

AFFIDAVIT OF ANGELO AGRIZZI

I, the undersigned,

ANGELO AGRIZZI

declare under oath as follows:

Introduction

1.

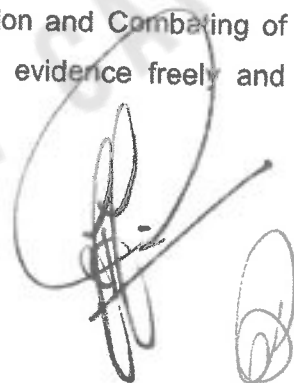
1.1 I am an adult male businessman. I live in Johannesburg. I was born in Germiston, Gauteng. I am a South African Citizen.

1.2 I am married with children.

1.3 The facts contained herein fall within my own personal knowledge, unless the contrary appears from the contents hereof, and to the best of my belief are both true and correct.

2.

I understand that in my statement that I will incriminate myself in respect of potentially serious offences. In addition, I failed to report these acts as apparently required in terms of the provisions of Sec 34 of the Prevention and Combating of Corrupt Activities Act, Act 12, 2004 (PRECCA). I give this evidence freely and voluntarily. I have been offered no incentive or reward.




3.

I point out that during my employment at Bosasa Operations (Pty) Ltd ("Bosasa"), I was exposed to many unlawful actions over a long period of time. It is possible that I may not for purposes of this affidavit or even when giving evidence, recall every such incident or every such incident in full detail. Should additional unlawful incidents or further detail not dealt with herein be brought to my attention or should specific aspects, circumstances, or questions trigger my memory, I request an opportunity to supplement my affidavit to deal with such allegations.

4.

I also need to point out that when I was employed at Bosasa. I became entangled in a web of corrupt activities and deceit, to the extent that I became blunt in my perception of and resistance to the offences. I fully understand that this is no excuse. I merely seek to explain the context of my unlawful conduct. Once I was outside the Bosasa employment circle the full impact of the Bosasa group of companies' and my unlawful activities gave me direction not to sit back and to pretend that nothing unlawful had happened. I decided to cooperate with and to disclose to the law enforcement agencies and agencies relevant thereto all the unlawful conduct I can remember to lay bare the web of unlawful activities at Bosasa in which I participated. I have pointed this out to explain that the culture of unlawful activities at the Bosasa group of companies and the income I received as a result blunted my morality and caused an inability to timeously break out of my self-created comfort zone.

5.

With the above in mind I deal with the unlawful activities that I am able to recall and recount herein.



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My Personal History

6.

- 6.1 I matriculated from Germiston High School in 1985. During my school years I worked in a local bakery to fund studies and learn how to manage a business.
- 6.2 I registered and enrolled for a three-year catering diploma (full-time) at Wits Hotel School in 1986. I paid for my studies by working after hours as a chef at Jordan's restaurant. After my first year of studies I received an award as the best student. Then I unfortunately realised I was not able to work and study and therefore had to leave my studies.
- 6.3 I continued to work for Jordan's restaurant until 1988. In 1989, I was employed as a project manager for industrial catering by Hospitality Food Services.
- 6.4 I left Hospitality Services. I obtained employment from Gencor Mining in Evander at Winkelhaak Mine as a project catering manager.
- 6.5 During 1993 I accepted a position as project manager in catering at Supervision Food Services at Western Platinum Mines in Marikana, Rustenburg. I relocated with my family. I was then promoted to the Nissan Rosslyn site in 1994 and again I relocated with my family.
- 6.6 In 1997, I applied for a position at Grantham Integrated Food Services and was stationed at Oryx Mine, Welkom for a period of 8 months. I was then promoted to Impala Platinum Mines in Rustenburg. In 1998 I was promoted to Inland Regional General Manager and was stationed at Woodmead regional inland office. My wife was employed and worked with



me as my personal assistant. I received numerous promotions.

