

COMMISSION OF INQUIRY OF THE PUBLIC INVESTMENT CORPORATION

HELD AT

TSHWANE, PRETORIA

10

20 MARCH 2019

DAY 18

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PROCEEDINGS HELD ON 20 MARCH 2019

CHAIRPERSON: Good morning to everybody.

ADV JANNIE LUBBE SC: Good morning Mr Commissioner, members. We are ready to proceed Mr Commissioner my next witness is General Holomisa and he's ready to take the prescribed oath.

CHAIRPERSON: Your full names Bantubonke, second one?

GEN BANTUBONKE HOLOMISA: Harrington.

CHAIRPERSON: Harrington Holomisa. You don't have any objection to taking the prescribed oath?

10 **GEN BANTUBONKE HOLOMISA:** No.

CHAIRPERSON: Do you swear that the evidence you're about to give will be the truth, the whole truth and nothing but the truth, raise your right hand and say so help me God.

GEN BANTUBONKE HOLOMISA: So help me God.

CHAIRPERSON: Thank you. You may be seated.

ADV JANNIE LUBBE SC: Thank you General just for the record you came voluntary to this Commission is that correct?

GEN BANTUBONKE HOLOMISA: Yes Sir.

ADV JANNIE LUBBE SC: And you have prepared a written submission to the Commission as well as an addendum thereto?

20 **GEN BANTUBONKE HOLOMISA:** Yes Sir.

ADV JANNIE LUBBE SC: And do you confirm the content thereof to be the truth?

GEN BANTUBONKE HOLOMISA: Yes Sir.

ADV JANNIE LUBBE SC: Now before we start with your present General, just for the record please put on record who you are and what do you do?

GEN BANTUBONKE HOLOMISA: Firstly my name is Bantubonke Harrington

Holomisa I'm the leader of the United Democratic Movement and also a member of Parliament of the UDM since 1999.

ADV JANNIE LUBBE SC: Before you came to this Commission today you were involved in litigation against the Deputy Minister of Finance in his capacity as the Chairperson of the PIC Board as well as the Board members and Dr Dan Matjila the former CEO of the PIC is that correct?

GEN BANTUBONKE HOLOMISA: That's correct.

ADV JANNIE LUBBE SC: That application was launched in 2018?

GEN BANTUBONKE HOLOMISA: That's correct.

10 **ADV JANNIE LUBBE SC:** And the main purpose of the application was to apply and get an order from the High Court for the removal of Dr Matjila?

GEN BANTUBONKE HOLOMISA: That was for him to be suspended while the investigation would take place.

ADV JANNIE LUBBE SC: And is it correct the matter is still unresolved?

GEN BANTUBONKE HOLOMISA: The matter obviously was never resolved but it has already been taken over by events because Dan Matjila has since left the Commission, I mean the PIC.

ADV JANNIE LUBBE SC: I believe that you have been approached by various sources with information regarding alleged irregularities at the PIC?

20 **GEN BANTUBONKE HOLOMISA:** Yes that's true.

ADV JANNIE LUBBE SC: Now if you can just start with your main submission paragraph 1 thereof?

GEN BANTUBONKE HOLOMISA: Thank you very much.

ADV JANNIE LUBBE SC: Or let me say, sorry what you've done this morning you have prepared a memorandum and a summary of your submissions and please deal

with that in your submission first of all.

GEN BANTUBONKE HOLOMISA: Chairperson and your fellow Commissioners, legal counsel I want to start out by thanking the Commission for allowing me the opportunity to present information that could assist Commission in achieving its objectives. Many people including myself were concerned when reports started surfacing about the possible depletion of the Government Employees Pension Fund which could negatively affect hundreds of thousands of retired and current Government employees which include military and police personnel, correctional services employees, teachers, justice personnel, medical practitioners and nurses, as well as all other Government officials.

10 Our interest in the matter was sparked when we received an anonymous tipoff that something untoward was happening with the management of the PIC and by implication GEPF. This was in January 2016 and we wrote to the Public Protector to ask for investigation into a number of alleged questionable transactions.

ADV JANNIE LUBBE SC: Can I interrupt you there please. Did you receive any feedback from the Public Protector on these reports you made to her?

GEN BANTUBONKE HOLOMISA: I think it was an acknowledgement but we never got any finding from her.

ADV JANNIE LUBBE SC: Thank you, please proceed.

20 **GEN BANTUBONKE HOLOMISA:** Subsequently media reports brought to the fore many allegations of dodgy transactions that implicated the management and the Board of the PIC. In May 2018 we wrote to President Cyril Ramaphosa and Deputy Chief Justice, Justice Zondo in his capacity as Chairperson of the Commission of Inquiry into State Capture to request that either a separate commission of inquiry should be instituted to investigate the PIC or that the matter should form part of the Zondo Commission. We did this at the time as it seemed that no one was interested in getting

to the bottom of this mess. As a result of our agitation we received additional information from other anonymous sources. As we all know the President eventually appointed the Commission of Inquiry to thoroughly investigate all the allegations pertaining to the PIC.

The information that I had provided in my written submission is meant to assist the Commission to get to the bottom of the allegations of corruption around the PIC. I certainly do not possess the tools to verify the information that was provided to me. It is only within the Commission's powers or rather power to establish the veracity of the claims made by the anonymous sources. My testimony and the material that I'm
10 handing over to the Commission should assist you in your task as it is referenced. I am only able to give you the little I have which the Commission could possibly use in its dig work, it could perhaps just be the tip of the iceberg.

