



EXHIBIT PP 1

**RIEAZ
SHAIK**



**JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE CAPTURE,
CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS OF STATE**

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**JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF
STATE CAPTURE, CORRUPTION, AND FRAUD IN THE PUBLIC
SECTOR INCLUDING ORGANS OF STATE**

AFFIDAVIT

I , the undersigned,

RIEAZ SHAIK

hereby declares as follows:

1. I was an anti-apartheid student activist. In the late 1970s I was part of the ANC's MJK Unit (Mandla Judson Khuzwayo).
2. In 1985, I was detained in terms of Section 29 of the Internal Security Act and released in March 1986.
3. In late 1986, the police sought to detain me yet again, however I managed to escape and went into hiding. In 1987, I left the country illegally to undergo training in Intelligence in the German Democratic Republic (East Germany). On completion of this training I returned to South Africa and under the command of Jacob Zuma, set up ANC intelligence structures in

Natal. One of these projects was Operation Bible which entailed the infiltration of the Security Police.

4. I later worked with Mac Maharaj and Sphiwe Nyanda during Operation Vula, an underground operation which was initiated in the late 1980s to coordinate the activities of the underground that included amongst others, the return of senior exiled leadership at an operational level, into the country.
5. I reported to Jacob Zuma, in his capacity as the ANC's Head of Intelligence, and became close to him as a result thereof. I remained a firm supporter of his for many years.
6. After the first democratic elections in South Africa during April 1994, I was employed as the Deputy Coordinator of Intelligence and then, in 1997, transferred to the Department of Foreign Affairs. I served as South Africa's Consul General to Hamburg (1997), Ambassador to Algeria (1999 to 2003), thereafter as Special Advisor to the Minister of Foreign Affairs and later as the head of department's Policy Research and Analysis Unit until my resignation from the department.
7. Following the conviction, on 2 June 2005, of my brother, Schabir Shaik, on charges relating to corruption, I resigned from the Department of Foreign Affairs to run his business called Nkobi Holdings.

8. After winding down the affairs of NKOB Holdings I commenced providing Consultancy Services.
9. In May 2009 I was called to perform a similar duty to that which I had performed in the mid-1990s when I was directly involved in restructuring and amalgamating the different Intelligence agencies of South Africa into the negotiated national intelligence dispensation of South Africa.
10. I was employed together with Jeff Mzuvukile Maqetuka (Director General of the newly formed State Security Agency, SSA) Gibson Njenje (Head of the Domestic Branch of SSA, formerly known as the National Intelligence Agency). I was appointed as Head of the Foreign Branch of the SSA, formerly known as the SA Secret Service.
11. Collectively we were required to form the new organisation, the State Security Agency (SSA) from the different organisational intelligence structures that existed at that time, namely:

The National Intelligence Agency (NIA)

The South African Secret Service (SASS)

The South African National Academy of Intelligence (SANAI)

The National Communications Centre (NCC)

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The Office for Interception Centres (OIC)

Electronic Communications Security (Pty) Ltd (COMSEC)

12. Although engaged to carrying out this task I was never able to determine the motive or rationale for doing this. I harboured lingering doubts about the constitutionality of this new arrangement. For example, I feel that even the name 'State Security Agency' may wrongly represent the spirit of the Constitution which requires an intelligence agency to serve the people of South Africa rather than the State. I was never able to put these doubts to bed but had a job to do and got on with it.
13. The three of us (Njenje, Maqetuka and myself) reported to State Security Minister Siyabonga Cwele. This did not sit entirely well with us as we knew that constitutionally, we were obliged to report to the President, however we also knew that the President could delegate his function to a cabinet minister. I was of the view that the constitutional provision of this delegation was not properly understood and went too far in the delegation of the President's powers of political responsibility to a Minister.
14. The first significant disagreement with the Minister Cwele was when his wife was prosecuted for drug trafficking related offenses. SSA staff were required to escort her to court in SSA vehicles, and to provide protection services to her. Njenje, Maqetuka and I discussed this and decided that



because this service was funded by the SSA budget it could be deemed to be categorized as irregular expenditure. Maqetuka was the accounting officer of the SSA, and it fell to him to inform the Minister that SSA was no longer able to provide these services to his wife. This created a strained working relationship with Minister Cwele.

