack for hiring unqualified friends to perform complex technical tasks for the task team.

Nyati repaid R800 000 almost immediately but Mohapi, who at the time said she had invested the money and bought a house, has reportedly failed to refund even part of her portion.

One year of government negotiations with Mohapi failed after her legal team pointed out there had been no formal contract between Mohapi, Nyati and the government, and also no terms of reference setting out either consultant's job description.

The state, the lawyers said, had no claim against Mohapi as she had been within her rights to pay herself "reasonably".

Internal investigations and detailed questions from the legislature have also failed to reveal who appointed either consultant.

"We instituted a legal civil suit against her about eight months ago and have also just forwarded all our documents on Mohapi, including every letter, memorandum and calculation to Judge [Willems] Heath. In addition, the matter is under discussion between the judge and Premier Mathews Phosa," confirmed a senior official in Phosa's office.

The special unit's chief investigator, Jonathan Dutton, stressing that he had only received Mohapi's background file from Mpumalanga on Wednesday, said he would investigate exactly who recommended her and Nyati to the government and who had appointed them.

In addition to Mohapi's debt, the unit is also "on the verge" of recovering more than R600 000 from a series of as yet unnamed senior Mpumalanga department directors who allegedly irregularly convinced the state to pick up their private transport and home accommodation expenses — *African Eye News Service*

Bushbuckridge group calls for renewed action

Kevin O'Grady

(2111) (266B)
BD 19/8/97

THE committee pushing for the transfer of the Bushbuckridge area from Northern Province to Mpumalanga would call a series of "staggered strikes" in support of its demands, despite the cancellation of the first of these last Friday, a spokesman announced yesterday.

Bushbuckridge border committee spokesman Prince Ndlovu said a mass protest had been cancelled on Friday when a meeting that was rumoured to have been planned between Provincial Affairs Minister Valli Moosa, Mpumalanga premier Mathewq Phosa and Northern Province premier Ngoako Ramatlhodi failed to take place.

However, the committee would meet residents soon to discuss when new protests should take place, Ndlovu said. This was despite the fact that a task group set up by Moosa, on which the committee is represented, recommended recently that the area remain in Northern Province, but have certain services provided by Mpumalanga on an agency basis.

Moosa, Phosa and Ramatlhodi accepted the recommendation and provincial representatives joined the task group to establish which services should be provided by Mpumalanga. However, Ndlovu said Bushbuckridge residents were unhappy with this arrangement which would "make Mpumalanga the garden boy of Northern Province because every time something needs to be done in Bushbuckridge, Northern Province will call Mpumalanga to do it".

Moosa's spokesman Mpho Mosimane said the task group was pressing ahead with its plans for the transfer of certain services and was meeting every two weeks to discuss the issue.

He said the committee was "saying different things" in public from what its position was during task group meetings.

Shadow companies rip off Mpumalanga

Wally Mbhele

Two non-existent companies have been paid more than R1-million in just over a year for "services" by the Mpumalanga Department of Health and Welfare

According to documents leaked to the *Mail & Guardian*, two shadow companies — RC Management Services and C Peyper — were paid large amounts authorised by high-ranking officials in the health and welfare department

Both companies gave Nelspruit addresses But attempts to trace the companies, which were last paid as recently as last month, have failed Neither have VAT registration numbers but charged tax for services rendered to the department

Telephone numbers on their company letterheads appear to be fake The premises where RC Management was allegedly based have been found to be a private residential home which, according to present owners, used to be occupied by a "Chinese businessman" who has emigrated

The documents indicate that in the past year, the two companies provided most of the "public works" for the health department

Asked about the two companies, a shocked health ministry official said "Nobody seems to know them and no one seems to be prepared

to discuss that subject"

Payments channelled into these shadow companies in a series of cheque requisitions were for amounts ranging from R4 000 to R16 000, and as much as R80 000 for one item

The cheques amounted to more than R1-million in transactions between March last year and last month

All the payments were officially approved and certified correct by directors in charge of the Mpumalanga health and welfare department's finance section

The payments and purchases were for work which could have been provided by the Mpumalanga Department of Public Works "Arranging for the connection of electrical and water reticulation", "repairing blocked hospital drains", "shifting and renovating offices" are some of the contracts that netted thousands of rands for the two companies

Cheque requisitions show that on September 29 last year, RC Management was dispatched as far afield as Philadelphia hospital in Bushbuckridge to repair blocked drains.

This was, according to the department's staff, despite handymen being employed at that institution to undertake such repairs immediately the need arises

RC Management was also allegedly paid for work undertaken by a company called Retail Interiors after the department's rented build-

ing suffered smoke damage from a nearby building which caught fire

One document shows expenditures totalling more than R100 000 for the Philadelphia hospital, which included expensive new curtains Not a single one of those items reached that hospital

Normally functions in government are devolved A deputy director general would not appoint a person to go and clean a hospital In this instance, he got involved in buying curtains for the hospital, said a senior official in the health and welfare department

"Nobody is able to trace the whereabouts of those curtains while documents show that they have been bought The problem is that nobody could question the expenditure process beyond certain officials in this department The buck stopped at them"

The source claimed Mpumalanga government auditors were unaware of the scam "They'll only look at the paperwork and if satisfied, they would not be able to detect anything wrong"

The Mpumalanga MEC for Health and Welfare, KC Mashigo, said she had instructed senior officials in her ministry to launch an immediate investigation into the two companies She said she had no knowledge of any company working directly for her department as all contracts were put to tender.

MPG 22-28/8/97 (266B)

Star 29/8/97

Mpumalanga licence fraud case collapses

(256B)

Carolina - Nine Mpumalanga traffic officers were acquitted of licence fraud yesterday.

The State's case in the Carolina Regional Court collapsed after 30 State witnesses accused the police of intimidating them into making damning sworn statements.

Magistrate Koos Pietersen said the turnabout was an obvious miscarriage of justice. Some outside force had clearly been brought to bear on the witnesses to force them to either make their initial statements or to change them without warning.

Middelburg chief regional prosecutor Ansie Venter said he was not accepting the setback as the end of the probe into licence fraud and would be charging all 30 witnesses with perjury.

The nine officials, including six traffic officers, one justice department clerk and two home affairs officials, were linked by police to a series of well organised fraudulent licence syndicates operating out of KwaZulu Natal, Eastern Cape, Western Cape and North West.

Venter said the first five witnesses will be charged with perjury and will face sentences of up to R40 000 or 10 years' jail if found guilty. The remaining 25 would, be charged in the dis-

trict court and would face sentences of up to R10 000 or 12 months in jail if found guilty.

All 30 witnesses alleged in their initial statements that they had bought learner's and driver's licences from the officials for prices ranging from R800 after they answered newspaper advertisements from driving schools.

A number of witnesses said that although they had received their licences through the post, they still could not drive.

The five witnesses who testified yesterday said they had been threatened with arrest or physical harm by the police unless they signed statements incriminating the nine officials.

Venter said: "We had a damn good case to begin with but then it turned into a nightmare. As soon as the witnesses started departing from their statements, there was nothing we could do."

A number of the officials who were acquitted by the court may be re-charged with similar offences allegedly committed at the Kabokweni licence test centre near Nelspruit, the same centre which issued parliamentary Deputy Speaker Baleka Mbete-Kgositsile with invalid learner's and driver's licences last year. - Sapa

Province moves to recover loans, funds

Robyn Chalmers

BD 11/9/97 (266B)

THE Mpumalanga government had instituted legal action against a number of individuals to recover loans and funds owed to the Mpumalanga Development Corporation, finance MEC Jacques Modipane said yesterday.

Modipane was reacting to the recently released auditor-general's report on the shortcomings of management and financial controls at the Mpumalanga Development Corporation.

Modipane said the KwaNdebele National Development Corporation — which was later merged into the Mpumalanga Development Corporation — granted officials and political office bearers loans for personal and business purposes. Immediately after the 1994 elections, the Mpumalanga cabinet withdrew these concessions and demanded full repayment of all outstanding loans.

"Where individuals have failed to comply with the conditions of their loans and the cabinet decision, legal action has been instituted to recover all outstanding amounts," he said.

The auditor-general's report found the Mpumalanga Development Corporation was still owed R1,8m by a string of former homeland chief ministers, provincial ministers and various provincial traditional loans.

It also said the parastatal was owed R3,3m by staff and the public in outstanding rentals on houses it owned as well as R499 136 to staff for the payment of salaries after their services had been terminated. Modipane said corrective action had been taken on continued payments to officials who had left the corporation.

The Nelspruit town council was proclaiming certain areas of Tekwane Estates, the residential estate bought by the former KaNgwane government, for town development.

No further funds were owed to or by former Mpumalanga Development Corporation MD Patrick Mogorosi after protracted talks. "The settlement reached (with Mogorosi) therefore included all aspects of the (corporation's) claims against him, and his claims against (the corporation)," Modipane said.

Phosa wants probe of agreement

Pule Molebeledi (266)

MPUMALANGA premier Mathews Phosa will ask Judge Willem Heath to investigate the financial agreement reached between the Mpumalanga Development Corporation and its former MD, Patrick Mogorosi.

This comes a day after Mpumalanga finance MEC Jacques Modipane announced that the province had reached an agreement with Mogorosi, stating that the two parties did not owe each other anything anymore.

Mogorosi has been at the centre of controversy since his suspension as MD in December on allegations of financial irregularities.

He was reinstated after contesting his "unprocedural" suspension and resigned only after he was given a R389 000 golden handshake.

Phosa said he wanted an investigation into the matter as the auditor-general's report into shortcomings in management and financial control showed that certain issues were not taken into account when the agreement was finalised.

The report found double and irregular payments were made to Mogorosi without supporting documentation. These have not been recovered by the province.

Phosa said Heath would be asked to investigate whether the province was placed at a disadvantage by the agreement between Mogorosi and the corporation.

NBI to aid Mpumalanga local govts

Deborah Fine

BD 9/10/97 (266B)
THE National Business Initiative (NBI) has secured a tender issued by the Mpumalanga government to initiate local economic development processes in 23 local authorities in the Maputo Development Corridor.

NBI local government project coordinator Sabera Bobat said yesterday the Maputo Corridor involved a collection of projects which would have a "significant impact" on Mpumalanga's spatial economy.

The corridor would also create a tremendous increase in the flow of goods, services and people in the area.

The challenges and opportunities

presented by the corridor meant that key provincial stakeholders, including businesses, communities, labour and local government, would have to play a critical role in shaping the economic future of their particular localities.

Bobat said the NBI would work closely with the municipalities to assist them in the preparation of economic development plans and in building their capacity.

The NBI is a private, business-based public interest organisation with more than 162 of SA's top companies as its members. The organisation's mission is to enhance the collective contribution of the business sector to social and economic development in SA.

Committee threatens mass action

Sowetan 23/10/97

~~(266A)~~ (266B)
Task team appointed to resolve border dispute 'fails to deliver'

By Khathu Mamaila

THE BUSHBUCKRIDGE BORDER Committee, leading a campaign to force the Government to re-zone Bushbuckridge, has threatened mass action again

Committee spokesman Mr Azaph Nxumalo said that a meeting held at the weekend found that the task team appointed to look into the matter of re-zoning the area from the Northern Province into Mpumalanga had failed to deliver

"Representatives of various organisations agreed that the Government is using delaying tactics. It was then resolved that mass action should be called," said Nxumalo

However, he said since pupils were busy with their final examinations, the mass action would be called only after examinations had been completed

Earlier in the year, Bushbuckridge and the surrounding villagers were hit by a mass stayaway which lasted three months

Pupils were the hardest hit as the

majority of workers in the area are teachers.

The stayaway was suspended following the appointment of a task team to look into the matter

The Northern Province government also announced that it would establish a seventh region in Bushbuckridge to bring services nearer to the people

Nxumalo said the establishment of the region was not a solution to the demand that the area should be transferred to Mpumalanga. He said although the committee was not opposed to the plan, the area should still be transferred to Mpumalanga

Asked if the residents were not happy with the various projects, including the building of houses, implemented by the Northern Province government, Nxumalo said "Projects which are supposed to be done in the area should be done regardless of our call to be incorporated into Mpumalanga."

Northern Province government spokesman Mc Kenny Mathivha said the task team was continuing its work

Politicians to face action over debts

Rafiq Rohan,
Political Correspondent

THE Mpumalanga Development Corporation will institute legal action to recover hundreds of thousands of rands owed by politicians and officials of the old bantustan regime in the area of money who have owed or still owe money to the MDC include top ranking officials such as the leader of the National Party in Mpumalanga and member of Parliament Mr David Madisi.

Minister for Provincial Affairs and Constitutional Development Mr Mohammed Valli Moosa told Parliament yesterday that since July 20 1993 just before the democratic elections, Madisi, who was then a member of the KwaNdebele cabinet

was granted a loan of R37 962,16. Steps have been taken to recover the debt.

Another person from whom the MDC will reclaim money from is MP JL Mahlangu, who owes R64 291,52.

Moosa told parliament that huge amounts of money were also handed over in loans to traditional leaders, lecturers, teachers, traffic officers and other people on the list who are described as "unknown".

According to Masango the MDC has been saddled with the former homelands development corporations' debts.

The documents before Parliament revealed that the total debts owed to the MDC amounted to R164 254 837 This was according to information on MDC loans and debtors book up to the end of September 1997.

Malatsi told Sowetan yesterday that he in fact owed the MDC R50 000 and not R37 962 as claimed. He, however, disputed that legal action had been taken against him.

Moosa, who was delivering a report on the MDC, also said African National Congress MPs Mr Ndaweni Mahlangu and Mrs Bongzi Ntuli owed R21 814 and R1 247 93, respectively. He said money owed to the MDC amounted to close on R1 million.

Mr BA Masingo, acting general manager of SMMME developments, an MDC division said that this new policy had been adhered to by the MDC.

The breakdown of the total debts per MDC divisions are Investment Development owes R9 979 690 while the SMMME Development owes R41 801 384 Agricultural Development owes R45 896 164 while Housing Development owes R66 577 599.

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Sowetan 19/11/97 (2668)

Mpumalanga bans trips overseas (2666)

Farouk Chothia

50.25/11/97

DURBAN — The Mpumalanga cabinet has banned all foreign trips at government expense as part of cost-cutting measures aimed at averting a deficit this fiscal year, finance MEC Jacques Modipane said.

This follows a similar decision by the Northern Province government.

Modipane said the Mpumalanga education ministry was asked by the cabinet last week to "investigate and negotiate" termination of the contracts of the estimated 7 000 temporary teachers in the province by year-end.

Contracts would be renewed only for teachers identified as "critical" for running schools next year, Modipane said.

He said the cost-cutting measures were taken to avoid a potential 9,2% overrun on the province's R5bn budget.

New capital works projects, possibly valued at more than R300m, had also been suspended.

A ban was in force on overtime payment for public servants. The widely discredited voluntary severance packages offered to them had also been suspended. All vacant posts in the public service were to remain unfilled, Modipane said.

□ Meanwhile, National Party (NP) KwaZulu-Natal caucus chairman Tino Volker yesterday called for an MEC for state expenditure to be appointed in the province to ensure the effective control and monitoring of expenditure.

KwaZulu-Natal was currently in an overdraft and expecting a R2bn deficit.

Mpumalanga capital 'faces bankruptcy'

(266 B)
NELSPRUIT — Mpumalanga's provincial capital was on the verge of bankruptcy and had been forced to freeze all new appointments and scale back on capital projects, town council treasurer Nantes Kruger confirmed yesterday.

He said the Nelspruit council had decided to suspend all planned capital projects and improve its credit control systems for the 1997/98 financial year due to serious cash flow problems.

"We're also going to ensure that arrears owed to us by residents are collected, that the R5,6m owed to us by government agencies for government-funded development projects is repaid, and that legal action is instituted where possible," Kruger said.

Confirming that the council's personnel costs were too high, he said the council was employing "accelerated techniques" to cut on costs.

"Voluntary retrenchment packages have already been offered to personnel who are more than 60 years old."

Town clerk Roelf Kotze said the council's cash flow crisis was due to low payment levels and the late payment of accounts. — Sapa.

BD 27/11/97

PS - LOCAL AUTH- MPUMALANGA

1998

Another showdown looms in Bushbuckridge

By HANGWANI MUDIAUDZI

THE BUSHBUCKRIDGE Border Committee is bracing itself for a showdown with the Northern province government following the provincial government's refusal to transfer several departments to Mpumalanga.

Committee spokesperson Azaph Nxumalo said utterances by senior government officials in Northern Province suggested that the prov-

CP 11/11/98

ince did not want to hand over the administration of some of the departments to Mpumalanga.

Last year the area was hard hit by massive strikes. Damages estimated at millions of rands were incurred.

This was after an agreement was reached between the Northern province and Mpumalanga that Bushbuckridge was to become part of Mpumalanga, while the Groblersdal area would be part of the Northern province.

Fabb B

After a series of violent protests, necessitating the deployment of security personnel, the agreement was nullified by President Nelson Mandela.

Nxumalo said they had earlier reported to the people that there was an agreement at government level that some key departments, including education, would be administered in Mpumalanga.

"People want to resume the stay-away as they envisage no progress in negotiations with the Northern

21/11/98

Province government," he said. However, Northern province MEC for education Dr Joe Phaahla, denied any knowledge of such an agreement.

In a press conference held last week, he announced that the departments would continue to be administered by the Northern province.

He said he was aware that there was a person who had made a statement to that effect, but that the statement was incorrect.

Mpumalanga moves to foil misuse and abuse of official cars

By HOPWELL RADEBE
Political Staff

The Mpumalanga transport department wants to install electronic equipment on government cars in a bid to stop corrupt officials from misusing them

Transport MEC Jackson Mthembu said yesterday most civil servants who were responsible for crashing or abusing government vehicles, costing millions in repairs, often

drove these vehicles without permission.

"We want to monitor how they were being driven, the kilometres they travelled and the areas they visited," he said.

Reckless driving and general disregard for the province's property had cost Mpumalanga more than R770 000 in repairs in the financial year up to March 1997. In the following 10 months that figure rocketed to R1,1-million.

These figures excluded some

cases where vehicles were written off as beyond repair.

In Gauteng, civil servants crashed more than six government vehicles every day during the past financial year, costing R4-million in repairs. There was a crash tally of 2 329 vehicles during the 12-month period.

Mthembu said Transport Minister Mac Maharaj and transport MECs were treating the matter seriously because of the financial implications.

Misuse of cars was "draining provincial and national resources".

"With the help of police, we have been impounding cars taken without permits and are then charging the corrupt officials," Mthembu said.

"We always demand a letter from MECs before releasing impounded cars to ensure they are aware of these cases and that they reprimand their officials

"Unfortunately our success

is limited, because, despite introducing all sort of rules to monitor the government fleet, my department is unable to effectively manage cars in other departments"

He said the level of abuse of petrol cards was also worrying as officials frequently "over-filled" the vehicles and used the remainder of the fuel in their private vehicles

The technical device to be installed would also serve to thwart the theft of petrol

SPAR 12/11/98

(266B)

Tenders to ~~(266B)~~ manage govt vehicles sought

BD 14/11/98
Robyn Chalmers

THE transport department is seeking bids from the private sector to manage more than 6 000 government vehicles.

The move is a first step in revitalising government garages, whose operating costs total about R1bn a year.

Transport Minister Mac Maharaj said yesterday the departments of health, labour, transport, correctional services and water affairs and forestry would go the outsourcing route as part of a pilot project.

"If the pilot project is a success, we will see how it can be replicated. I envisage all the national government departments participating and some provincial departments as well ... but this will depend on the provinces."

The government garages employ 3 000 staff who oversee a fleet of 36 000 vehicles, of which 10 000 belong to central government. This excludes the fleets of the SA Police Service and the SA National Defence Force.

The annual fuel bill amounted to R390m, with maintenance swallowing R227m and capital replacement costing R150m. The total cost to government was estimated at R1bn a year.

Maharaj said government had inherited an inefficient system which was open to abuse, and it was generally agreed that radical reform was needed.

It had been decided that the five national departments would assess their needs, which would form the basis for judging private sector bids. "We need the departments to be treated as customers who need a service. A pricing mechanism will be worked out carefully to meet these needs."

The ultimate aim was that national government would not own any vehicles, but the way to achieve this would be negotiated.

Transport department deputy director Mark Ashworth said it was unlikely that a single local entity would be able to provide the full service. It was expected that consortiums would be formed to bid for the contract. International bids would be accepted.

Analysts said candidates to bid for

Continued on Page 2

Vehicles ~~(266B)~~

Continued from Page 1

BD 14/11/98
the contract could include Avis, Imperial and Contact Lease Management, but they could also link up with black empowerment entities.

Bidders would be required to manage, run and, in some cases, buy government department vehicles. It was expected that the fleet on tender,

which consisted of 70% cars and 30% trucks, would be downscaled, Ashworth said.

Tender documents included a pre-qualification questionnaire, primarily to ascertain the financial and technical background of tendering organisations or consortiums. The deadline for submission of tenders was February 13, after which a short list would be issued.

Ashworth said it was envisaged that a decision on the successful bidder would be announced in March.

Mpumalanga legislature (2660) panned over irregularities

Star 16/1/98
After 10 months, no action on auditor-general's report

SAPA
Nelspruit

Mpumalanga's legislature was berated by the province's portfolio committee for public accounts yesterday after it "failed miserably" to explain widespread mismanagement, inefficiency and repeated financial irregularities over the past two years, African Eye News Service reported.

The often tense cross examination of the legislature's acting secretary, Wilson Ngwenya, and financial manager Jomo Sibozza by the portfolio committee followed a special report by the auditor general on shortcomings in the legislature.

Provincial auditor-general Douglas Maphiri told the committee that the legislature had failed to respond or address many of the problems highlighted in the report despite being

mandated repeatedly by the portfolio committee after conceding that he could not explain the irregularities or provide the committee with details about alleged remedial action instituted in response to the auditor-general's 10-month-old report.

Ngwenya also admitted that just five politicians still owed the government more than R70 000, despite a widely publicised decision last year to recover "travel advances" totalling hundreds of thousands of rands that had been made irregularly to both legislature staff and elected representatives.

Both Ngwenya and Sibozza yesterday rejected the auditor-general's concerns that the advances were actually personal loans, but admitted that in a number of cases, large amounts had been "advanced" despite the recipients not embarking on foreign or other trips.

Ngwenya was also unable to explain why he had been issued with two cellular telephone car kits when he had only one vehicle or why a large but unspecified number of other kits had been issued without a proper record of who had received them.

"We still feel very strongly that there is a serious lack of management measures and financial controls to ensure that state resources are utilised economically, effectively and with probity," said the corporate executive manager in the auditor-general's office in Pretoria, Louis van Rooyen.

"It is clear that a fundamental review of the manner in which the administration conducts its finances has to be instituted and comprehensive corrective actions have to be taken."

Committee chairman Hein Mentz said the interrogation had been embarrassing for the provincial government.

He rejected a request by Ngwenya for an additional three months to collect outstanding information and ordered the legislature to supply the information to the auditor general within two weeks.

Lack of financial controls noted

informed of them more than 10 months ago.

The report noted that there was virtually no control over the purchase of equipment, furniture and stationery by legislature staff, that tender procedures were deliberately not followed and that accepted guidelines for accommodation and travel claims had been ignored.

The report also stressed that government garage and other state-issue vehicles stood unused while the legislature leased luxurious vehicles from private companies at huge cost to the province.