There seemed to be a definite relationship between the former directors and employees of the PIC and other companies. A case in point is the relationships between Harith Lebashe and the PIC. There also seems to be a network of selected individuals ... (intervention)

MS GILL MARCUS: Sorry if I could just ask in relation to that, I know in your submission you deal with it later and are you going to spell out what you see as that relationship between Harith Lebashe and the PIC in due course?

20 **GEN BANTUBONKE HOLOMISA:** Yes I will, I'm ready to do so.

MS GILL MARCUS: Okay.

GEN BANTUBONKE HOLOMISA: There also seemed to be a network of selected individuals who have easy access to the PIC's resources which needs to be untangled and revealed. It would also be advisable for the Commission to be proactive and investigate the unlisted transactions where it is necessary to obtain a full Board

permission. In other words up to less than R2 billion transaction can be approved without consulting a Board. So it will behove of the Commission to demand perhaps a printout of all these unlisted transactions for the period under review in order to satisfy itself that these transactions were above board.

One of the questions that needs answering is whether these transactions are performing, what percentage is performing, does it align with normal commercial banking norms. If the performance is not satisfactory then why should the PIC continue to play in the unlisted space under the current structure? Maybe PIC should only participate alongside commercial banks on strong investment terms. Transformation is not a good reason for losing pensioners monies. It goes against any moral standard to
10 continue writing off billions in the name of BEE. BEE can be done on a commercial basis and the banks have been doing it for decades. PIC funded BEE transactions that are losing money are a sophisticated way of looting from the State coffers as we have seen in Steinhoff and other transactions.

One other area of concern is whether PIC money should be used to fund persons, companies who wishes to purchase shares in companies without adequate structuring similar to the commercial banks. Why do we have the same persons, companies being empowered continuously as you will see in the documents I've handed over? Could it be that there is a cartel of PIC beneficiaries? We are asking
20 questions. A deep forensic investigation of these networks and possible links to PIC personnel and directors is recommended, everything else could be secondary to what appears to be a sophisticated capture of the PIC involving advisors, BEE firms and asset managers. This could be the crux of PIC dealings and alleged corruption.

If the idea of doing BEE deals on a commercial basis does not make sense should Government not rather establish a totally separate fund to effect BEE

transactions as opposed to risking and depleting workers pension funds, not ideal but at least that approach could force a certain level of transparency and scrutiny as to who gets allocated shares and repeat empowerment will be difficult to effect. We suggest that all unlisted transactions should be suspended with immediate effect until the Commission has published its findings and recommendations.

While we are on this issue of the banking and so on and investment the Commission is hereby requested to investigate and make a finding on the performance of the PIC against the All-Share Index of the JSE and also if such performance is not below inflation taking into account that PIC is said to be holding an average of 15% of
10 the JSE overall market capitalisation. The other issue that needs the attention of the Commission is that of investment criteria applied by PIC on which shares to buy on the JSE specifically the focus should be on the research analysts which PIC relies on in marketing those investment decisions. The Commission is hereby asked to investigate and find out what is the experience as well as the industry expertise of each of these research analysts taking into account that the PIC recently has had to write off tens of billions of Rands of investment in the various listed shares.

We further request the Commission to open a line of investigation into the pensions of ex-employees of the former TBVC states who are at loggerheads with the GEPF and National Treasury about pensions which they say they have not received for
20 years. Already the ex-employees of the former Venda Government are being taken to court by Treasury for demanding what they feel are owed to them. The bottom line is that these people are not resourced to fight National Treasury in court and their battle is lost before it has begun. We therefore ask for your intervention in this matter. The GEPF and Treasury should shed some light on these disputes.

In conclusion we wish that the President will give the Commission more time,

the right people with right expertise to dig as deep as needs to be exposed how entrenched the rot is given that so much of the PIC's funds have been invested outside South Africa. Definitely FICA institution should be invited and many other experts to trace these funds. It would not be good only just to come and do oral evidence here without the forensic processes undertaken. Aside from my testimony today I will of course avail myself in future if the Commission so desires especially after its terms of experts such as forensic auditors have done their scratch work and that the FICA processes have been concluded. I thank you Sir.

ADV JANNIE LUBBE SC: General I take it that you had sight of the terms of reference
10 of this Commission?

GEN BANTUBONKE HOLOMISA: Yes.

ADV JANNIE LUBBE SC: And in terms of the terms of reference this Commission must file a final report to the President by not later than 15 April and in terms of section 4 of the terms of reference taking into account what you have asked the Commissioner to look at a variety of transactions and involvement of other people, it states that:

20 "The Commission may, if necessary, investigate and make findings and recommendation on any other matter regarding the PIC regardless of when it is alleged to have occurred on condition that such other investigations, findings and recommendations do not cause any delay in the submission of the reports on the applicable dates referred to in paragraph 3."

So I take it that you realise that if this Commission must stick to its terms of reference it will just be impossible to assist what you are asking the Commission to do. What is your view on that?

GEN BANTUBONKE HOLOMISA: It would be a pity and of course a waste of

taxpayers' monies if that the information you are getting from the sources and witnesses which requires further investigation that you, the Government is not willing to give you time, more time. I would suggest that perhaps you need to submit an interim report to the President and advise him that notwithstanding the fact that he appointed you some time last year but effectively you started the work early this year and this could be attributed to the delays by the Department of Justice one in finding the people to assist you and the budget so that timeframe which he proposed, that is President Ramaphosa, is not adequate, he needs to readjust the terms of reference when it comes to timeframes and of course, so far you have received information to the effect

10 that all was not well at PIC that institution is at the ICU as we speak. You cannot be rushed therefore to meet a deadline of April yet you are not given tools to affect your work. Don't compromise yourselves, please.