- 6.7 Grantham Integrated Food Service then became Molope Foods.
- 6.8 As part of my work for Molope foods I was, amongst other things, tasked with the oversight of the contract at Scott Hostel at a mine in Klerksdorp. It was here that I worked with Danie Liebenberg who was the hostel manager. He told me about a company called Dyambu (Dyambu Operations (Pty) Ltd) and a person called Gavin Watson. He told me that Dyambu was exploring the possibility of replacing Molope as the caterer at the Scott Hostel. In order to gain the support of the workers residing in various hostels, Gavin Watson was providing T-shirts and caps (branded Dyambu) to the workforce to protest against the current catering contractors (being Molope) and to support Dyambu in obtaining the catering contract. It was at the same time that I became aware of the fact that Dyambu had also approached the other mine hostels where I managed catering contracts on behalf of Molope.
- 6.9 During February or March 1999, I was in Port Elizabeth on business. At the airport, travelling back to Johannesburg, I incidentally overheard a gentleman in my vicinity having a telephone conversation in English and Xhosa. I heard references to: "Dyambu", "mining" and "catering". It later turned out that the gentleman was Gavin Watson, whom I had been told about.
- 6.10 Although I was not unhappy at Molope, I was looking for a new challenge. Dyambu had good BEE credentials and therefore good growth prospects. I had also received my share options and wanted to encash them.
- 6.11 I was employed by the company Dyambu Operations (Pty) Ltd (later known as Bosasa Operations (Pty) Ltd) ("Bosasa") during the period of



6.12 I obtained the contact particulars of Dyambu and called them to speak to Gavin Watson. Although I did not know whether there were any vacant positions, I wanted to introduce myself to Gavin Watson and specifically to discuss with him what I believed I could offer the company in an attempt to possibly be employed by the company. They wouldn't let me speak to him and transferred the call to David Sadie (he was the Human Resources Manager). A meeting was set up with Danny Mansell (herein after referred to as Mansell), who at the time was the managing director. This meeting was held at their Randfontein offices.

6.14 The following day I received a call and arrangements were made for me to meet with Gavin Watson the day after being Thursday, 7 May 1998.

6.15 At this meeting, I met Gavin Watson. Mansell was also present. Gavin Watson offered me a position as marketing co-ordinator at the same salary I earned at Molope, and informed me that if I accept the position, my employment would commence the next day. To my surprise, and before I responded to the offer, I was handed a company tie and jacket. Mansell raised his concern about the financial implications of my appointment to the company but Gavin Watson insisted and acted as if I



and acted as if I

had already accepted the position. He took me around the office and introduced me to the staff as his "new right-hand man". I was also told by Gavin Watson that I would be receiving a new company car and I could choose what I would like. My mind was made up. I wasn't going to decline the offer and we all continued as if I had formally accepted the offer.

- 6.16 After being introduced to everybody Gavin Watson discussed the catering contract at Leeudoring Goldfields Mine with me. I informed him that I was responsible for the catering proposal, which had been submitted by Molope. That proposal was accepted and the agreement with Molope was to be signed the following Monday at 13:00. Gavin Watson convinced me to terminate my employment at Molope with immediate effect and to accompany Dr Jurgens Smith the following Monday to meet with Mr Patrick Mayne and a union representative, Mr Charles Freeland, to offer them an alternative to Molope Foods.
- 6.17 The reason for this was that there were three Goldfield Mines which had invited catering proposals, and whoever was awarded the one would be awarded the others. Gavin Watson for some time had been interested in doing the catering at Kloof Mine (which is a Goldfields Mine) and had submitted a proposal for that contract.
- 6.18 That afternoon, the 7th of May 1998, I proceeded to the office at Molope and resigned with immediate effect. I handed my resignation letter to Mr Gregg Lacon-Allin.
- 6.19 I started my employment at Dyambu Operations (Pty) Ltd on 10 May 1999. I accompanied Dr Jurgen Smith to Leeudoring Mine and convinced them not to sign the agreement with Molope.