Specific transgressions detailed in the report included the purchase of computers for R700 000 without invoices, support documentation or authorisation, and payment for R200 000 worth of electronic office equipment that could not be traced by auditors.

Ngwenya was repre-

Mzimela gets IFP's

Vote of no confidence

Farouk Chothia

DURBAN — The Inkatha Freedom Party

national council passed a vote of no confidence in Correctional Services Minister

Sapo Mzimela at the weekend, but left party

leader Mangosuthu Buthelezi to decide

whether President Nelson Mandela should

be asked to sack him from the cabinet.

IFP national chairman Ben Ngubane

said yesterday the council "withdrew" its

confidence in Mzimela at a meeting in

Ulundi because he breached protocol and

discipline by backing the idea of a merger

with the African National Congress without

canvassing his colleagues on the issue

Ngubane said the council had expressed

its views on Mzimela, but did not have the

"competence" to decide whether Mandela

should be asked to replace him with another

IFP member in the cabinet.

He said the IFP's national conference,

scheduled for later this year, would have to

decide on Mzimela's future as party national

deputy chairman.

Sapa reports the IFP described in a

statement the idea of a merger as "bizarre",

and accused Mzimela of failing to assess the

merits of the proposal before expressing

Mpumalanga gets tough with its towns

Kevin O'Grady

MPUMALANGA towns that are not on a

sound financial footing are to be given

ultimatums to take steps to rectify their

finances or face the provincial government

taking control of their affairs, says local

government MEC Craig Padayachee.

The first of these ultimatums was deliv-

ered to the Amersfoort town council last

week, and several more towns which were

"in dire financial straits" would follow, Pa-

dayachee said.

His spokesman Gerald Sono said the fi-

nancial affairs of all the province's 52 towns

were under investigation and ultimatums

would be given as the investigations were

completed. He could not say which towns

were likely to be affected.

However, Sapa reports Padayachee say-

ing that only four Mpumalanga towns —

Sabie, Volksrust, Piet Retief and Middel-

burg — did not need financial assistance

Sono said the province was "investigat-

ing all towns because even though at face

value they might appear financially sound,

you don't know what might happen two

months down the line".

The ultimatum to Amersfoort — to com-

ply with 20 instructions within stipulated

time frames or have the local government

department "take such steps it deems nec-

essary to place the finances on a sound foot-

ing again" followed several attempts to per-

suade its council to put its affairs in order

"They were given some time from last

year and they kept on promising that they

would get themselves on a sound footing

But instead of the graph going up, it kept

going down," Sono said.

Padayachee said the ultimatum to

Amersfoort required it to appoint at least

one municipal finance expert, who should

revise the town's operating budget to reflect

the anticipated rate of nonpayment of rates

and service charges, before Thursday.

Other orders included that the town im-

plement strict credit control policies within

one month, reduce staff and operating costs

within six months and introduce a capacity-

building programme for councillors and of-

ficials within 60 days.

Sono said that in Amersfoort there was

"no collection of revenue, no sound admin-

istration and nothing which says there's re-

al governance taking place there".

The MEC decided to intervene because

"he could not allow people on the ground to

suffer" because of the way in which the town

was being managed.

R2,3-m BMW fleet 'an error of judgment'

BY HOPEWELL RADEBE
Political Reporter

Mpumalanga's executive committee had made an "error of judgment" in buying a R2,3-million luxury vehicle fleet, Transport MEC Jackson Mthembu said yesterday.

He said almost all the MECs had since agreed to pay for the cars "out of their own pockets".

The fleet of BMWs was bought last month in contravention of ministerial handbook regulations, shortly after Mpumalanga said budget constraints had forced it to postpone construction of schools, roads and clinics.

"We are prepared to allude to our error of judgment and account for our mistakes to the relevant forums and legislature committees," Mthembu said.

He said the ministerial handbook gave MECs the options of using their own vehicles and claiming costs, or

of using government cars.

He also conceded that Transport Minister Mac Maharaj had warned the province not to go ahead with the deal because the ministerial handbook stipulated that MECs may not spend more than R155 000 each on a vehicle, and the BMWs cost R77 000 more than the handbook limit.

Maharaj, who drives a 1992 Jetta, advised Mpumalanga's MECs to drive cheaper cars.

"It was unfortunate that Maharaj's advice came long after the deal was signed, which is why we are taking corrective measures. It is not true that I dismissed Maharaj's advice to drive cheaper vehicles as impractical and out of touch," Mthembu said.

He said Mpumalanga's Environmental Affairs MEC, David Mkhwanazi, who was believed to have initially refused the higher-priced car, had received his BMW, and was buying it

Mar 28/1/98 (zbb)

Bushbuckridge deal 'not implemented'

Kevin O'Grady

DD 3/2/98 (266A) (Bbb)

AN AGREEMENT reached six months ago to resolve the Bushbuckridge border dispute has not yet been implemented, prompting the Bushbuckridge border committee to press ahead with plans to take the dispute to the high court for a decision.

The committee, which has been pushing for the area to be transferred from Northern Province to Mpumalanga, said yesterday there had been "no progress" in implementing the agreement.

In terms of the agreement, which was reached between Mpumalanga premier Mathews Phosa, his Northern Province counterpart Ngoako Ramatlhodi and Provincial Affairs Minister Valli Moosa last July, Mpumalanga would provide certain services to the disputed area and receive financial compensation from Northern Province in return. The agreement was intended to end the dispute which had resulted in violent protests.

Spokesmen for Phosa and Ramatlhodi were at odds yesterday over what progress had been made. Moosa said the agreement was not working to his satisfaction and further effort would be needed to rectify the situation.

Ramatlhodi's spokesman Kenny Mathivha said the team, set up to identify which functions should be performed by Mpumalanga, was still busy assessing the situation as it was difficult to show Northern Province was unable to provide services.

Northern Province had built 500 housing units and upgraded water supplies, roads and schools in the Bushbuckridge area since the agreement was reached. Mpumalanga was supplying some health services to the area but this arrangement predated the agreement.

Phosa's spokesman Oupa Pilane said the functions which were to have been transferred to Mpumalanga had been finalised but the province was waiting for a letter from Moosa's department formally giving it those responsibilities and detailing how financial compensation would be made.

Committee spokesman Prince Ndlovu said the committee had never accepted the arrangement and wanted all education, local government, health, safety and security and public works functions to be provided by Mpumalanga.

Line-ups to exorcise the ghost workers

BY HOPEWELL RADEBE

Provincial Reporter

(266 B)

Star 10/2/98

At the end of this week, on Friday 13th, Mpumalanga will make a determined effort to root out "ghost workers" – people who are not employed by the province but are nevertheless drawing salaries.

Premier Mathews Phosa will join government employees in lining up outside administrative buildings for a physical count of civil servants.

The headcount of the province's 53 051 civil servants is part of a plan to get rid of ghost workers by ensuring they are not paid this month.

Mpumalanga civil servants are normally paid in the middle of the month.

Those who are not at work for the headcount will be paid when they return.

Phosa's spokesman Oupa Pilane said yesterday the provincial government had decided to do a headcount of its staff "from the premier to (the) cleaners".

"Everybody will be remunerated by hand – no salary cheques will be deposited into individuals' personal bank accounts," Pilane said.

Mpumalanga spends about R266-million on salaries monthly, which amounts to R3.4-billion of the province's R4.8-billion annual budget.

It is believed that a significant portion goes to ghost employees.

"Every civil servant in the province will be expected to bring an identity document before receiving a cheque.

"We hope our staff will assist the government in its endeavour to root out corruption and not look at this practice as an inconvenience," Pilane said.

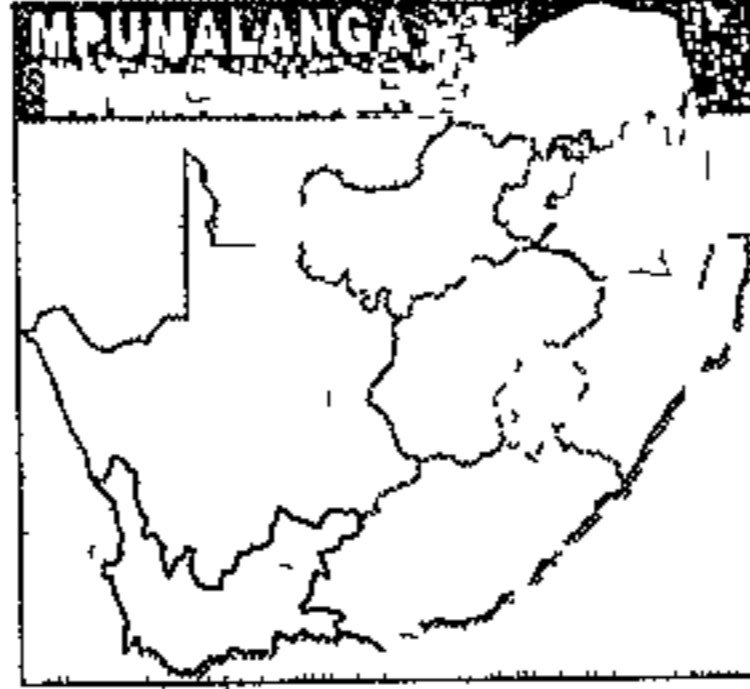
Mpumalanga to improve its collection of taxes

John Dlodlu

BD 19/3/98

(266B)

MPUMALANGA finance MEC Jacques Modipane pledged yesterday to continue improving revenue collection, in tabling a budget of R5,7bn for the 1998/99 year



Modipane said the 15% increase in the 1998/99 budget, compared to the original estimate of the current financial year, was due to national government's effort to address structural imbalances in previous financial years

These imbalances resulted partly from incorrect demographic data for the former homelands of KwaNdebele and KaNgwane, now part of Mpumalanga

The correction of the skewed allocations would be addressed by the formula-based budget system. This system, deemed equitable by many provinces, replaced the committee-based one, which the provincial authorities felt favoured national government

A government official said last night the administration hoped to raise its own revenue from gaming taxes. The province now has three operational casinos — in Nelspruit, Witbank and Secunda

The possibility of introducing incentives to departments that were inclined to collecting revenue was being examined, Modipane said

According to officials, the personnel expenditure would rise to about 60% of total expenditure in the 1998/99 fiscal year from the present 54%. Revenue allocated from the national revenue account would amount to 96% of the budget, while the province's own revenue accounted for 4%

Education would be allocated 44,6% and health care 16,3%, while 19% would be earmarked for welfare payments, Modipane said

BUSINESS DAY, Tuesday, March 24 1998

Efficiency of provincial governments is questioned

Farouk Chothia

THE Mpumalanga and Northern Cape legislatures passed only three bills each last year while sitting for 33 and 36 days respectively, raising questions about the efficiency of provincial governments.

The Western Cape legislature passed the most bills — 13 in 55 days — followed by KwaZulu-Natal, North West and Gauteng. They passed 11 bills each. The Gauteng legislature sat for 34 days, while the KwaZulu-Natal and the North West legislatures sat for 22 days each.

The figures were contained in a recent written reply. Constitutional Development Minister Valh Moosa gave to questions posed by Democratic Party (DP) leader Tony Leon in Parliament.

The Eastern Cape legislature sat for the highest number of days (60) and passed nine bills.

The Free State and Northern Province legislatures passed seven bills each, after sitting for 32 and 22 days respectively.

DP KwaZulu-Natal leader Roger Burrows said the figures suggested that provinces were generally passing only

"necessary" bills — such as those related to finances, tendering and gambling.

One would have expected more legislation to be passed, particularly in a province such as KwaZulu-Natal as it was controlled by a party promoting federalism, Burrows said.

Instead, there was minimal progress in even repealing legislation inherited from the apartheid era.

One problem was a lack of skilled staff to draft legislation.

In many provinces ordinances of the former provincial administrations still

existed "side-by-side" with former homeland government legislation, Burrows said.

With provincial governments in office for four years one would have expected consolidated legislation to have emerged, by now in areas such as local government, health and agriculture.

This had not even happened in KwaZulu-Natal, Burrows said.

He said that, in some instances, provinces were waiting for national legislation to be passed so that their legislation was compatible with it.

However, the DP believed that provinces could pass legislation and state that its implementation was conditional on what legislation was eventually passed at national level, Burrows said.

Parliamentary constitutional development portfolio committee chairman Yunus Carrim said that the figures did not reflect the "sum total" of work done by provincial MPs.

They were also active in the portfolio committees of their legislatures, the National Council of Provinces, and they also did constituency work.

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Mpumalanga's civil service is bloated, says MEC

Star 25/3/98
Nelspruit - Mpumalanga needs to cut 15% of its civil service employees but is unable to do so, according to Finance MEC Jacques Modipane

He told the province's first public hearing on its budget yesterday that personnel expenses accounted for 59,8% of Mpumalanga's R5,7-billion budget for the 1998/99 financial year, African Eye News Service reported.

"This is a massive amount that we have to cough up before we start thinking of delivery. We've got too many people doing too little work. In fact, we could probably get by with only half of the staff we have, but would need an act of God to cut them," he said.

Modipane also confirmed that the province spent about 92% of its annual budget on recurrent expenditure such as transport and rentals, and only 3,3% on physical infrastructure or capital projects.

Modipane said the pro-

vince had managed to decrease the 58 000 civil servants inherited from the region's three homelands and the former Transvaal Provincial Administration by 5 000 in 1994.

This was achieved through the scrapping of temporary posts and not filling permanent positions when staff retired or resigned.

Modipane said the province would target the education and public works departments, as well as the legislature, once it obtained national approval for further cuts.

At least 34 000 of Mpumalanga's 53 000 remaining officials were employed in the education department.

Both Modipane and finance department head Abel Erasmus complained about the government's inability to compete with the private sector for the best skilled labour and said a large part of the government's inefficiency was due to the low salaries it paid staff. - Sapa

Mpumalanga to absorb costs of disbanding MDC

(266b) Souwlam 27/3/98
MPUMALANGA has budgeted R27 million to finalise the disbanding of the Mpumalanga Development Corporation by the end of the year, finance MEC Jacques Modipane said yesterday

The government has already spent R65,6 million dismantling the controversial parastatal, which was created three years ago by discredited consultant Eugene Nyati, *African Eye News Service* reported

Modipane said the province decided to absorb or privatise the development corporation's functions after widespread mismanagement and inefficiency was revealed during the Patrick Mogorosi scandal in 1996

Mogorosi, former MDC chief executive officer, was found to have encouraged procedural irregularities and to have abused his position for personal gain

Although he was initially charged with misconduct and fired, Mogorosi

was later reappointed and given a secret R300 000 golden handshake without being required to refund the thousands of rands he wasted

Modipane said although the province planned to have the MDC wrapped up by later this year, the finance department had made budgetary allowances for last minute changes in the 1999-2000 fiscal year

He could, however, not say how much had been budgeted next year

A significant number of the MDC's most skilled staff would be absorbed into relevant departments when their projects were shifted to the province's direct control

All programmes that competed with the private sector, such as low-cost housing and financial advice services, will be privatised

Modipane was unable to say how many people would be retrenched
-Sapa

Mkhwanazi in trouble again

Report reveals financial irregularities of millions

(2666)

CP 12/4/98

THE future of Mpumalanga's embattled Department of Environmental Affairs and Tourism (DEAT) MEC, David Mkhwanazi, could once more hang in the balance after the release of a special report by the Auditor General into alleged financial irregularities in the Mpumalanga Parks Board (MPB) amounting to millions of rands.

The report, released this week, alleged serious irregularities in the MPB, including the payment of R5,6 million without proper source documentation or agreements.

It claims Mkhwanazi bypassed the provincial tender board by authorising a R1,3 million purchase of computers from a local supplier.

The computers were later found to be incompatible with the computer system used by the provincial government.

The report claims that by May 31 1997 the total amount outstanding on the loans account of the DEAT was R6,8 million and that the "not negotiable" stamp on cheques totaling R848 576 had been cancelled.

This increased the lack of control over payments and there was the possibility that beneficiaries did not receive their cheques.

In reaction to the report, Mkh-

wanazi has appointed a sub-committee to investigate the questionable expenditure. The sub-committee, still to be named, must report to Mkhwanazi by May 15.

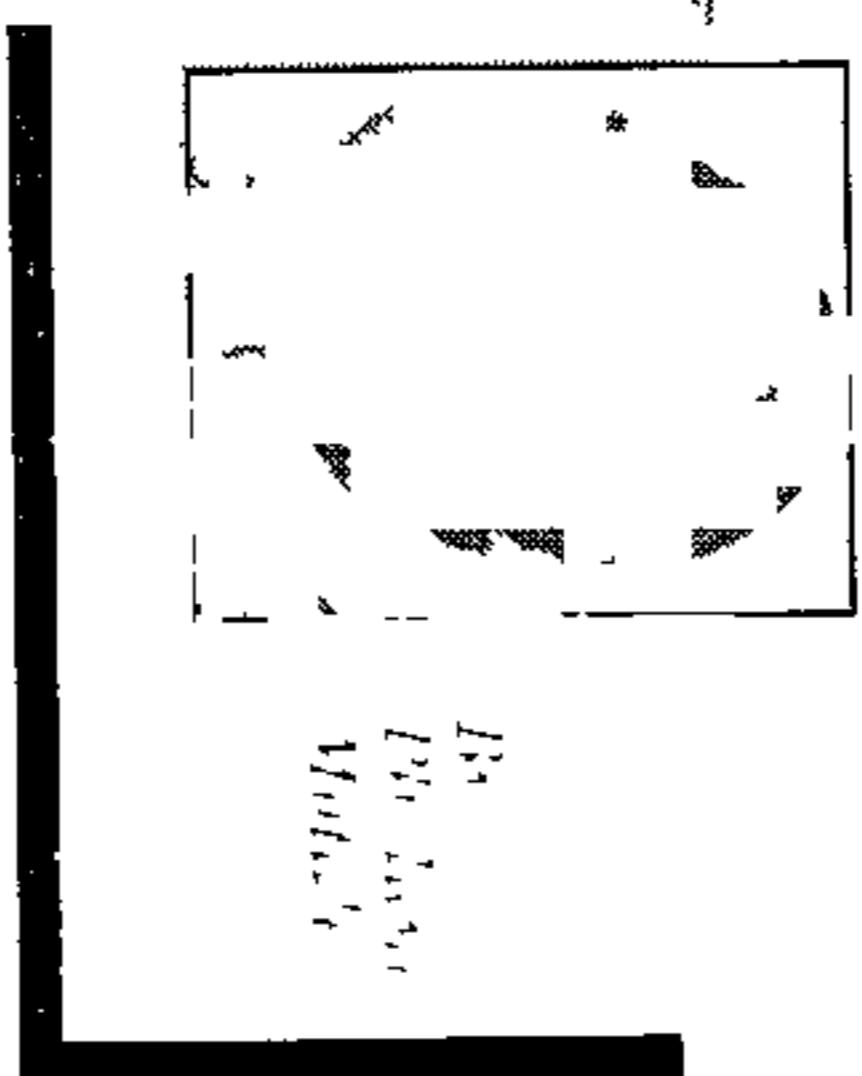
The decision immediately came under fire from the National Party in Mpumalanga, which on Wednesday accused Mkhwanazi of pre-empting the provincial legislature by appointing an internal investigation into financial irregularities in the MPB.

"Mkhwanazi and a number of directors on the Parks Board are themselves implicated in the report. How can they decide to investigate themselves?" asked NP provincial leader Dr Lucas Nel.

Since pressure has been mounting from opposition parties in the provincial legislature, more than 60 officials who were attached to the Mpumalanga Environmental Conservation Tourism Agency (Mecta) have been suspended amid renewed claims of mismanagement and overstaffing of the department.

After the suspensions there was a flood of telephonic death threats against Parks Board directors.

Late last year the Mpumalanga provincial cabinet ordered that Mecta be disbanded, after noting that Mkhwanazi had appointed sub-



stantial numbers of new staff despite a moratorium on new staff.

The present storm comes months after Mkhwanazi was accused of turning the department into a "family business" by allegedly employing immediate relatives and family members in high positions.

The report also claims MPB's CEO, Alan Gray, failed to declare his interests in companies given contracts by the MPB.

Gray's helicopter company, Lowveld Helicopter Services, was awarded a contract of R1,2 million.

Lowveld had received R1,2 million from the MPB for 17 chartered flights undertaken by him and Mkhwanazi between May 16 1996 and January 31 last year.

In February last year MPB paid R22 000 in charter fees to Lowveld to fly Alan Gray from Grahamstown to Nelspruit and back to attend an MPB meeting.

An amount of R590 025 was also paid to fly directors of a company to various destinations between September 22 and December 18, 1996.

Gray also failed to declare that he and his wife were co-directors of a travel agency which handled R520 979 of business for the MPB and that a public relations company owned by his son was paid more than R100 000.

Although Gray claimed he had resigned as director of the travel agency in December 1996, according to records at the Register of Companies he was still a director at the end of June last year.

Documents could not be found to substantiate the payment of R296 819 for credit card debts submitted by Gray and his personal assistant between September 1996 and February 1997.

Other shortcomings identified in the report include:

- There was no formal policy or any clearly defined procedures for the official and private use of cell-phones prior to March 5 1997.
- Policies and procedures laid down for the claims for expenses incurred on overseas trips, were sometimes incorrectly applied.
- Three delegates were accommodated between September 2 and September 4 in the luxury London Hilton Hotel at a cost of R33 873.
- Travelling claims amounting to R235 479 had been paid to 10 secretaries and personal assistants

working after hours between July 1996 and June 1997. In some instances, the compensation had amounted to 49 percent of their basic salaries.

- Inadequate control was exercised over the use of petrol cards and the MPB had paid out R628 688 for petrol without substantiating documentation.

According to vehicle fleet management reports, fuel charged for had exceeded their vehicle's tank capacity in 33 instances between October and December 1996.

- Fruitless expenditure had been incurred during the commercialisation process in order to establish a consultancy firm had been paid R26 000 and R180 000 on June 28 and July 16 1996 respectively, to set up the office.

But according to the MPB, the office had not been set up because such a need no longer existed.

At the time of going to press, Mkhwanazi was not available for comment. His spokesman, Abdullah Phuri, told City Press that Mkhwanazi was attending a meeting in Johannesburg.

Although the Auditor General noted Gray's positive attitude to corrective steps, the report said no attempts were made to recover irregular expenditure from him.

Gray had welcomed the report but declined to answer specific allegations against himself.

He said he was convinced his administration had done nothing illegal and strongly contested allegations of possible self-enrichment.

Cut in civil servants' perks saves Mpumalanga R150-million

Star 22/4/98
(2660)

By HOPEWELL RADEBE
Political Reporter

Mpumalanga's provincial government has saved R150-million in the past six months, largely through curtailing the perks available to senior politicians and officials.

Among the perks withdrawn were flights to neighbouring provinces, meals at provincial cabinet meetings, and bodyguards and "escort cars" for MECs

Communications director Tom Nkosi said yesterday that the savings resulted from recommendations made by Finance MEC Jacques Modipane's interdepartmental task team, set up last year, which produced a six-page list of cost-cutting measures.

The document called on politicians to settle for three-star hotel accommodation, with hotel bills to exclude bar bills. A thorough evaluation of invitations to conferences and a

halt to MECs' and staff traffic fines being paid by the province was also implemented

Other cost-cutting measures include a freeze on new posts, an end to voluntary severance packages, and a re-evaluation of the use of special advisers and consultants. The task team guidelines also recommend the suspension of merit bonuses.