ADV JANNIE LUBBE SC: If we can then move to your main submission General ... (intervention)

MS GILL MARCUS: Sorry Jannie just before, Advocate before we do that, if I could perhaps just raise one point in your statement General that is on page 4 the last bullet point where you refer to unlisted transactions that are below the R2 billion threshold. The R2 billion threshold to the best of my understanding is a new ceiling that was imposed a very short while ago the actual delegations of authority from the Board to the

20 decision-making by management had a limit of R10 billion. So they could take decisions of up to R10 billion without reference to the Board and in actual fact in terms of those delegations which is part of our terms of reference to look at which is what we are doing and looking at all of those issues as well as well as part of the governance and the legal frame and delegation of authority and the effectiveness of the Board, is part of our terms of reference. So it's just to indicate that this R2 billion was not there

previously, it is something that has happened in the very recent past by the Board and that previously the delegation allowed a much higher limit and the matters that would be referred to decision of the Board *per se* as distinct from the committees is very limited in those delegations. So it was in many ways delegated to the working committees which had Board members on them that could take decisions but the Board itself had very limited referral or in terms of the delegations that they approved to management to execute. So it's just a clarity on that question.

GEN BANTUBONKE HOLOMISA: No thanks for the clarity I have taken note of it, thank you very much.

- 10 **ADV JANNIE LUBBE SC:** If we can then go to your main submission page 4. No I'm sorry if we go to page 2 paragraph 5 where you make mention of the Pan African Infrastructure Development Fund 1 and 2 if you can just give more clarity on that to the Commission?

- GEN BANTUBONKE HOLOMISA:** Yes, one other transaction that needs careful scrutiny is the Pan African Infrastructure Development Fund where these monies are invested, that is the pension monies of the workers. We are told this was delegated to a company called Harith and Harith according to the documents I've given you and also possible the leadership of the PIC could be in a position to give more details as to where in the continent are these monies invested under this Pan African Infrastructure
- 20 Development Fund. Can we go and do an inspection *in loco* of those areas where the monies are invested. Are they invested in railway lines, properties, what is it exactly and what are the returns? Because according to our information in terms of the current value the estimate is around 8.2 billion and our sources are telling us that it is underperforming so we need clarity, perhaps the people who are experts on that can make calculations. So I hope I've clarified it.

ADV JANNIE LUBBE SC: Ja thank you. The next one is in paragraph 6 the Project Atlas and the Kilimanjaro Sakhumnotho Consortium Limited matter?

GEN BANTUBONKE HOLOMISA: Here on this transaction Sakhumnotho, Kilimanjaro Sakhumnotho Consortium bought a stake from Total South Africa for a value of R1.7 billion but the interesting part of on this, after this was approved by the Board the payment ended up being R1.8 million which means there was a R100 million topping up. So we are asking some questions what was this R100 million paid for, was there any addendum after the Board approved R1.7, who were paid for this R100 million? And in particular the people who can give more information is Dan Matjila himself the
10 former CEO and a certain Lawrence Mulaudzi who according to our sources and our screenshots which we have been privy to indicate a conversation to Mulaudzi and the CEO about the very same question where a media person was querying the transaction of R1.7 then which ended up being R1.8. We are asking you the Commission to verify whether there was any addendum which was sent to the Board in order to rectify this.

MS GILL MARCUS: Sorry can I ask you, while we're looking at that to refer to that particular screenshot hand have it read into the record.

GEN BANTUBONKE HOLOMISA: Come again?

ADV JANNIE LUBBE SC: Can you please read into the record what is stated on page 3 the screenshot captured in that page?

20 **GEN BANTUBONKE HOLOMISA:** I quote Dr Matjila said:

“Broer did you give the journalist the share certificate of Tosaco?”

That was a question from Dan Matjila and then Mr Mulaudzi's response is as follows I quote:

“Afternoon Doctor, we didn't give them share certificates we gave them share register only and that was last year. I think her concern is

that why we only paid R1.7 billion whereas we got funding approval for R1.8 billion what happened to R100 million. I said R50 million when to transactional advisors and R50 million went to recapitalise the company and we have already paid it back to PIC through first dividends received. I also briefed Siqwelo. Regards Lawrence.”

MS GILL MARCUS: Can we ensure that that tracking of the refunding and what actually happened with that from the PIC minutes records is obtained and presented to us?

ADV JANNIE LUBBE SC: Thank you. Mr Commissioner we are already in the
10 process of obtaining that and evidence will be led on this score. Thank you, can you then deal with the transaction we referred to in paragraph 7 of your submission?

GEN BANTUBONKE HOLOMISA: Further we wish to refer you to the alleged funding support for Kefolile Heath Investments Proprietary for the subscription of Ascendis Health Limited and Bounty Brands. These deals that involves the PIC and some other common role players had been for an aggregate amount of 1,7 billion funding support. The alleged common role player in both the Tosaco, as well as project Atlas is Mr Mulaudzi. We think it would be wise to inquire what his role had been in both deals, whether he received transactional incentives and most importantly if all the allegations are true why it seems so easy for Mr Mulaudzi to gain access to PIC funding.

