



**REPORT ON RECORDED CONVERSATIONS
BETWEEN THE NSFAS CHAIRPERSON AND
INDIVIDUALS CLOSELY LINKED TO COINVEST
AFRICA (PTY) LTD, A SERVICE PROVIDER
CONTRACTED BY NSFAS FOR THE DIRECT
PAYMENTS OF ALLOWANCES TO NSFAS
BENEFICIARIES**

BACKGROUND AND TIMELINE OF EVENTS

1. In **December 2020**, the minister of Higher Education, Science and Innovation, Blade Nzimande, appointed Mr Andile Nongogo as the CEO of the National Student Financial Aid Scheme (NSFAS), and Mr Ernest Khosa as the chairperson of the NSFAS board.
2. On **25 January 2022**, NSFAS advertised a Request for Proposal (RFP) on bid SCMN022/2021 for the provision of direct payments of allowances to NSFAS students for a period of five (5) years. The closing date to submit bids was 25 February 2022.
3. In **June 2022**, bid SCMN022/2021 was awarded to four (4) service providers for the provision of direct payments of allowances to NSFAS beneficiaries. The following service providers were selected:
 - Coinvest Africa (Pty) Ltd
 - Tenet Technology (Pty) Ltd
 - Ezaga Holdings (Pty) Ltd
 - Norraco Corporation (Pty) Ltd
4. In **September 2022**, OUTA released a final investigation report into a tender to the value of R162 million which was awarded to the Grayson Reed Consortium by Services SETA (SSETA) in 2017. The tender, for the provision of a biometric system to monitor student attendance and the disbursement of stipends to students, ran for two years and close to R170 million was paid to Grayson Reed. After OUTA started investigating allegations of corruption and mismanagement of the tender in 2018, SSETA cancelled it in 2019, citing non-performance as the official reason. Mr Thula Ntumba and Mr Artwell Makelwe were connected to two of the companies that formed part of the Grayson Reed Consortium. This tender was awarded when Mr Andile Nongogo was still the CEO of SSETA. Nongogo also signed the Service Level Agreement. A copy of the OUTA investigation report is attached hereto as **Annexure “A”**.

5. In **October 2022**, OUTA released a preliminary investigation report on the award of bid SCMN022/2021 to the four service providers (Coinvest, Tenet Technology, Ezaga and Norraco) for the direct payment of allowances to NSFAS students. A copy of the OUTA preliminary investigation report is attached hereto as **Annexure “B”**.

6. In **March 2023**, OUTA released an investigation report on a tender awarded by SSETA to Star Sign and Print (Pty) Ltd. The directors of Star Sign and Print were Ms Tshegofatso Ntumba, the wife of Mr Thula Ntumba, and Ms Sandra Baloyi, the wife of Mr Ngwenya Baloyi. It was found that Mr Baloyi was the *de facto* owner and manager of Star Sign and Print who supplied goods to SSETA at highly inflated prices. The Service Level Agreement between SSETA and Star Sign and Print was signed by Mr Andile Nongogo, who also approved the payments. A copy of the OUTA investigation report is attached hereto as **Annexure “C”**.

7. On **4 August 2023**, OUTA released an investigation report on a tender awarded by SSETA to Five Star Communications and Projects CC (Five Star). The Close Corporation was managed by Mr Ngwenya Baloyi, and the only member of the CC was his mother. OUTA found that Mr Andile Nongogo once again approved and authorised payments for extremely overpriced items provided by Five Star for the rebranding campaign at SSETA. This campaign cost taxpayers R37 million. A copy of the OUTA investigation report is attached hereto as **Annexure “D”**.

8. On **8 August 2023**, OUTA released an updated investigation report on bid no SCMN022/2021, concerning the four service providers (Coinvest, Tenet Technology, Ezaga and Norraco) that were responsible for the direct payment of student allowances. In this report more irregularities were pointed out – not only with the awarding of the bid but also with the relationships between NSFAS officials and service providers. A copy of the OUTA investigation report is attached hereto as **Annexure “E”**.

9. On **16 August 2023**, NSFAS released a media statement and announced that the Board has resolved to investigate allegations against the CEO and the direct payment project. For the duration of the investigation, Mr Nongogo was placed on special leave.
10. On **18 August 2023**, NSFAS announced that Werksmans Attorneys was appointed to investigate the allegations against the CEO and the conflict of interest in the appointment of the service providers. Werksmans was also instructed to review the supply chain policies and procedures and the legal compliance of the procurement system.
11. On **16 October 2023**, NSFAS announced that it has adopted the findings and recommendations of the Werksmans report and resolved to implement them.
12. On **24 October 2023**, the Chairperson of NSFAS, Mr Ernest Khosa, announced in Parliament at a briefing to the Standing Committee on Public Accounts (SCOPA) that NSFAS decided the previous evening to terminate Nongogo's service contract as the CEO.

RECORDED CONVERSATIONS

13. In **October 2023**, OUTA received two recordings from a whistleblower. These recordings were conversations between the NSFAS Chairperson and two individuals. The individuals can be linked to one of the four service providers appointed by NSFAS for the direct payment of student allowances.
14. The first meeting of about 20 minutes took place in a restaurant, which OUTA believes to be close to an airport. The meeting was held after the NSFAS board's resolution to place the CEO on special leave.
15. The second meeting also took place in a restaurant a week after Werksmans was appointed to investigate the conduct of the CEO.
16. The second meeting can be divided into two parts. During the first part, two unidentified individuals met at a restaurant and had a conversation for about an

hour and a half. Later Mr Ernest Khosa (chairperson of the NSFAS board) joined them at the restaurant, resulting in a conversation that continued for about an hour.

17. It is particularly important to keep OUTA's investigation reports into SSETA and NSFAS tenders as well as Mr Andile Nongogo's involvement in both organisations (discussed in paragraphs 4 to 8 above) and the public and political backgrounds of Mr Khosa and Minister Nzimande in mind when dissecting the recordings. OUTA's investigations, the chairperson, the CEO and the minister are all topics of discussions in both recordings.
18. The analysis of the conversations between Mr Khosa and the individuals clearly illustrates how all the individuals and companies referred to in the conversations are linked to a kind of network which operated in the Higher Education and political space to gain support from public officials and politicians.
19. Although OUTA will make the recordings publicly available, only relevant and important parts will be quoted and discussed in this report.

NSFAS CHAIRPERSON – ERNEST KHOSA

20. Shipoyila Ernest Khosa is a relatively well-known person in South Africa. On 1 April 2018 Mr Khosa was appointed as a non-executive member of the South African Civil Aviation Authority Board (SACAA) and in the same year Minister Blade Nzimande, the Minister of Transport at the time, appointed Mr Khosa as Chairperson of SACAA's board.
21. In December 2020 Minister Nzimande, by then again appointed as the Minister of Higher Education, Science and Innovation, appointed Mr Khosa as the Chairperson of the NSFAS board.
22. Mr Khosa also previously served as the CEO of the Mpumalanga Economic Empowerment Commission (MEEC), now known as the Mpumalanga Economic Growth Agency (MEGA). In 2005 Mr Khosa resigned – just before a

damning forensic audit report into widespread systematic fraud, corruption and mismanagement was scheduled to be released by PriceWaterhouseCoopers (PWC) who was appointed to investigate the matter.

23. The auditors examined Mr Khosa's jet-setting lifestyle and his role in facilitating a string of irregular multimillion-rand loans to MEEC board members and even larger contracts to companies linked to senior MEEC managers. It also revealed how Mr Khosa used official overseas trips to transport designer clothes for his wife's Pretoria-based boutique. Although Mr Khosa was criminally charged, he was acquitted of the charges by the Nelspruit Regional Court in 2011.
24. Just when everybody thought Mr Khosa disappeared from the public scene, he reappeared as the Chairperson of SACAA and NSFAS, both appointments made by his friend and comrade, Dr Blade Nzimande.

MINISTER OF HIGHER EDUCATION, SCIENCE AND INNOVATION – DR BLADE NZIMANDE

25. Dr Blade Nzimande was appointed as minister of Higher Education and Training on 11 May 2009 by former President Jacob Zuma. He held this position until 17 October 2017 when he was removed from the Cabinet, also by former President Zuma.
26. President Ramaphosa appointed Dr Nzimande in February 2018 as minister of Transport, but in May 2019 moved him back to his previous portfolio as the minister of Higher Education. Minister Nzimande has been the minister in charge of the Department of Higher Education for more than a decade.
27. Dr Nzimande was the General Secretary of the South African Communist Party (SACP) for 24 years, from 1998 until 2022. On 16 July 2022 he was appointed as the National Chairperson of the SACP.
28. The SACP was founded in 1921 but is no longer registered as a political party contesting elections. It is an alliance partner of the ANC. The SACP holds a

National Congress every 5 years where new leaders for the movement are elected. The last National Congress was held in Boksburg from 13 – 16 July 2022.