15. The World Football Cup came to South Africa and this major event went smoothly. Soon after the event, at the end of October 2010 President Zuma made changes to his cabinet. The changes were *inter alia* Communications Minister Sphiwe Nyanda was replaced by Roy Padayachee and Sports and Recreation Minister Makhenkesi Stofile was replaced by Fikile Mbalula.
16. In a national Sunday newspaper – possibly early during 2011, there was a news report apparently based on a leak from a meeting of the National Executive Council (NEC) of the ANC – the report claimed that there had been a robust discussion at NEC concerning the Guptas who had apparently informed Fikile Mbalula of his new post as the Minister of Sport.
17. We discussed this news report at our Monday morning meetings and decided that an intelligence investigation should be conducted to determine:
 - 17.1. Was there such a discussion at the NEC meeting?

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- 17.2. If so, was it true that Minister Mbalula had been appointed or informed by the Gupta's of his appointment to this position?
18. There was consensus amongst the three of us that it was important for us to determine, for the security of South Africa, whether a core function of Government and the President had been taken over by or outsourced to foreign nationals.
19. This decision was put to our Deputy DGs over our lunch meeting and was supported by them.
20. Related to the above was the fact that Gibson Njenje in his capacity as Head of domestic branch of the SSA, received an inquiry from CIA about the Gupta's purchasing a uranium mine in South Africa. The CIA was concerned that such a purchase may have been funded by Iran and that uranium from this mine was destined for Iran's nuclear programme.
21. I was similarly alerted to the Gupta's purchasing a South African uranium mine by the then US Ambassador to South Africa, who also expressed US State Department's concerns about possible Iranian involvement in the financing thereof. I did discuss this concern of the US administration with President Zuma. He subsequently informed me that the Iranians were not involved in funding of Shiva uranium. I communicated this message to the US Ambassador.



22. Notwithstanding the above, noting that the purchasing of a uranium mine and its funding would remain a national security issue, we decided that this should also be the subject of the SSA investigation. This investigation was to be led by the Domestic Branch of the SSA.
23. I cannot recall how soon after our decision, but shortly thereafter and perhaps at most days after our decision of initiating these investigations the three of us (Njenje, Maqetuka and myself) were summoned to Minister Cwele's office in Cape Town where a tense and confrontational meeting occurred. Minister Cwele was accompanied in this meeting by Mr Dennis Dlomo who served in an advisory capacity to the Minister. Mr Dlomo is now South Africa's Ambassador to Algeria.
24. The Minister was angry that we had launched these investigations into the Guptas without his authority and sought from us the reasons that informed such an investigation. We explained our reasons, which the Minister did not accept. The Minister argued that we sought to undertake such an investigation in order to promote the business interests of Director Njenje. We rejected his allegation. The three of us maintained that the investigation was warranted and that Ministerial authorisation was not required for an operational matter. The Minister instructed that the investigations be stopped. We refused to do this explaining that these investigations fell squarely within the mandate of SSA and were essential



to protect the security of South Africa. We refused to shut the investigations down as instructed by the Minister and told him that such an instruction should come from the President. We requested Minister Cwele to arrange for us to meet the President.

25. To the best of my recollection, the meeting with the President occurred the next day at the Presidential Residence in Cape Town. At the meeting the President sought to reassure us that the Guptas were beyond reproach and that foreign capital was not involved in the purchase of the mine. The President told us that the Guptas were excellent businessmen and were providing employment to South Africans. He cited at length how they had helped him with his son, Duduzane. He reminded us that the Guptas had initially been associated with former President Thabo Mbeki, and he had simply continued with the association.
26. The President made clear his positive views towards the Guptas and we understood that his preference was for us not to take the investigation further. I cannot recall whether he specifically instruct us to halt the investigation, but we were in no doubt that he viewed the investigation as not necessary.
27. Following the President's stated preferences and mindful of the President's constitutional responsibility over the control and direction of the services we reluctantly complied and to the best of my recall halted the



investigations. I felt that the President had disregarded our collective professional advice on an important potential security threat to South Africa. I am of the view that, in this matter, the President did not properly apply his mind in respect of his obligation to provide efficient and effective control and direction over the intelligence services. In the aftermath of this meeting I felt inconsequential and belittled, made worse by my subsequent interactions with the Minister.