20 **MS GILL MARCUS:** Advocate, can I just for clarity ask whether this Lawrence Mulaudzi is the same person who was involved in the Pretty Louw MSTD – sorry Pretty that is not meant for you, it is a very different question, and the provision of funding in that where he had asked him, where Dr Matjila asked that Lawrence Mulaudzi to pay the 300 000 odd to Ms Louw in the MST question? Is that the same person that is being referred to? Same spelling, same name?

ADV JANNIE LUBBE SC: We can confirm that it is the same person. And we trust that Ms Pretty Louw will also come and sing at the Commission. Yes it is the same and can you just deal on page ...[indistinct].

GEN BANTUBONKE HOLOMISA: And also what the Commission should also consider doing would be to summon a certain individual at PIC called Mr Roy Raja. He seemed to have been a person who is recommending for the transactions to be looked at by PIC, so he can go through all these documents which are here and I am sure he will help you. The Commission would also be well advised to scrutinize his records and as I have said in particular around the role of Mr Mulaudzi. Following the money trail
10 well the files contain a consumer trace report, call it – ja, a trace report which reveals the over 30 companies in which Mr Mulaudzi is actively playing a role, as well as according to the Consumer Trace Report has four landlines and six cell phone numbers. I wish you good luck in dealing with this one. He seems to be one individual who press ...[indistinct], he communicates with directors, he communicates with CEO, the then CEO and even some board members.

ADV JANNIE LUBBE SC: The next paragraph, scrutinising the information.

GEN BANTUBONKE HOLOMISA: While scrutinising the information we came across a text message which is an apparent conversation between Mr Mulaudzi and a certain board members where he appears to be pressurising for a payment to be done, and he
20 even forwarded what could be his bank account details. So it is contained in the Annexure 3 which I submitted. This seems to reinforce or enforce the idea that Lawrence Mulaudzi had a hotline with the PIC management.

MS GILL MARCUS: Can again for record purposes, can you read that into the record? The text from the Annexure 3?

GEN BANTUBONKE HOLOMISA: The text reads as follows, I quote:

“Dear Busi I would like to ask for your intervention on the payment meant to be done by Pretoria office a fortnight back. They kept promising every day that payment would be done with no success. Please I need your assistance. We are in breach of our bridge loan and we are frustrated not knowing where to get 5 million at the moment.”

MS GILL MARCUS: And that is from Mr Mulaudzi?

GEN BANTUBONKE HOLOMISA: Yes.

MS GILL MARCUS: To Ms Zulu.

CHAIRPERSON: But where do we see that, that is from Mr Mulaudzi? The next one or
10 the screen next to that one that you have just read?

GEN BANTUBONKE HOLOMISA: The one to Dolly TGA PA?

CHAIRPERSON: No, ja, well the one that you have just read to me. The name at the top is Sibusisiwe Zulu, is that the recipient?

GEN BANTUBONKE HOLOMISA: He is a recipient. She is the recipient of the message from Mr Mulaudzi.

CHAIRPERSON: And where do we see that it comes from Mr Mulaudzi?

GEN BANTUBONKE HOLOMISA: If you look at this screenshots, you later on you will be seeing that he even send his personal account, bank account details. So in order for you to see that part, because it is not clear there, perhaps you can summon that
20 telephone number where he sent this screenshot. I am sure you have got powers to do so.

CHAIRPERSON: But according to your sources, that comes from Mr Mulaudzi?

GEN BANTUBONKE HOLOMISA: Yes, yes.

CHAIRPERSON: Thank you.

ADV JANNIE LUBBE SC: You had a diagram attached, can we move to 6. You said

you will deal with the Harith matter in 8.1 of your submission.

MR EMMANUEL LEDIGA: Where is that?

MS GILL MARCUS: Page 4, para 8.

GEN BANTUBONKE HOLOMISA: Well regarding the role of Harith, we have been made to understand that the following information and questions are pertinent. Harith is made up of Harith Fund Management and Harith General Partners. Harith was started with seed capital from the PIC amounting to 25 million rand. This has reportedly been repaid. The PIC owns ...

MS GILL MARCUS: Sorry, sorry when was that? When was that seed money granted
10 because in your documents I can't see when it was granted to Harith?

GEN BANTUBONKE HOLOMISA: I would have to furnish you with the – with more information on which year was this.

MS GILL MARCUS: I think that is really important ...

GEN BANTUBONKE HOLOMISA: Yes.

MS GILL MARCUS: Because given that the person referred to is former Deputy Minister Jabu Moleketi and he was Chair of the PIC.

GEN BANTUBONKE HOLOMISA: Yes.

MS GILL MARCUS: So we just need to know whether this was granted during his term
20 of office, post his term of office, pre his term of office of chairing the PIC. So the date matters.

GEN BANTUBONKE HOLOMISA: Thank you very much. We will provide that information.

ADV JANNIE LUBBE SC: We can also assist the General to ...