RECORDING OF THE FIRST MEETING

29. On 16 August 2023 NSFAS released a media statement where it was announced that *“In the interest of the image of NSFAS, the Board has resolved to investigate the allegations with a particular focus on the Direct Payment project. During the course of the investigation, the Chief Executive Officer will be on leave of absence.”*
30. The media release ended with a quote from the Chairperson: *“The Board commits itself to transformation and clean governance at NSFAS and will ensure that any activities that defeat the purpose of serving students from poor and working-class backgrounds are addressed decisively.”* [own emphasis]
31. Before the above-mentioned media statement was released, Mr Khosa had a meeting with two individuals. For the purpose of this report, these individuals will be referred to as “Mr A” and “Mr B.” Only certain parts of the recordings will be quoted and highlighted in this report.
32. The first recording started with a discussion of Mr Khosa’s history at the MEEC as well as OUTA’s investigation report on the SSETA tender awarded to Five Star in which Mr Nongogo (then still the CEO of SSETA) was implicated as the person who authorised and approved payments for goods and services at highly inflated prices.

Mr Khosa: ***I have walked that road before by the way.*** [probably referring to the MEEC investigation]

Mr B: ***You know it. But if OUTA can get that information Chair, they put it on the.... Because that is what they are doing. Because I see the CEO SETA thing. There is no link between what***

he's doing here and what he did in the past. I mean it's unwarranted.

Mr Khosa: *Yoh, yoh, yoh, yoh.... But what they have done, what we're unable to do, is to sponsor certain people to do certain things. Because right now there is a journalist who is calling all of us about yesterday's board decision.*

33. Mr Khosa then told the two men that his plane was about to leave and that he needed a charger for his phone. After some conversation about his phone, he said to Mr A:

Mr Khosa: *Thula, we are in trouble and the only way we can manage this trouble is going to Parliament.*

So, there are things at the Services SETA. I didn't know the details, but you can be sure I now have the detail because these people are sending things everywhere. There is nothing illegal. There is nothing illegal that the CEO has done.

34. Mr Khosa acknowledged that he knew about the details in the OUTA report regarding the conduct of Mr Nongogo at SSETA but denied that the CEO has done anything untoward.

35. The conversation then took an unexpected turn. He told the two men that there was a conspiracy to remove the minister from his position and to remove the NSFAS board.

Mr Khosa: ***But that is not the problem** [referring to the OUTA report]. **The point is that they wanted these things to remove the minister and they wanted this thing to remove the board by tomorrow.***

Mr A: ***Because of that other thing?*** [It is uncertain to what is the “thing” Mr A is referring to]

Mr Khosa: ***Yes. So, in a court of law he can win, I can win. In a court of politics, you cannot win because they just want to mess you up.***

36. Mr Khosa said that they should have discussed the allegations against Mr Nongogo, then they could have taken a decision on how to manage the CEO’s situation. He confirmed that the board needed to act and that they had to be seen to do something.

37. He then explained two points of action that had to be taken: Firstly, an investigation into the allegations had to be done. He was however of the view that an investigation would be a waste of money. Secondly, the CEO had to “***go home.***” Mr Khosa admitted that there was not enough time to consult and plan the actions that had to be taken. The board had to take decisions quickly, and therefore he was going to meet Mr Nongogo in person to explain the situation to him and to hand him the official letter of the board instructing him to take leave of absence.

Mr A: ***Have you spoken to him?***

Mr Khosa: ***He has told a number of people that he doesn’t trust me. Which is fine. He has said a lot of reckless things in the past two weeks. So, I am going to him now.***

38. Mr A asked if the instruction to take leave was a board resolution, after which Mr Khosa confirmed that it was indeed a resolution of the NSFAS board.

39. Mr Khosa then resumed discussing a political conspiracy.

Mr Khosa: ***So, it's a technical retreat, you know, nothing more than that. The pressure will seize on us and on the minister in particular because the target was him*** [the minister].

Our enemy is the ANC, not OUTA.

Mr A: ***But obvious OUTA is a hired gun.***

Mr Khosa: ***The enemy is our own people who wants to move. This is Buti Manamela.***

40. Mr Khosa then told the two men that ***“we will never kill anybody around this table.”*** The interpretation is believed to be that they will prevent the termination of service providers' contracts. Khosa said that nobody would receive a letter that said ***“you are out of the picture, you are corrupt”*** without the parties discussing it first. He said that they had to agree that there would be talks between the parties before any steps were taken. He added that Mr Nongogo was not the main problem, but rather the termination of the contracts. He said that they must not distrust each other and should sit together, have conversations and plan ahead.

41. Mr A then asked what the plans were going forward.

Mr Khosa: ***The tactical decision is that.... Ok, lets presume that we hadn't done what we are doing, [referring to Nongogo's leave of absence and a decision to do an investigation] the board will be out tomorrow. I don't know what we going to be replaced with.***

When we said that we want to investigate the terms of reference were done by me.

One of the resolutions of the board is to give all power to me. They said so in the resolution. Let's say we investigate

Andile, I know all the things that we did together in the corners, and I know why we can be caught.

We have drafted the terms of reference and excluded anything that is a problem.

The only thing that we are not be able to exclude in the investigations is to investigate the award of the four companies.

42. Mr Khosa confirmed that there was a resolution of the board members that gave him exclusive power to draft the terms of reference for an investigation. He also confirmed that he was aware of irregularities that took place and how he could prevent that from being investigated by excluding it from the terms of reference.
43. Mr Khosa also said he could not control an investigation into the awarding of the contracts to the service providers but that he was assured that the evaluation and adjudication committees followed all processes.
44. Mr Khosa then made a very concerning statement. With the terms of reference under his control he said the only thing that they now needed was a law firm that they could control.

Mr Khosa: **You get a firm that you can manage. One of the reasons I'm going there, you must tell me which one. You must give me the firm.**

Mr A: **It must be a law firm? We must give you Werksmans.**

Mr Khosa: **Werksmans? You sure?**

Mr A: ***Ja, you must call Werksmans. You know, why are we using that name? When the report is out and you have used that name, what are they going to say? When the report is released by that name its clear they won't challenge it. And Werksmans, there are partners we know.***

Mr Khosa: ***So, tell me, who is at Werksmans? Now that you've said Werksmans, I will use them.***

Mr A: ***But remember, it must be a certain partner, not anyone. So, I'm saying that you can't just take the name.***

Mr B: ***I think these things can be managed. So, it must be through the people you are working with [Mr B is talking to Mr A here].***

Mr Khosa: ***Who is the partner?***

Mr A: ***I will have to check the name. I can come back with a name.***

Mr Khosa: ***White or black?***

Mr A: ***No, he is black. But the name, remember when it goes out it says Werksmans. Werksmans is Werksmans. Because that's what all these people use, remember Transnet was Werksmans, Prasa is Werksmans.***

45. The suggestion by Mr A to appoint Werksmans Attorneys to do the investigation became a reality when Werksmans was indeed appointed on 18 August 2023.

It is however debateable if the chairperson and his partners really succeeded to manage the outcome of the investigation done by Werksmans and Adv Tembeka Ngcukaitobi SC. It is OUTA's opinion that the plans hatched by Mr Khosa and Mr A failed miserably with the findings and recommendations that were made in the Werksmans investigation.

46. The conversation then turned to a new subject of discussion. Mr B asked Mr Khosa about the signing of documents they discussed, and the mandate given by Mr Khosa to report back by Friday.
47. Mr Khosa replied that he saw the letters but cannot understand why the letters weren't signed and sent out by the CEO (Nongogo).
48. On a question from Mr B on how to manage "**these people**," Khosa replied that it was not a good time to talk to the CEO about "**business**" with all the issues that were taking place. The chairperson further stated:

Mr Khosa: ***If the CEO wants to change a decision that has been taken, he is fighting. I saw the letters. Those things.... Yesterday he was asking if I must take his laptop and I said are you crazy. I cannot take your things. I saw the letters. As a matter of fact, I have contributed in shaping the letters and I added a few things.***

49. In a media article published by *City Press* on 22 October 2023, Mr Nongogo was quoted to say that his suspension was linked to lucrative off-take agreements between companies that were handpicked by a senior government official and the NSFAS chairperson. Mr Nongogo alleged that he received a list from Mr Khosa and a ministerial advisor a few months before he was suspended and was put under pressure to ensure that the companies on the list received the off-take agreements.