Modipane said 1998 would be the toughest financial year since the ANC took power

A list of staff who took more

than 50 days of sick leave within the past 12 months is being monitored and evaluated

The set of stricter control measures comes in anticipation of serious budget overruns in the 1997/98 financial year, which has forced the province to cancel all capital projects

Mpumalanga has also opted against accepting a proposed multimillion-rand budget bailout from the national government.

Mpumalanga cuts spending by 30%

Kevin O'Grady

(2660) 22/4/98

WITHDRAWING meals for MECs during cabinet meetings, grounding government vehicles four days a week and freezing all posts were among strict measures that kept the Mpumalanga government within its budget in the last financial year, finance MEC Jacques Modipane said yesterday.

The wide-ranging cost curtailment measures which were implemented late last year but were not widely publicised had cut unnecessary spending by about 30% and prevented Mpumalanga ending fiscal 1997/98 in overdraft, Modipane said.

He could not say exactly how much money was saved by the measures, but a provincial government source said that "at least R150m" had been saved since December.

Modipane said the spending controls — which dealt with almost every aspect of provincial expenditure — would remain in force this year as efforts "to run government like the private sector" were stepped up.

Not only do the controls limit travel and security perks previously given to officials, but they also threaten to place government departments which deviate more than 10% from their budget allocations "under curatorship".

Details of the measures obtained from the province yesterday show that all posts have been frozen "immediately" and that all posts which became vacant are to remain that way for at least six months before being filled.

The controls also force all pensionable officials to retire "without exception" and require a list to be compiled of all staff who had taken more than 50 days sick leave in the last year and for government to "retrench (them) where appropriate".

The measures also advocate that government look at the possible retrenchment of supernumerary staff which is costing the province about R60m a year and take the issue up with national government if retrenchments prove problematic.

Controversial Mpumalanga MEC tenders

Kevin O'Grady

MPUMALANGA environment and tourism MEC David Mkhwanazi, who has been embroiled in allegations of nepotism, mismanagement and fraud in his department for the past year, bowed to political pressure yesterday and announced his resignation.

Mkhwanazi, who is under investigation by public protector Selby Baqwa after it was revealed recently that his wife, daughter, sister-in-law, and cousin all worked in his department, said his resignation came partially in recognition of the fact that "if anything

goes wrong in my department I must take responsibility". He said he had been planning the move "for a long time" to enable him to concentrate on his business interests.

Accepting Mkhwanazi's resignation, Mpumalanga premier Mathews Phosa said it "illustrated his sense of responsibility and commitment to good and clean governance". The provincial government would "fight corruption and mismanagement wherever it is found. Following (Mkhwanazi's) resignation, further steps on other levels will be considered in the next days and weeks", Phosa said.

African Eye News Service reports Mkhwanazi announced his resignation to a surprised legislature after delivering his 1998/99 budget speech. Legislature speaker Elias Gindzha had to shout to bring the house to order as shocked environmental affairs officials stormed out of the chamber.

Provincial government sources said Mkhwanazi had not even informed political colleagues and his top officials of the decision which was apparently only discussed with Phosa yesterday morning. They said Phosa had made it clear to Mkhwanazi that he should accept responsibility for "alleged

wrongdoing in his department and resign or be fired, an assertion Mkhwanazi's spokesman denied.

Mkhwanazi has been at the centre of controversy since his role last year in authorising a secret multi-billion rand deal which granted the Dubai-based Dolphin Group exclusive commercial rights to the province's key game reserves for the next 25 years.

He also came under fire recently in an auditor-general report, still to be debated in the legislature, which criticised him for authorising the purchase of R1,3m of incompatible computers through the Mpumalanga Parks Board without the necessary

source documentation and for chartering a series of helicopter flights from parks board CEO Alan Gray's helicopter company.

It has also been alleged that Mkhwanazi, who is the Mpumalanga leader of the SA National Civics Organisation (Sanco), ignored a freeze on posts in the provincial government and gave Sanco members senior positions in his department.

Mkhwanazi, who remains an ordinary MPL, said he had delayed his departure until May 15 to enable him to field questions from the legislature's public accounts committee on the auditor-general's report.

his resignation
(2648)
23/4/98

ANC suspends Mpumalanga speaker

Kevin O'Grady

BO 24/4/98
THE deputy speaker in the Mpumalanga legislature, Cynthia Marupeng, yesterday became the latest head to roll over allegations of corruption in the province when the African National Congress (ANC) suspended her and called on the legislature to do the same.

Her suspension followed the apparently forced resignation a day earlier of environment and tourism MEC David Mkhwanazi who has also been at the centre of allegations of wrongdoing.

Mkhwanazi's suspension came amid warnings from provincial ANC chairman and premier Mathews Phosa that "further steps" would be taken soon to "fight mismanagement and cor-

ruption wherever it is found"

Provincial ANC secretary Solly Zwane said yesterday Marupeng was suspended on allegations from the public that she abused her official position "for self-enrichment". He would not give details of the alleged abuse.

"The evidence brought before us was more than enough to take such action," Zwane said. Marupeng was suspended from all ANC activities "with immediate effect".

Party sources said the suspension could have stemmed from alleged overcharging for functions organised by Marupeng for the legislature.

Zwane said the ANC had called on speaker Elias Gwindza to suspend Marupeng and appoint an independent

(266B)
body to investigate the allegations against her.

The ANC believed the investigation would be compromised if Marupeng remained in her position.

The ANC, which was required by its constitution to lay charges against suspended officials within 30 days, would make a final decision on the nature of the charges based on the findings of the investigation ordered by Gwindza.

Zwane said the apparent purge of tainted officials was evidence of the ANC's policy of fighting corruption, "especially when it comes from members holding public office. We are advising government that if people are seen to be involved in these things, government must take action."

Holiday was final

nail in MEC's coffin

By Pamela Dube
Political Reporter

A FAMILY holiday in Mauritius is what finally cost Mpumalanga's outgoing environmental affairs and tourism MEC Mr David Mkhwanazi his job. And his colleague, deputy speaker Mrs Cynthia Marupeng, is on the way out for allegedly splashing thousands of rands on groceries.

Mkhwanazi's resignation and Marupeng's suspension from both the African National Congress and the Legislature are said to be part of a process to rid the Mpumalanga government of corrupt officials, senior Government and ANC officials said. Mkhwanazi took many by surprise when he resigned on Tuesday. Two days later Marupeng was suspended. Having survived numerous scandals over massive unauthorised spending in his department, it took

former allies in the Mpumalanga Parks Board to bring down Mkhwanazi. They told the province's premier of the MEC's state-funded family trip to exotic islands.

When announcing his resignation, Mkhwanazi cited long service as the main reason - 17 years (13 as a minister in the former Kangwane bantustan).

Forced out

However, it later transpired that Mkhwanazi did not voluntarily bow out. A day before the announcement he was said to have had a long meeting with Premier Mathews Phosa over allegations that he had used government funds to finance a family trip to Mauritius.

Highly-placed sources in the Mpumalanga government say Mkhwanazi took his family to Mauritius late last year. "When the premier was informed of this he was furious. Phosa gave him an ultimatum

- quit or be fired", the sources said.

They said Mkhwanazi could have got away with the scandal "had he not tried to use some legal jargon to try and squeeze some of the parks board members out".

Apparently he managed to survive last year's numerous scandals because he had the support and the trust of parks board members, "some of whom covered for him".

Mkhwanazi first hit the headlines last year when he was accused of going against public procedure by awarding a multimillion rand deal and exclusive 25-year commercial rights to Mpumalanga's lucrative game reserves to the Duba-based Dolphin group.

Since taking over as MEC in 1994 Mkhwanazi has had his fair share of controversy. He was accused of appointing unqualified people from the former homeland.

"He went against the transformation process by bringing on board

mainly his former colleagues in the Kangwane government," a top ANC official said.

These were said to include "unqualified" members of the South African National Civics Organisation (of which he is the provincial chairman) in Witbank.

"He was trying to buy political power by engaging people who did not even qualify for the job."

Bloated staff

He was also said to have gone out of his way to acquire more offices to accommodate his bloated staff.

Last year Mkhwanazi's department is said to have rented an office building in the expensive section of Nelspruit without following procedure laid down by the works department. In addition he was accused of getting a R500 000 contract without a tender to renovate the building. Marupeng seemed to have got her-

self in hot water by giving herself advances worth more than R70 000 and having them cancelled "without any explanation. That's a serious crime against the state and the party", an ANC source said.

In a statement last week ANC provincial spokesman Mr Jackson Mthembu said Marupeng was suspended after allegations that "she abused her elected position to enrich herself".

The party's executive is said to have received reports that Marupeng could not account for money intended for groceries for Legislature members. Marupeng was alleged to have spent about R20 000 on one day's grocery shopping and another R18 000 the following day.

The ANC is still to put formal charges to Marupeng, while provincial speaker Mr Elias Ginindza was said to have set up a commission of inquiry to report back in 14 days.

(2666) Sources 27/4/98

Unit 'set to bypass Phosa' on probe

Kevin O'Grady

(2660) 20/5/98

THE Heath special investigating unit would go straight to President Nelson Mandela for authorisation to probe corruption in Mpumalanga if premier Mathews Phosa failed to co-operate, the unit's second-in-command, Gerhard Visagie, said yesterday.

This followed Phosa's criticism of the unit — which investigates fraud, corruption and maladministration involving state assets and public funds — for wanting to probe cases already been investigated by the province.

Phosa accused the unit, headed by Judge Willem Heath, of adopting wasting taxpayers' money by reinvestigating scandal probes which were said to be finished. "I wish ... to request (Heath) not to litter in other people's back yards. He should leave politics to the politicians. There are already more than enough lawyers in politics," Phosa said in the Mpumalanga legislature this week.

Heath said last week that Phosa was dragging his feet in referring 14 cases involving about R22m to Mandela in order for a presidential proclamation, formally authorising the

investigations, to be issued.

Visagie said yesterday that in terms of the unit's founding legislation, cases which fell exclusively within the competence of a province could be investigated only at the province's request or after consultation with the province.

This meant that if Phosa's office failed to petition Mandela for a proclamation, the cases could be "referred to the president directly".

"We would prefer the investigations to take place at the request of the province," Visagie said. The unit regarded state institutions as its partners in probes and subsequent litigation.

He disagreed with Phosa's assertion that the unit should not interfere with areas already covered by the auditor-general, commissions of inquiry or internal disciplinary committees. These bodies could investigate wrongdoing and make recommendations but did not have the power to recover misspent funds, Visagie said.

Phosa's spokesman, Tom Nkosi, said the premier was not reluctant for the cases to be investigated by the unit but took issue with Heath raising the matter in the media rather than directly with him.

Speaker walks out of commission

NEILSPRUIT — Mpumalanga deputy speaker Cynthia Maropeng walked out of the Ngobeni commission probing self-enrichment yesterday, accusing commissioners of biased and antagonistic questions.

Maropeng declined to comment during the second day of public hearings, saying the charges against her were a politically inspired witchhunt by elements within the African National Congress (ANC).

Maropeng's attorney, MB Molefe, told African Eye News Service that he would seek an urgent interdict from the Pretoria High Court to force the removal of commission chairman, chief magistrate David Ngobeni and commissioner Francis Legodi.

Molefe accused two commissioners of asking leading and prejudicial questions, denying him access to commission documents and of repeatedly interrupting his cross-examination of witnesses. He said the commission was also wilfully

crucifying legislature speaker Elias Ginindza by asking questions designed to make him look incompetent.

Maropeng was suspended from the ANC and the legislature last month after allegedly using her position to enrich herself and misusing state funds.

The commission heard that Maropeng ignored public service regulations to directly appoint a possibly unqualified acquaintance as her personal assistant.

Other charges against her included that she used taxpayers' money to buy two vehicles and two cellular telephone car kits and to lease an Audi for R16 200 while in her hometown.

Maropeng also allegedly took a R45 000 advance to attend a speakers' seminar in June 1996, a R55 000 advance in May last year and a R15 000 advance for a trip to Cuba last month.

She began making monthly repayments (abbB) BD 2715198

only after the auditor-general objected to the legislature last year.

Maropeng was suspended primarily for spending R19 000 in state funds on groceries for a National Council of Provinces conference in March this year which never took place. The groceries included large quantities of pantyhose, hotplate stoves, baby cream and other personal toiletry items. Maropeng said this was for a legislature guest house.

Ginindza, the only witness to have testified so far, said yesterday the commission was asking him questions which could implicate him in charges of mismanagement.

This followed a series of questions by commissioners on policy issues that Ginindza was either unable to answer or contradicted after evidence was presented to him that he had himself broken regulations by allegedly approving irregular expenditure — Sapa

rection "put SA on the path of sustainable development"

The department said the draft na-

said yesterday that last-minute concerns could delay its promulgation until later this year.

Litany of complaints against top official

NELSPRUIT — The Ngobeni commission of inquiry heard yesterday an extraordinary litany of corruption, abuse of power and misspending charges against Mpumalanga's suspended legislature deputy speaker, Cynthia Maropeng.

African Eye News Service reported that Maropeng was accused also of regularly using state funds to buy stationery and other goods for the African National Congress

Three witnesses, including a senior member of the legislature, told the commission she blatantly abused procedures and intimidated staff into authorising her purchase of groceries at state expense for a relative's funeral.

Maropeng allegedly ordered her bodyguard to drive a legislature vehi-

(266B)
cle in the funeral procession, ordered groceries worth more than R9 000 for a nonexistent conference and used legislature funds to buy stationery for the ANC from Waltons.

Maropeng was suspended from the ANC and the legislature last month on charges of abusing her position to enrich herself.

Boy Nobunga, provincial chairman of joint portfolio committees, told the commission Maropeng was aware advances for international travel should not exceed R15 000 per trip and should be paid back immediately on return.

He confirmed that Maropeng took a series of advances, including ones of R45 000 and R55 000, and paid these back without interest over a two-year period — Sapa.

Mpumalanga probe sniffs

R1m fraud of EU fund

CT 29/5/98 (2660)

NELSPRUIT: Mpumalanga's Ngobeni Commission of Inquiry into self-enrichment believes it may have uncovered a fraud involving more than R1 million in European Union donor funds.

Witnesses yesterday told the commission about parallel legislature bank accounts with Trust Bank and Nedbank, meant for channelling EU grants for training and specialist support staff.

The Trust Bank account, opened in 1995, was operated without the knowledge of the province's finance department or the auditor-general.

Commissioners said the account seemed to have been opened with a deposit of R1,08m by former legislature secretary Alfred Mahlangu. It was closed in March this year with a balance of only R8 000.

Mahlangu resigned last January after allegations of mismanagement, overexpenditure of more than R5 million and a series of personal travel, overtime and vehicle allowance irregularities.

He initially refused to answer questions about the allegations. — Sapa

Heath unit and Phosa in full-blown row

Kevin O'Grady

MONTHS of tension between the Heath special investigating unit and Mpumalanga premier Mathews Phosa have erupted into a full-blown row, with the unit asking Phosa to withdraw "derogatory and defamatory" statements about its head, Judge Willem Heath

The tension almost led to the unit withdrawing from Mpumalanga last month, it emerged yesterday.

A six-page letter sent to Phosa on Monday by Heath's personal assistant, Guy Rich, brought to a head months of wrangling over delays in having 14 cases worth R22m proclaimed by President Nelson Mandela for investigation

BB 5/6/98 (266B)
by the unit Mandela can make proclamations on provincial investigations only at the request of, or after consultation with, the premier concerned

Phosa's personal secretary sent a terse reply to Rich's letter on Wednesday, saying "the premier will communicate directly with Judge Heath and not through his personal assistant" It was followed up yesterday by a letter from Phosa that failed to withdraw the offending statements. Instead, Phosa suggests he and Heath "put recent events behind us and proceed in this very important venture"

Rich's letter said the unit seriously considered withdrawing from Mpumalanga because of "a perception that there was a lack of co-operation" The

move was also considered as the unit "has been working in the province in anticipation of the proclamations for one year" and because of "frustrations of being unable to make proper progress and to finalise investigations"

Phosa's comments followed a meeting of businessmen in Nelspruit which was addressed by Heath. After briefing the businessmen on the unit's work and successes around the country, there "was strong reaction" to the fact that no mention was made of funds recovered in Mpumalanga. Rich's letter said Heath explained that no investigations could be carried out without Phosa's co-operation

Continued on Page 2

Heath (266B)

Continued from Page 1

BB 5/6/98
Comments to which the unit took offence included that Heath and the unit should "leave politics to the politicians", that unit members were incompetent and lacked expertise, professionalism and integrity, and that they

were wasting taxpayers' money.

"The nature of the language, including the adjectives used, were completely uncalled for and in any event describe a scenario which was not based on fact," Rich's letter said. Any future involvement in Mpumalanga would "be dependent on the requests for proclamations to the president's office". The letter called for an "unequivocal withdrawal" of the statements

Commission told of chaos in provincial legislature

The actions of Mpumalanga's Deputy Speaker were questionable but not unusual in the provincial legislature because a complete absence of rules and respect for financial regulations had created a free-for-all, the Ngobeni Commission heard yesterday.

Cynthia Maropeng had tried unsuccessfully to tighten controls or rein in her fellow politicians, and should therefore not be judged for the few bad decisions she made, her attorney Motlatsi Molefe said.

Cross examining the legislature's finance director, Jomo Siboya, Molefe questioned why senior ANC politicians had intervened in a "small administrative investigation" to target Maropeng and create a commission of inquiry.

The arguments formed part of Molefe's first public outline charges that she abused her position to irregularly enrich both Maropeng and her acquaintances from both the ANC and the legislature last month, and has since been implicated in a series of irregularities including using state assets and funds to host a funeral for a relative and taking R110 000 in irregular personal loans.

Siboya conceded under cross-examination that Maropeng was only one of many Mpumalanga politicians who used their R180 000 vehicle allowances to buy more than one car.

The scheme, which was invented by politicians without the assistance of the legislature's administrators, still has no proper rules governing it, and Maropeng is therefore entitled to use her allowance as she pleases, Siboya added.

He confirmed that Maropeng wasn't the only Mpumalanga politician to take large advances or fail to pay them back timeously.

He stressed that he had been "crucified" by politicians from all political parties when he had attempted to abolish the practice and reclaim outstanding amounts.

Molefe reserved the right to cross examine Siboya about a mystery R1,8-million bank account later this week.

The commission resumes hearings tomorrow and has planned to sit until 9pm every night until testimony is completed.

Ngobeni commission raids Mpumalanga legislature offices for documents

By JUSTIN ARENSTEIN

Nelspruit - The Ngobeni commission raided offices in Mpumalanga's legislature last night in an attempt to seize files and other records linked to a mystery R1,8-million Trust Bank call account.

The raid follows surprise testimony about the account and substantial cash withdrawals from it by legislature finance director, Jomo Sibozza. Sibozza told the commission that he had

authorised drawings of up to R330 000 cash from the account for various consultants on instruction of deputy speaker Cynthia Maropeng.

"I have scant knowledge about what the money was for. I never got reports about how it was spent and only know it was for projects in Maropeng's office," said Sibozza.

His attorney, Steve Hefferman, demanded an immediate adjournment until he could study documents about the ac-

count because "this is very close to the bone and has serious ramifications, maybe even criminal charges for my client".

Maropeng's attorney, Motlasi Molefe, added that the documents should be seized immediately before they disappeared.

The commission, which sat for the first time yesterday after defeating an interdict brought by Maropeng to have it scrapped, is probing allegations that the deputy speaker regularly misused her position to enrich both

herself and her political acquaintances.

The commission previously heard during in camera testimony that the account was opened with a single R1,8-million cheque in 1995 and was used by Sibozza, his predecessor Alfred Mahangu and current administration head, Wilson Ngwenya, without the knowledge of the province's finance department or the Auditor-General.

Sibozza also told the commission that politicians regularly

ganged up into groups of up to 15 people at a time to force junior finance officials to approve irregular expenditure.

"They cornered officials and demanded things. At one time I tried to deduct all the money they owed from their salaries. Some politicians only got R50 at the end of the month and all hell broke loose," said Sibozza. "I was called in and lashed and a very powerful politician had the finance department reverse the deductions."

Sibozza repeatedly refused to name the politicians.

Auditor-General reports indicated that there was up to R700 000 in advances to politicians outstanding at one stage last year and that financial controls were simply overridden with the compliance of a recently sacked finance director, Shadrack Mashela.

The commission adjourned last night to raid the legislature offices. - African Eye News Service

(Abbb)

Shan 16/6/98

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Mpumalanga to act at 'highest level' on damning financial report

Kevin O'Grady

A DAMNING auditor-general's report on the Mpumalanga government that found R28,1m in unauthorised expenditure and the widespread absence of important documentation would be discussed at the highest level in the provincial government, premier Mathews Phosa's office said yesterday.

Phosa's spokesman, Oupa Plane, said it was not the first time such issues had been raised by provincial auditors. Although several steps had already been taken to deal with the complaints, the latest report would be tabled in the provincial cabinet and legislature for debate and action.

The report by provincial auditor Douglas Maphiri on the 1995/96 financial year said a number of investigations into possible irregularities were abandoned because more than 50% of documents could not be found.

AENIS reports that this included information about entertainment spending which had cost the provincial government more than R809 000.

The report also said about 50% of cheque payment vouchers and 44% of files detailing payment of more than R5,7m to consulting engineers and contractors were also not available.

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R500 000 theft was covered up, inquiry told

(2660)

Mar 20/6/98

Mpumalanga officials 'agreed to keep confession secret'

A former Mpumalanga legislature secretary confessed last year to stealing R500 000 from the legislature's bank account and the matter was never reported to police, the Ngobeni Commission heard in Nelspruit yesterday.

The commission is probing allegations that provincial deputy speaker Cynthia Maropeng had abused her position to enrich herself and her acquaintances. She has been suspended from the African National Congress and the legislature.

Mpumalanga speaker Elias Ginindza testified yesterday that the former secretary, Alfred Mahlangu, officially confessed that he stole money from the legislature and that the confession was recorded on tape, reports African Eye News Service.

Ginindza told the commission Mahlangu confessed to him about the theft in March last year and that an initial agreement was reached between Mahlangu, Maropeng, and himself, that they would keep the matter secret. It was agreed that the stolen money would be repaid when Mahlangu received his pension.

"I was wrong not to inform the legislature but I must confess that I trusted Mahlangu would pay the money back.

"Also, we had his confession on tape (to use) against him if he ever changed his mind. I asked the deputy speaker to hide the tapes away," said Ginindza.

Commission chairman David Ngobeni labelled Mahlangu a dangerous person and insisted that the theft should have been reported to the police, where a case of fraud or

theft would have been opened against him.

"This man is a self-confessed thief and a dangerous person, and I think if you were an honest person, Mr Ginindza, you would have reported him to the police and let justice take its course.

"Furthermore, you probably won't get enough money from him since he resigned after working for only two years," Ngobeni said.

Ginindza, however, told the commission he had already confiscated Mahlangu's personal car and insisted he was going to make sure that every cent was paid back.

Insurance premiums

Ginindza said he was aware Mahlangu had paid Jones Construction Company R280 268, for work not done, and another R11 181 to the transitional local council for unspecified services on January 8 last year, a month after Mahlangu resigned from the legislature.