GEN BANTUBONKE HOLOMISA: The PIC owns a stake in both companies. There is little distinction between the companies and they appear to operate from the same

premises and shares a website. Employees and key Exco members also place little distinction between the entities on their LinkedIn profiles with Harith Fund Managers and Harith's general partners used interchangeably. There is a link between Harith and Lebashe also as indicated in my diagram. How did PIC provide the said funding for Harith? Who approved the said funding? When was this repaid and on what terms? Did the CEO and Chairperson declare any interest in various companies and their relationship with Harith. The Chairperson was Jabu Moleketi, former Deputy Minister of Finance, who was the Chairperson of PIC. And Mahloele was then an employee of PIC. So did the CEO and Chairperson declare any interest? I have already covered
10 that. What shareholding did the initial seed funding entitle the PIC to? How was the PIC stake decreased to 30%? The initial shareholding and setup of the companies are not clear. It is interesting that the PAIDF, that is Pan African Investment Development Fund, Infrastructure Development Fund, was set up by Mahloele while she was at the PIC. And then Harith managers, or rather the Harith Managers, the Pan African Infrastructure Development Fund on behalf of the PIC where Mr Mahloele is now the CEO. So here I am trying to draw a conflict of ...

MR EMMANUEL LEDIGA: The correct name is Mahloele.

GEN BANTUBONKE HOLOMISA: Mahloele.

MR EMMANUEL LEDIGA: Mahloele.

20 **GEN BANTUBONKE HOLOMISA:** Mahloele, alright sir. Thank you very much. So the role of Mahloele and the Jabu Moleketi as former PIC operatives, it would appear they have gone out to create an empire as you will see in my submission where they are involved. And I hope that they will be given an opportunity to clarify this issues, but more importantly is to see that there seems to be a conflict of interest here. Because later on they get monies from PIC as and when they want to extend their business. So

can I go to Lebashe?

CHAIRPERSON: Yes. No, can I just get clarity.

GEN BANTUBONKE HOLOMISA: Yes sir.

CHAIRPERSON: The third last bullet in 8.1, did the CEO and Chairman declare any interest etcetera? The CEO there is that the CEO of PIC or some other ...

GEN BANTUBONKE HOLOMISA: That is CEO Mahloele.

CHAIRPERSON: It was Mahloele?

GEN BANTUBONKE HOLOMISA: Yes, yes and the Chairperson is Jabu Moleketi.

CHAIRPERSON: But here was Mahloele CEO of Harith as the last bullet mentions or
10 was he still at the PIC?

GEN BANTUBONKE HOLOMISA: Mahloele has never been a CEO of the PIC. He has been a CEO of Harith.

CHAIRPERSON: Just remind me, did he have any involvement as an employee at the PIC at some stage?

GEN BANTUBONKE HOLOMISA: At some stage, yes he had.

MR EMMANUEL LEDIGA: And one would – so the PAIDF was set up long time ago, so it might mean the PIC CEOs were you know as people know it could have been Brian Molefe, Mr Masilela and Dr Dan, is it not? Is it not?

GEN BANTUBONKE HOLOMISA: Yes, I think it was established during Brian Molefe's
20 era. But records I am sure will prove that. Let me talk now to the role of Lebashe. Regarding Lebashe we have been made to understand that the following information and questions are pertinent. Lebashe is made up of several companies. The key players in Lebashe are Mahloele, Jabu Moleketi and a Mr Warren Wheatley. Lebashe reportedly obtained a loan from the PIC for rapid expansion which with said loan having reportedly already repaid. This may raise questions regarding the basis for the PIC

granting a loan to Lebashe when key former PIC individuals are controlling and owning Lebashe. The value of the loan is unknown. How was this loan obtained and on what terms? Lebashe has gone on to acquire large shares in Capitec Bank, EOH and TSS Capital.

MR EMMANUEL LEDIGA: Just a question there, a question. I just want to find out do we know the loan amount, you know Advocate Lubbe?

ADV JANNIE LUBBE SC: Not at this stage Mr Commissioner, but it will be easy to find out.

MR EMMANUEL LEDIGA: Ja, ja, okay.

- 10 **GEN BANTUBONKE HOLOMISA:** Lebashe has also acquired an undisclosed stake in the 4 Africa Exchange where Mr Mahloele is a Director. Lebashe operates from the same address as Harith, that is 34 Impala Road. All of these transactions with related parties may be questionable. It is unclear if these decisions were taken in compliance with the provisions of the Companies Act and have been reported accurately in terms of the IAS 24. Did Messrs Mahloele, Moleketi make the appropriate declarations in terms of the Companies Act? Regarding Lebashe ...

MR EMMANUEL LEDIGA: Question.

GEN BANTUBONKE HOLOMISA: Okay.

- 20 **MR EMMANUEL LEDIGA:** Just to check something, so are you saying that you are talking about three companies? Sort of Harith is a fund manager, and then there is a PAIDF which is a fund and Lebashe? Lebashe seems to be a separate company that is not linked, but are you saying also that one as a private company belonging to these people that it was funded by the PIC too?

GEN BANTUBONKE HOLOMISA: Well the role of the directors of Lebashe, if you look at them, they are part of Harith, they are also part of Lebashe. And they are sharing the

same building. So all I am asking, here I am trying to develop a story that there is a conflict of interest somehow. And what we need to do, who is funding Lebashe? Is it funded through Harith? Have there been any transfer of monies from PIC to Harith and then to Lebashe? Those details the leadership of PIC can give you more details. Like for instance, Harith was seeded 100% when it was established by PIC. Later on we were told that PIC only has 30% of the shareholding in the same institution. How was the 70% dispersed to other – to Jabu Moleketi and Mahloele and whoever else is there? We just need that information. It could be easily obtained I am sure.

MR EMMANUEL LEDIGA: And so you are saying there is a possibility that some of the
10 money in Harith could have been used to found Lebashe? Or that maybe there could have been direct money from the PIC to help Lebashe? Is that what you are saying?