50. Mr Nongogo further alleged that he became aware that his electronic signature was used after his suspension and without his permission to issue student accommodation off-take agreement letters to twelve potential service providers.
51. Mr Nongogo was also quoted to say that he received a recording from someone wherein the chairperson said that the suspension of the CEO was a tactic used by the NSFAS board to be seen to be taking action in light of the appointment of four fintech companies and the NSFAS' payments scandal.¹
52. It is clear that the former CEO received the same recording shared with OUTA, and what he was quoted on in the article, was similar to OUTA's analysis of the conversation.
53. Mr Khosa was asked about the way forward. He told the two men that they needed to wait for two or three days. Mr Khosa would then speak to Mr Nongogo, who must tell him who he had to appoint as Acting CEO.
54. Mr Khosa informed the two men that the investigation could be concluded in 30 days. He also told them that if he were asked about his relationship with them, he would say that he has known Mr A for 15 years.

Mr Khosa: ***I have a good mind of saying I know you. I know you but I never know that you did business at the Setas. It's not necessary for me to tell you I know you. I know you. I have known you for 15 years. What is the problem?***

55. He further told the men that he was informed that their cell phones were being monitored and that it was scaring the minister.

¹ <https://www.news24.com/citypress/news/suspended-ceo-spills-beans-on-how-lucrative-contracts-are-irregularly-handed-out-at-nsfas-20231022>

Mr Khosa: ***These guys... With what I'm gathering they have been checking around. They are checking our cell phones.***

They say they will release these things. That is what is scaring the minister. He is shit scared.

56. The statement by Mr Khosa that the minister was afraid that they could be monitored, implied that not only was the minister fully aware of what was taking place, but also that he was aware that the chairperson of NSFAS was meeting with service providers and discussing NSFAS affairs with them.
57. Mr Khosa then left the meeting, but only after Mr B told him that it was important that Mr Khosa have a discussion with Mr Nongogo.

RECORDING OF SECOND MEETING

58. The second conversation can be divided into two parts. During the first part Mr A and another unidentified person (which will be referred to as Mr C) meet at a restaurant where they discuss several matters for about an hour and a half. The second part starts when Mr Khosa joined them at the restaurant, after which they discussed *inter alia* the Werksmans investigation and the way forward.
59. This meeting took place a week after the appointment of Werksmans to investigate the allegations against the CEO (as exposed by OUTA and widely reported on in the media) and the conflict of interest in the appointment of the service providers. Werksmans was also tasked to review the supply chain policies and procedures and the legal compliance of the NSFAS procurement system.
60. The recording started with the two men walking to the restaurant where they later met with Mr Khosa. It is clear from their discussions that they have met with Mr Khosa before. In their discussions they talked about their distrust in Mr Khosa as the NSFAS chairperson. They also conspired to send him some text messages, pretending to be a journalist asking about Mr Khosa's past and the

charges he faced in connection with MEEC. They discussed the OUTA reports and mentioned payments made to the SACP. They discussed the possibility that Mr Khosa was getting paid by someone else as well, and they also discussed the role of the minister.

61. After the men ordered some coffee, they discussed how they had to manage **“this man,”** referring to Mr Khosa. They also wondered about Mr Khosa’s **“end game.”**

Mr C: ***I think let's manage this man.***

Mr A: ***So, what is he saying? What is his end game? We are having a discussion about when we must do something. There must be an end game.***

Mr C: ***But so, I don't think he has clearly defined the end game. For him it's about, and that's my assessment, it's about monetizing. But I think they've got power too, you know Mr Ntumba, if for instance they can start by saying, I was thinking about this, they can say the report yeah, the CEO the investigation must be for three months. Why must they rush and make it a month? That's my thinking. In that three months of worktime, it's the end of the year. Because now they are ceding to pressure from these guys. The OUTA and them. Let's finalise this report and they are agreeing in terms of how they are doing things, they should communicate the message of three months ...***

Mr A: ***So, they're now communicating directly with OUTA?***

Mr C: ***No no, they are not, but I'm just saying the pressure they are responding to this pressure.***

62. The men then gave their view on the OUTA report which led to the investigation into the conduct of the CEO and the appointment of the four service providers responsible for the direct payment system of student allowances.

63. Although they have a misguided view of OUTA's report, one can sense that it was of concern to them. They addressed the OUTA report several times in their discussions, also when Mr Khosa joined them.

64. Mr C again told Mr A that all that was needed was another three or four months. He said there was no reason to rush the investigations because they had to plan the "**end game**" properly. Both men were also very worried that the service providers' contracts would be terminated.

Mr C: ***But me, I'm saying, Mr Ntumba, if we can have this report even for four months, three months, it's minimum. There is nothing, but we will manage the noise. Remember now they are happy now that there's investigations. These ones want to rush it, next week or two weeks.***

Mr A: ***That's why I'm saying, I don't know what is the end game.***

Mr C: ***But if we could push for three months and plan the end game proper instead of saying we want to take out Coinvest, we want to take out all of you.***

Mr A: ***Remember, Action SA Youth League went to court to say they want to set aside this thing. Once you do that, they will set aside everything. I'm telling you.***

Mr C: ***No, no, I see he wants to take us all out. It's like threatening, so that we can give him many things.***

65. The discussion turned to Mr Khosa's overseas trip before July 2023. Mr A believes that the chairperson met with the Fundi chairperson while he was in London. Fundi is a company that has been involved in the higher education space since 1996. It has developed several products, similar to what NSFAS has advertised for, like the direct payment solution, accommodation portal and online accommodation services.

66. Fundi has submitted a bid for all of these contracts, but nothing has been awarded to them. They were often disqualified for insignificant reasons. The chairperson of Fundi is Ms Fatima Habib, the spouse of Prof Adam Habib, the former Vice Chancellor of Wits University. The couple resides in London.

Mr A: ***You see, in my own analysis, the man himself we will ask him today. The man himself, when he was overseas and he said that the Fundi chair was there, apparently. We got that information he was in London. I think they met, and my suspicion is that there are certain things that they have exchanged and now he is receiving pressure. Remember, when he came back, he said he and the CEO will be out by the end of July. I think there are certain things that have happened. I'm telling you.***

Mr C: ***Eh, remember he said you were given two days... who is this person? Because if it's not the minister, who is this person?***

Mr A: ***Remember when he came back from that side, he wanted the whole room.***

67. With the ***“whole room,”*** Mr A was probably implying that Mr Khosa wanted to meet with all the role players involved in the scheme between Mr Khosa and the service providers.

68. Mr C then suggested to Mr A that they would have to deal with the chairperson, Mr Khosa. Mr C suggested that they should tweet something about the chairperson and the board. This was the start of a conspiracy between the two men to send Mr Khosa questions, pretending that it was a journalist asking Mr Khosa questions about his past and his ability to chair an institution like NSFAS.

69. Mr A responded by saying that the service providers were delivering on their mandate and that there was no issue of their performance.

Mr C: ***Aaah, but Mr Ntumba, you know if he is behaving like this, we can we can be... we can deal with him as well just a tweet tomorrow, saying, you know, this Chair and the board is also not correct.***

Mr A: ***But they will deal with us because we will be making the board unstable. But if they are going to say they are taking all of us out.***

I'm telling you I think that's the mandate for me when I'm analysing it. You know, there is no issue of non-performance, there is no issue of non-compliance.

70. Mr C told Mr A that certain people wanted them out of the contract. He alleged that Mr Nongogo was making assumptions about them to justify why their contracts had to be cancelled. According to Mr C, Mr Nongogo alleged that Mr C and Mr Nongogo were cousins. But that was a lie, he said. Mr C said that if there was proof that he and Mr Nongogo were cousins, it would then link Mr

Nongogo to Norracco. Mr C said that he was not a director of Norracco and that, after all, Mr Nongogo was not part of the committee which evaluated the tenders. This could indicate that Mr C is employed by Norracco.

Mr C: ***Says these people, they are picking you as my cousin. He is lying. Andile wants to justify why we must be out of this thing. He says now it's linking him, that he is connected to Norracco. But I'm not even a director of Norracco.***

71. The men then discussed the problems the service providers faced when they could not find students to do a Know Your Client (KYC) verification. The 30 000 missing students at UNISA was mentioned. The same problem apparently existed at the University of Stellenbosch. According to Mr A there were 685 students they could not do a KYC verification on. Mr C suggested that they use Home Affairs to get the students verified.

72. Mr A agreed and said to Mr C:

Mr A: ***That's what must happen, because Thami told me that all companies are complaining about the same thing, even learners said it. All companies are complaining that they've got these people that are not... They are not coming in.***

73. The "Thami" to whom Mr A was referring, was probably Mr Thami Mazibuko, the Project Manager of Coinvest. On 4 October 2023, Mr Mazibuko appeared in parliament when the four service providers made their presentations to the portfolio committee of Higher Education.