The commission also heard how Maropeng allegedly ordered that R330 000 be paid to an insurance broker on December 8 last year as a premium for all members of the legislature.

Ginindza confirmed that only R45 000 was supposed to have been paid to Phumulani T&T Insurance Brokers, on behalf of Old Mutual, as had been agreed to at the internal arrangement committee.

He said Old Mutual was supposed to be paid R1,2-million as an insurance cover for all legislature members.

The commission was adjourned until Monday when the deputy speaker is expected to testify. — Sapa

Auditor-general slams control of salary files in Mpumalanga

Aron 23/6/98 (2668)

Nelspruit – Mpumalanga's auditor-general has criticised the provincial administration because of documents missing from salary files for officials relating to the 1995/96 financial year.

In his 94-page legislature report, the auditor-general said an audit into salaries of officials had been severely hampered due to inability to perform proper auditing procedures.

The report said essential documentation such as pay advices, appointment letters and pay slips, and authorisations for extra remuneration such as overtime, were missing from salary files.

A total of 45 cases of possible overpayment, where staff had received two salary payments because of differing staff numbers, were identified on the computer printouts.

The provincial auditor, Douglas Maphiri, said in his report that the amount overpaid in this respect could not be established due to the inability of departments to submit the files requested for auditing purposes.

Maphiri said the use of identity numbers as a control measure to prevent double payments had proved to be unsuccessful. In many instances, the identity numbers were invalid, incorrect or duplicated.

A total of R221 091 had been paid for the salaries of 10 officials even though their services had been terminated. Two staff members received three salary payments in a month because

they had one old staff number as well as two different new ones.

The report noted that 121 cases of possible overpayment were identified where staff had the same surname, initials and monthly earnings but different staff numbers. Calculations relating to monthly housing allowances were also found to be incorrect due to insufficient documentation in salary files.

The report also noted that seven housing officials, who were overpaid more than R24 000, had not yet refunded the money.

In his response to the report,

**Two staff
members
received
3 payments
in a month**

Mpumalanga director-general Frank Mbatha said the administration had instituted numerous changes to its financial management systems. He said stringent controls had been put in place and that a number of programmes had either been scaled down or terminated.

He added that the cost curtailment programme introduced by Premier Mathews Phosa in 1996 had brought about administrative improvements.

– African Eye News Service

Funds misuse 'widespread'

Kevin O'Grady

THE Heath special investigating unit is to probe allegations of the misuse of public funds in the Mpumalanga legislature in conjunction with a commission of inquiry currently holding public hearings on the issue

Guy Rich, personal assistant to unit head Judge Willem Heath, said yesterday the unit had held talks about the case with the provincial administration and officials would travel to Mpumalanga shortly to initiate an investigation by the unit

The inquiry, initially appointed to investigate allegations of self-enrichment by the provincial legislature's deputy speaker, Cynthia Maropeng, has heard evidence of widespread abuse of public funds in the legislature

Last week speaker Elias Gwindza told the commission that he, Maropeng and former legislature secretary Alfred Mahlangu conspired to cover up the theft by Mahlangu of R500 000 from the legislature's bank account.

Mahlangu had promised to repay the money

The commission, headed by magis-

trate David Ngobeni, has also heard evidence that at least R1,2m was irregularly withdrawn from a constituency fund bank account for projects, identified only as projects A, B and C, that were allegedly conducted by Maropeng

In a recent unsuccessful court bid by Maropeng to have the commission's proceedings and findings declared null and void, it was also heard that a number of senior legislature officials could be involved in the corruption scandal

Rich said the unit, which has previously had difficulty in obtaining cooperation from the Mpumalanga government in its investigations in the province, had been asked "to look into the (corruption allegations) in consultation with the commission"

The manager of the team responsible for Mpumalanga would travel to the province in the next two weeks

Meanwhile, the dispute between the unit and Mpumalanga premier Mathews Phosa over 14 cases worth about R22m which the unit wanted forwarded to President Nelson Mandela for official proclamation, appeared to have been resolved, Rich said

POD 24/6/98 (2669)

'Groceries for govt' cost R9 000

180 25/6/98 (2666)

NELSPRUIT — Suspended Mpumalanga deputy speaker Cynthia Maropeng told the Ngobeni commission yesterday that the R9 000 in government funds she spent on groceries was intended for members of the legislature

Maropeng told the commission she bought the groceries for legislature members and for members of the National Council of Provinces before she left on a trip to Cuba

"It was a Friday and I had to leave for Cuba. So I decided to buy the groceries, thereby leaving less work for my colleagues."

She said the women's stockings on the shopping list were bought

for the legislature's general staff. The legislature's internal arrangement committee had agreed that uniforms be bought for the cleaning staff.

Maropeng said she had purchased "lots of things" for the legislature, using her own discretion.

Some of the groceries were taken to the legislature's guesthouse and she had not removed any items as she did not have the keys.

Former African National Congress chief whip Fish Mahlalela had the keys to the guesthouse, Maropeng said.

She did not know that some of the groceries were kept in the office of the legislature's financial

director, Jomo Sibozo

They were allegedly placed there by Maropeng's personal assistant, Loraine Sengwane.

Maropeng told the commission she bought two cars using her allowance of R180 000.

"I bought the two cars because it was a common practice that members bought two cars with their allowance, but I did not exceed my R180 000 car allowance," she said.

She also admitted to hiring Phulane Masala as her personal assistant without any interview.

Maropeng fired Masala after finding out that she had forged her matric certificate — Sapa

Mpumalanga public account suspended

BD 9/7/98

266B

Kevin O'Grady

A BANK account held by the Mpumalanga legislature into which money donated by the European Union's (EU's) parliamentary support programme was paid has been suspended following allegations of the misuse of funds, national assembly speaker Frene Ginwala said yesterday.

Ginwala's comments, in her capacity as president of the Speakers' Forum, follow a damning report by a commission of inquiry set up by Mpumalanga premier Mathews Phosa to probe allegations of the misuse of public funds by the legislature's deputy speaker, Cynthia Maropeng.

The commission found that almost R1m, intended as a constituency allowance for the African National Congress (ANC), was stolen from a bank account held by the legislature. It recommended that Maropeng and three

other legislature officials face criminal charges in connection with the theft.

Ginwala said an internal audit found that no funds from the EU programme had been misappropriated. Projects run by the programme were continuing but funds intended for the Mpumalanga legislature were now being administered by the programme's national office in Cape Town.

She said the forum supported the programme's decision to suspend the account and recommended "that similar action be taken as expeditiously in future".

Ginwala's comments came as the ANC's provincial working committee met to discuss the commission's report.

ANC spokesman Jackson Mthembu said the committee would make "far-reaching" recommendations to an urgent provincial executive committee meeting today and it was expected that im-

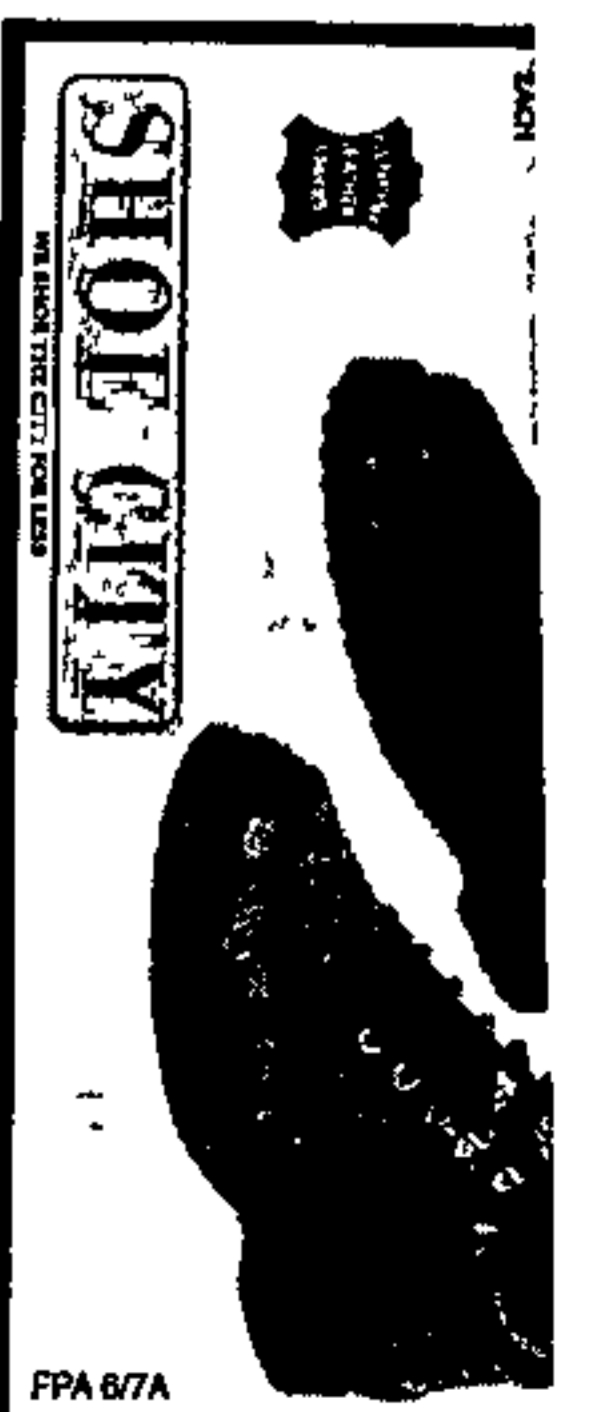
mediate action would be taken.

Meanwhile, the National Party (NP) in Mpumalanga called yesterday for the appointment of a provincial public protector to guard taxpayers against corruption and theft similar to that uncovered by the commission.

Lucas Nel, NP leader in the legislature, welcomed the commission's report. Although it still had to be debated by the legislature's multiparty disciplinary committee and the legislature itself, "the NP would like to see the commission's recommendations implemented without delay".

Nel said it was "essential" in future that urgent steps be taken and extensive investigations conducted immediately. Allegations of malfeasance emerged.

"In the meantime, any person who is implicated should be suspended from duty pending the outcome of further inquiries," Nel said.



Fire Mpumalanga speaker and deputy, panel recommends

Kevin O'Grady

NEISPRUIT — An inquiry appointed by Mpumalanga premier Mathews Phosa has recommended that the legislature's deputy speaker, Cynthia Maropeng, be fired and face theft charges, and that speaker Elias Ginindza be suspended or sacked.

The commission, headed by magistrate David Ngobeni, was set up in May to probe allegations that Maropeng enriched herself at taxpayers' expense. However, it found evidence of

widespread abuse of public funds and recommended criminal charges against several legislature officials.

Phosa said yesterday he had accepted the recommendations. They would be given to the police, the Health special investigating unit, the legislature and the African National Congress (ANC) to enable them to take action against those implicated.

Phosa said the report "paints a devastating picture of the legislature... one of dishonesty, of collusion to defraud, of theft, of perjury, of maladministration, and of corruption."

The commission found almost R1m was stolen from a legislature account, and recommended that Maropeng, former acting legislature secretary Wilson Ngywenya, finance director NB Sibozo and former legislature secretary MA Mahlangu face charges in connection with the alleged theft.

The money was intended to be passed on to the ANC as a "constituent allowance" along with smaller amounts for the National Party and the Freedom Front.

Continued on Page 2

Inquiry

Continued from Page 1

to consultancy Phumelela T&T for work on three projects known only as projects A, B and C. The commission received three letters, allegedly from the consultancy, requesting payment for services, but discovered that the signatory, TS Sibisi, had died before the last two letters were written. The commission also recommended

that action be taken against Maropeng and several other officials for the purchase of large quantities of groceries, including for the funeral of one of Maropeng's relatives, for bypassing procedure by employing three former teaching colleagues as her assistants, and for claiming allowances for overseas trips that were not official.

Ginindza, who ignored indications that irregular transactions were taking place, should be removed from office or suspended pending the outcome of a forensic audit, the report said.

(2668) 80877198



PHOSA

EXPOSED

CORRUPTION QUEEN

Premier Mathews Phosa lashes out at fraud and promises decisive action

From 8/9/98. (R66A)

By JOVIAL RANTAO
Political Correspondent

For four years, Cynthia Maropeng served Mpumalanga's legislature as its trusted servant. Little did the representatives know that the former primary school teacher was helping herself to public money.

By the time Maropeng's self-enrichment scheme was first suspected in April, the deputy speaker had deposited cheques worth R736 000 into her personal bank account.

Now, facing possible criminal charges, dismissal and the dismay of her colleagues, Maropeng's actions have been described by Mpumalanga Premier Mathews Phosa as corruption of the worst kind.

Shortly after having received the Ngobeni Commission of Inquiry's report, he said "The picture is one of dishonesty, of collusion to defraud, of theft, of perjury, of maladministration, of misuse of authority and of corruption that is rife. It leaves one with a deep sense of shame and displeasure at such misfeasance and sickening contempt for public interest."

Maropeng and provincial legislature Speaker Elias Ginindza and at least two senior officials in the Mpumalanga administration were named.

Phosa pledged once again "My government's agenda of rooting out corruption will spare no one, irrespective of position or status. This commission is, and will be, only one of a number of steps to root out mismanagement and corruption step by step." He also said additional documents and information had been received and would be pursued.

Maropeng's scheme, carried out with the collusion of legislature finance director Jomo Sibozza and legislature secre-

tary Wilson Ngwenya, is detailed in the 31-page report.

The commission found that Sibozza and Ngwenya had signed cheques issued to Maropeng, who in turn gave them portions of the money.

Immediate suspension and disciplinary action against Sibozza and Ngwenya was recommended, as well as theft charges against Maropeng, Sibozza, Ngwenya and former secretary M A Mahlangu, who is suspected of stealing more than R162 000.

The commission found that Maropeng ordered that a fictitious consultancy should be paid more than R400 000.

A copy of the report has been sent to the police and the Heath Commission for consideration of criminal charges and further investigations.

These concern the disappearance of invoices and recovery of property, believed to be in Mpumalanga and Western Cape guest houses, which officials suspect were bought with stolen money.

Ginindza, Maropeng and other officials, who all belong to the ANC, also face disciplinary action by and expulsion from the organisation.

The commission has also recommended the dismissal of Ginindza for failure to ensure that financial controls were in place in the legislature's administration, over which he had ultimate authority.

If he were not fired, Ginindza should be suspended until a full forensic audit had been performed, the report said. The Maropeng scandal was the biggest in Mpumalanga since the restructuring of the now defunct Mpumalanga Development Corporation and a R200-million housing project.

► 'Rude and arrogant'

Mpumalanga speaker, deputy get the sack

Kevin O'Grady

THE African National Congress (ANC) in Mpumalanga sacked the province's speaker and deputy speaker yesterday in line with the recommendations of a commission of inquiry to probe the corruption-plagued assembly

The dismissal of speaker Ehas Ginindza and his deputy Cynthia Maropeng comes two days after the commission delivered its report to premier Mathews Phosa. The commission found that most of R1m stolen from a legislature bank account ended up in Maropeng's personal account and that R190 000 of it was used to buy a house registered in her name. She also practised extensive nepotism.

ANC provincial spokesman Jackson Mthembu said a special meeting of the party's provincial executive committee decided to fire Ginindza as speaker but to keep him on as an ordinary member of the legislature.

Ginindza would be immediately replaced as speaker by William Lubisi, an Mpumalanga representative in the national council of provinces.

Maropeng was fired as deputy speaker, to be replaced by legislature member TR Mabena, and was also dismissed as a member of the legislature. Her future membership of the ANC, from which she was suspended when the commission was appointed, would be decided by an ANC disciplinary committee, Mthembu said.

Sapa reports the legislature's finance director, Jomo Sibozza, administration director Wilson Ngwenya — who the commission recommended face criminal charges for the theft along with Maropeng — and former legislature secretary MA Mahlangu were suspended from the legislature.

Mthembu said the ANC asked the legislature's acting secretary to lay criminal charges against them and take action to freeze their bank accounts and attach their property pending court action to recover the money.

The acting secretary should also team up with the auditor-general to conduct a forensic audit going back to the legislature's 1994 inception to uncover any other irregularities.

BD 1017198 (2668)

Unit to investigate malpractice in Mpumalanga legislature

Justice Minister Dullah Omar has tasked the Health special investigative unit to investigate allegations of malpractice and maladministration in Mpumalanga's legislature

The announcement in a statement yesterday comes after the recent dismissal of Mpumalanga deputy speaker Cynthia Maropeng on charges of corruption. She was relieved

of her duties last week. Omar's spokesman Paul Setsetse said the unit, headed by Judge Willem Health, had started its work and was busy collecting information that would assist the investigation. The unit would refer civil disputes emanating from its investigations to a special tribunal, the statement said. The unit is to investigate

- The purchase of goods by the legislature, without following the proper procedures and their appropriation for the personal advantage of MPs.
- MPs' personal use of equipment belonging to the state.
- MPs hiring vehicles and using government vehicles
- Irregular appointments.
- Irregular payments made to MPs by the provincial

administration

- The theft of about R1,1-million by members of the legislature

All these issues relate to the Maropeng case, which was investigated by the Ngobeni commission of inquiry.

Referring to investigations into the affairs of the state attorney and registrar in Umhlatsha in the former Transkei, Set-

setse said the unit would investigate the irregular contracting out of work to attorneys, as well as the irregular briefing of counsel on behalf of the state attorney

The unit would also investigate the submission of inflated claims by the attorneys and advocates involved and the unauthorised or irregular payments made.

2666
Sraw 24/11/98

The place where thieves prosper

MHG 24-30/7/98 (266B)

Despite damning evidence of corruption in Mpumalanga, those responsible are still earning salaries, writes Justin Arenstein

Mpumalanga's reputation as the province where graft and ineptitude are rewarded was re-affirmed last week when the provincial legislature agreed to keep its disgraced speaker on as an ordinary member of legislature

Elias Ginindza will continue earning a salary of more than R16 250 a month at taxpayers' expense, despite blatantly lying about financial irregularities and corruption in the legislature

Most Mpumalanga workers earn R12 000 a year, according to the Central Statistical Services's most recent household survey report for the province

Ginindza was sacked as speaker of the house last week after the Ngobeni commission found he had repeatedly failed to act against subordinates implicated in the theft of state funds

He was also found to have ignored a series of warnings from the auditor general that widespread corruption was taking place and "washed his hands" of day to day management of the legislature

Compounding his past mismanagement, Ginindza repeatedly told the commission he knew nothing about the secret legislature account with Trust Bank from which his deputy, Cynthia Maropeng, allegedly stole more than R736 000

Tape recordings later revealed, however, that Ginindza had been fully aware of irregularities in the account, as well as the theft over a year ago of R162 000 from the account by the former legislature secretary, Alfred Mahlangu.

Accusing the commission of badgering him, Ginindza continued to refuse responsibility for the lack of control and managed to delay the official announcement of his dismissal in the legislature by more than two hours. When the house reconvened, it was to announce that he would be retained as an ordinary salaried member

But Ginindza is not alone. Two of the province's most controversial Cabinet members were also allowed quietly to become ordinary members of the legislature after they were implicated in corruption, nepotism and fraud scandals

The province's environmental affairs MEC, David Mkhwanazi, was allowed to resign and become a fully salaried backbencher in April after a special report by the auditor general confirmed almost two years of media reports on irregularities and fraud in his department.

Mkhwanazi, known as the "God father" in Mpumalanga, has been dogged by controversy since the provincial government took office in 1994. He calmly weathered media exposés about jaunts to Disney World

at state expense, his endorsement of the secret multi billion rand Dolphin deal, repeated financial or tender irregularities, and even the confirmation that he had employed his wife, daughter, sister in law and cousin in his department.

The damning auditor general special report on the Mpumalanga Parks Board and a looming report on his own office, however, finally prompted Mkhwanazi to resign without any forewarning at his 1998 budget speech

Mpumalanga's former safety and security MEC, Steve Mabona, is also on the backbenches at an MPL's salary. Mabona was allowed to resign from the Cabinet by Premier Mathews Phosa last year just hours before the public release of the scathing Moldenhauer commission report on fraudulent driver's licences

The report found Mabona had blatantly lied to the commission about his role in issuing fake learner's and driver's licences to the national deputy speaker, Baleka Mbete Kgositsile, and added that he had actively attempted to cover up the issue

Chief magistrate Heinrich Moldenhauer added that Mabona had also failed to exercise financial or other control over his department, had failed to act against corruption when it was exposed and had persecuted whistleblowers

He was also found to have misused state funds for expensive plane and vehicle trips, luxurious hotels, food, clothes and various other "perks". Instead of being ordered to

repay the losses, he has since attracted the ire of opposition politicians who point out that he spends more time at his Houghton house in Gauteng than on his backbench

It's not just politicians who get away with siphoning tax money in Mpumalanga. Ntsoaki Mohapi, the eloquent business partner of dodgy consultant Eu



Laughing all the way to the bank: Mpumalanga's disgraced provincial legislature speaker, Elias Ginindza. PHOTO: STEVE HILTON-BARBER

gene Nyati, has still not paid back her R200 000 portion of the R15 000-a-day fee she charged three years ago to teach the province fiscal efficiency

A commission of inquiry found at the time that her fees were grossly inflated, that she was hopelessly unqualified for the job and that she had not actually worked all the hours she claimed. Both Mohapi and Nyati were ordered to repay immediately the almost R1 million they transferred to Nyati's personal bank account, or face criminal fraud charges

Mohapi simply ignored the order and instead bought a house with the money. She has since also refused to testify about her actions before the province's portfolio committee on public accounts

Provincial representative Oupa Pilane conceded that Mohapi still owed money more than three years after the public had been reassured that the scandal was resolved. He insisted, however, that there were both criminal and civil cases against her

"The Mpumalanga Development Corporation is suing her to get our money back and there are charges against her as well. The issue is out of our hands," he said.

The corporation's chair, Dr Joop de Leoor, refuted this, saying he had never heard of Mohapi and had no knowledge of any legal steps against her. He refused, through his secretary, to comment further

Mpumalanga police representative Sergeant Leonard Hlathi confirmed no charges had ever been lodged with police and insisted no investigation was being conducted by police fraud or commercial crime units. "We all heard that we were supposed to be investigating her, but that was unofficially in the news and never from the complainants or the government," Hlathi said.

Another high flyer who managed to walk away with more than R300 000 and a promise from the province not to air his dirty laundry in public was the

Mpumalanga Development Corporation's former chief executive, Patrick Mogorosi.

Mogorosi was slated in an independent Coopers & Lybrand audit for using 41% of the corporation's furniture budget to equip his office with a large-screen television, an expensive music centre, satellite dish and multi media computer for "training purposes"

The report also found he had fraudulently used corporation funds to buy expensive suits while on irregular trips to the United States, had double claimed on travel expenses for his corporation issue Saab convertible and had forced staff to change audit reports of his activities

Ignoring Coopers & Lybrand's advice that there were grounds for possible criminal charges, Mpumalanga agreed in a series of confidential meetings to allow Mogorosi to resign with a R300 000 golden handshake package and never to talk about the deal again

Phosa repeatedly said in public statements after each scandal that charges would be laid and money recovered. He went as far as saying that the Heath special investigative unit would be requested to extract all losses from those involved

The unit's Mpumalanga manager, Jonathan Dutton, said the only official request received from Phosa or the province to date was an appeal to recover the R736 000 believed to have been embezzled by Maropeng

"We are looking into the Mogorosi and Mabona cases on the request of the auditor general and other concerned parties, and hope to have presidential proclamations to claim money back by the end of this week," said Dutton

"We've received all the co-operation we could hope for and are very happy with the assistance Phosa's office has been giving us. In fact, we've set up an operation structure in Phosa's office to speed proclamations."

