“NO ROOM TO HIDE”
A PRESIDENT CAUGHT IN THE ACT
CAPE TOWN, 28 JUNE 2017
A PRESIDENTIAL QUOTE

President Zuma recently said:

“If I am not told what I have done wrong, I cannot correct my mistakes.”
BACKGROUND

• OUTA’s mission is to challenge maladministration and corruption, in Government structures and SOE’s – i.e. tax payers money.

• State capture – a coordinated and well organised manipulation of Government systems by connected people to enrich themselves.

• Today, State Capture manifests as:-
  – Ministerial appointments which flow to ...
  – New SOE boards and executives...
  – Tenders are issued, manipulated & Secured....
  – Contract prices adjustments, scope creep, bribes and deals.
...BACKGROUND

- President Zuma’s “fingerprints” are found across most SOE’s of major capital expenditure projects...
  - Transnet, Eskom, Denel, PetroSA, ACSA, PRASA, SAA & SASSA.
- His links to corruption through manipulation within SOE range from a few million Rands per incident to several Billions on each occasion.
- In just one deal at Transnet (locomotives), R5,2bn is being investigated.
- Estimated loss to corruption as high as 20% of procurement budget.
- Africa check equates to approximately R60 billion/year (Africa Check)
  - Equal to 200,000 RDP Houses; or 3,000 Schools; or 1,250 Clinics.
The OUTA Case Document – “No Room to Hide” is compiled in 7 chapters.

These are narrated in a manner that exposes numerous
- plans,
- decisions,
- actions, and
- events...
which lead to predetermined outcomes of targeted enrichment - at the cost and detriment to the people.

Joining the so called dots... with the facts and evidence.
This is not a complicated process, but it takes time and effort. These incidents are not secrets and have largely been exposed. The facts we present highlight the modus operandi of appointments and decisions to achieve a predetermined outcome. All therein paints a clear picture of conscious conduct to capture or manipulate the system. In each of these cases, President Zuma and his connected friends and family members have benefited.
...NARRATION IN CHAPTERS

Ch 1: Interference with Criminal Justice System.
Ch 2: President Zuma’s relationship and links to the Gupta Family.
Ch 3: The Gupta – Zuma plundering of State Resources within SOE’s.
Ch 4: The shameful appointment of Minister Mosebenzi Zwane.
Ch 5: The Faith Muthambi saga.
Ch 6: The Finance Minister debacle: - Nene, v Rooyen, Gordhan, & Gigaba.
Ch 7: Conclusions.
WE INCORPORATE THE LONG JOURNEY OF MULTIPLE EXPOSURES

• Media has been vigilant and independent, under enormous pressure
• A hard working Public Protector: The Nkandla Report
• A diligent Judiciary – The Constitutional Court ruling on Nkandla
• The resolute Public Protector: State of Capture report
• The SACC report – “Unburdening Panel”
• The PARI report - Betrayal of the Promise
• AmaBhungane & Scorpio - #GuptaLeaks.
Public Affairs Research Institute – PARI: Betrayal of the Promise...

Overviews the mechanisms & Modus Operandi of State capture to:

• Secure Control over SOEs and the public service
• Access to rent-seeking opportunities
• Influence fiscal sovereignty
• Protection from security and intelligence services
• Capitalise of strategic procurement opportunities through:-
  • New ministerial and DG appointments
  • To manipulate SOE Boards and appointments
  • Deciding on new acquisition or build projects
  • Personal links to bidders
  • Tenders awarded irregularly
  • Contracts are then massively inflated
THE PRESIDENT’S HEAD HUNTING SERVICES: THE GUPTA FAMILY

• Gupta’s involved in Vytjie Mentor offer of Minister of DPE position. Declined & Barbara Hogan is replaced by Malusi Gigaba.

• Gupta’s involved in Mcebisi Jonas offer of Finance Minister position. Declined, & Nhlanhla Nene replaced by Des van Rooyen.

• Mosebenzi Zwane appointed after CV was sent to Duduzane from Gupta.