74. Mr C also suggested that they made use of the SARS system to verify the students but added ***"we don't have our person and there is going to be trouble."***

75. The two men then again mentioned that they did not trust the chairperson and that they were planning to pretend to be a journalist and send him text messages. They also referred to the previous time they met with him.

Mr A: ***Remember we met him here last time with that boy and that boy, he issued that very bad statement and I called him! But he said no, I was guided by Chair who told it must be like this. That's what he said. I asked him why, what nonsense is this? He said I was guided by Chair to say no he must use it like this to counter EFF.***

Mr C: ***You know I also want to get to him this way, just to send him a text direct with an unknown number to say we are taking these things of your past to the media. Remember, I am not sending this to the media, just to his number. Can get a phone somewhere, write a proper paragraph because it seems like he forgets where he is from.***

Mr A: ***He was acquitted.***

Mr C: ***No no no. But it doesn't matter. The politics is playing with the CEO. And it's not as if the CEO is guilty.***

76. The men then discussed the OUTA report again and Mr A said that the National Skills Fund (NSF) found that the prices charged was market related. Mr C said that the chairperson said that the SIU contacted him and that he was fighting with the SIU. According to Mr C, the SIU wanted to arrest the CEO.

77. They then again returned to the text message that Mr C wanted to send to Mr Khosa. Mr C then gave more detail on what he wanted to send:

Mr C: ***You know, I want to send an SMS to say Hi Morena, how did you became the Chairperson of this thing with your history like this.***

Mr A: ***You know what is key now George, he must understand that he can't now cleanse himself.***

Mr C: ***I'm going to send that thing today, Mr Ntumba, but as if I'm a journalist. I'm asking questions. How were you appointed with this history just to uncover that you have this and this and that how were you made chairperson of two things, you know? Surely you are more corrupt than the suspended CEO. Something like that.***

78. Mr C also said the following that confirmed their distrust in Mr Khosa and the fact that they made payments to the chairperson.

Mr C: ***Because the way he is dealing with us, he is becoming an enemy and he is he's misleading us, taking our monies and everything else. Because this thing is on the internet it's still there.***

Mr A: ***So, it means that these people are fighting for that six million. Remember at some point he was demanding. He said he and the minister want six million.***

79. The last comment from Mr A suggested that at some stage the chairperson wanted R6m for him and the minister. In Mr A's opinion there were other role-players who paid them the R6m.

80. The men continued with what they would add to the text message that Mr C would send to the chairperson. It was suggested that they included the fact that they know that the chair had tax issues and that he was evading tax. They also wanted to insert questions about the house, Mr Khosa's car and the cars of his children. They talked about four children who were not employed but had vehicles. They discussed more items that they wanted to include in the

questions, for example that it was known that the chair was talking to both camps and that it caused confusion.

81. The conversation continued with further discussion about how they did not trust Mr Khosa and that he was double-dipping. They also mentioned Werksmans who was suggested by Mr A and named “**Sandile**”, the attorney from Werksmans who was doing the investigation. It is not known if Mr Sandile July was the name of the partner at Werksmans that was supplied by Mr A.
82. The two men also discussed the possibility of the cancellation of contracts of the service providers. Mr C said that he suggested to the chairperson that they must be given a notice period of 12 to 18 months. Mr A’s views were that he didn’t think that the contracts would continue beyond December and that NSFAS would use December and January to get a new service provider. They agreed that everything would be triggered by the outcome of the investigation into the conduct of the CEO.
83. It is evident that Mr A had inside knowledge of what happened behind the scenes when the bid was evaluated. Mr A said that the CEO was invited to the meeting in his capacity as the end user.

Mr A: **Let me tell you what I have. The bid committee wrote to the CEO. They invited him to the meeting.**
And you know why he was invited? He was not invited as a capacity as a CEO. Because that office, it is the user department for direct payments. That's how the organogram is structured. So, he went there in the capacity as the user department. He didn't sit on the deliberations.

84. The Werksmans report states that Mr Nongogo informed Werksmans that he attended the BEC meetings on invitation in his capacity as the end user. The quote above of Mr A implies that he had a discussion with someone at Werksmans or that he had a discussion with Mr Nongogo. The Werksmans investigation was not completed at the time Mr A and Mr C had their meeting,

but Mr A was 100% correct about what Werksmans found during their investigation.

85. In the recording of the first meeting, it was Mr A who suggested that Werksmans be appointed and that he knew a partner at the law firm. It is therefore possible that he got this information from someone at Werksmans.
86. The Werksmans report (p12, par 4.3) states that they did not have an interview with Mr Nongogo but that written questions were posed to him to which he duly replied. The discussion between Mr A and Mr C took place a week after the appointment of Werksmans (Mr Khosa will confirm this later in the meeting). If the questions were prepared by Werksmans and sent to Mr Nongogo within the first week of their investigation, it is possible that Mr A had a conversation with Mr Nongogo where the questions asked by Werksmans and Mr Nongogo's reply to it were discussed.
87. Mr A was sure that there was someone else who was controlling the chairperson and that was why they won't get him to extend the investigation to three months.

Mr C: ***But I'm saying, be that as it may, this process must take three months.***

Mr A: ***They won't. He's got played. I'm telling you. You know, you can see when a person has been given something and they put a gun on his head. I'm telling you. They won't agree to three months. No, because wherever he has collected, he's got a gun on his head. Remember, he said it himself that he's been giving up until the 30th of July. Indirectly he told us. Remember, he told us that he said that he's going to be gone. Him and the CEO. So, he had to save himself. That's why this thing... I'm telling you; he's got a gun on his head.***

Mr C: ***But you can't have an investigation of two weeks on a matter like this. It's pre-determined, right?***

Mr A: ***Yeah, it's pre-determined. The principal, whoever he's reporting to, they're telling him. Because even look at what has happened now. Noise is gone. No university strike, no student striking. It's controlled. Very controlled, you know.***

88. The men believed that the chair destroyed the CEO's career, and that Mr Nongogo was supposed to be in control of the situation. They also suggested that the minister who appointed Mr Khosa as the chairperson of SACAA and NSFAS was the only person who would employ him, and that Mr Khosa must be wondering what would happen if the minister didn't come back as minister after the elections.

89. Mr A was very upset that people tend to forget quickly when they received gratification and he said that he would remind the chair today. He told Mr C that he donated to the SACP.

Mr A: ***I gave him a million rands for the Communist Party. Just imagine. For the conference. When there was nothing. I donated with the very same company that created T-shirts last year together with the bags.***

90. While the men waited for Mr Khosa, Mr A said that he had to meet someone else. Mr C tried to get hold of Mr Khosa and later said the Mr Khosa would be there at 14h00. Mr A said that he would then wait for him. It seemed that Mr C was the person who was in direct contact with the chairperson most of the time.

91. Mr A asked Mr C at one stage about the minister.

Mr A: ***So, he doesn't say anything about the minister?***

Mr C: ***No, he is not saying anything.***

Mr A: *What is his discussion with the minister?*

Mr C: *The only thing he says is if you can undertake to take care of the minister, it's not a problem. It's a monetizing mentality. Taking care of the minister means that you must give him things.*

92. The two men also discussed money that was paid out to (presumably) the chairperson from the direct payment partners. Mr C said that **“One Two Fifty”** was paid in the past four months. According to Mr C that was money that was not supposed to go out. It was supposed to be used for expenses, cards, and tags.

93. They speculated on what they would tell **“Maluleke”** about the money that went out (This refers to Ms Tsakani Maluleke from the South African auditor-general, or AGSA.)

94. Mr A told Mr C that he was invited to a meeting at the airport. The **“big man”** was there.

Mr A: *You know, me, I was called in that meeting at the airport. The big man was there. We spoke. We greeted.*

Mr C: *Seriously? I'm sure he was not comfortable.*

Mr A: *No, no, no, I met with him first and then he says he wants to tell him he's not going to get anything because it's a refund for him now. So, then I greeted, you know, the minister. We spoke, and then, with Nqaba. Then I left them to talk. Then when they were finished, that's when we met again and say there must be a meeting of four.*

Mr C: ***Maybe let's do that, even now....***

Mr A: ***Then the meeting of four was cancelled.***

Mr C: ***I remember.***

Mr A: ***Many times the meeting of four....***

Mr C: ***Remember, we came there rushing, once we delivered that thing, I was there. You know, that meeting is to coerce you into giving out something.***

95. The comments by Mr A confirmed that he met with the minister and his special adviser, Mr Nqaba Nqandela, before. He also spoke about a ***“meeting of four.”*** Mr C reminded Mr A that they had to rush to attend a previous meeting of four to deliver ***“that thing.”*** He said a meeting of four was usually arranged ***“to coerce you into giving something out.”***

96. Mr C said that Mr Khosa liked money and that it was likely that he would assist ***“those people”*** and that Mr Khosa thought that there would be a monthly fee. Mr C said, ***“that's how stupid he is,”*** referring to Mr Khosa. Mr C predicted that Mr Khosa would enter into a deal with other service providers for a monthly fee.