— African Eye News Service

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MORTIMER HANREY/AGENCE

Crackdown will flush out fraudsters

Special unit empowered to flush out fraudsters

By MIRE FARRI FAYLOR



CRACKING WHIP . . . Justice Minister Dullah Omar (left) and Acting President Thabo Mbeki have authorised the Special Investigation Unit to probe serious allegations of corruption and maladministration in municipalities, a university, colleges and parastatals

THE GOVERNMENT has set up as the formidable powers of the elite East London-based Special Investigation Unit (SIU) were unleashed this month to combat rampant corruption in South Africa. Various State institutions and individual officials in the Eastern Cape, Mpumalanga, the Northern Province and Kwa-Zulu Natal are about to feel the sting of the country's most successful anti-corruption organisation as the SIU homes in on them.

This follows a July 15 proclamation in the *Government Gazette* which authorises the SIU to probe serious allegations of corruption and maladministration in municipalities, a university, colleges and parastatals. Millions of rands in state assets, funds and property are involved and adds to the 90 000 cases representing R6.2 billion - under investigation by the 60-person unit.

The deputy head of the unit, Advocate Gerhard Visagie, confirmed the latest batch of investigations and said: "The unit and its predecessor - the Health Commission - has recovered or safeguarded R8 billion of State assets and funds since its inception. He said the safeguarding had been undertaken by interdicts to prevent the loss of state assets, property and money.

In the firing line are the Eastern Cape Development Agency, the Transkei Development Corporation, the Ciskei People's Development Bank, the University of Venda, the Western Cape College of Education, the Mpumalanga Development Corporation and 16 Eastern Cape municipalities. The proclamation was signed by Acting President

Thabo Mbeki and Justice Minister Dullah Omar. The SIU, headed by East Cape Judge Willem Heath, was established in terms of the Special Investigation Unit and Special Tribunals Act No 74 of 1996 by President Mandela and is empowered to probe allegations of corruption retroactive to 1976.

The unit now operates nationwide and has opened another office in Umhata as well as functioning from provincial centres when conducting investigations. Personal assistant to Judge Heath, Guy Rich said: "This modus operandi allows easy access to officials and the various departments or organisations."

The Mpumalanga Development Corporation (MDDC) is to be probed for alleged unlawful, unauthorised and irregular payments made to former managing director, Patrick Mogorosi. The MDDC will also be placed under scrutiny for "insufficient administrative and accounting procedures to exercise financial control and control of assets and non-compliance with statutory provisions".

Allegations of the awarding of unlawful, unauthorised or irregular contracts as well as the loss of State funds through theft and fraud will also come under investigation. The unit will investigate the University of Venda for allegations of misconduct by its vice-chancellor over appointments and promotions of persons contrary to the interests of the university as well as the unauthorised use of a credit card.

The Border Training Centre (Eastern Cape) will be probed over the alleged theft and misuse of vehicles, the approval of 100 percent increases in meeting allowance payments to members of the Board of Trustees of BTRC, and eight other allegations of corruption and financial mismanagement.

The Western Cape College of Education will have to explain allegations of unlawful payments of salaries to employees and the removal of computers and stationery from the college for private use.

The Eastern Cape Development Agency and four affiliate organisations will be scrutinised over allegations ranging from entering into irregular contracts to unauthorised loans being made to board members, employees, relatives and friends. The local authorities of Bedford, Cala, Despatch and Ingobo will be taken to task over allegations of the payment of allowances to councillors that contravene laws and directives. Cofimvaba's TLC will have to come up with a reason why it used several bank accounts in different towns and failed to disclose these accounts to the auditors.

Hamburg will be targeted over the alleged misappropriation of funds by councillors and employees for the payment of survey and legal costs to private individuals.

The King William's Town TLC allegedly engaged in the unauthorised and irregular creation of top posts for employees and the conclusion of contracts contrary to the public interest. Allegations that the TLC made unauthorised and irregular transport allowances to employees will also be investigated. Of the 16 Eastern Cape local authorities 12 are cited for their failure to collect rates and taxes - ECN Weekend Service

Probe into corruption ordered

(S117) (265B) CT 29/7/98

PRETORIA: President Nelson Mandela has ordered a probe into extensive claims of corruption and maladministration since 1986 in at least 16 government institutions in three provinces.

According to a presidential proclamation in the Government Gazette, the three provinces are the Eastern Cape, Mpumalanga and KwaZulu-Natal.

Mandela said he had referred the allegations to Judge William Heath's unit after consultation with the three premiers.

The allegations included serious maladministration, improper or unlawful conduct by state employees, unlawful expenditure or intentional or negligent loss of public money, and corruption.

In terms of yesterday's proclamation, the Heath unit should examine claims of such offences since January 11 1986.

It would focus on five departments in the Eastern Cape, three in KwaZulu-Natal and eight in Mpumalanga.

Eleven alleged offences in the Eastern Cape education department were listed in the proclamation. They included the appointment of officials in return for favours or payment, irregular overpayment of some officials, irregular supply of textbooks and the theft or loss of cheques.

Similar offences allegedly occurred in the Eastern Cape's public debt commission and the departments of health and welfare,

public works and water affairs.

Mpumalanga institutions mentioned included the provincial legislature and the departments of education, agriculture, inland revenue, safety and security, public works, and roads and transport.

Alleged offences in these departments included the irregular use of state vehicles, unauthorised claims for subsistence allowances and unlawful payments for goods not delivered or for services not rendered.

The Heath unit would also investigate the unlawful, unauthorised or irregular use of state or public land in Mpumalanga by the department of home affairs of the former KaNgwana homeland government.

In KwaZulu-Natal, the departments of education, local government, housing and transport would come under scrutiny.

The transport department was allegedly connected to a settlement of about R41 000 paid to one of its officials after he was involved in a car accident.

Allegations with regard to the two other departments included the unlawful or unauthorised use of state vehicle credit cards, irregular granting of applications under the housing subsidies scheme and the theft of state vehicles.

Civil disputes arising from the Heath investigation would be handled by a special tribunal set up last year, Mandela said in the proclamation. — Sapa

Maropeng, three colleagues in court for fraud

Kevin O'Grady

THE former deputy speaker in the Mpumalanga legislature, Cynthia Maropeng, and three colleagues had been arrested on charges of fraud involving almost R1m, the SA Police Service confirmed yesterday.

Acting provincial police commissioner Denn Alberts said Maropeng, legislature finance director Jomo Sibozza and administration head Wilson Ngwenya had been arrested in Nelspruit last Friday by the Middelburg-based commercial crime unit.

They appeared in the Nel-

spruit regional court in connection with nine cases of fraud involving R967 000 and were granted R5 000 bail. The case was postponed to August 20.

A fourth suspect, former legislature secretary Alfred Mahlangu, handed himself over to investigators on Monday. He is to appear in court today.

The officials were recently the subject of a scathing report by a commission appointed by Mpumalanga premier Mathews Phosa to probe allegations that Maropeng enriched herself at taxpayers' expense.

The commission, headed by magistrate David Ngobeni, rec-

ommended they be fired and face criminal charges in connection with the alleged theft of almost R1m, intended as constituency funds for the African National Congress, from a legislature bank account.

Maropeng was fired two weeks ago after the commission's finding that she irregularly transferred R736 000 to her personal bank accounts and used some of the money to buy a house. Sibozza and Ngwenya were suspended from the legislature, also because of commission findings.

The three had told the commission the money was used to

pay consultants Phumelela T&T for three special projects run from Maropeng's office. However, the commission found during its probe that the signature on two of four invoices from the company had died before they were sent.

The commission also heard that Mahlangu confessed to Maropeng and speaker Elias Ginnndza last year that he had stolen R62 000 from the legislature account, and they failed to report him to the police.

Ginnndza was fired as speaker, as the commission recommended, but remained a member of the provincial legislature

Mandela orders corruption probe in three provinces

~~(266B)~~ ~~(266B)~~ (266B)
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Civil disputes arising from the Heath investigation would be handled by a special tribunal which was set up last year, Mandela said in the proclamation. — Sapa.

BD 29/7/98

ANC finds Maropeng guilty of self-enrichment

News 15/8/98

(2668)

Nelspruit — Sacked Mpumalanga deputy speaker Cynthia Maropeng was found guilty of self-enrichment and of bringing the ANC into disrepute yesterday by the party's provincial disciplinary committee.

The committee, headed by provincial finance MEC Jacques Modipane, tried Maropeng in her absence after she kept it waiting for two-and-a-half hours. Her attorney Moflets Molefe, eventually sent a telephonic message that Maropeng was not attending the proceedings.

The committee said the ANC had attempted everything in its power to give her a fair hearing, but had been forced to cancel two previous hearings because Maropeng refused to testify.

Modipane said "We waited over two hours today and had no choice but to proceed or we would have failed our mandate. The charges are very grave. We found her guilty of abusing her position of trust and enriching her-

self, as well as embarrassing the ANC."

Maropeng was formally charged with self-enrichment last month after the Ngobeni Commission found that she had embezzled at least R700 000 from a secret legislature bank account and had used her political position to favour friends and associates.

The ANC has already sacked Maropeng from the legislature, suspended her from the ANC and banned her from party activities.

Modipane said the disciplinary committee would deliberate Maropeng's political fate over the next week and would deliver its recommended disciplinary action to the provincial executive committee by August 21.

ANC prosecutor Mohammed Bhabha said the committee had been surprised at Maropeng's fears of an unfair hearing and rejected her view that the proceedings had been *sub judice*.

Maropeng told the media on Thursday that any internal ANC hearing would violate *sub*

judice laws because she had already appeared in the Nelspruit Magistrate's Court on nine fraud charges and one charge of theft.

"It's true that the ANC charges and the criminal case stem from the same incident, but the charges are very different and our proceedings are internal and could in no way affect the court's findings," said Bhabha.

The hearing had relied heavily on the Ngobeni Commission findings, but the ANC had also conducted its own investigation and presented evidence to the committee.

ANC provincial spokesperson and transport MEC Jackson Mthembu emphasised that the ANC had a precedent for hearing cases in their absence. Bantu Holomisa stormed out of his hearing two years ago.

Maropeng was unavailable for comment, but Molefe said the findings had been a foregone conclusion and that he expected the committee to recommend Maropeng be expelled from the party — Sapa

Maropeng faces more charges of corruption

Sacked deputy speaker of Mpumalanga and four others are expected to appear in court soon

By JUSTIN ARENSTEIN
Nelspruit

Police are preparing to charge Mpumalanga's sacked deputy speaker, Cynthia Maropeng, in a series of additional corruption cases unrelated to her alleged theft of R736 000 from a secret legislature bank account.

The new cases include a number of alleged financial and tender irregularities

that were highlighted in the Ngobeni commission of inquiry's report on corruption in the legislature.

Police investigation head, Superintendent Godfrey Lebey, confirmed that his probe into Maropeng's management of a secret Trust Bank account and alleged payment for a series of mysterious special projects would be completed within two weeks.

Lebey took statements from a number of unnamed parliamentarians in Cape Town but declined to say whether they would be subpoenaed to testify against Maropeng.

Maropeng was sacked from the legislature after the Ngobeni commission found that she misdirected over R736 000 from the Trust Bank account into two of her own bank accounts on the pretext of paying for a series of projects.

Commission chairperson and Nelspruit senior magistrate, David Ngoben, pointed out that the person who supposedly invoiced Maropeng for the projects had died four months before the final two invoices were issued.

Maropeng and two alleged accomplices, legislature finance director Jomo Sibozza and administration head Wilson Ngwenya, were arrested for the incident and appeared briefly in court on nine charges of fraud and one theft charge two weeks ago.

(2110) / SAN S / 8 / 98

The commission found that they had channelled an additional R300 000 into their own personal bank accounts with Maropeng's knowledge.

The legislature's former secretary, Alfred Mahlangu, was also arrested on related theft charges.

All four suspects will appear in court for trial on August 20.

Police said that state prosecutors would request a postponement at the court appearance but stressed that the case was expected to be concluded quickly once trial began.

Attorney-General Jan D'Oliveira's office also appointed Advocate Ben Latagan to co-ordinate the drafting of charge sheets and possible new dockets.

African Eye News Service

Heath unit orders former MEC to repay R52 700

RD 19/8/98 (2660)

NELSPRUIT — Former Mpumalanga safety and security MEC Steve Mabona has been given 15 days to repay R52 700 to the province or he will be summonsed to appear before the Heath investigative unit's special tribunal.

Investigation manager Jonathan Dutton told African Eye News Service yesterday that Mabona owed the money to Mpumalanga after irregularly approving repairs to a rented vehicle that his driver crashed last year.

Mabona, who was still an MEC at the time, personally signed for the car and was therefore legally responsible for all damages to it, said Dutton.

"The state erroneously paid for the damages," said Dutton.

The tribunal, which consists of three judges, has the same powers as a high court in civil matters and is authorised to seize Mabona's personal assets to cover state losses if he is unable to pay.

Dutton's team has also served a similar regulation 7 notice on provincial service commissioner Perm Ngwenya after she reportedly allowed her husband to drive a vehicle she hired with state funds, which he crashed.

Ngwenya reportedly allowed the state to pay for the R52 000

damages to the car, despite being aware that she was personally liable because her husband, Veli Mtshali, is not a state official.

Other regulation 7 notices issued in the past week include a demand for R74 000 from the former provincial chief director of safety and security, Sello Mahlangu, after he allegedly hired a car without the necessary approval.

Dutton said the unit's investigation into four farms granted to SA's ambassador to Mozambique, Mangisi Zitha, and three other former KaNgwane politicians, was also close to completion.

The farms were sold to Zitha, MP Simon Ripinga, member of Mpumalanga's house of traditional leaders Tikhontele Dlamini, and the deceased chairman of the SA National Parks Board, Enos Mabuza, for about R6 000 each.

The auditor-general said in a report in 1994 that the sales were not advertised, the land had not been put out to public tender, and tender procedures were ignored when the deal was authorised.

Zitha, Dlamini and Ripinga were all serving politicians in the former KaNgwane homeland cabinet at the time, while Mabuza had just resigned as chief minister — Sapa.

MEC's wife confirms lies were told about her job

By JUSTIN ARENSTEIN
Nelspruit

The wife of Mpumalanga's finance MEC, Jacques Modipane, confirmed at the weekend that her husband lied to the media when he insisted that she had never worked for the Government.

Modipane repeatedly said in October that his wife Pinky had never been employed or otherwise worked for the provinces scandal-plagued department of environmental affairs.

He threatened to sue African Eye News Service for reporting that she was one of many close relatives of senior politicians employed by the department.

These included the wife, daughter, sister-in-law and cousin of the then environmental affairs MEC, David Mkhwanazi. Provincial director-general Frank Mbatha's wife was also employed in the department, as was Modipane's brother Kenny and legislature speaker Elias Gmindza's daughter.

Mkhwanazi was forced to resign because of the scandal in May and his replacement, Fish Mahlalela, promptly

fired 300 irregularly appointed staff immediately after taking up office.

Documents leaked to African Eye News Service indicate that Modipane's wife began working for environmental affairs as a senior tourism officer in June 1997. She worked for the department without a letter of appointment from the Provincial Service Commission (PSC)

Papers wrote about nepotism

until the scandal broke but finally received the letter on August 29, 1997.

"I had been working at the department on a timesheet basis and finally got my letter of appointment. But then all the papers started writing about nepotism and my husband ordered me to stay at home," she said.

"I was forced to just sit at home until they stopped mentioning us. I finally went back to work in September when I couldn't stand sitting at

home any more."

Stressing that her teaching diploma and three years of banking experience qualified her for her post in the department's tourism policy unit, Pinky Modipane confirmed that her salary was initially paid by the Mpumalanga Parks Board (MPB) as part of a controversial financial service.

A letter from Mkhwanazi ordering MPB chief executive, Alan Gray, to pay Modipane R14 700 in back-pay confirms her statement. The order allegedly followed an attempt by the department to have the MPB pay Modipane R28 000. MPB officials pointed out the claim was unsubstantiated and refused to pay.

A salary advice slip dated March 1998 confirms that the MPB finally paid her about half the original claim.

MEC Modipane initially claimed he did not remember denying that his wife worked for the department but finally insisted on Friday night that he made the denial just before she received her PSC appointment letter. "That means that I was technically correct."

- African Eye News

SAW 1/9/98 (2660)

De Lille's private bill turned down

Linda Ensor ~~(266A)~~ (266B) ^{BB 2/9/98} folio committee for consideration.

CAPE TOWN — A private member's bill by Pan African Congress (PAC) MP Patricia de Lille calling for a change in provincial boundaries, so that Bushbuckridge could be transferred from Northern Province to Mpumalanga, was turned down by the National Assembly yesterday.

The National Party, Democratic Party and Freedom Front, while not necessarily supporting the contents of the bill, voted against a report submitted by the African National Congress-dominated private member's committee that the bill not proceed to a port-

In terms of existing rules of Parliament, the committee recommends to the National Assembly whether a bill should be accepted or rejected, in principle, for further consideration.

It was the first time the rules had been applied in this way to a private member's bill.

The three opposition parties believed Parliament should give private members the democratic right to have their proposed bills debated.

ANC MPs denounced the PAC for exploiting popular issues in pursuit of votes, saying Bushbuckridge would be dealt with holistically.

Official in corruption probe 'was delusional'

88/9/98
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(266B)

BY LEONARD NDZHUKULA
AND JUSTIN ARENSTEIN

An Mpumalanga government official who unilaterally promoted himself and then authorised cheques worth more than R300 000 was "mentally disturbed" and "delusional" at the time, his former boss told a legislature committee yesterday.

The former environmental MEC David Mkhwanazi, who resigned amid allegations of corruption in April, told the public accounts portfolio committee probing corruption in his former department that Jerry Mthethwa had suffered a bad car accident before he went on the cheque-signing spree.

At the time, Mthethwa was officially only an assistant director but he signed cheques to the value of R309 137 as departmental chief director, finance director and head of department. He paid himself more than R16 000 during this period.

Mkhwanazi told the committee under cross-examination that Mthethwa's apparent delusional behaviour could have been due to the car accident.

"The moment we realised he was unbalanced, we transferred him to our budgetary planning division to minimise his responsibilities," said Mkhwanazi.

When he appeared before the committee yesterday, Mthethwa was unable to explain why he paid himself a R13 750 cash cheque and was also unable to supply the committee with receipts substantiating an additional R2 500 travel advance he had claimed from the Mpumalanga Parks Board.

Mthethwa said "I was in reality the head of the finance section and the departments accounting officer. I was told so verbally by my political head."

The committee yesterday ordered police to arrest Jabu Mahlono after he ignored a summons to testify before it.

Mahlono, the environmental affairs department's former head, had been recalled to explain why he irregularly advanced himself R19 153 just before he was fired on possible corruption charges last year. The committee also wants him to explain the unauthorised payment of more than R19 million to ghost employees.

The committee yesterday also grilled Mpumalanga Parks Board's chief executive Alan Gray on a R45 000 payment to ANC Youth League provincial secretary James Nkambule.

African Eye News Service

The new ghostbuster

On the block is Phosa

By ZB MOLEFE

MPUMALANGA premier Mathews Phosa is on the warpath over corruption and financial mismanagement in his administration

This is the no-nonsense message he will be talking to the National Anti-Corruption Conference in Cape Town on Thursday

Phosa spelt out his anti-corruption stance on Thursday this week at an economic development seminar where he nailed his colours to the mast of Judge Willem Heath and his Special Investigating Unit

The following day Phosa invited the worldwide anti-corruption NGO watchdog Transparency International, to a closed session with members of his provincial cabinet and heads of department "to devise new strategies to wage war on corruption"

Those attending included members of the Health Special Investigating Unit, the office of the Public Protector and the National Public Service Commission

Later at a press conference, Phosa emphasised the need to encourage citizens to expose corruption.

"Consensus was reached that we should encourage the exposure of corrupt officials and even offer a reward for those who blow the whistle on corrupt officials," Phosa said

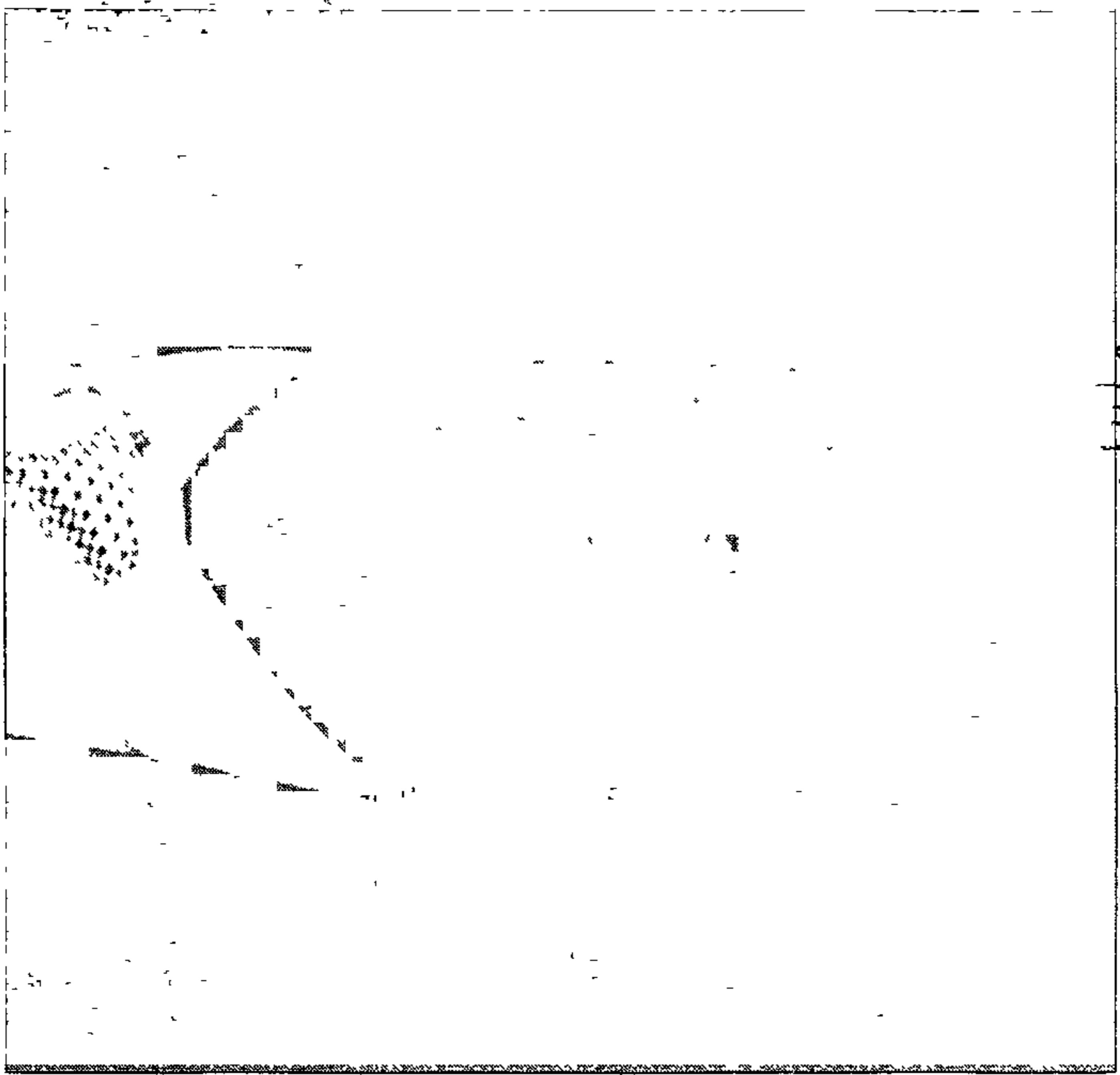
He told the press conference that among the initiatives discussed at the closed meeting was the possibility of setting up a toll-free line for members of the public to report corrupt officials

Phosa also announced the completion of a nine-month project to identify and root out "ghost workers" in his provincial administration

The project has already identified 440 "ghost workers" said Phosa, and as a result, another batch of 560 was discovered.