GEN BANTUBONKE HOLOMISA: Yes.

MR EMMANUEL LEDIGA: Okay.

ADV JANNIE LUBBE SC: Okay, 8.3.

GEN BANTUBONKE HOLOMISA: 8.3 According to the PIC's 2017 annual report, the PIC and the Pan African Infrastructure Development Fund collectively owned 50% of Lanseria. That is Lanseria Airport. Pan African Infrastructure Development Fund is currently being managed by Harith. Lanseria Holdings owns the remaining 50%. Mr Mahloele is a Director of Lanseria Holdings. Lebashe has a charters and aviation
20 finance in which Mahloele is also a director. It would be beneficial for such a company to have access to ownership in an airport when it is involved in charters and aviation finance albeit indirectly through its director, Mr Mahloele. Regarding conflict of interest: We have been made to understand that the following questions are pertinent. How did the CEO and Chairperson fulfil their duties in the PIC whilst taking decisions for the companies in which they had an interest? Were the proper declarations made ...

MS GILL MARCUS: Sorry, just on that question. That comes back to the timing issue.

GEN BANTUBONKE HOLOMISA: Of Jabu Moleketi. That is him.

MS GILL MARCUS: Yes, because this assumes that they were in office at the time ...[indistinct].

GEN BANTUBONKE HOLOMISA: They were both in the office of the PIC.

MS GILL MARCUS: At the time that this was done?

GEN BANTUBONKE HOLOMISA: Yes, it was their decision. I think the decision was taken by the former CEO, what is his name? Brian Molefe.

MS GILL MARCUS: Brian Molefe.

10 **GEN BANTUBONKE HOLOMISA**: For the establishment of this Pan African Infrastructure Development Fund and that Mahloele would go and operate this outside the PIC. So therefore Jabu Moleketi later on followed and went and chaired the same Harith outside the PIC when his term ended.

MS GILL MARCUS: Ja. So all I am clearing is, I understand that all I am clearing with the point in time with your first bullet is that according to what you are saying is they were in the PIC at the time that this took place? Being the Chair and an employee in terms of the conflict of interest issue?

GEN BANTUBONKE HOLOMISA: Yes it could be established.

MS GILL MARCUS: Ja.

20 **GEN BANTUBONKE HOLOMISA**: And ja. Were the proper declarations made with regard to these transactions? Harith Fund Managers, Harith General Practitioners and Lebashe, all operate from 34 Impala Road as I have said. Is there absolute separation between the companies? Are there any shared employees and executives? If so, this would create a conflict of interest if not appropriately handled. This style of doing business with friends and colleagues reminds us of what we had from the Zondo

Commission where to twist the adage. A leopard changes its spots but it still remains a leopard. Merely changing a company name from Bosasa to African Global Operations, does not mean that the looting spree stops. So far that is fine, that is what I would say about Lebashe, Harith, as well as PAIDF.

ADV JANNIE LUBBE SC: I want you now to deal with 8.5 and alleged loan to a certain Mr More.

GEN BANTUBONKE HOLOMISA: Well regarding the Government Employment Pension Fund issues, we have been made to understand that the following information and question are pertinent. 1. That a certain Bongani More, according to a deeds
10 research Mr More has a 7,4 million bond issued by GEPF. Since when, that is the question. Since when does the GEPF provide home loans to individuals? Why is pension money being utilised for home loans? There is nothing that allows the GEPF to provide a home loan to any individual. Perhaps the executive or the leaders of the Directors of GEPF should also explain this, this concern.

ADV JANNIE LUBBE SC: Can I ask you, do you perhaps know whether this Mr More is related to the present Acting CEO of the PIC, Matshepo More?

GEN BANTUBONKE HOLOMISA: I am not sure about that. Although I know a Matshepo More because she is married to my cousin brother. But I have no – I cannot confirm whether this More is her brother.

20 **MR EMMANUEL LEDIGA:** And you don't know her husband's name? First name?

GEN BANTUBONKE HOLOMISA: Matshepo?

MR EMMANUEL LEDIGA: Ja.

GEN BANTUBONKE HOLOMISA: It Fikile Holomisa.

MR EMMANUEL LEDIGA: Okay. Oh I see so the More could be another More?

GEN BANTUBONKE HOLOMISA: Yes.

MR EMMANUEL LEDIGA: Okay.

ADV JANNIE LUBBE SC: You can now deal with paragraph 10 of your submission on page 9.

GEN BANTUBONKE HOLOMISA: Well on this one it might be of interest to the Commission to have a look at PIC deals that were struck after the Commission was instituted. For example where information from an anonymous whistle-blower is doing rounds which alleges that a 4 billion current beef deal was not above board. The other is an investment into an Egypt, Egyptian bank. I mean these things are in the public domain. I read about this in the Business Day that a bank in Egypt are investing some monies there. We also read that a transaction was approved on Karan Beef. But later on you get this messages flying all over the place to say in actual fact this current beef is not above board. I am merely saying please satisfy yourself from this things because this monies are too, too much to be wasted around.

ADV JANNIE LUBBE SC: Mr Commissioner, just for the record we are looking at the Karan Beef transaction. It was a transaction that was started before the Commission was appointed. But it has not been finalised according to the latest information what we have got. We don't know about the Egyptian bank and we will follow that up. You have dealt already with the unlisted ...

GEN BANTUBONKE HOLOMISA: Yes sir.

20 **ADV JANNIE LUBBE SC**: Problems. I think you must go to paragraph 12 now of your main submission, it is on page 10.