Mr C: ***So, he'll say, OK, I will deliver on those people. They paid me that big thing, but they may not continue monthly. You know, the deal they are giving him, you can't get it anywhere else.***

97. Mr C further predicted that Werksmans' investigation report would only be released by the end of September and that nothing would change until then. He also said that Mr Khosa would be looking after his own interest and that they

should say to him that after the report was released, only two service providers should carry on with the contract.

98. Mr A told Mr C that his team told him that the chair was going to meet with the other service providers separately. The men then talked to each other about their dismay because Mr Khosa would discuss “**strategy**” when there were outsiders present.

Mr A: ***The boys told me that he said that he is going to meet those players one by one.***

Mr C: ***Serious?***

Mr A: ***That’s what they said, yeah. To understand who they report to. I’m sure he has met them, I don’t know.***

Mr C: ***But why is he clumsy to discuss such strategy things with the boys?***

Mr A: ***And I feel these boys are the ones that are also talking a lot out there. That’s my feeling.***

Mr C: ***You know what. In that meeting at the airport, that man spoke of a war chest of six million in front of Matiwane and that boy, I realised, and I thought otherwise about this thing. And now there’s talk of six bar.***

Mr A: ***Yeah, that do not even carry 10%.***

Mr C: ***And from there he is just going to take 10% and then realise I’m not making money. You can’t trust the man. There’s no other source of income.***

Mr C: ***Those guys, I don't think that they are paying him good money.***

Mr A: ***I think they gave out six, I'm telling you.***

Mr C: ***Yes, they gave him, but it's gone. Now they must be monthly.***

99. It is evident from the discussion between the two men that service providers are paying massive amounts of money to the chairperson. The discussions suggest that Mr Khosa was paid by a bidder who was unsuccessful with its bid. Mr C remarked that ***"there's no principal in this man."*** This coming from a person who himself together with Mr A met with Mr Khosa to discuss a deal with him.

100. The men discussed the report that the board had to present to the minister about the way forward for NSFAS after the CEO's suspension. They, however, believed that there was an outside party who wanted to get the investigation done as quickly as possible and hoped for an outcome where the payment partners' contracts would be terminated. They also thought that the minister was supportive of a speedy outcome of the investigations. Mr A and Mr C, on the other hand, wanted the investigation into the CEO to carry on for at least three months. That would mean that their companies would have more time to distribute the allowances and to create more income for themselves.

101. Mr A then made a statement that Mr Nongogo was appointed in his position by the minister and that the minister and the chair knew what Mr Nongogo can deliver, adding that he has been delivering to them for years.

Mr A: ***...the one that is suspended because he knows what he can deliver. He's been delivering for years.***

102. This statement confirms what OUTA exposed in its investigations into the conduct of Mr Andile Nongogo, especially when he was the CEO of SSETA where he authorised exorbitant payments to companies linked to Coinvest.
103. The two men again discussed the proposal they would be making to Mr Khosa in order to win three months for the service providers. They discussed the AG's audit again and predicted that NSFAS would get a qualified audit, but that it won't be based on the direct payments.
104. The men talked about the assistance that was given to Mr Khosa when it didn't go well with him financially. It was through a movement Mr C was part of which dealt with "**stability issues.**" He said that Mr Khosa was the leading secretary of the organisation but now that he has a stable position, he was not available for the movement anymore. The members of this organisation said that they had seen Mr Khosa's true colours now.
105. They also told each other that they did the same (paid Mr Khosa). It is clear that they do not trust Mr Khosa and that according to them he can't "**deliver.**"
106. While they discussed a house that Mr Khosa was apparently building in his "**village**" they saw him walking into the restaurant.
107. Mr Khosa joined the two men and after some small talk with the waiter he ordered spinach and greeted the men.

Mr Khosa: ***Thula, how are you?***

Mr A: ***I am fine and yourself?
I always stress, but you know, sometimes it does not help.
Life is something else.***

108. The three men talked about stress and Mr Khosa told them briefly what happened with him at MEEC. He told them that he was replaced as CEO of MEEC by Philip Dexter and how he realised who his true friends were during

that time. He also added that ***“my relationship with Blade is against Philip Dexter.”*** It is not sure what he meant by that, but he acknowledged his relationship with the minister.

109. Mr Khosa made sure that everyone’s phone was put away.

110. Mr C said that the items for discussion were basically the way forward and the contributions. Mr Khosa briefed them.

Mr Khosa: ***Let me start with a briefing on where we are. You said we must appoint Werksmans. You recommended Werksmans you remember?***

Mr A: ***Yes. The reports, when they come from small firms they get rubbished.***

Mr Khosa: ***Yeah. So, I did get to know who are your guys as well. Now I know. They updated me. As soon they were appointed the SIU said they must stop. What is your interpretation on that?***

111. The men discussed the SIU and its investigation. Mr Khosa said that he thought that the SIU wanted to guide them in their investigation. He also said that the findings of the investigation would be made by them, meaning NSFAS, not the SIU. The findings would be watertight and there was nothing they can do when action was taken by NSFAS. He told them that ***“our guys”*** (Werksmans) started with the investigation and that he would meet with Adv Andy Mothibi (head of the SIU) the next Monday.

112. Mr Khosa told the two men that, if the report stated that they had to cancel the contracts, they must have an honest and open discussion between them about the matter. If they were not going to talk about it, like men, they will not solve the problem.

113. Mr C asked the chairperson what the duration of the investigation would be. Mr Khosa replied that it would be done in two phases and phase 1 would take a month to finish. With phase 1, a preliminary report would be released whereafter phase 2 would follow.

114. Mr Khosa talked about Mr Nongogo and his term as the CEO of Services SETA and said:

Mr Khosa: ***You and I know the things that happened at the SETA has got nothing to do with us, but then Thula, I must tell you. Those guys sold him out.***

Mr A: ***But OUTA has been there for years.***

Mr Khosa: ***No but I don't care about that. They gave them everything. Everything that you can think about. To an NGO!***

Mr A: ***Ja. To them who has no authority.***

Mr Khosa: ***I think he [Nongogo] must act. He must write to them....***

115. Mr Khosa was upset that SSETA gave OUTA all the information on certain tenders that were awarded by SSETA. The information that OUTA received from SSETA was only supplied after a 3-year court case when SSETA initially refused access to information when OUTA requested it in terms of a PAIA process. Mr Khosa and Mr A definitely did not understand why the information was supplied to OUTA and that it was obtained after a legal process.

116. The information received from SSETA implicated Mr Nongogo in corruption as well as ignoring the prescripts of the PFMA. It is to be noted that after OUTA released the reports, SSETA also appointed Werksmans attorneys to do an investigation. OUTA requested a copy of that Werksmans report, but to date SSETA has not given OUTA access to it. OUTA has in the meantime served another PAIA request on SSETA to obtain their Werksmans report. It is

possible, if one listens to Mr Khosa and his outrage for SSETA supplying OUTA with the information as requested with PAIA, that SSETA was pressurised not to share any information with OUTA.

117. After a question from Mr C, Mr Khosa answered that he appointed Werksmans a week before this meeting on the 17th of August. Mr C, who of course in his previous discussion with Mr A said that he would push the chairperson for a 3-month period to conclude the investigation, worked out that the report could then be ready by the 16th of September.
118. Mr Khosa was asked about his predictions for an outcome of the investigations. He replied that it was something that they couldn't avoid, and it was a risk that they would have to take. He added that that was the reason he was meeting with Coinvest here.
119. Mr Khosa said that because of the OUTA's investigation there was a lot of focus on Coinvest. Mr A replied that he read the OUTA report. According to him, OUTA was misleading the public and that they were prepared to take OUTA to court to show that OUTA was wrong and defamed Coinvest.

Mr A: ***I don't know what we have done wrong. I don't know.***

Mr Khosa: ***We should try and stand our ground if we are right.***

Mr A: ***Remember OUTA is saying that companies are not registered with FSCA. Payment companies don't have to register with FSCA. They are not providing a financial product. They are misleading the public. There is no insurance service there, or credit loans or financial advice or FIAS.***

We are registered at PASA – Payment Association South Africa. Banks are BASA – Banks Association South Africa.