This means Mpumalanga will save R50 million a year.

"I am convinced Mpumalanga's 'ghost workers' are dead and buried. Where possible, money will be recovered. Let it be known that there is a new kind of ghostbuster on the block," said Phosa



AGAINST CORRUPTION... Mathews Phosa is on a crusade against maladministration

Heath finally gets nod to probe graft

Mpumalanga departments and parks board in the spotlight following bureaucratic delay

By JUSTIN ARENSTEIN
Nelspruit

Judge Willem Heath's special investigative unit has finally been mandated to investigate corruption and maladministration in four Mpumalanga departments after bureaucratic bungling caused a 79-day delay

Administrative slip-ups forced the Department of Justice to redraft the unit's presidential proclamation at least once after Judge Heath originally applied for permission to probe four Mpumalanga departments on August 19.

The proclamation was finally approved by both President Nelson Mandela and Justice Minister Dullah Omar and published in the *Government Gazette* on Wednesday

It mandates Heath to



A mandate at last ... Judge Willem Heath

begin in-depth investigations into a series of irregularities in Mpumalanga's health, finance and public works departments as well as its embattled parks board.

The new probe in the finance department focuses on illegal contracts to as yet unnamed service providers who submitted fraudulent

quotations to the provincial tender board.

A number of other service providers allegedly submitted inflated invoices for legitimate contracts.

Heath has also been mandated to begin recovering state funds embezzled by an estimated 32 public works and traffic department officials.

Six of the officials were suspended this week in a pre-emptive strike by Public Works MEC Jackson Mthembu.

The officials allegedly convinced relatives to set up front companies, which they then contracted to do imaginary government work.

A series of payments to women's societies by the health department will also be probed, following evidence that some of the funds were deposited into private bank accounts. - African Eye News Service

(2666) (266)

PS- LOCAL AUTHORITIES - MPUMALANGA
1999

ANC 'ordered MECs' return'

DD 28/1/99

(266B)

Kevin O'Grady

MPUMALANGA premier Mathews Phosa yesterday reinstated two MECs who left the provincial cabinet under a cloud last year, apparently under instructions from the African National Congress's (ANC's) head office

This is the second time a provincial premier, whose prerogative it is in terms of the constitution to hire and fire members of the executive, has been instructed to reinstate a fired MEC

In June last year Northern Province premier Ngoako Ramatlhodi was told by ANC deputy president Jacob Zuma to reappoint sacked education MEC Aaron Motsoaledi

Phosa, without giving reasons, said yesterday he had reshuffled his cabinet, bringing back former finance MEC Jacques Modipane and former environmental affairs and tourism MEC Fish Mahlalela. Modipane, who resigned in October over his role in the issuing of three illegal promissory notes by Mpumalanga Parks Board CEO Alan Gray, which pledged provincial parks and assets as security for a huge offshore loan, was given the safety and security portfolio

Mahlalela, who was fired last month for defying Phosa's instructions not to reinstate two suspended parks board direc-



Mathews Phosa ... about-turn

tors, will take charge of sports, arts, recreation and culture

Phosa's about-turn follows the provincial ANC's announcement on Tuesday that it was lifting its suspension of Modipane and Mahlalela's predecessor, David Mkhwanazi

Provincial ANC spokesman Jackson Mthembu said this was because no evidence of wrongdoing could be found

Sources close to Phosa said he was acting on an instruction from a subcommittee of the ANC's national executive committee, which was investigating allegations of misconduct against the ANC's provincial leaders. The ANC's lifting of the suspension of Mkhwanazi and Modipane was the result of a similar order

"The premier is not very happy about this development but has little choice but to comply," one source said

It appeared that Modipane and Mahlalela had managed to convince the ANC subcommittee that they had been unfairly hounded out of the cabinet and a decision had been taken that they should be reinstated

However, national ANC spokesman Thabo Masebe denied the ANC's head office had interfered. "It was Phosa's decision to reappoint them in the positions he did. He took the decision as premier of the province," Masebe said

Phosa said he was moving safety and security MEC Luckson Mathebula to the environmental affairs and tourism portfolio. Lassy Chiwayo, who has been acting as finance MEC since Modipane's resignation, was given a permanent appointment to the position

Phosa garden: Gray faces more charges

(Abbo)

Claims concerning irregular landscaping payments swell complaints to 116

By JUSTIN ARENSTEIN
Nelspruit

Suspended Mpumalanga Parks Board (MPB) chief Alan Gray has been served with three new misconduct charges for allegedly paying private contractors to landscape Premier Mathews Phosa's garden.

The new charges were served on Gray at about 1pm yesterday after his attorney, Pieter Swanepoel, surrendered documentary evidence detailing the landscaping contracts.

Gray now faces a total of 116 disciplinary charges, ranging from allegations that he used state funds to bankroll the ANC and its leaders, to accusations that he secretly awarded lucrative contracts to his own companies.

MPB chairperson Francis Legodi said all the charges were based on documentary evidence.

The latest charges follow allegations by Gray earlier this week that the MPB was trying to protect Phosa and had focused its investigations on financial aid only to ANC leaders opposed to the premier.

Gray complained in a press statement on Wednesday that 28 of the charges against him were based on financial assist-

ance to Phosa's most outspoken critic, Mpumalanga ANC Youth League secretary James Nkam-bule.

Gray said the MPB had also helped to channel R1,3-million for work at Phosa's official residence. The work included more than R835 000 paid for a controversial 4m security wall around Phosa's house, R400 000 for an electric fence, R109 000 for landscaping work, R13 800 for rainwater tanks and R14 600 for a garden irrigation system.

Both Judge Willem Heath's special investigating unit and Legodi's investigators swooped on Gray's attorney immediately to request proof of the expenditure.

"We never charged him before because we never had any proof about the contracts. But Gray has generously given us copies of various invoices and other documents now, so we have charged him," said Legodi.

The new charges concentrate on only a portion of the expenditure, totalling R328 400, paid to Path Construction, Lowveld Garden Services and a Mr A Milazi.

Gray has another 10 days to answer the new charges before he is summoned to explain his conduct before an independent disciplinary hearing. - African Eye News Service

Sorry, but still no volkstaat - Phosa

M PUMALANGA Premier Mathews Phosa denied yesterday that the Government was playing games with Afrikaners seeking self-determination - but again ruled out the notion of a separate state for them

He said Deputy President Thabo Mbeki and the African National Congress fully supported efforts to address the fears of minorities

"There may have been many painful delays that have caused anger and irritation. For that we are sorry," Phosa told a Volkstaat Council conference on self-determination

But the right to self-determination should not be viewed as an absolute right. It should be seen as a local affair, enabling people to

govern themselves on matters relating to them

Phosa said the exercise of such autonomy should be based on negotiated arrangements, enabling people to protect their unique culture and identity without infringing on the integrity of the state. Self-government should not be intended to create a state within a state. In this context, this would be autonomy without secession

Phosa said the formation of a committee in Mpumalanga to focus on this issue in the province had the full backing of Mbeki and the ANC

"I would not have had the courage to go on with this committee if Mr Mbeki was not supporting what I was doing. We are working as a team"

The committee, to be managed by

Phosa's office and chaired by Freedom Front MPL Moolman Mentz, would also study the proposals on self-determination by the Volkstaat Council

"We are not playing games in our stated agenda of ensuring that minorities play their rightful role. It is not a gimmick, nor a trick of the ANC to specify the political right in our country"

Phosa said the Afrikaner community played a decisive role in ensuring the smooth transition from minority to majority government in 1994

"It is the duty of the ANC as government to ensure that we move steadily towards a situation where all South Africans feel safe in this new, inclusive democratic society," Phosa said - Sapa

(266 B)

199
Phosa

Staff costs too high — MEC V

The wage bill will consume 61,3% of spending in Mpumalanga in the coming year

Kevin O'Grady and Pule Molebeledi

STAFF costs continued to soar to unacceptably high levels at the expense of capital expenditure, Mpumalanga finance MEC Lassy Chiwayo said in his maiden budget speech in the provincial legislature yesterday.

Tabling a R5,992bn budget for the 1999/2000 financial year, Chiwayo also sounded a stern warning about the threat that criminals posed to the fiscus, disclosing that attempted fraud of about R50m took place in the province during the past five years.

Although the provincial government employed fewer staff now than in 1994, Chiwayo warned that "spending on personnel costs is replacing capital expenditure in the budget".

In the new financial year the wage bill would consume 61,3% of spending, compared with 56,8% in 1997/98. As a result, capital expenditure would slump to 4,8% from 8,3% in 1997/98. Other spending would drop from 19,59% of the to-

tal to 18,4%, Chiwayo said.

In social service departments, the ratio of staff costs to other expenses was "approaching untenable levels. The education department's salary bill had risen from 91,8% to 92,1% of its budget over the course of two financial years and health's from 58,6% to 61,1%.

"Whatever the province spends on additional staff costs without gaining equal increases in efficiency can be deemed to be inefficient (spending)," he said.

As with Finance Minister Trevor Manuel's national budget announced a day earlier, Chiwayo said social spending would account for the lion's share — R4,8bn or 80,1% — of the provincial budget.

Education would receive R2,671bn (44,03% compared with 44,6% in 1998/99), health would get R1,061bn (17,6% compared with 16,3%) and welfare R1,061bn (17,5% compared with 19%).

Despite pledges made by Chiwayo's predecessor, Jacques Modipane, when he tabled his 1998/99 budget that own revenue

collection would be improved, it will decline as a percentage of total revenue in the coming year.

Chiwayo said it would make up only 3,2%, or R190,4m, of Mpumalanga's funding needs, the remaining R5,8bn coming as a transfer from the national revenue account. Most own revenue would come from provincial property rights (R88m), followed by "monies not prescribed by law" (R42,6m) and interest and dividends (R20m).

The issue of the implementation of provincial taxation powers as suggested in the Katz commission's seventh report needed to be addressed urgently.

Chiwayo praised the education, health and environment departments for their efforts in turning around a potentially disastrous financial situation during the last financial year. After they were placed under treasury curatorship, education saved R2m on its budget vote while the other two departments managed to reduce their spending overruns to a combined R78,8m. Total overex-

penditure amounted to about 1% of the 1998/99 budget.

Meanwhile, KwaZulu-Natal finance MEC Peter Miller indicated yesterday he intended to maintain tight fiscal control after KwaZulu-Natal received the biggest budgetary allocation from central government in the budget on Wednesday.

Miller said 85% of the R18,7bn allocation would be spent on social services. The 85%/15% split between social and other spending would be finalised once provision for debt redemption had been made.

He said KwaZulu-Natal deserved the largest allocation because it was more populated, had more school-going children and more hospital beds than the other eight provinces.

Miller heaped praise on his provincial administration for turning its 1997/98 deficit around, saying "it was not a one-man show". He committed himself to maintaining tight control over expenditure and said "whoever might fill this position has to do the same".

Phosa's adviser gets

gets R600 000/Mon 22/2/99

Part of salary paid to Mpumalanga premier's speech writer is funded from Gencor donation (266B)

By JUSTIN ARENSTEIN
Nelspruit

Revelations that Mpumalanga Premier Mathews Phosa pays his special adviser and speechwriter more than R600 000 a year have sparked an outcry from all three political parties in the province's legislature.

The New National Party said yesterday that Phosa's office had failed to explain or even consult on a R175 000 private sector donation towards adviser Pieter Rootman's salary. The Gencor donation formed part of Mpumalanga's appropriation adjustment budget, and is the only item budgeted for an individual instead of a department or specific project.

Unease about Rootman's salary was first raised by the province's multiparty finance portfolio committee, which reported to the legislature on Thursday that it was concerned at the absence of adequate controls to ensure that private companies did not buy patronage or favours with donations such as the one towards Rootman's salary.

"We have no problem with the private sector donating funds towards specific projects but we're opening ourselves for big problems when companies are allowed to underwrite specific people's salaries," said committee chairperson Jabu Mahlangu.

Mpumalanga treasury head Issy Lief confirmed that the province had already approved an annual salary of more than R450 000 for Rootman from normal state funds. In early 1998, Gencor later donated R175 000 specifically for Rootman, who also receives similar but as yet unquantified funding from the British government.

Finance committee member Chris McPherson said: "What we have to start asking at the end of the day is: Who are these people working for, the government or private companies? If companies pay salaries, can they ask those receiving the money for information or to perform specific tasks?"

The committee also expressed concern that significant foreign donations and other forms of funding were being channelled directly to provincial departments without the control or knowledge of the provincial finance department or treasury.

Committee member Veli Mahlangu said: "The danger is that all our control systems are bypassed and the treasury abdicates its public responsi-

'Nothing sinister in payments'

bilities. We need to have a firm grasp on all foreign funding so that we can account if anything goes wrong."

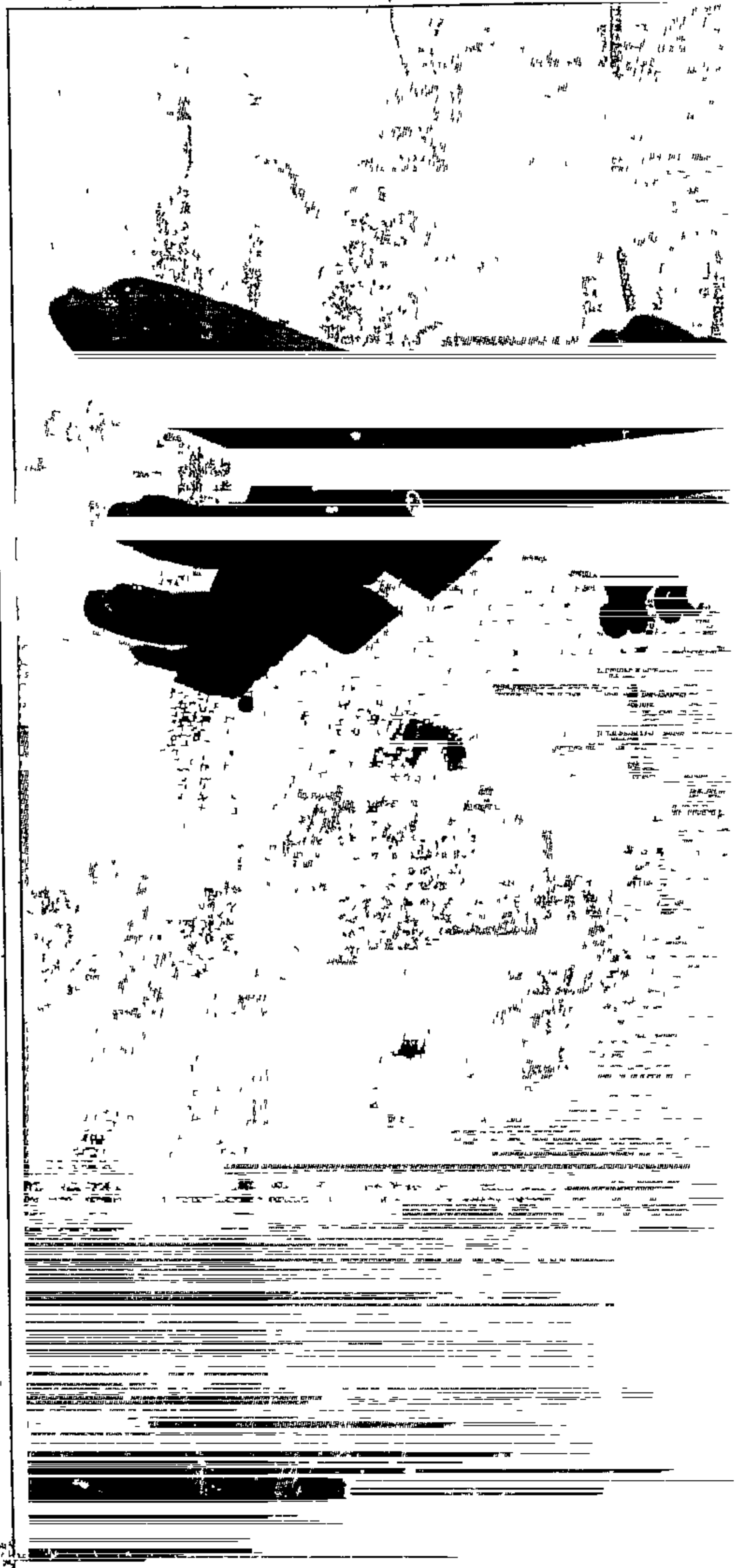
Phosa declined to comment on the issue, but his spokesperson Oupa Pilane insisted there was nothing wrong with private sector contributions to Rootman's salary.

"There is nothing sinister in the payments. Private sector secondments to government or donations for specific key salaries are accepted all over the world, and we therefore see nothing wrong with the practice," said Pilane.

Mahlangu ordered the finance department to immediately submit a report listing all foreign grants over the past year detailing exactly how and by whom the funds were spent.

- African Eye News Service

HEAVIES THUNDER IN



Unfriendly persuasion ... a group of people watch a B52 bomber - Nato's preparation for possible air attacks on Serbia.

Double blow for Phosa

(2660)

Sowetan 30/4/99

By Jimmy Seepe
Political Reporter

IN THE space of one week Mpumalanga Premier and African National Congress provincial chairman Mathews Phosa has twice been given news that has sent his political career into a tailspin.

Last week he learnt that he had been dropped as his party's choice for premier-ship of his region. Yesterday, in another shock announcement, the ANC said it would pull Phosa in to face a disciplinary hearing about his "autocratic behaviour" and the role he has allegedly played in stoking factionalism in the movement.

Phosa and several other ANC leaders will face disciplinary action after the release of a scathing report yesterday implicating them in internal disputes.

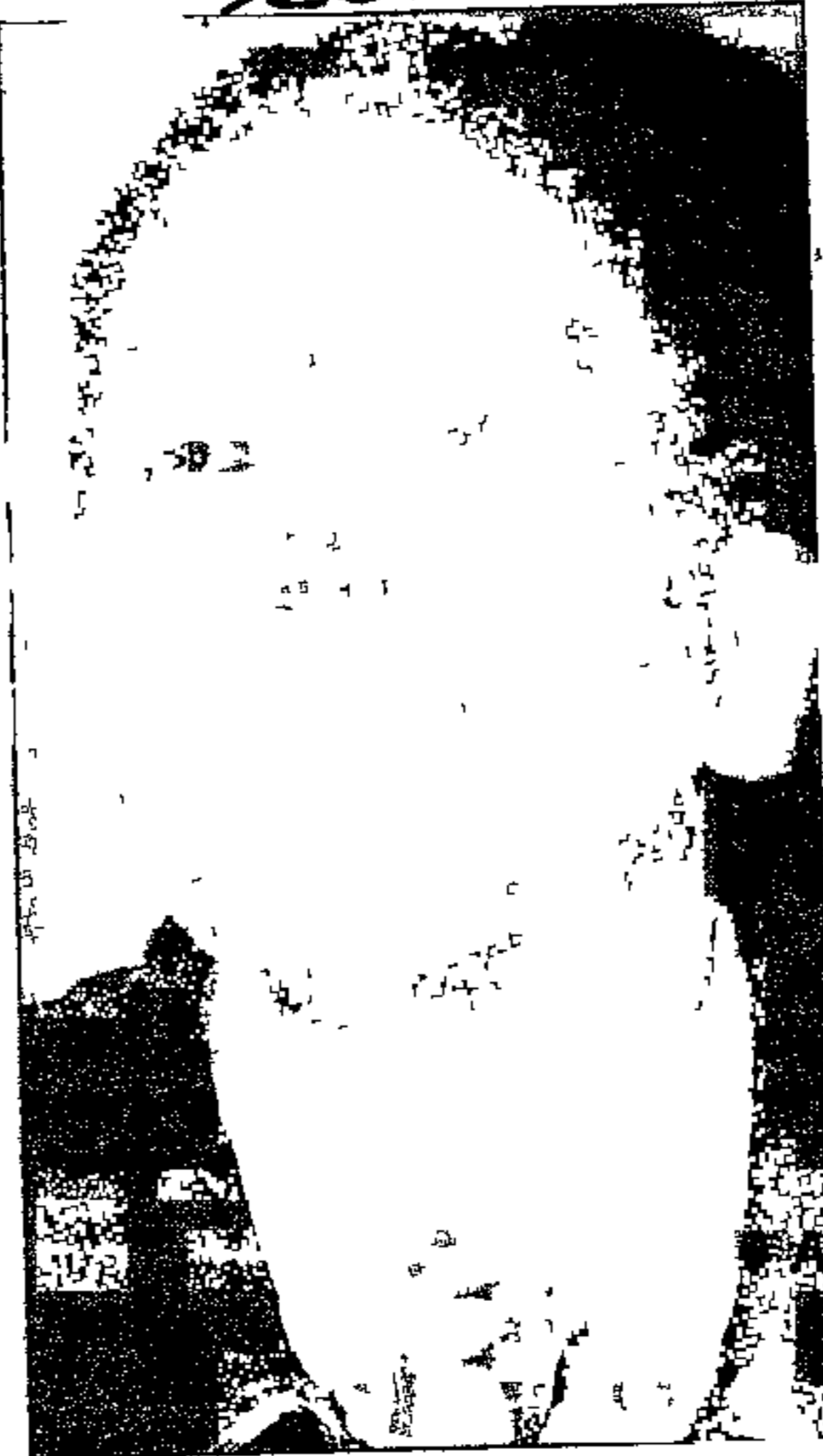
Phosa's future in the organisation now seems uncertain.

The ANC, which is currently finalising the provincial and national list, is expected to make radical changes to it, which could see Phosa and several leaders facing the chop or possible redeployment.

Some of the leaders even risk expulsion or suspension.

ANC disciplinary hearings, which have rarely been necessary in the past year, have in the past imposed severe penalties on controversial leaders in the movement.

ANC head of the presidency Mr Smuts Ngonyama released the findings of the



Mpumalanga premier Mathews Phosa faces an uncertain future within the ANC.

internal commission report which implicate Phosa in the province's leadership squabbles, claiming that he was central in instigating factional fighting.

Ngonyama said the commission found that there were factional groups in existence in the province at the centre of which was "Phosa, ANC Youth League provincial secretary James Nkambule and Che Masilela (the ANC's Mpumalanga deputy chairman)".

The disciplinary hearing is to be chaired by the committee head. Other members are Water Affairs Minister Kader Asmal, Labour Minister Shepherd Mdlalana, Correctional Services parliamentary committee chairwoman Limpho Hani and Public Service and Administration Minister Zola Skweyiya.

The hearing will be over before Monday when parties must have finalised their lists of election candidates.

