



08 June 2018

Mr CM Ramaphosa
President of the Republic of South Africa
Union Buildings
Private Bag X 1000
Pretoria
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Dear Mr President

The Public Investment Corporation, the government employee pension fund and suspected corruption; a scandal bigger than the Gupta-family's state capture?

1. I refer to the attached letter from Adekeye Attorneys dated 12 October 2017 addressed to AfricOil (Pty) Limited.
2. But before I address the content of this letter, I wish to thank your office's acknowledgement of receipt of my letter, dated 31 May 2018, regarding the above.
3. I also wish to inform you that the Deputy Chief Justice RMM Zondo, Chairperson of the Commission of Inquiry into State Capture, has in fact responded to the content of my 31 May letter. I quote from his letter dated 6 June 2018:

"I note that you addressed your letter to both myself and the President. As you know, only the President has the power to amend the regulations application to the Commission. I have no doubt that the President will give your suggestion proper consideration and revert to you."
4. I hope Mr President that you will urgently take cognisance of the content of my 31 May letter, as well as the content of *this* letter and its attachments, going beyond just an acknowledgment of receipt. With respect Mr President, I have yet to receive a letter from your office that speaks to the substance of the matters raised in them.

5. I cannot stress the urgency, with which this matter should be handled, enough.

As explained in my previous correspondence, this alleged corruption puts at risk the pensions of thousands and thousands of government employees. There is a real danger that their retirements are at stake.

6. Clearly the alleged looters of the Public Investment Corporation (PIC) are at each other's throats. The amount of money reportedly involved in this wheeling and dealing between Zonkizizwe Investments (Pty) Limited - which the letter reports is wholly owned by the African National Congress (ANC) - and AfricOil (Pty) Limited, is exorbitant.

7. Another interesting part of the deal, is that, as is reported in this letter, former ANC Treasurer General Dr Zweli Mkhize, is the kingpin in planning and facilitating the "PIC loan" worth R 200 000 000.00.

8. Notwithstanding the massive loan amount, the reason why Zonkizizwe's attorney is addressing this letter of demand to AfricOil pertains to the so-called "fund raising fee" (which was/is to be shared amongst the TG, Zonkizizwe, Noble and AfricOil) of 3.5% of the loan amount being equal to R 7 000,000.00 (exclusive of VAT).

9. These companies, all, but at least Zonkizizwe seem to be conduits for the ANC, and in this case Dr Mkhize in his personal capacity, to channel government money into their own pockets.

It also seems strange that there should be a distinction between the ANC as a party and Dr Mkhize as a person... does it not almost seem like a conflict of interest, or at least an adversarial description of this relationship i.e. the consultation/fund raising fee should be shared equally?

10. The point made in paragraph 8 above, also begs the question, how many bogus companies the ANC, and or their senior leaders, own?

11. Given the timeline, this "deal" was completed with the blessing of PIC Chief Executive Officer Dr Daniel Matjila.

Mr President, this PIC loan is likely to be the tip of the iceberg and all the contracts and agreements that were entered into from the start of the appointment of Dr Matjila should be

investigated. It needs to be established, how many times Dr Mkhize and Dr Matjila had met to conclude this deal? The next question would be, how many other deals (i.e. looting of state resources) were concluded where Dr Matjila had a hand in?

12. Another question that arises is whether due diligence was done in terms of ANY and ALL of the companies involved; it does not seem to be the case once one considers who the role-players are; it would clearly defeat the purpose should these companies fall under any scrutiny.

13. I lastly draw your attention to paragraph 2.8 of the attorney's letter of demands which reads:

*"It was agreed at the Third Meeting that due to the **sensitive nature** of the matter, no written Capital Raising Agreement should be concluded between Afric Oil and Zonkizizwe and **that the parties should rely on the verbal undertakings and agreement** that had been agreed upon amongst the parties at the First Meeting, with regards to the Fund Raising Fees, including the split thereof amongst the TG [Dr Mkhize], Zonkizizwe and Noble."*

Mr President, a good question to ask is what was meant by "sensitive nature" and why did the parties rely on "verbal undertakings and agreements" if there had been nothing untoward in this entire deal?

Sir, the ANC government has (or is) been reluctant to even acknowledge the extent of the rot of corruption within government and in the party itself. Why is it wary and dragging its feet in rooting out corruption to the core?

Mr President, can you please take the nation - but especially the government employees whose retirements depend on the health and stability of the PIC - into confidence on what is going on within PIC, how deep does the rot go, as well as the role of the ANC and that of its cadres - some of whom have been or is deployed in government.

Lastly, Mr President, this letter and my letter of 31 May, are evidence enough that something is not right in the PIC.

The United Democratic Movement yet again requests that this matter forms part of the inquiry into state capture, because of the potential scope of the corruption. We still feel that the Commission of Inquiry into State Capture's terms of reference should be widened to include the matter of the looting of the PIC and possibly other state-owned enterprises.

Yours in stamping out corruption



Mr Bantu Holomisa, MP
UDM President

CC: **Deputy Chief Justice RMM Zondo**
Chairperson of the Commission of Inquiry into State Capture