Mr A: *They are just misleading the entire public. But it is fine, let them make all these mistakes. I looked at that report, there is nothing. Let them continue writing and defame us. When we have to launch a defamation then we will do it. It will be broke. They are busy being clumsy.*

Mr Khosa: *We know that.*

Mr A: *Nedbank give us a sponsorship. They always come to our office. This is not an NSFAS capture. If you go to the card division, you can talk to Nedbank. We are known. Artwell was never part of NSFAS. Those directors were not appointed because of NSFAS. They were there in 2019. Andile left SETA when the company was formed. You know, let them continue doing what they are doing, Chair. OUTA, the Afrikaners, they make me upset because they've been paid. And we know that. All of us seated here.*

120. Mr A made a few particularly important remarks here. By this time, it is clear that they were talking about Coinvest. When Mr A referred to “we” when he said that he didn’t know what they have done wrong, he confirmed that he was part of Coinvest. His referral to “we” when he talked about Coinvest was repeated several times, not only in the quoted section above, but throughout the whole discussion.
121. When he said that “Artwell” was never part of NSFAS he referred to Mr Artwell Makelwe, the founding director of Coinvest Africa. It is true the Mr Makelwe was “never part of NSFAS” because he resigned as a director of Coinvest on 30 June 2021 and the tender for the direct payment of allowances was advertised on 25 January 2022 with a closing date 25 February 2022. At the time when Coinvest submitted its bid the directors were Ms Meryl Makelwe and Ms Tshegofatso Ntumba the spouses of Mr Artwell Makelwe and Mr Thula Ntumba.

122. It is also true that the company was already registered in 2019. Mr Nongogo resigned from his position as the CEO of SSETA on 31 July 2018. At that time, Mr Makelve was a director of Africawide Fintech South Africa, a consortium partner of Grayson Reed, the entity that was awarded a tender by SSETA for the distribution of student stipends.
123. With Mr Khosa's comment "**We should try and stand our ground if we are right**" it is clear that he associated himself with the men in the discussion. With the discussion mainly revolving around Coinvest, the only possible assumption is that Mr Khosa is in cahoots with Coinvest.
124. Mr A asked the chairperson about the "***Terms of Reference***" (***TOR***) of the investigation, and he referred back to the previous meeting he had with Mr Khosa.

Mr A: ***What is the scope, Chair? Last time you said, you were going to do the TOR. You had said that the resolution was that you must do the TOR. Did you guys manage to do it or how was it structured?***

Mr Khosa: ***It's done. These guys are checking process, they are checking those allegations. The two basic things and our system.***

125. This question and comment by Mr A confirmed that the NSFAS chairperson and service providers have met before, and that Mr Khosa is sharing internal board decisions and information with service providers.
126. Mr Khosa shared with the men that they were experiencing various kinds of pressure. He said that there were political pressures and that it could not be ignored as there were elections in 2024. He also said that during the imbizos, NSFAS matters were discussed, and questions were asked. The final pressure he stated, have three components namely the students, journalists and OUTA,

and that these groups were targeting the service providers, the board and Mr Nongogo. To get the board out, pressure was put on the minister.

127. Mr Khosa also told the men that if the outcome of the investigation were to cancel the service providers' contracts, they had to remember that these recommendations would be made to the board and the board would have the final say. According to him, the board could decide to implement the recommendations, to consult with the parties or not to accept the recommendations.

128. Mr A said that if the cancelation of the contracts was the worst-case scenario, then it had to be done in such a way that the service providers did not look **"guilty"**. He reminded the chairperson that Coinvest had other clients besides NSFAS. If it looked like they were guilty of any wrongdoing, it would have a ripple effect on their business and it could result in them losing their bank sponsorship. That would effectively **"kill"** their business. Mr C agreed with the chairperson that when the report was released, they would consult again to decide on the way forward.

Mr A: ***Because if now you say, if a person loses the sponsorship, it's like you've said that you've killed them.***

Mr C: ***To lose a job is one thing but to be taken out of a membership...***

Mr A: ***Then it makes people now to do a street fight. Which you don't want.***

Mr C: ***So, but the chair I hear him to say that when the time comes for the report, we put heads together for what is the best course.***

129. Mr C then talked to the chairperson about incentives. He started to speak much softer, and it is difficult to hear exactly what he said in the recordings. From what

can be heard he was telling Mr Khosa that although things were not going as well as planned, the **“two top players”** would still give incentives of **“100 each”**. He said that they would make use of other sources.

130. Mr A then replied and said that they would make a plan, that he didn't think that the source of the incentive matters, but he agreed that the **“hole is huge.”**

Mr A: ***We'll make a plan. I don't think the source is key. At this stage is to try and see what we can do. But I don't think the source matters.***

Chair knows we've been doing a lot of things even before this thing came. And the party that he belongs to, his minister, he knows. We've been giving them serious things. Even before these things are here.

And the hole is huge. Because of historic and where we are coming from, you know. Its fine.

131. Mr A told Mr Khosa that the company OUTA investigated for printing/ producing the promotional material for SSETA, was the same company they used to print and supply T-shirts and bags for the SACP conference. Mr A was referring here to Five Star Communications and/ or Star Sign and Print which were the companies doing business at SSETA. OUTA investigated and issued reports on both. Although it was two different entities, it really belonged to the same person, Mr Ngwenya Baloyi. The one director of Star Sign and Print was Ms Tshegofatso Ntumba, who was also a director of Coinvest.

Mr A: ***And by the way, you know that company, it's still operational. It's not that it's a shell. That company they write about.***

Even those T-shirts and the bags for the conference last year, we did that there. We are always doing things for the party. The ones for the conference for you.

132. Mr Khosa then also lowered his voice, and it is difficult to hear what he said about his commitments to the two men. However, at one stage he warned that they should be careful and added: ***“Can you imagine what happens if someone take a picture of us sitting like this?”*** With this comment he acknowledged that what he was doing as chairperson of a board – meeting with service providers discussing the outcome of an investigation concerning service providers and talking about incentives that are given to the “principals,” – was wrong and illegal.

133. Mr A then mentioned that he was once contacted by a journalist from the *Sunday Times* who asked him some questions. Although these quotes below would seem to be insignificant, it would become clear later on in this report why it is important to include it.

Mr A: ***These people how they write rubbish, you know. You realise they are so ill informed. They brought that City Press, no it was Sunday Times. There's a company that they say, I'm a member. You know that journalist sent me questions. He said I'm a director. I've never been a director even once. Just because they are trying to put my name. In the brackets they write member. It's a PTY Limited. PTY Limited does not even have members. They are saying that I'm a member. I'm not there. There's shareholders or directors. They say I'm a member when I'm not. But I'm like, okay, all these things. When you take people head on one day. When the time is right.***

134. After some small talk over OUTA, EFF politics and Mr Khosa's health, Mr C asked the chairperson how things would evolve. He said that they were speculating a lot, but he wanted them to know what the ***“end game”*** would be. Mr Khosa said that things would stay the same until leadership changed.

135. Mr A asked to be excused because he had to attend another meeting in Bedfordview. Mr Khosa said to him that he must know that they were safe. Mr A then left the restaurant. On the recording, it is clear that when Mr A leaves the meeting, footsteps can be heard, and the noise of the restaurant fades away. It became clear that Mr A. carried the recording device. Even when their phones were put away or switched off, the recording continued. It is therefore reasonable to believe that Mr A intentionally recorded the meeting himself.

IDENTIFICATION OF MR ERNEST KHOSA

136. Mr Khosa has delivered several public speeches, and his voice sounds similar to the voice on the recordings.

137. Mr A and Mr C addressed Mr Khosa as “Chair” throughout the two meetings. They also discussed his appointment as the chairperson of SACAA and NSFAS by minister Blade Nzimande (see paragraphs 77 and 88).

138. Mr Khosa told the two men at the start of the first meeting that he was replaced at the MEEC by Philip Dexter. It was indeed Mr Dexter who took over from Mr Khosa when he resigned at the MEEC (see paragraph 108).

139. OUTA is satisfied that it is Mr Khosa, the chairperson of NSFAS, in the two recordings.

IDENTIFICATION OF MR A

140. On several occasions Mr Khosa addressed Mr A as “Thula” (see paragraphs 33 and 107).

141. Mr C addressed Mr A as “Mr Ntumba” on several occasions (see paragraphs 61, 64, 69 and 77).

142. Mr A confirmed his own identity when he told the chairperson and Mr C that he was contacted by a journalist working for the *Sunday Times* and that the journalist referred to him as a member of a private company. In the article written by Mr Prega Govender of *Sunday Times*, it is clear that Mr Govender contacted Mr Thula Ntumba and asked him questions about his involvement with a company who was awarded a tender by SSETA to distribute student stipends (see paragraph 133).
143. OUTA is satisfied that Mr A is Mr Thula Ntumba.