Ngonyama said the party was not worried about the timing of the announcement – less than 30 days before the country's general election – as it wanted to demonstrate its commitment to a corruption-free movement.

The report also claimed that a group of journalists was used to fight factional battles in the province. It said Phosa roped in several journalists to try to fight for the deputy presidency of the organisation in the run-up to the party's Mafikeng national conference in 1997.

The report claimed that Phosa assembled a group of journalists to run a negative campaign against current deputy president

● **Continued on page 2**

Bomb scare, ballot paper shortage in Mpumalanga

Primarashni Pillay

NELSPRUIT — Mpumalanga's election day was marked by ballot sheet shortages, a bomb scare in Lydenburg, and fears that lack of electricity in some areas would affect the counting of votes

However, Independent Electoral Commission (IEC) provincial officer Steve Ngwenya said gas lamps would be provided

There were also fears that some people would not have voted by the 9pm deadline. However, Leon Mbangwa, deputy director of the provincial IEC, said at 7pm reports coming in indicated that polling stations in the area would close at the appointed time. "There is good progress and an average of 65% of people have voted," he said

Some voting stations opened late as they had not received ballot papers on time. At

some, such as the KaNyamazane Town Hall outside Nelspruit, people standing in the queue became irritated

The Kaapmuiden Primary School voting station ran out of ballot papers for the national vote. "I don't know what went wrong but more papers were brought from Malelane," presiding officer Martin Boshoff said

Ngwenya said 20 000 ballot papers were sent to Kriel and Ermelo in the East Vaal after they said that they expected a shortage. "At no point was it necessary to close these stations," he said

He also said that police investigations had revealed that the bomb scare was false

Ngwenya said that apart from the long queues, there were no problems in Middleburg and the former Kwandebele area

He said irregularities included two voters at an East Vaal voting station having differ-

ent names but the same identity numbers and in Groblersdal more people voted at a station than the number who registered

Democratic Party leader in the province, Clive Hatch, said it was disappointing to see long queues waiting to vote, but the turnout was good. "On the whole the elections have been pretty smooth"

The African National Congress's Mpumalanga legal co-ordinator for the election campaign, Mohammed Bhabha, said the elections "were less tense than 1994"

Federal Alliance leader Lucas Nel said the election process was "more fluid" than 1994's elections. Voting was slow at some polling stations, but overall "the process went well"

New National Party leader David Malatsi said that, apart from administrative bungles by the IEC, he was "satisfied"

(266B) BD 316199

Mpumalanga officials to face Heath tribunal

By Jimmy Seepe
Political Reporter

THE Heath special investigation unit is to serve summons on several Mpumalanga government employees, including a former MEC and a director-general, to appear before a special tribunal next week.

The unit told *Sowetan* yesterday that it has completed most of its investigations against a number of officials suspected of involvement in scams amounting to millions of rands.

One of the investigations involves the Mpumalanga Parks Board's alleged R340 million promissory notes scam.

A progress report compiled earlier this month details a number of individuals who will be summoned to a tribunal.

About 13 senior Mpumalanga government officials, including Parks Board official Mr J Modipane, former safety and security MEC Mr Steve Mabona and two former employees of the Department of Finance Mr J K Matshiane and a Mtsweni, are expected to face the tribunal.

Heath Commission spokesman Mr Guy Rich confirmed to *Sowetan* that the commission was about to issue the summonses - referred to as Rule 5 notices under the commission's Act - for appearance.

During the last few years Mpumalanga has been thrust into the national spotlight as a result of numerous scandals which rocked the province.

The province's outgoing Premier Mathews Phosa, who took action against those suspected of involvement in the scam, saw himself viewed with suspicion in subsequent months.

Some of the those suspected of the irregularities, such as Parks Board chairman Mr Alan Gray, started accusing Phosa of having benefited from the scam.

Gray accused Phosa of building a security wall using Parks Board finances, although this has still to be proved.

Leadership squabble

Phosa is expected to go to the National Assembly as an ANC MP after being implicated in a provincial leadership squabble that saw the intervention of the national ANC leadership.

A report compiled by the Heath Commission and made available to *Sowetan* said the unit was in the process of declaring the promissory notes invalid and obtaining an interdict to prevent their negotiation.

The report said an analysis of the signature of Mr Modipane, which was carried out by two independent experts, was complete.

But Rich said the outcome of the analysis would not be made public because of the

nature of the investigation and the fact that it forms part of the case that is to be presented to the tribunal.

Those expected to appear before the tribunal are

- Modipane - for the promissory notes alleged to have been signed by him,

- P Mahlangu - of the safety and security department - for making unauthorised vehicle claims for travelling and claiming unauthorised housing subsidy. The amount demanded is about R30 284,96

- IK Matshiane and Mtsweni - of the finance department for false quotations and submission of payment,

- Eight individuals in the public works department for allegations regarding invoicing of the department for nonexistent work.

The total amount under investigation is R6 million, while the amount expected to be claimed is R472 640, 94, and

- Steve Mabona - former safety and security MEC for the irregular personal use of hired vehicles.

The unit said certain technical points raised are expected to be cleared by the legal team.

The unit said it had already recovered about R1,8 million in Mpumalanga Parks Board funds in the Nelspruit Development Trust and ensured saving R340 million in issued promissory notes.

SOWETAN 10/06/99 (266B)

'Unfit-for-office' Mabona

By LEO GAMA

DISGRACED Mpumalanga ex-MEC Steven "Sonnyboy" Mabona has made a startling comeback to politics, bouncing back into his old safety and security portfolio while at the same time becoming MEC for public works and transport.

The appointment of the former Kwandebele official by new Premier Ndaweni Mahlangu - himself a former Kwandebele politician - is certain to raise eyebrows given that just two years ago a government-appointed commission found Mabona unfit to hold public office. It also brings into question the African National Congress's stated commitment to a clean administration in all the provinces under its control.

Mabona was forced to resign as safety and security MEC in mid

1997 when the Moldenhauer Report on Corruption and Fraudulent Licences found he had lied about his role in the illicit granting of a driver's licence to parliamentary Deputy Speaker Baleke Mbete-Kgotsohle.

Mabona subsequently came under scrutiny from the Health Commission, not only because of the Moldenhauer Report's criticism of his lavish lifestyle, but also because of allegations dating back to his stint as an official in the former Kwandebele homeland.

But Mabona's defenders this week argued that he was an "obvious choice" who had performed well prior to the licence scandal.

Four MECs, including Lassy Chlwayo, who was very close to former premier Mathews Phosa, were dropped.

The others who got the chop

were Craig Padayahsee (housing), Jackson Mthembu (public works), and Candith Mashogo (health).

During his inauguration speech, Mahlangu promised to work to improve the lives of the poor.

"I will see to it that corruption and fraud in this province are wiped out. I want speedy delivery to our people."

A surprise in the package was the return to the provincial cabinet of former education MEC David Mabuza. Fresh from the metric exam scandal, he now heads land affairs and housing.

But the long knives are out for him following the embarrassing scandal.

Mabuza told City Press that he was happy to be back after receiving so much criticism and would do much better this time round. The Mpumalanga cabinet is:

Jacques Modipane, MEC for finance,

Fish Mahlalela, MEC for local government and traffic,

JJ Mabena, MEC for economic affairs and gaming,

January Masilela, MEC for agriculture and environmental affairs, Sibongile Manana, MEC for health,

Busi Coleman, MEC for social services and welfare,

Steve Mabona, MEC for public works and for safety and security, David Mabuza, MEC for land affairs and housing,

Siphosizwe Masangu, MEC for sport and recreation and Fish Mahlalela, acting MEC for education.

Former premier Mathews Phosa made farewell to the people of Mpumalanga during the inauguration of Mahlangu.

Lying is politically correct — premier

NELSPRUIT. Politicians caught lying to the public should not be axed or disciplined "because the practice is a widespread and accepted political technique", according to Mpumalanga's new premier Ndaweni Mahlangu

Addressing a news conference here yesterday, Mahlangu insisted that politicians all over the world lie about their actions for a range of reasons, including frustration, African Eye News Service reported "It is nothing new. Many politicians publicly deny they did certain things but then later admit to them

"It is accepted and is not

ET 23/6/99 (266B)
unusual anywhere in the world. It wasn't the end of (US President) Bill Clinton's life and I personally don't find it to be a very bad thing," Mahlangu said

He was criticised by opposition parties last week for re-appointing three controversial MECs, two of whom are leading figures in probes by Judge Willem Heath's anti-corruption unit

Mahlangu confirmed that re-appointed Finance MEC Jacques Modipane had "privately admitted he lied" when he publicly denied signing three illegal promissory notes worth R340 million last year

The promissory notes illegally used 32 government game reserves as collateral and were secretly issued by the Mpumalanga Parks Board without Reserve Bank, Treasury or national cabinet approval.

Modipane vehemently denied that he knew anything about the deal when it was first exposed in the media last year and instead accused senior parks board officials of forging his signature on the documents

Heath was forced to send the documents for forensic handwriting analysis to both Pretoria and New York before Modipane pri-

vately retracted his denial

Mahlangu told the news conference "I know that (Modipane) first denied and now admits to signing the documents but this was not a grievous enough mistake to send anyone to the guillotine

"I'm not saying it was correct but he was not acting as an individual at the time. He was following instructions and cannot be held personally accountable"

Mahlangu refused to say whose instructions Modipane was following when he signed the promissory notes and later publicly lied — Sapa

Political lies 'acceptable and not unusual'

BD 23/6/99 (266B)

**Kevin O'Grady, AENS
and Simphiwe Xako**

IF US President Bill Clinton can lie, why not the politicians of Mpumalanga?

Mpumalanga's new premier Ndamahlangu believes that a politician lying to the public is not enough to exclude him from holding office.

Mahlangu confirmed publicly for the first time yesterday that his reappointed finance MEC Jacques Modipane had privately admitted he lied when he publicly denied signing three illegal promissory notes worth R340m last year.

The promissory notes illegally used 32 government game reserves as collateral, and were secretly issued by the Mpumalanga Parks Board without Reserve Bank, treasury or national cabinet approval.

When Modipane vehemently denied he knew anything about the deal, Judge Willem Heath's special investigating

unit was forced to send the documents for forensic handwriting analysis in both Pretoria and New York before Modipane privately retracted his denial. "He (Modipane) told lies before the election, and the electorate had a choice. The public has spoken," Mahlangu said.

Mahlangu insisted politicians all over the world lied about their actions for a range of reasons, including frustration. "It is accepted, and is not unusual anywhere in the world. It wasn't the end of Bill Clinton's life. I personally don't find it to be a very bad thing. Of course, lying is not correct, but it depends on the gravity of the act. I am not giving blanket approval to people to lie, but it needs to be weighed according to the particular circumstances."

"If you want to judge anyone, then judge Modipane's principal. Judge the person who was his principal — the media is wise enough to realise who

that was," said Mahlangu. Modipane answered to premier Mathews Phosa at the time Phosa denied knowledge of the deal, and forced Modipane to resign after appointing Heath to investigate the deal.

Democratic Party spokesman Douglas Gibson said the African National Congress should discipline Mahlangu for encouraging politicians to lie. "For a premier of a province such as Mpumalanga which has been riddled with allegations of corruption to make such a statement is completely absurd and utterly unacceptable."

The Heath unit announced yesterday that a special tribunal would invalidate the three promissory notes today.

President Thabo Mbeki's spokesman, Ronnie Mamoepa, said he could not comment as he had not seen Mahlangu's statement. However, government's policy was one of openness and transparency, he said.

Premier admits blunder

PRINCE HAMNCA

JOHANNESBURG: Mpumalanga Premier Ndaweni Mahlangu yesterday apologised profusely for saying politicians who were caught lying should not be axed or disciplined, because it was a widespread and accepted political technique

The ANC said Mahlangu had apologised for casting any aspersions that might lead to the questioning of the long-held moral values of the party, and for any embarrassment to the people of Mpumalanga and the nation

President Thabo Mbeki's office yesterday sidestepped calls for the President to intervene in the row, by referring all queries on the incident to the ANC, who in turn issued a statement in which it backed Mahlangu, saying his comments had been taken out of context

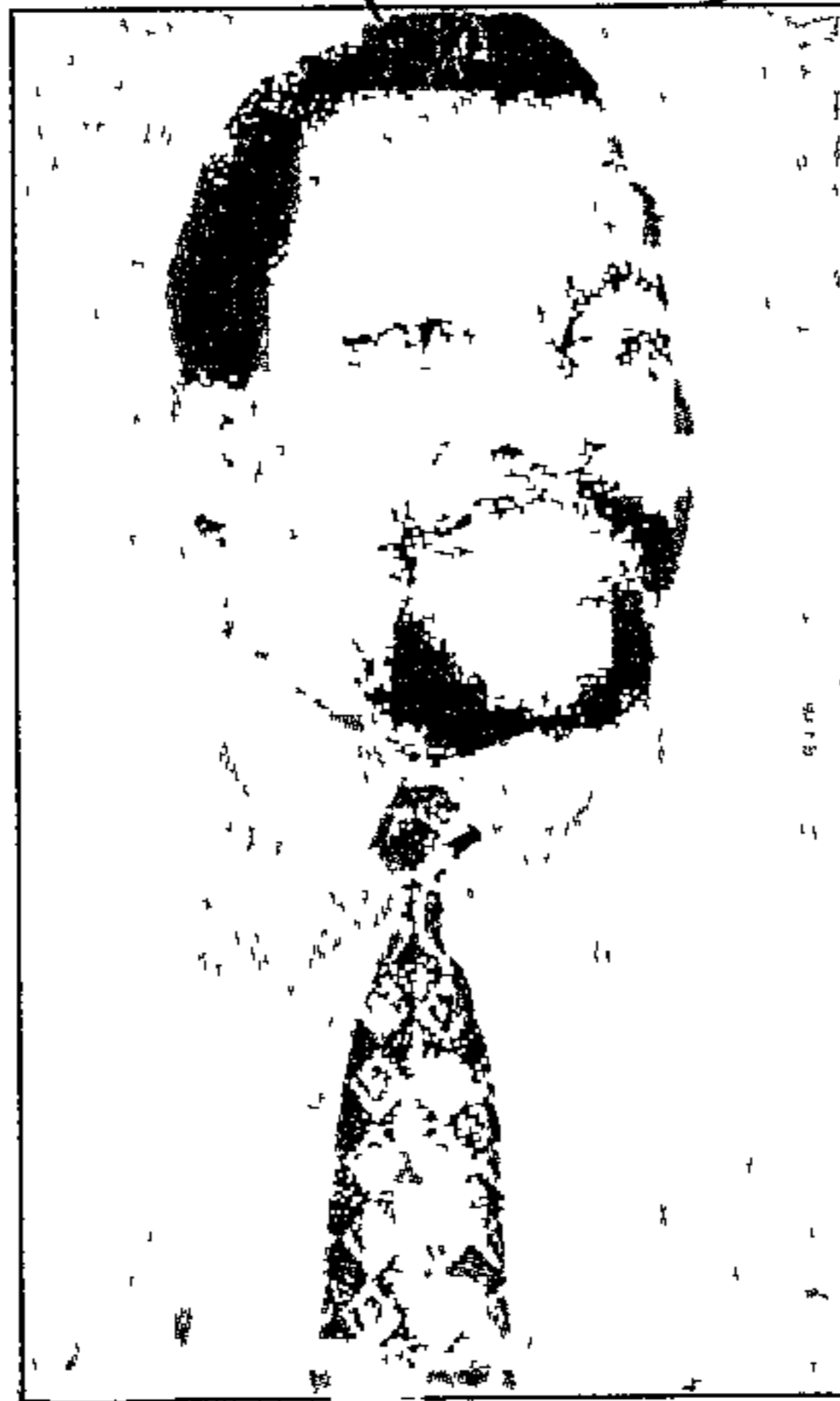
ANC spokesperson Smuts Ngonyama said his party wished to "reconfirm" its confidence in Mahlangu's leadership

Welcoming the "mature manner" in which Mahlangu had responded, Ngonyama said it was his party's long-held position that all public representatives and leaders should always uphold the highest standards of morality

"It must be the hallmark of any leader to be honest and truthful at all times"

Although Mahlangu's comments were taken out of context, the ANC acknowledged that the premier's statements were "inappropriate, unfortunate and unacceptable"

"Many politicians publicly deny they did certain things but admit later to them. It is accepted and is not unusual anywhere in the world. It wasn't the end of (US President) Bill Clinton's life, and I personally don't find it to be a very bad thing," Mahlangu had said on Tuesday. But he said in a three-paragraph statement yesterday



BACKDOWN: The ANC says Ndaweni Mahlangu acted in a "mature manner"

that his comments on Tuesday did not in any way reflect on either his own or the ANC's morals and integrity

Mahlangu stressed that while he did not believe lying was correct, he did not intend to exclude liars from his new cabinet. He said that his initial comments had been made in response to questions from the press

"I humbly apologise for the unfortunate statement. I hope this apology will be accepted in the spirit in which it is made and the matter now be put to rest."

Parliamentary Speaker Frene Ginwala also entered the fray, saying neither Parliament nor the ANC would accept that it was

ET 24/6/99

alright for politicians to lie "because it is not. The ANC made promises to the public. We certainly cannot accept that we were telling lies to the public and that it would be OK to do that"

Mahlangu had been attempting to defend three controversial appointments to his provincial cabinet, including Safety and Security MEC Steve Mabona and Finance MEC Jacques Modipane, who are both under investigation by Judge Willem Heath's anti-corruption unit

Modipane stopped just short of accusing his new premier of being a liar yesterday, when he denied that he ever signed three illegal promissory notes worth over R340m. Mahlangu said on Tuesday that Modipane had privately admitted to signing the documents after he publicly denied any knowledge of the deal

Modipane refuted this yesterday, insisting that he never confessed or even met with Mahlangu

"I've never even discussed the promissory note issue with Mahlangu and have certainly never admitted to signing the things. Mahlangu also did not discuss the merits of my cabinet appointment with me — all I got was a call one day before asking if I was interested," said Modipane

A press statement issued by Modipane adds that he had only met formally with Mahlangu for the first time on Wednesday and was assured that the press distorted Mahlangu's comments

A special tribunal of the Heath special investigating unit yesterday invalidated the three promissory notes

"It has been officially been declared null and void and the promissory notes have been set aside," unit spokesperson Guy Rich said. The notes were recovered from a New York broker by members of the unit, with the help of the Reserve Bank

● See Page 15

Mahlangu apologises for comment ⁽²⁶⁶⁹⁾

By Sowetan and Sapa

MPUMALANGA Premier Ndaweni Mahlangu yesterday "apologised profusely" for casting aspersions on the African National Congress' morality and for any embarrassment he may have caused for saying it was acceptable for politicians to lie, ANC chief spokesman Smuts Ngonyama said

The ANC accepted the premier's apology but the New National Party and the Methodist Church have demanded a more determined action against him

Yesterday, the presiding bishop of the Methodist Church, the Reverend Mvume Dandala, described Mahlangu's comments about lies being an acceptable form of political action as "a matter for serious public alarm"

"It is utterly unacceptable for one of the most senior political leaders in the country to publicly justify the telling of lies"

The NNP urged President Thabo Mbeki to take steps to "repudiate" Mahlangu

It also questioned decisions taken by Mahlangu in his short period of office where he reappointed three members of the previous cabinet who are being investigated by the Heath Unit for admitting that they lied in public

Joining the fray, Speaker of the House Dr Frene Ginwala said that neither Parliament nor the African National Congress would accept that it was right for politicians to lie "because it is not"

"The ANC made promises to the public. We certainly cannot accept that we were telling lies to the public and that it would be OK to do that," she said

The controversy started when Mahlangu said that politicians all over the world lied about their actions for a range of reasons, including frustration

"It is accepted and is not unusual anywhere in the world. It wasn't the end of (US President) Bill Clinton's life, and I personally don't find it to be a very bad thing"

Ginwala said she would prefer to comment on the principle rather than on what Mahlangu said

"It would not be acceptable. It doesn't matter what presidents in other countries do, or anyone. In Parliament it would never be permissible"

Although the premier's utterances were taken out of context, the ANC agreed that his comments were "inappropriate, unfortunate and unacceptable", Ngonyama said in a statement

"The premier has apologised profusely for casting any aspersions that may lead to the questioning of the long held moral values of the ANC and for any embarrassment to the people of Mpumalanga and the nation as a whole"

24/6/99
Sowetan

Phosa vs premier

(2668) CP 27/6/99

Mahlangu's tongue may cost him R1 m

BY SEKOLA SELLO

BELFAGUERED Mpumalanga Premier Johannes Ndaweni Mahlangu is facing another crisis - he is being sued for R1 million for damages by the man he ousted and allegedly defamed, Matthews Phosa.

Phosa is claiming the R1 million as well as demanding an apology from Mahlangu and retraction of a statement which Phosa alleges links him to Mpumalanga's R340-million promissory notes scandal.

Phosa in turn is threatening to make new allegations about Mahlangu.

These he would reveal "in the appropriate forum and at the appropriate juncture", Phosa's letter of demand said.

Mahlangu was this week forced by the African National Congress to apologise for claiming that it is normal practice for politicians to lie.

His reputation was further damaged when a provincial cabinet colleague virtually accused him (Mahlangu) of lying.

In a week filled with drama, the ANC initially distanced itself from Mahlangu's widely reported claims about politicians lying, closed ranks around their beleaguered colleague and said the party accepted his unequivocal apology. Then, following outrage across the country, the ANC indicated it would at least censure him for a statement that had caused embarrassment to the party and to President Thabo Mbeki.

Opposition parties and churches, including the presiding Bishop of the Methodist Church of Southern Africa, Rev Mvume Dandala, have urged the ANC and government to act against the loose-tongued Mpumalanga premier.

Phosa's lawsuit flows from Mahlangu's now infamous state-

ment at a press conference which was screened on national TV and radio and also widely reported in the print media.

Mahlangu made the statement in trying to justify the re-appointment of Jacques Modipane as Finance MEC, in spite of Modipane being investigated by police for allegedly signing three promissory notes valued at R343 million as part of a R1,3 billion collateral for unauthorised government loans.

Mahlangu said Modipane had lied when he told police and the Health Special Investigations Unit that he did not sign the three promissory notes.

The contentious statement which has led to Phosa's legal action refers to Mahlangu saying "if you want to judge anyone, then judge Modipane's principal, judge the person who was his principal - the media is wise enough to realise who that was".

Phosa argues that, at the time of the signing of the promissory notes, Modipane answered to him and therefore the principal referred to by Mahlangu would be him (Phosa).

Phosa maintains that the statement is wrongful and defamatory and is intended to imply that he participated in or was associated with the promissory notes scandal, that he taught Modipane to lie, and that he (Phosa) is dishonest, dishonourable, unprofessional and lacking in integrity.

Modipane still maintains he did not sign the promissory notes and this week strongly chastised Mahlangu for claiming he had admitted doing so.

Modipane said that at no stage had he ever discussed the promissory notes with Mahlangu, nor did he ever tell Mahlangu he had lied about the promissory notes.

In effect, Modipane was saying his premier was lying about claims attributed to him.