• E-Mails link Collin Matjila appointment through Guptas
  • e-mail sent 23/03/14, appointed 28/03/2014

• E-Mails link Richard Seleke appointment through Guptas
  • e-mail sent 29/06/15, appointed 01/12/2015
GUPTAS... THE PRESIDENT’S CONDUITS

• President instructed Themba Maseko, (CEO of GCIS), to “assist Gupta’s media empire with ad spend for the New Age”. He refuses & replaced by amenable Jimmy Manyi.

• COO of the Presidency, Lakela Kaunda, worked for the Guptas and was in regular contact with them.

• President defended the Guptas when using Waterkloof Airforce Base.

• Bruce Koloane - implicated in Waterkloof saga - was promoted and appointed as ambassador.
DUDUZANE ZUMA - THE PRESIDENT’S PROXY

- Duduzane facilitated a meeting between Ajay Gupta and Mcebisi Jonas.
- Duduzane facilitated a meeting between the President and Vladimir Evtushenkov (Russian billionaire and chairman of Sistema)
- President introduced Jacinto Rocha (DDG in Mineral Resources) to Tony Gupta and Duduzane: “Help him [Duduzane] wherever you can”.
- Duduzane facilitated appointments of key personnel - vetoed by Gupta
- Duduzane influenced Boitumelo Marishane to waive immigration regulations for Sahara employees
THE ZUMA FAMILY BENEFITS

- Gloria Bongi Ngema-Zuma: previously employed by Gupta’s JIC Mining,
  - Bought Waterkloof house for R5.4m using Sinqumo Trust
  - Sinqumo Trust was registered just before the transaction
  - Used a bond of R3.8m from the Bank of Baroda (India)
  - Repayments – approx. R65 000 a month, paid by Mabengela Investments
  - Premiums and bond are guaranteed by JIC

- Duduzane is employed by and partner of the Guptas
- Duduzane’s twin sister Duduzile was appointed (On 13 August 2008), as a director of Sahara Computers (Pty) Ltd and Sahara Consumables (Pty) Ltd (later resigned)
THE SOE’S...
GUPTA’S TREASURE-TROVE...CAPTURED

• Dept of Public Enterprises
  – huge infrastructure projects & contracts
• Dept of Mineral Resources
  – authority over mining opportunities & rights
• Dept of Communications
  – important for Gupta TV interests
• Ministry of Finance
  – Treasury was a barrier for SOE funding guarantees
LITTERED WITH IRREGULAR & ILLEGAL CONTRACTS

- Transnet irregular locomotive tender (R5.2bn “service fee” for Tequesta).
- Regiments Capital R500m.
- Trillian R100m.
- Homix R66m.
- Tegeta Exploration R11.7bn (seriously inflated from Optimum prices).
- Eskom contract with The New Age R43m.
- Denel contract with VR Laser Asia (stopped).
THE PLAYERS: DPE

• Minister Lynne Brown (DPE)
• Minister Malusi Gigaba (DPE)
• Richard Seleke aka “Businessman” (Transnet board, DG DPE) infoxxxxxx@zoho.com
• Matshela Koko (Eskom executive) matshelxxxxx@yahoo.com
• Iqbal Sharma (Chair of Transnet bid committee)
• Duduzane Zuma, the “Chief” (Jacob Zuma’s son)
• Brian Molefe (CEO first of Transnet then Eskom)
• Anoj Singh (CFO first of Transnet then Eskom)
• Ben Ngubane (chairman of Eskom)
• Daniel Mantsha (chairman of Denel)
• Rajesh (Tony) Gupta “The Boss” wxxxxx@gmail.com
DPE ANNUAL REPORT 2011 HIGHLIGHTS

• **Energy:** DPE secured Cabinet support for an additional funding of R174bn for Eskom - (taking total government backing to R350 bn).

• **Broadband:** Infraco launched its commercial offering at pricing 10% below market levels in November 2010.

• **Defence:** Denel SAAB Aerostructures (DSA) got roll-over government guarantees amounting to R1.85bn.

• **Forestry:** Invest in SAFCOL to play role in rural development.

• **Transport:** 90 of 100 locomotives to be built in South Africa (To 1064).