IDENTIFICATION OF MR B AND MR C

144. There is a possibility that Mr B and Mr C is the same person, but this could not be confirmed. Both recordings were made in a restaurant with loud background noise. Although Mr B did not speak a lot during the recording of the first meeting, the voices of Mr B and Mr C do sound similar.
145. In the recording of the second meeting Mr C is saying things about himself that gave an indication of who he might be. He said that Mr Nongogo indicated to him that, because they are cousins, Mr Nongogo could be linked to Norraco. Mr C then said that it was unlikely because he is not a director of Norraco. This indicates that he could possibly be working for Norraco or could be closely linked to Norraco (at paragraph 70).
146. Norraco is one of the service providers who distributes student allowances and was mentioned again in the conversation with Mr Khosa.
147. During the conversation between Mr A and Mr C, Mr A addressed Mr C once as **“George.”** Although all the employees of Norraco are not known to OUTA, no person associated to Norraco with the name “George” could be found (see paragraph 77).

148. Listening to the conversations, it does sound like Mr C has a close relationship with Mr Khosa. He was the one who phoned and texted Mr Khosa to hear where he was and at what time he would join the meeting.
149. It also seems that Mr C has more intimate knowledge about the chairperson and the minister's affairs. Mr A asked Mr C what the chairperson said about the minister. Mr C replied and said that if the minister was taken care of there would not be problems. This also indicates that he had more encounters with the chairperson than Mr A (see paragraph 91).
150. Mr C also referred to the Auditor General and the audits of NSFAS. With his knowledge about NSFAS' internal issues, it could be that he is working at NSFAS or at least have information about internal NSFAS matters (see paragraph 93 and 103).
151. It is clear from the discussions between the two men that Mr C has attended several other meetings with the Chairperson where individuals other than just Mr A was present. Mr C referred to a meeting at the airport where Mr Bamanye Matiwane was present (see paragraph 98).

IDENTIFICATION OF SERVICE PROVIDER

152. It is clear that Mr Ntumba and Mr C were meeting with Mr Khosa to discuss matters of concern to a service provider who was appointed to facilitate the direct payment of allowances to NSFAS students. After the release of the OUTA investigation report on the direct payment partners and pressure and protests from students and the public, the NSFAS board resolved to put Mr Nongogo on leave of absence and to launch an independent investigation.
153. The actions taken by NSFAS had an influence on the four service providers who were appointed to facilitate the direct payments. The recordings of the meetings between Mr Khosa, Mr Ntumba and Mr C not only revealed that the actions by the NSFAS board influenced the business of the service providers, but it also

revealed that there was a corrupt and unacceptable relationship between the chairperson of the NSFAS board, the CEO of NSFAS and a specific service provider.

154. There is a possibility that Mr C represented Norraco, but it could not be confirmed. Mr C mentioned Norraco and the alleged link between him and Mr Nongogo, but he then confirmed that he was not a director of Norraco (see paragraph 70).
155. It was however clear that throughout the two meetings, the interests and risks of Coinvest were discussed. It also became clear that Mr Ntumba was most probably representing Coinvest in these meetings.
156. Mr Ntumba cannot be linked to Coinvest on paper; he is not a director or a shareholder. However, he does have close links to the company and can be described as a beneficial owner. This link between Mr Ntumba and Coinvest will be discussed in detail below.
157. Coinvest Africa (Pty) Ltd was registered on 2 August 2019. The founding directors were Mr Artwell Makelve and his wife Ms Meryllyn Makelve. This is as Mr Ntumba told Mr Khosa when he said that Artwell was there in 2019 (see paragraph 119).
158. Mr Makelve resigned as a director on 30 June 2021. Although Mr Makelve resigned as a director, he is still very involved with the day-to-day activities of Coinvest and holds the position of the Group CEO. He also attended the launch of the NSFAS bank card in November 2022 in Richards Bay.
159. On 21 December 2020, Ms Tshegofatso Ntumba was appointed as a director of Coinvest. Ms Ntumba is married to Mr Thula Ntumba who met with Mr Ernest Khosa as discussed *supra*.
160. In 2017 SSETA awarded a tender to the Grayson Reed consortium. The consortium was made up by three companies, namely Muroba Group Holdings which traded as Grayson Reed, Dram Holdings (Pty) Ltd and Kulanati Financial

Solutions (Pty) Ltd. The contract between SSETA and the Grayson Reed consortium was cancelled on 2 September 2019.

161. Dram Holdings changed its name to Africawide Fintech South Africa and Mr Makelve was previously a director of the company (until 28 February 2020). Mr Ntumba was never officially appointed as a director of Kulanati Financial Solutions, but evidence obtained with OUTA's investigation into the Grayson Reed tender, indicated that Mr Ntumba was the *de facto* owner/ manager of the company. The *Sunday Times*' questions to Mr Ntumba were about this position he had in the Grayson Reed tender (see paragraph 133).
162. The fact that Mr Ntumba has been in business with the founding director of Coinvest as far back as 2017, as well as the fact that his wife is a director of Coinvest together with Mr Makelve's wife, places Mr Ntumba in the immediate space of Coinvest.
163. During the discussions with Mr Khosa, Mr Ntumba on several occasion referred to Coinvest and would then say for example "Nedbank gave **us** a sponsorship" and "**we are known**" (to have a sponsorship by Nedbank). (See paragraph 119).
164. He also mentioned that he spoke to "Thami" who was a project manager at Coinvest (at paragraph 72 and 73).
165. Mr Khosa also acknowledged that he was meeting Mr Ntumba as the representative of Coinvest when he said that it would have serious consequences if someone took a picture of his meeting with Coinvest (see paragraph 132).
166. OUTA is satisfied that there is enough evidence identified in this report to show that the service provider who met with the NSFAS chairperson is Coinvest and that Mr Thula Ntumba represented Coinvest at these meetings.

THE RECORDINGS

167. As mentioned above, the recordings were handed to OUTA by a whistleblower whose further details will not be discussed or made public.
168. Mr Ntumba made the recording of the second meeting. It is not known if he made it intentionally or if a recording device was attached to him without him knowing about it. The fact is that when Mr Ntumba left the second meeting to go to Bedfordview, you could hear how he exited the restaurant.
169. If Mr Ntumba knowingly made the recordings, it can be argued that he did it to have a record of everything that was discussed and that he would be able to revisit the recordings to exactly know what was discussed and decided. He could also have made the recordings to have some leverage on the chairperson and to possibly use it to blackmail Mr Khosa.
170. It is unknown how the recordings ended up in the hands of the whistleblower. It is also unknown how it came into the possession of Mr Nongogo, who alleged that he was in possession of a recording during his interview with the City Press.
171. OUTA believes that the recordings are authentic and not tampered with. However, further investigations and research can be done by law enforcement to determine if it was indeed Mr Khosa, Mr Ntumba and a third person or persons who met on two occasions in 2023.

NETWORKS IN THE DEPARTMENT OF HIGHER EDUCATION

172. OUTA has always maintained that there are public officials in the Department of Higher Education who assist private companies to obtain tenders in exchange for some kind of gratification. These recordings confirmed OUTA's opinion that Higher Education is riddled with corruption.
173. The extend of corruption allegedly stretches from the minister to board chairpersons, board members, executives, and other employees. There are

several investigation reports that confirm this statement and for far too long it was ignored.

174. Mr Ntumba, by his own admission, is part of this network. His own companies and the companies he is linked to were awarded tenders worth millions by several Higher Education institutions. Also, by his own admission, he is enjoying a close relationship with Minister Blade Nzimande, Mr Ernest Khosa and Mr Andile Nongogo.
175. Mr Ntumba also admitted that he paid at least R1million towards the SACP where minister Nzimande has been in a leadership position for more than two decades. Mr Ntumba also admitted that he, through the printing company that was awarded a printing and branding contract by SSETA, printed t-shirts and bags for the SACP conference.
176. Mr Thula Ntumba is an accountant and a co-director of several companies with his brother Mr Melusi Ntumba. His companies were *inter alia* awarded the following tenders: a R39,7 million tender for a forensic investigation together with 2 JV partners at SSETA and a R62,3 million tender (also at SSETA) together with Mr Menzi Fakude as a JV partner. Mr Fakude was later appointed as the CEO of SSETA. Ntumba and Associates Consulting was also appointed for internal audit services at Construction SETA for R2,7 million and is also serving on the panel of finance management firms at NSFAS.
177. Mr Ntumba's wife, Ms Tshegofatso Ntumba, is also no stranger to the Department of Higher Education. Her company, Star Sign and Print. was awarded a tender by SSETA for the printing and branding of promotional items. Star Sign and Print charged SSETA excessively inflated prices for the items. For example: R214 for a note pad and R165 for a lanyard. This tender was also awarded while Mr Andile Nongogo was the CEO of SSETA.
178. Coinvest was also appointed by Construction Seta (CETA) to make provision for a direct payment system to pay stipends to CETA students.

