



**OUTA**

ORGANISATION UNDOING TAX ABUSE

**“NO ROOM TO HIDE”**

**A PRESIDENT CAUGHT IN THE ACT**

**CAPE TOWN, 28 JUNE 2017**

# A PRESIDENTIAL QUOTE

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President Zuma recently said:

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

# BACKGROUND

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- 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

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- 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.

# NARRATION IN CHAPTERS

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- 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.

# ...NARRATION IN CHAPTERS

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- 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

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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

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- 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.

# STATE CAPTURE MODUS OPERANDI - PARI

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## 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*

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- 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

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- 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

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- 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

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- Gloria Bongzi 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

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- 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

# DEPARTMENT OF PUBLIC ENTERPRISES

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## 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

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- Minister Lynne Brown (DPE)
- Minister Malusi Gigaba (DPE)
- Richard Seleke aka “Businessman” (Transnet board, DG DPE) [infoxxxx@zoho.com](mailto:infoxxxx@zoho.com)
- Matshela Koko (Eskom executive) [matshelxxxxx@yahoo.com](mailto: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” [wxxxx@gmail.com](mailto:wxxxx@gmail.com)

# DPE ANNUAL REPORT 2011 HIGHLIGHTS

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- **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

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- 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, Zwane 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

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- 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

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- Appointed Hlaudi Motsoeneng 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

# FAITH MUTHAMBI & GUPTA INSTRUCTIONS

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- 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

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## *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

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## *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

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- 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 mobililise 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

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- 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...**

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

**THANK YOU**