28. Later, a reliable confidante, informed me that Fikile Mbalula was told of his appointment by the Guptas and that this was robustly discussed at the NEC.
29. I continued working for SSA but my work situation had become disagreeable. Minister Cwele continued with his micro-management of the SSA making work unpleasant in the extreme. This was an incredibly stressful and unhappy period of my life. Around June 2011, the Minister called me to a meeting in which he expressed his unhappiness with me and proposed that I give serious consideration to a separation.
30. I did give serious consideration to this discussion and I decided that I should resign. However, before I could do so, and approximately a month or so after the meeting referred to above, I was called to the Minister's office. In this meeting, Minister Cwele offered me the post of South Africa's Ambassador to Japan. I was amazed and felt very uncomfortable about



this offer. Firstly, I knew that it was the President's prerogative to appoint Ambassadors for South Africa, and not Minister Cwele, who was the Minister of State Security. Secondly this offer was made relatively soon after the Japanese earthquake and tsunami of March 2011. The flooding damaged the Fukushima Daiichi nuclear power plant creating a radioactive threat. I did not want to expose my family to such risks.

31. I asked Minister Cwele to allow me to meet with the President to discuss the matter. I agreed with the Minister that our working relationship had irreversibly broken down. However, since I was appointed by the President, it is only proper that I discuss my termination of services with the President. My relationship with the Minister, had at this stage deteriorated to a point of no return. I was aware of malicious disinformation emanating from the Minister himself, in which my integrity was questioned and my loyalty to the South Africa state was doubted. I found such conduct, to say the least, unbecoming of a Minister. Further, I was aware that the allegations made by the Minister was rejected by Director General Maqetuka and Director Njenje.

32. Soon after, I was made aware that a similar "ambassadorial" offer was made by the Minister to Gibson Njenje which he refused. Mr Njenje soon resigned from the SSA. Mr Maqetuka for his part, expressed his desire to take retirement on his sixtieth birthday, early in 2012, which he did.



33. I met with the President at his Residence in Pretoria. The President confirmed the offer of an Ambassadorship to Japan, as a means of resolving the impasse between Minister Cwele and myself. I explained to the President that I could not accept this offer as it would mean me taking my wife and children to a high-risk area of radioactivity. I told the President that a posting to Canada would be more attractive - particularly because my wife is Canadian. My meeting with the President ended pleasantly without an undertaking from him.
34. A few hours after this meeting with the President I received a phone call from the DG of DIRCO, Jerry Matjila, who told me that DIRCO intends transferring its High Commissioner from Canada to Japan, and that the post of Ambassador to Canada was therefore open for me. I told Matjila that I would consider the offer and get back to him.
35. I told my family about this offer and we all deliberated about it for a few days. Ultimately, I came to the decision to rather leave government service. I subsequently communicated my decision to the President. He was surprised at my decision but accepted it.
36. I resigned from SSA in February 2012 and arranged with SSA for my pension and other money due, to be utilised for me to study an Advanced Management Programme at the Harvard Business School, in the US.



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37. This is how the three most senior posts at SSA became vacant in 2011 and were filled by new incumbents.
38. On completion of the management course at Havard I applied for a management position at The Development Bank of Southern Africa (DBSA). This was for the DBSA's new international unit. My application was successful, and I was appointed as the Group Executive of the international unit on 7 August 2012. I remained at this post until I took early retirement in August of 2017.
39. In March 2016, I gave my support to a memorandum submitted to the then Secretary General of the ANC, Mr Gwede Mantashe, entitled: Memorandum from Senior Commanders and Commissars of the former military wing of the ANC, Umkhonto we Sizwe. The memorandum was signed by General Siphwe Nyanda on behalf of at 25 such ex-MK members.
40. The memorandum made reference, amongst other issues, to the public occurrences of the time, such as the removal of Minister Nene from his post of Finance Minister in December 2015, his proposed redeployment to the New Development Bank, the conduct of the Hawks in their investigation of the so called "rogue unit" in SARS, the revelations of Mcebisi Jonas in regard to the Gupta family, and to the issue of state capture.