179. Several companies closely related to Coinvest were also awarded tenders at NSFAS. Futgenx and Siyaqhoba Business Enterprise were two such companies. Futgenx was awarded a tender for the development of a student calculation tool and Siyaqhoba was appointed as an accommodation accreditation agent.
180. Around 2017 a group of companies called Africawide was awarded several tenders by SSETA and CETA. Mr Artwell Makelwe and Mr Ntumba then got involved through Grayson Reed. When the Grayson Reed contract was cancelled it seems that Africawide and its director Mr Raymond Chiimba fell out of favour with Higher Education.
181. At the time when the contracts were awarded to companies linked to Mr Ntumba, Minister Nzimande was the minister of Higher Education. When tenders were awarded by SSETA, Mr Nongogo was the CFO and later the CEO of SSETA. Mr Themba Mhambi was the chairperson of the SSETA board at the time and before that the Administrator of CETA.
182. When Minister Nzimande was appointed as the minister of Transport, he immediately appointed Mr Mhambi as the chairperson of the Sanral board. Minister Nzimande appointed several of his Higher Education confidants in positions at the department of transport, just to call them back to the Department of Higher Education when he was reappointed as the minister in charge by President Ramaphosa.
183. As admitted by Mr Khosa, he enjoys a special relationship with minister Nzimande. This can also be seen in his appointment as the chairperson of SACAA and NSFAS by minister Nzimande.
184. Most of the tenders as described above have been investigated by OUTA and several investigation reports were released. The reports are available on the OUTA website and attached to this report.

185. Mr C stated that Mr Bamanye Matiwane was present at a meeting where Mr Khosa discussed “strategy” with some of the service providers. Mr Matiwane is a NSFAS board member and the former President of the South African Students Congress (SASCO). This indicates that more board members and student organisations could also be part of the network. (see paragraph 96)
186. Mr Ntumba said that when he met with the minister and the chairperson at the airport, Mr Nqaba Nqandela was present in the meeting. Mr Nqandela is a special advisor to minister Nzimande. He was previously appointed by minister Nzimande as the Administrator of the North West Transport Department during minister Nzimande’s tenure as minister of Transport. Mr Nqandela is one of the people that followed minister Nzimande to the Department of Transport and back again to the Department of Higher Education. If Mr Nqandela was present when the minister met with a service provider, it is possible that he is also part of the network.

FINDINGS

187. There were two meetings between Mr Ernest Khosa, the chairperson of NSFAS, and Mr Thula Ntumba, who is closely involved with Coinvest, as well as a third unidentified person. These meetings were recorded. The first meeting took place a day after the NSFAS board resolved to suspend Mr Nongogo. The second meeting took place a week after Werksmans attorneys was appointed to investigate the matter.
188. The discussions that took place, the specific topics that were discussed and the names used to address people leave no doubt regarding the authenticity of the recordings.
189. Mr Khosa informed Mr Ntumba and Mr B that the board decided to grant Mr Nongogo leave of absence and that there must be an investigation into the allegations regarding Mr Nongogo.

190. Mr Khosa said to Mr Ntumba that the board must be seen to take action and that NSFAS would go to Parliament with their action plan. The NSFAS board did indeed report to the Portfolio Committee in Parliament and presented their plan of action.
191. The board members mandated Mr Khosa to draft the Terms of Reference for the investigation. The NSFAS board members neglected their fiduciary duties and oversight obligation with a resolution that gave the chairperson the sole right to take control of an investigation.
192. Mr Khosa asked Mr Ntumba to advise him on which legal firm the board had to appoint to conduct the investigation. Mr Khosa said he was looking for a law firm that he could control.
193. Mr Ntumba suggested Werksmans and indicated that he knew a partner at Werksmans. The board did indeed appoint Werksmans to do the investigation as per the suggestion by Mr Ntumba.
194. Minister Blade Nzimande was aware of the meetings between the chairperson and service providers, and he was scared that their phones could be traced to show that the meetings took place.
195. Mr Khosa was aware of the letters to student accommodation providers, and he admits editing the letters.
196. There were multiple meetings between Mr Khosa and service providers.
197. Mr Ntumba and Mr C alleged that the minister and the chairperson received R6 million from a service provider.
198. Mr Ntumba rubbished the OUTA investigation reports and said that they (Coinvest) have done nothing wrong.
199. Mr Ntumba and Mr C discussed the possibilities of asking Mr Khosa to extend the investigation to three or four months and not to terminate the contracts of service providers before December 2023. Although Werksmans recommended

that the contracts with service providers had to be terminated, none of the service providers that were appointed to disburse student allowances had received any notice from the board that their contracts would be cancelled. Mr Khosa and the NSFAS board apparently heeded the call of Mr Ntumba and Mr C not to cancel the contracts of the service providers before December 2023.

200. Mr C said that Mr Khosa told him that they must give something to the minister to keep the minister happy.
201. Mr Ntumba sponsored the SACP's 2022 conference with the amount R1 million.
202. Mr Ntumba said that Five Star Communications and/ or Star Sign and Print printed T-shirts and bags for the SACP conference for free. This was the company managed by Mr Ngwenya Baloyi who was also contracted by SSETA.
203. Mr Ntumba's wife is a director of Star Sign and Print as well as Coinvest.
204. Nedbank is the sponsorship bank of Coinvest.
205. Mr C said that they have paid Mr Khosa R1,5 million from funds that they should have used for expenses.
206. There was a meeting between Mr Khosa and service providers which was attended by another NSFAS board member, Mr Bamanye Matiwane.
207. There was a meeting between Mr Ntumba, the minister and the chairperson that was also attended by Mr Nqaba Nqandela, a special advisor to minister Nzimande.
208. The recording device for the second meeting was on Mr Thula Ntumba. When he left the meeting early and on his own, the recording stopped.
209. The meetings between Mr Khosa in his capacity as the chairperson of the NSFAS board and service providers of NSFAS is unethical and illegal.

210. Meetings between the minister of Higher Education and service providers of an institution that resorts under the Department of Higher Education is unethical and illegal.
211. It is unethical and illegal to offer, give or pay a public official and/or a minister money or to provide them with something of value to influence their actions and decisions.

RECOMMENDATIONS AND ACTIONS TO BE TAKEN

212. Minister Blade Nzimande must resign with immediate effect.
213. In the event that the minister does not resign, the President must remove the minister from his position as a cabinet minister with immediate effect.
214. OUTA to submit a letter together with this report to the President with a request to remove minister Nzimande from his cabinet.
215. The chairperson of NSFAS, Mr Ernest Khosa, must resign with immediate effect.
216. The members of the board of NSFAS must resign with immediate effect.
217. OUTA to hand this report together with the recordings to the SIU for investigation purposes.
218. OUTA to submit a criminal complaint at SAPS against minister Blade Nzimande, Mr Ernest Khosa, Mr Thula Ntumba, the directors of Coinvest as well as Coinvest Africa itself for corruption and bribery in terms of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004).
219. OUTA to submit this report to the Public Protector and to request an investigation into the conduct of the Minister of Higher Education.

220. OUTA to submit this report together with other investigation reports into irregularities at several institutions that resort under the Department of Higher Education, to the Office of the Chief Procurement Officer with a request to conduct an investigation into several service providers at public institutions for the purpose of restriction of the service providers and to upload them onto National Treasury's restricted suppliers database.
221. OUTA to hand this report to Werksmans Attorneys for their perusal and comments (if any).
222. OUTA to submit this report to Nedbank for their perusal, comments (if any) and further investigations into the conduct of their client Coinvest, for risk mitigation purposes.
223. OUTA to submit this report to the South African Revenue Services (SARS) for their perusal, comments (if any) and further investigation into the tax affairs of the individuals and companies implicated in this report.
224. OUTA to submit this report to the Auditor General of South Africa (AGSA) for perusal and comments (if any).
225. OUTA to submit this report to the Universities of South Africa (USAf), the umbrella body for the 26 public universities in South Africa, for perusal and comments (if any).
226. OUTA to hand this report to the Ethics Institute for perusal and comments (if any).