GEN BANTUBONKE HOLOMISA: Chair we humbly submit that the model of having a political head for the PIC is clearly fraught with danger. And has proven to be controversial. Given the reported meetings between for instance in this, in my submission, between Zonkizizwe and ANC Fund company or Investment Company and

the PIC leadership, one can no longer have confidence in this institution. The ruling party has for instance investment companies such as Thebe Investments, which is an asset manager. And this would raise eyebrows, of course if they were also getting PIC business. So I, in my submission I spoke in detail about Zonkizizwe company, an ANC company. And also I attached the relevant information into that, into this document, these documents. So when you hear me mention Zonkizizwe I have already spoken about it at length in other pages.

MS GILL MARCUS: Sorry, I think again in keeping with what we did earlier it would be useful for you to quote from the letter that you have on page 9 2.8 and 2.9 and if
10 necessary look at the screenshots that you have as appendices for that?

GEN BANTUBONKE HOLOMISA: That is from 2.8.

ADV JANNIE LUBBE SC: Perhaps you can start at paragraph 9 on page 8.

GEN BANTUBONKE HOLOMISA: Okay. Paragraph 9. Let me make sure where to get it. Okay, thank you. Chairperson, I now draw the Commission's attention to the attached letter from Adekeye Attorneys dated 12th October 2017 contained in some of the documents. Apparently there is a dispute around an outstanding amount of 1,5 million of what appears to be a management and consultancy fee for Zonkizizwe Investment Limited. Zonkizizwe is wholly owned by ANC for introducing Africa Oil Limited to the PIC. We quote the following from the letter, I quote:

20 "It was agreed at the third meeting the due to sensitive nature of the matter no return capital raising agreement should be concluded between Africa Oil and Zonkizizwe and that the parties should rely on the verbal understandings ...[intervenes]."

ADV JANNIE LUBBE SC: Undertaking.

GEN BANTUBONKE HOLOMISA: "Rather verbal undertakings and agreement that

had been agreed upon amongst the parties at the first meeting with regards to fund raising fees, including the split thereof amongst the Treasure General, Zonkiszwe and Nobel. Thereafter the ...[indistinct] Zonkiszwe and Nobel executed the mandate and lobbied the PIC through various channels which effort culminated in the PIC approving the PIC loan and the signature of the term sheet between the PIC and Africa Oils sometime in October 2016.”

On this one there are people who are ready to testify and I will forward the names. People who are claiming their money and then you can summon them.

- 10 The entire content of the letter is self explanatory and should the Commission deem it fit it could make enquiry into it. It might be of interest to the Commission to have a look at PIC deals that were struck – I’ve already covered that part.

MS GILL MARCUS: And that total loan was 1 million, is that correct?

GEN BANTUBONKE HOLOMISA: Yes I think so. I think so according to – I think so but the money – the fee they are claiming is 1,4 million and we have also attached an invoice which was sent to Africa Oil for your ease of reference.

ADV JANNIE LUBBE SC: Thank you Mr Commissioner that concludes the presentation of General Holomisa.

- 20 **MR EMMANUEL LEDIGA:** I want to ask a broader question and General if you can indulge us *asseblief*. You been travelling through a long journey with this PIC matter, I think from 2016 or so and without, you know sort of revealing whistle blowers – whatever we do not want that in general. But can you just take us on a journey just to add some colour on how you have travelled this journey in terms of; you know meetings and the people.

Not the identities of the people. Just broadly give us something about this PIC journey which you have travelled.

GEN BANTUBONKE HOLOMISA: Well from the time we took a decision to write a letter to the Public Protector a lot of interest developed amongst South Africans. If one looks at the newspaper reports, Amabonganes did their own investigations, City Press, Business Day and those papers and those people we should commend them.

They have done a sterling job. It was for this reason that the United Democratic movement felt a need to approach the President to say man we have been reading about this nauseating exposes. When are you taking action and after I wrote
10 those letters and some of them are made in public to the President, then a lot of information started to flow in.

It was a very difficult period because when you get an anonymous information with no telephone contacts, what you rely on is your research team. Then your researchers you tell them, what is this company called ...[indistinct], what is this, what is that? Can you get annual reports? Can you draw a linkage?

My staff started to do that work and I am happy that today we are able to assist the Commission to do their work and I hope that you will be given more tools or rather you have tools to verify the authenticity or otherwise of this allegations which have been brought by the South Africans. People who are concerned.

20 When I meet soldiers and meet civil servants or teachers and old people in Venda and Transkei and so they say, by why on earth would you guys allow the Government to use pension funds to fund so called BEE transactions.

Look now this BEE – some of them I could not be able to pay back these monies. Why are you allowing the people to use the pension funds willy nilly. What would happen if this fund is depleted completely? So unfortunately I am not in a

position to come and say so and so said to me. I'm just summarising to you the people I have met in South Africa but they have helped me a lot in producing this kind of document.

MR EMMANUEL LEDIGA: And so you sort of had a team within your – within the UDM to look at this?

GEN BANTUBONKE HOLOMISA: Yes, yes. Yes sir.

MR EMMANUEL LEDIGA: Thank you very much.

CHAIRPERSON: Yes General can I just ask for clarity purposes. 2.9 where you've just read or quoted at that page 9. You said thereafter the TG Zonkiszwe and Nobel
10 executed their mandate. In the letter from which I suppose the quote is, is that the letter of the 12th October 2017 to Africa Oil?