Now South Africa's moral leaders tell Mbeki: Live up to your promises and

KICK OUT 'MR LIES'

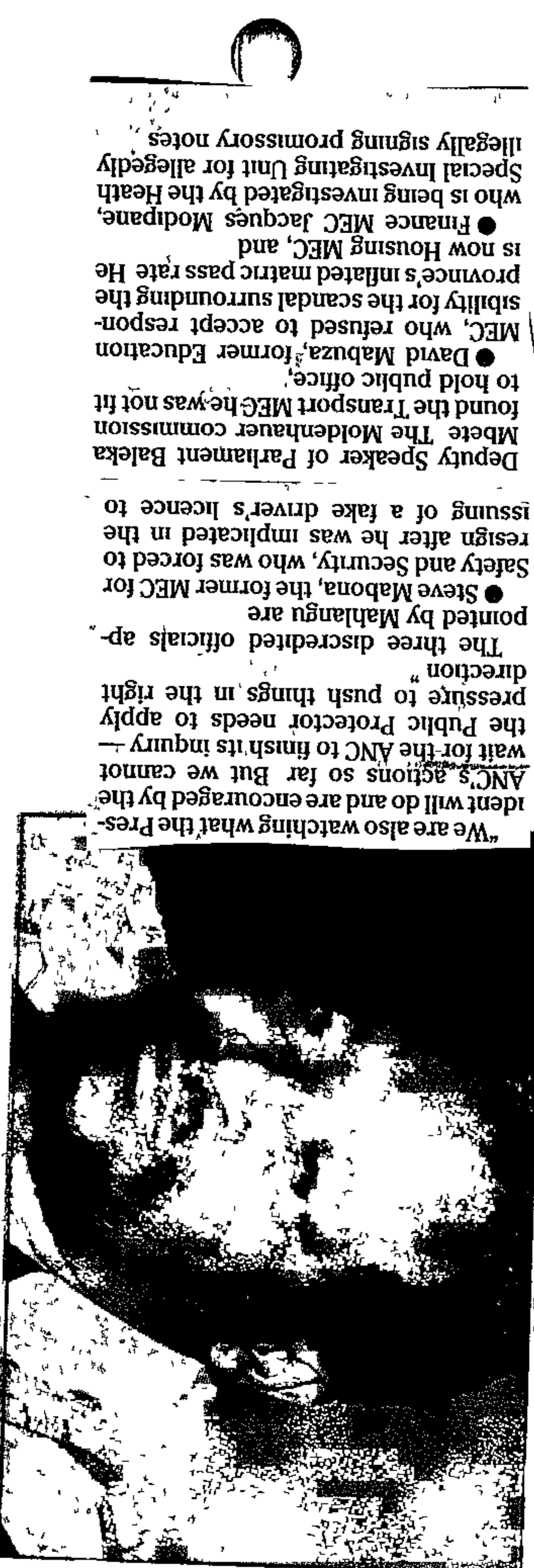
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SOUTH Africa's moral leaders have called on President Thabo Mbeki to fire Mpumalanga Premier Ndaweni Mahlangu for stating that it was acceptable for politicians to lie. Veteran anti-apartheid cleric Beyers Naudé, the SA patron of the leading international monitor of government corruption Transparency International, the Public Protector, Selby Bagwa, academics and religious leaders including Archbishop Buthe Tlhalagale, the SA president of the World Conference on Religion and Peace, said Mahlangu's statement was so bad that he could no longer continue in public office. The leaders spoke as former Premier Matthews Phosa yesterday threatened to sue Mahlangu for R1-million for defamation in yet another scandal to lash the new premier. Mbeki handpicked Mahlangu to clean up South Africa's most corrupt province. As ANC president, he has the power to fire him. But he has yet to take action against Mahlangu, who has since issued a qualified apology. Since his appointment, Mahlangu has reappointed the province's most discredited public officials, saying in his own defence "Many politicians deny they did certain things but then later admitted to them. It is accepted and not unusual anywhere in the world. It wasn't the end of Bill Clinton's life and I personally don't find it to be a very bad thing." This has outraged South Africa's moral and ethical leaders, who said it would be an affront to allow Mahlangu to stay in office, despite his apology. Bagwa has initiated an independent preliminary inquiry and is to ask Mahlangu to explain his statement. He has vowed to ensure appropriate action is taken if necessary. "It [Mahlangu's statement] is abominable, outrageous and unacceptable. He has tarnished his political image to such an extent that one wonders whether he is in an appropriate position," he said. Naudé has also come out strongly. "All political parties subscribe to a moral code. In that context the ANC should remove him from that position," he said. "He should be strictly censured if he is not prepared to serve the government as an honest citizen. He should not be in government and should resign." Judge William Heath, the head of the government's special anti-graft unit, said "Someone who condones lying should not have been appointed in the first place. His party should take steps to investigate and get rid of someone who condones lying." Archbishop Denis Hurley of Durban, a veteran opponent of apartheid, said "In many countries he would resign automatically. It would be taken as essential to do so." Methodist Church head Bishop Mvume Dandala said "I am convinced that the manner in which the President responds will be a determinant of the credibility of the government." Muslim theologian Farid Esack said, "We need to support the President's call in everything we do and especially for clean government, and if that means that people like this premier should resign, then so be it."

CELEAN JACOBSON and CARMEL RICKARD



DUBIOUS: Mpumalanga Premier Ndaweni Mahlangu has apologised, but should he be believed?

Picture: ELIZABETH SEJAKE

The president of the Medical Research Council, Dr William Makgoba, said "I don't think a leader should condone lying and stay in a position of leadership in a democratic society." Ashwin Trikamjee, an attorney and leader of the Hindu Maha Sabha, said "Someone who lies in these circumstances is unfit for public office." The co-chairman of the Law Society of South Africa, Julian von Klemperer, said "Anyone who lies or condones lies should be called to account. In this case, Premier Mahlangu should consider his position." A senior legal officer working for Bagwa's office, advocate Gary Renaar, said a letter would be sent to Mahlangu tomorrow asking him to clarify his statement and explain why, if he had been quoted out of context, it had been necessary for him to apologise.

"We are also watching what the President will do and are encouraged by the ANC's actions so far. But we cannot wait for the ANC to finish its inquiry — the Public Protector needs to apply pressure to push things in the right direction." The three discredited officials appointed by Mahlangu are Steve Mabona, the former MEC for Safety and Security, who was forced to resign after he was implicated in the issuing of a fake driver's licence to Deputy Speaker of Parliament Baleka Mbete. The Moldenhauer commission found the Transport MEC he was not fit to hold public office. David Mabuzza, former Education MEC, who refused to accept responsibility for the scandal surrounding the province's inflated matric pass rate. He is now Housing MEC, and Finance MEC Jacques Modipane, who is being investigated by the Health Special Investigating Unit for allegedly illegally signing promissory notes.

DP to attack Mbeki over Mahlangu 'lies' affair

President must deliver honest government and sack Mpumalanga premier - Gibson

PARLIAMENTARY BUREAU

The official opposition intends hammering President Thabo Mbeki on his handling of the Ndaweni Mahlangu affair when the two-day debate on his "State of the Nation" address starts in Parliament today.

DP federal chairman Douglas Gibson said that although speakers from his party would be "constructive" in their responses to the

speech, the Mahlangu issue would be portrayed as a test of Mr Mbeki's commitment to clean government.

Mr Mahlangu, the African National Congress-appointed premier of Mpumalanga, caused an outcry when he appointed three disgraced politicians to his executive council and then defended the appointments last week, saying it was acceptable for politicians to lie. The ANC has resisted calls for Mr Mahlangu to be removed from office

Mr Mbeki, in his speech at the opening of Parliament on Friday committed his government to "honest, transparent and accountable" government and promised to act "against anybody who transgresses these norms." He has not yet commented personally on Mr Mahlangu.

Mr Gibson said DP leader Tony Leon would take up the issue in his speech, which will open the debate from the opposition benches today.

"Mbeki's immobility on this

issue is astounding. It contradicts everything he stands for. He promised to ensure clean government, and he has to get rid of Mahlangu and replace him someone who is less lax about the truth," he said.

Mr Mbeki's spokesperson, Ronnie Mamoepa, yesterday said Mr Mbeki had appointed Mr Mahlangu as premier in his capacity as ANC president, and that comment on the matter should come from the party.

"However, the president remains

committed to open, transparent and accountable government, as he said (in his speech) on Friday, and he reiterated his commitment to act against those who transgress those norms," said Mr Mamoepa.

The ANC said last week that Mr Mahlangu's comments were "inappropriate", and that all public representatives and leaders should always uphold the highest standards of morality, and be honest and truthful at all times.

But the party expressed confidence in Mr Mahlangu's leadership, saying his comments had been quoted out of context and he had apologised "for casting any aspersions that might lead to the questioning of the long-held moral values of the ANC and for any embarrassment to the people of Mpumalanga and the nation as a whole."

The Sunday Times quoted several of the country's moral leaders calling for him to be removed from office.

Public Protector Selby Baqwa was quoted as saying that Mr Mahlangu's statement was "abominable, outrageous and unacceptable."

Mr Gibson said the DP would approach the "State of the Nation" debate constructively, but the party would criticise the Government "where necessary."

"We don't want Mbeki to fail. We want him to succeed, because if he fails, the country fails."

ANC tough on premier

Mahlangu censured for publicly embarrassing party

By Jimmy Seepe
Political Reporter

THE African National Congress has issued a stern warning to embarrassed Mpumalanga Premier Ndaweni Mahlangu, suggesting that if he brings the party into disrepute again or embarrasses it, "drastic action" will be taken against him.

This is according to a senior source in the ANC, who said the warning is contained in a letter written by ANC general secretary Mr Kgalema Motlanthe to the premier.

Motlanthe's letter follows a detailed handwritten statement from Mahlangu in which he sought to explain his public utterances last week

when he claimed it was acceptable for politicians to tell lies

While trying to defend the re-appointment of finance MEC Mr Jacques Modipane to his portfolio, Mahlangu said lying was, not sufficient grounds to prevent a politician from holding public office. The ANC gave him until last Friday to submit a written report to the ANC general secretary explaining his conduct

In his reply, Motlanthe is said to have told the Mpumalanga premier that he could not find any justification in his written report for his public indiscretion

Mahlangu was warned in the letter delivered over the weekend that drastic action would be taken should he make similar public utterances

However, Motlanthe, who consulted widely with the movement's political leadership, stopped short of calling for Mahlangu's axing

A senior ANC official was unable to provide clarity on what Motlanthe meant by "drastic action". "You can interpret it your own way," is all he was prepared to say

The most recent warning from the ANC points to a sharp turnaround in its stance on Mahlangu's conduct. In its original response, the party said it had accepted Mahlangu's public apology and would ask for a fuller report on the circumstances surrounding his utterances

The ANC's warning to Mahlangu comes amid reiteration of the Government's commitment to fight corruption. In his state of the nation address

last Friday, President Thabo Mbeki said "I would like to take this opportunity to reiterate the commitment of our government to honest, transparent and accountable government and our determination to act against anybody who transgresses these norms"

A number of respected church and political leaders have called for Mahlangu's dismissal. Among those who reportedly made the call are Reverend Beyers Naudé, a respected cleric with a proud record of the struggle against injustice

Meanwhile, the ANC has remained quiet about the action brought by former Mpumalanga premier Matthew Phosa against Mahlangu. Phosa filed a R1 million defamation suit against Mahlangu on Friday

(2666B)
Kawerwa 28/12/99



Leon tells Mbeki: Fire Mahlangu

(266B)

ANDRE KOOPMAN
POLITICAL CORRESPONDENT

DEMOCRATIC PARTY leader Tony Leon yesterday challenged President Thabo Mbeki to fire controversial Mpumalanga premier Ndaweni Mahlangu and to repudiate the appointment of "corrupt" MECs in that province.

The Mahlangu affair prompted some comment during National Assembly debate on President Thabo Mbeki's speech but opposition parties did not "make a meal of it" as was expected.

Instead, opposition leaders congratulated Mbeki on his speech last Friday, but urged him to deliver on promises.

Leon said the Mahlangu matter, which started when the premier said it was permissible for politicians to lie to the public, "was a golden opportunity for President Mbeki to illustrate to the country how he will handle condemnation for corruption. He failed his first test."

And African Christian Democratic Party leader Kenneth Meshoe said Mahlangu had made such a serious blunder that Mbeki should not even be tempted to defend him. Meshoe said he agreed with the

head of the Methodist church in South Africa, Bishop Mvume Dandala, who charged that the way Mbeki responded to the Mahlangu matter would determine his government's credibility.

Leon repeated calls for talks among opposition leaders and said DP chief whip Douglas Gibson would make concrete proposals in this regard during the course of the two-day debate.

Leon welcomed the government's plans to combat crime, including a proposal to establish an FBI-style agency. However, he also challenged Safety and Security Minister Steve Tshwete to "sign a performance contract setting the target to reduce serious crime by 40% by 2003".

"If he fails," said Leon, "he should be fired."

Leon said Mbeki's success in dealing with crime was going to be the "judge and jury on his presidency".

Leon called for performance targets to be set in the police service, schools, all government departments and in the cabinet.

The DP would take the initiative by getting its MPs to sign their own performance-based contracts within the party's caucus. "If they fail to deliver, out they go," Leon said.

On the economy, Leon said new economic growth figures presented a window of opportunity for the government to finally implement its own growth, employment and redistribution targets by abolishing exchange controls, accelerating privatisation, reducing taxation and government expenditure, and amending "job-destroying labour laws".

The 54 000 excess public servants who were costing the taxpayer R3,57 billion a year to "do nothing" should be fired immediately.

Inkatha Freedom Party leader Mangosuthu Buthelezi said his party's decision to enter into a coalition government with the African National Congress for another five years was "the right decision and a necessary one" in the country's best interests.

"We trust that the good will we have generated may begin healing the wounds of the past, giving hope to those who for so long have lived under the clouds of fear and despair," Buthelezi said.

"Our actions on a national level must be but the beginning of a process of reconciliation and peace which must take place in families, communities and work places," he added.

The former leader of the official
ART 2916199

opposition, Marthinus van Schalkwyk, whose New National Party was decimated in the election, significantly seemed to be signalling that his party would move more towards the centre.

He spoke of the need for social transformation and co-operation across the left-right divide. He suggested "We should ask: What works? What concrete steps can improve the standard of living of our people?"

Van Schalkwyk also called for more participative government. United Democratic Movement leader Bantu Holomisa said the country should ensure that it did not enter the new millennium with the twentieth century's baggage of conflict, corruption and greed.

Constand Viljoen, leader of the Freedom Front, whose party also suffered severe setbacks in the election — it is down to three MPs from nine — acknowledged that he no longer spoke on behalf of Afrikaners, but as an Afrikaner.

However, he reaffirmed his party's commitment to self-determination for Afrikaners. He charged that the government had not been negotiating seriously on this issue, nor about more easily attainable goals, such as mother tongue education.

ANC takes Mahlangu

to task (266B)

ARC 29/6/99
ARGUS CORRESPONDENT

Johannesburg - The ANC leadership has warned Mpumalanga Premier Ndaweni Mahlangu that drastic action will be taken against him if he repeated an offence such as endorsing dishonesty.

The ANC secretary-general Kgalema Motlanthe the author of the warning letter, said the ANC found Mr Mahlangu's utterances unacceptable and contrary to ANC policy.

Our sister newspaper, The Star, has a copy of the letter addressed to Mr Mahlangu.

Mr Motlanthe's warning followed a detailed explanation that the premier had sent to the ANC.

In the letter, Mr Motlanthe said it was the organisation's sincere hope and expectation that this type of statement would never again be made by either "yourself or anyone at your level of seniority within the organisation".

"Even taking into account the manner and context of your utterances, we can find neither excuse nor reasonable justification for having made them. For the moment, however, your apology is accepted and we intend to put this incident behind us in order to forge ahead with the tasks before us and trust that you will do the same," he said.

Thabo: We stick by 'lies' man

Opposition lashed

CLIVE SAWYER
POLITICAL CORRESPONDENT

ARG 30/6/99
In his first public comments on the political "lies" row, President Thabo Mbeki today came to the defence of controversial Mpumalanga Premier Ndaweni Mahlangu

Portraying him as a sinner who should be forgiven, he lashed at opposition critics who had demanded Mr Mahlangu's axing and said the premier's comrades had directed him to go back to work

Mr Mbeki was replying to a two-day National Assembly debate on his State of the Nation speech, during which opposition parties highlighted Mr Mahlangu's comment that it was acceptable for politicians to lie

Mr Mahlangu made the remark in defence of his appointment of three provincial cabinet ministers alleged to be linked to corruption

Until now, Mr Mbeki's office has referred all inquiries on the matter to the African National Congress, which extracted an apology from Mr Mahlangu

Today, Mr Mbeki noted Mr Mahlangu's comments had been "fundamentally

SA troops for Congo

President Mbeki also used his speech in the Assembly today to confirm South African troops would be part of a peacekeeping force in the Democratic Republic of Congo

He said progress had been achieved in the Lusaka peace talks. "I am convinced a solution will be found"

Mr Mbeki said "all necessary constitutional and legislative steps would be taken to ensure that the peacekeeping force is deployed in the Democratic Republic of Congo as soon as possible. The force will be part of the Southern African Development Community countries and other African states. Political Correspondent

wrong" and said his comrades had been outraged and had demanded an explanation Mr Mahlangu had admitted the

To page 9

Critics slated as Mbeki sticks by 'lies' premier

From page 1

grievous error of his statement and had apologised to "his comrades, the people of his province and the country," said Mr Mbeki

"His comrades, including those who served with him in prison as fellow fighters for the freedom of all of us, tell him that if by word or deed, in future, he acts in a manner that is not honest, they will repudiate him as their comrade"

In his defence of the handling of the Mahlangu affair, Mr Mbeki invoked the imagery of the liberation struggle regarding the former homeland minister and magistrate

"He accepts the judgment of his peers and leaders, knowing that the sacrifices he and they made to secure liberty for their people presumed and demonstrated an honesty of purpose and a selflessness that precluded deceit"

Mr Mahlangu's comrades had directed him to go back to work "to discharge his tasks with honesty and integrity"

In a hard-hitting sideswipe at the African Christian Democratic Party, which called for Mr Mahlangu's dismissal, Mr Mbeki said the ACDP followed a theology "which knows no forgiveness, no compassion, no humanity, to which the notion of the quality of mercy is foreign" The ACDP's attitude

was "He is down, crucify him"

In response to a statement by official opposition leader Tony Leon of the Democratic Party, to the effect that some Mpumalanga ministers were "corrupt", Mr Mbeki said the provincial ANC had challenged Mr Leon to name these MECs outside the protection of the House

"I trust he will respond to this invitation, to help all of us rid Mpumalanga of people who should not hold office"

Mr Mbeki said Minister of Justice Penuell Maduna had referred elements of the Mpumalanga Parks Board promissory notes saga to national Director of Public Prosecutions Bulelani Ngcuka to speed up action on the matter

The Heath anti corruption unit was conducting its own investigations.

He had learnt through the media that Public Protector Selby Baqwa was investigating Mr Mahlangu's comments "We must await the outcome of his investigations, having contacted him to establish whether the media reports were, in fact, correct"

Mr Mbeki said Mpumalanga province had long been a victim of political instability: "We will do nothing to worsen this situation.

"Neither will we join a frenzy informed by a desire to demonstrate, at another's expense, that we are worthier than we are"

Premier Mahlangu breaks his silence

(2668) 8D 15/7/99

NELSPRUIT — Embattled Mpumalanga premier Ndaweni Mahlangu admitted yesterday that finance MEC Jacques Modipane did not confess to lying to the public.

Speaking to SABC News during his first interview since he sparked an international furore by saying it was acceptable for politicians to lie, Mahlangu said he mistakenly said Modipane had confessed after being misled by old press reports.

Mahlangu told journalists at a news conference on June 22 that Modipane initially publicly denied signing three illegal promissory notes worth more than R340m, but later admitted to doing so.

Mahlangu defended Modipane's supposed breach of public confidence by insisting that it was acceptable for politicians to lie in certain circumstances.

He told SABC yesterday that the media had distorted his comments by implying that Modipane personally confessed to him.

"I never said that he came to me and confessed (to lying), I was misled by old media reports that he admitted to signing the documents," said Mahlangu.

The statement is Mahlangu's first public comment on the issue since the press conference.

Mahlangu has refused all other requests for interviews and has failed to answer written questions since last week.

His special media adviser, Sefako Nyaka, was unavailable for comment after the interview yesterday.

Mahlangu used the interview to reaffirm his confidence in both Modipane and controversial public works, roads, safety and security MEC Steve Mabona as key members of his provincial executive or cabinet.

Police and Judge Willem Heath are still investigating Modipane for his role

in the promissory note saga, which saw 32 provincial game reserves used as collateral for off-shore loans.

Modipane has denied signing the documents, insisting junior officials forged his signatures on the notes.

The promissory notes have undergone handwriting analysis tests by forensic specialists in New York and Pretoria but the results are being withheld by police investigating fraud charges linked to the case.

Heath is also prosecuting Mabona for allegedly using R52 700 of state funds to repair a rental vehicle. He was previously dropped from the provincial cabinet after the Moldenhauer commission found him unfit for public office because of his role in a driver's licence scandal.

Chief magistrate Heinrich Moldenhauer found that Mabona illegally ordered a fraudulent learner's and driver's licence he issued to national deputy speaker Baleka Mbete-Kgositsile in 1995.

Emphasising he would dismiss either politician if conclusive evidence of wrongdoing was found, Mahlangu said the allegations against both individuals were still unproved.

He insisted evidence indicated that Mabona and Modipane were "good, hard working officials" who retained his full confidence — Sapa

Results

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15 July 1999

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Mahlangu nails five finance officials

(Abb B)
some time 12/7/99

By Jimmy Seepe
Political Reporter

MPUMALANGA'S Premier Ndaweni Mahlangu yesterday ordered that five senior finance officials be charged with defrauding the government

This is the first major anti-corruption move made by the embattled premier whose commitment to clean governance was drawn into question when he said that it was acceptable for politicians to tell lies

Mahlangu, who last week opened the provincial government legislature by promising to get tough on corruption, released a damning report from acting director-general Dr SC Nyathi implicating four senior finance department officials

The officials are implicated in a scam which allegedly defrauded the government of about R1 million. The report also implicates a former adviser to the Mpumalanga premier Mr PG Rootman

Nyathi's report claims that Rootman used donor funds from Ingwe Coal totalling about R500 000 for his own benefit and not for the provincial administration

He was further implicated in the use of donor funds amounting to R45 000 from Billington Trust for his own benefit

The report said "Our calculations show that an amount of R682 429, 78 (including interest) as at 18 June 1999, must be refunded by Mr Rootman"

It suggested that the case be handed over to the fraud section of the South African Police Service

However, the report said Rootman's accountant had already indicated that his client was prepared to pay back the amount owed and that to show his commitment "he even wanted to surrender the title deeds to his properties to his (Nyathi's) office"



Mpumalanga Premier Ndaweni Mahlangu.

Nyathi suggested the department consider sending the matter to the Heath Special Investigation Unit if Rootman failed to settle the amount within a reasonable period of time

Nyathi states in the report that four employees, Mr Jan Sibanyoni, Mr Phyllis Morgan, Mr Collen Moosa and Mr David Mahlangu, are accused of having attempted to transfer funds from the Mpumalanga Finance Department on March 30

The amounts, which were to be transferred to African National Underwriters, were R849 522 and R923 910

Meanwhile, Mahlangu is expected to address his MEC's today at a special provincial *bosberaad* that has been called to come up with a programme for the year

He is expected to call on all MECs to suggest their own programmes to root out corruption