• **Mining:** Alexkor land mining rights transferred to Richtersveld Mining Co.
THE MOSEBENZI ZWANE FIASCO

• Zwane’s local choir gets all-expenses-paid trip to India after Vrede Diary farm launch (R183m)
• Appointed after CV was sent to Duduzane from Guptas
• After a trip to Switzerland to meet with Optimum Mine CEO and Atul Gupta, Zwana Facilitates the sale of Optimum mine from Glencore to Tegeta; Richard Seleke and Matshela Koko were conduits
• DMR authorized the release of rehabilitation trust funds at
  – Koornfontein Mine’s (R280m) and
  – Optimum coal mine (R1.43b)
ZWANE IN GUPTA’S POCKET

- Appointed Gupta linked advisors: Kuben Moodley and Malcolm Mabaso
- Guptas prepared his public speeches
- Zwane publicly lied when he declared that Cabinet recommended a judicial inquiry into Gupta bank account closures
- Mysterious detour to Delhi when he was supposed to be in Dubai
- Implicated in the Waterkloof landing in that he invited Shivpal Yadav to Free State (prepared by Ashok Narayan, a Gupta resource)
THE FAITH MUTHAMBI DEBACLE

• Appointed Hlaudi Motsoeneg as SABC - COO despite Public Protector’s scathing findings against him
  – SCA: “treat[ing] with disdain... Mr Motsoeneng’s appointment was irrational and unlawful”
  – SABC Ad-hoc committee: “The President should seriously reconsider the desirability of this particular Minister retaining the Communications portfolio”
  – Constitutional Court: “this conduct must be frowned upon and discouraged...”

• Attended meetings with IMC on bank accounts, while not on the committee

• Her advisors: Daniel Mantsha and Mzwanele Manyi, both Gupta allies
Numerous damning e-mails between Muthambi and Tony Gupta in Mid-2014, about President Zuma’s plans to facilitate Broadcasting policy amendments to favour Gupta business plans.

“these sections must be transferred to the Minister of Communications”

“Despite my request, the cde [Cwele] is determined to table the matter in cabinet tomorrow ... I hope he is still on his way”

“Responsibility for InfraCo and Sentech,” Muthambi wrote, “Sentech's signal distribution must rest with the Ministry of Communications”

“See attached Proclamation that President must sign”
THE GUPTAS OWN MOVIE-SET

Four Ministers and a Wedding...

1. **Nene**: excellent results but still waiting for that BRICS deployment

2. **Van Rooyen**: lasted 4 days; bloodbath in the market;
   The Telling E-mail “Gents finally...”

3. **Gordhan**: The recall “Intelligence report?”
   - Reality was ...FIC flags 72 suspicious transactions
   - Questioned R1.3bn withdrawal from Optimum Mine Rehabilitation Trust - transferred offshore,
   - Stopped Tegeta abuse of R2,94bn

4. **Gigaba**: Rand tumbling, international markets unimpressed.
GUPTA COMPANIES TOTAL 67

A Money Laundering Haven

- Oakbay
- Sahara
- Annex
- Islandsite Investments 180
- Infinity Media Networks (ANN7)
- Linkway trading
- Aerohaven
- Blackedge Exploration
- Tegeta
- The New Age (TNA) Media
- Shiva Uranium
- Mabengela Investments
- VR Laser Services
- VRLS Properties
- Cutting Edge (linked to HOMIX)
- Afripalm Technology
OUTA’S ACTION

• We have connected the dots and built a compelling case.
• Today we provide Parliament with the documented evidence. They cannot say they were not aware or unconvinced.
• On the day of the *Vote of No Confidence in President Zuma*, we will mobilise civil society for a most historic march that Parliament has seen in our new democracy.
• We call on ALL South Africans to join the fight to remove corrupt officials and hold them accountable.
IN CLOSING

• We will also share our compelling case document with relevant institutions of authority, with encouragement to act.

• OUTA will also compile criminal cases against those implicated.

• The final step of litigation will be contemplated should the Members of Parliament turn against society, by protecting a corrupt President.

• South Africa’s journey of recovery starts with the removal of President Zuma.

• Parliament MUST be encouraged to heed the Constitution and put the country first.
TIME TO ACT...

We now hand over the baton to Parliament, to act in the best interests of our country, South Africa.

THANK YOU