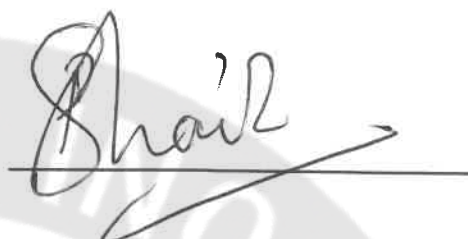
41. The memorandum called for the establishment of an independent commission of enquiry and the convening of a special National Conference of the ANC.
42. Following the submission of this memorandum to the office of the Secretary General, Mr Mantashe convened a meeting of representatives of the memorandum and ANC officials.
43. I cannot recall all the names that attended the meeting other than Gen Sipiwe Nyanda, Amb J Maqetuka, Jabu Moleketi, and myself. From the officials side, again I do not recall all the names, other than Gwede Mantashe and Jessie Duarte.
44. On behalf of ourselves, Gen Nyanda presented the issues contained in our memorandum. The officials noted our concerns and a discussion ensued. The discussion was constructive in the sense that our issues were heard. It was agreed that these issues would be looked into. Further, a discussion on the importance of unity within the ANC was also discussed.
45. With regard to matters of intelligence documentation, Amb Maqetuka and myself referred the ANC officials to the office of the Inspector General of Intelligence for access to any document relevant to the issue of state capture.

Handwritten signature and initials, possibly 'B Sn'.

46. Shortly after this meeting, the Secretary General of the ANC, Gwede Mantashe issued an open invitation to all members of the ANC to forward submissions to his office in respect of any information pertaining to the issue of state capture involving the Gupta family.
47. I did not take up this invitation because I am firm in the view that the affairs of state intelligence and its conduct falls outside of the internal machinations of a political party. My understanding is that the Constitution specifically prohibits this. Further, the settlement agreement entered into Minister Cwele and myself, specifically prohibited me from sharing any information or material that I acquired during my tenure as Director of the Foreign branch of the SSA with any person unless I have been granted permission to do so by the Director General of the SSA. Given the state of affairs prevalent at the time, I was not inclined to seek that permission. I was of the view, that such permission would be declined. Simply put, it would have been a waste of my time and effort.
48. Since February 2018, my wife and I have started our own consultancy and investment company. I am employed by this company. I wish to place on record, that our firm does provide services to amongst others, a global firm possibly implicated under the terms of reference of this commission. I have mentioned the name of the firm to the Evidence Leader, which will be provided to the Chairperson in camera. Inclusive in the terms of

engagement are: infrastructure advisory services in respect of Africa, mentoring and coaching services and advise on the management of the firm's public reputation both locally and abroad.



RIEAZ SHAIK

DEPONENT

Signed and sworn before me at Brooklyn this
21 day of 11 2019 after the deponent
declared that the deponent is familiar with the contents of this
statement and regards the prescribed oath as binding on the
deponent's conscience and has no objection against taking the
said prescribed oath. There has been compliance with the
requirements of the Regulations contained in Government Gazette
R1258, dated 21 July 1972 (as amended) .


COMMISSIONER OF OATHS:

SUID-AFRIKAANSE POLISIEDIENS
ONDERSTEUNINGSDIENSTE
2019 -11- 21
BROOKLYN
SUPPORT SERVICES
SOUTH AFRICAN POLICE SERVICE

FULL NAMES:

Ek sertifiseer dat bostaande verklaring deur I certify that the above statement was taken
 my afgeneem is en dat die verklaarder erken myne and that the deponent has acknow-
 dat hy/sy vertrou is met die inhoud van hier verklaard dat: he/she knows and understands
 die verklaring en dit begryp. Hierdie verklaring the contents of this statement. This
 is voer is ondig/bevestig en verklaarder se statement was sworn to/affirmed before
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 by Brooklyn op 2019-11-21 at 11 : 05
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