GEN BANTUBONKE HOLOMISA: Yes it should be there.

CHAIRPERSON: Yes.

GEN BANTUBONKE HOLOMISA: It should be there but another thing which I can add on that. I was fortunate on this one because after I was on air about his transactions, the decision to ask President to investigate these matters, some of these Zonkiszwe directors – one or two of them came to me and then when I submitted this letter to motivate to the President, over and above the documents they gave me they also dictated to me verbally what happened.

20 **CHAIRPERSON:** Yes but what I just want clarity on is, at paragraph 2.2 of the letter, the third line. The Treasury General of the ANC Dr Zwelenkize TG, is that the TG that is referred to in ...[intervenes].

GEN BANTUBONKE HOLOMISA: Treasurer General.

CHAIRPERSON: Treasurer General in paragraph 2.9.

GEN BANTUBONKE HOLOMISA: Yes.

CHAIRPERSON: I see.

MR EMMANUEL LEDIGA: Just to follow up. If you can, broadly your sources – I mean if they come from, you know from where, generally from where?

GEN BANTUBONKE HOLOMISA: As South Africans, thank you.

MS GILL MARCUS: And just again for clarity on that if you look at the letter, 2.2 again. The approval of – this is a 200 million loan, is that correct?

GEN BANTUBONKE HOLOMISA: That should be 200 million.

MS GILL MARCUS: 200 million loan for African Oil?

GEN BANTUBONKE HOLOMISA: Yes. So some of those guys of Zonkiszwe they are
10 willing to come and start singing here.

CHAIRPERSON: You mean we should summon them all or you will give us names?

GEN BANTUBONKE HOLOMISA: (Laughing).

MS GILL MARCUS: Just to clarify. It's a 200 million loan which is 2.2 and then in 252, a total payment for the fundraising fee was 7 million, is that correct?

GEN BANTUBONKE HOLOMISA: Yes that should be.

MS GILL MARCUS: That will be paid to the three parties TG, Zonkiszwe and Nobel which are 3.5% of the loan and then this claim is for that amount that is outstanding.

GEN BANTUBONKE HOLOMISA: The claim is for their services rendered. They are claiming their consultancy fee. You are correct on 700 and 7 million. That's the
20 dispute, that's what they are disputing.

They claim that we gave – we managed to arrange such a big fund and introduce you to the Treasurer General and you got the money, now you are not paying for our services.

MS GILL MARCUS: But the essence of it, was it facilitation?

GEN BANTUBONKE HOLOMISA: Yes.

MS GILL MARCUS: I just want to get that. The facilitation of a loan of 200 million, a fee of 7 million of which the dispute is roughly 1,5 million that's not paid?

GEN BANTUBONKE HOLOMISA: Yes it's 1,4 million.

MS GILL MARCUS: Thank you.

MR EMMANUEL LEDIGA: I just wanted to check, you know on the addendum that you have given us that you have some screen shots that are linked to some names and all that. I just wanted to check with the Advocate is that – can this be read into the record or not?

ADV JANNIE LUBBE SC: Mr Commissioner at this stage I would prefer and I
10 recommended that to General Holomisa because of the sensitivity and the privacy involved in these documentation that it not be made public at this stage.

MR EMMANUEL LEDIGA: Okay, alright.

CHAIRPERSON: Do want an order to that effect or?

ADV JANNIE LUBBE SC: Yes I think it would be advisable Mr Commissioner that at this stage it may not be made public.

CHAIRPERSON: It is so ordered.

ADV JANNIE LUBBE SC: Thank you.

CHAIRPERSON: General I want to thank you very much. But before I go further. The application that the UDM launched that was referred to earlier on was - the allegations
20 there were mainly based on information received from somebody called James Nogu, am I correct or much of it or part of it.

GEN BANTUBONKE HOLOMISA: Part of it because – part of also the media coverage.

CHAIRPERSON: And what you have placed before us today, James Nogu had nothing to do with that information?

GEN BANTUBONKE HOLOMISA: No not on this one, I don't even know how that guy looks like. Not at all but these are facts and then I managed to get documentation for it to assist you to trace some of these transactions.

CHAIRPERSON: Alright thank you very much and thanks for the information that you have placed before us and thanks for your time that you have taken of your time to come and testify before us.

GEN BANTUBONKE HOLOMISA: Thank you sir.

CHAIRPERSON: In respect of your submission that – I think you said we should do an interim report.

10 **GEN BANTUBONKE HOLOMISA:** Yes sir.

CHAIRPERSON: We have already done an interim report.

GEN BANTUBONKE HOLOMISA: Okay.

CHAIRPERSON: Unfortunately I won't be able to inform you as to what the contents of the report is because I don't even know whether the President has read it. He seems to be very busy.

GEN BANTUBONKE HOLOMISA: Is that time remember. We are campaigning now.

CHAIRPERSON: Yes so some of the matters that you referred to are already in the report – some of them.

GEN BANTUBONKE HOLOMISA: Thank you, thank you sir.

20 **CHAIRPERSON:** Yes but thank you so much for your time, thank you.

GEN BANTUBONKE HOLOMISA: Thank you very much.

ADV JANNIE LUBBE SC: Thank you Mr Commissioner this is then the business for the day and we postpone or adjourn then till Monday at 10:00.

CHAIRPERSON: Yes thank you we'll then adjourn until Monday the 25th at 10:00.

INQUIRY ADJOURNS TO 25 MARCH 2019