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- 6.20 Initially, I was employed by Bosasa in a marketing position. From very early on, I worked very closely with Gavin Watson. I accompanied him to various meetings. I reported directly to Gavin Watson. I would be involved with him on a daily basis and I had to be available at all times. As time went by, I got the impression that he would bounce all his decisions off me. It made me feel very important and valued.
- 6.21 Gavin Watson told me that he had paid money to certain members of unions in exchange for them to arrange the support of their members pertaining to Dyambu tenders. Previously he had told me he helped "comrades" financially, for example, for funerals, for studies and other things. Later on, I was present when money was given to some of these individuals. Jackson Mafika, the regional head of the NUM would often attend to meetings with Gavin Watson at our offices. I was present at some of these meetings where money was handed to him by Gavin Watson. His vehicle was also maintained by Dyambu.
- 6.22 In October and November 1999 Dyambu was awarded catering contracts at Kloof and Libanon mines. It was then decided to rebrand Dyambo as Bosasa.
- 6.23 Within a year I was responsible for marketing, procurement and human resources. I was tasked with getting the Bosasa brand out into the market. I would do presentations, brochures, costing models and proposals. I later also became responsible for operations.
- 6.24 As part of my duties, I also became responsible for the management and submission of tenders.
- 6.25 Right from the outset, Gavin Watson would openly identify himself as a Christian. He would arrange prayer meetings at work on Tuesday



mornings. The invitation to attend was extended to everyone but only a select few would attend these meetings. Between 12 to 15 people, of which I was one, would attend these prayer meetings which were led by Gavin Watson. He would share a verse from the bible, it would be discussed and everyone would have to pray out loud. I, as Gavin Watson's right-hand man was expected to attend these meetings. During approximately 1999, at the suggestion of another employee, Leon Van Tonder, these prayer meetings were eventually held every day from 06:30 to 08:00. Gavin Watson told us that if any one needed to know what was happening in the company they should attend the morning prayer meetings. Pastors and prophets would be invited to lead the prayer meetings on occasion. From approximately 2009, an all-night prayer meeting would be arranged every alternate month. I would attend and show face for the staff. Gavin Watson was a charismatic leader and exercised a high degree of influence over his employees.

- 6.26 A schedule of people I dealt with (including government officials) and the positions they held from time to time is attached as **Annexure "A"**.
- 6.27 I resigned from my employment during August 2016.
- 6.28 On or about 25 August 2016, I entered into a "Settlement Agreement" with Bosasa Operations (Pty) Ltd, Consilium Business Consultants (Pty) Ltd, Daniel John Watson, Gavin Joseph Watson. This agreement was entered into to secure my re-employment with the business for a period of ten (10) years after I had resigned. I attached the agreement as **Annexure "B"**.
- 6.29 I attach as **Annexure "C"** a copy of a second agreement headed, "Incorporating Provisions Regarding Consultancy Agreement" which was entered into on or about 18 March 2017. This agreement was concluded between Bosasa Operations (Pty) Ltd, Consilium Business Consultants



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(Pty) Ltd, Leading Prospects Trading 111 (Pty) Ltd, Gavin Watson and myself. This agreement was a separation agreement. It served to replace the settlement agreement, Annexure "B". The agreement accepted my resignation from Bosasa Operations (Pty) Ltd subsequent to my serious health issues and secured me as a consultant for Consilium Business Consultants (Pty) Ltd and Leading Prospects Trading 111 (Pty) Ltd.

6.30 My income and other benefits from my employment at Bosasa from 1999 to 2016 appear from the table below. I attach hereto the IRP 5 forms and proof of earning for myself and my wife marked **Annexure "D1"** to **Annexure "D22"**. I wish to explain the following:

6.30.1 My salary between the period 1999 to 2004 was partly in my name and partly in that of my wife's. The total of the sum was however, paid directly into my account. This was done on the advice of Dr Jurgen Smith in order for me to obtain a pension benefit and for tax purposes. Also relevant is the fact that my wife was my Personal Assistant at Molope. She had now been dismissed as I had joined an opposition company. This information is supported by the information on the IRP5's.

6.30.2 Subsequent to 2004 and until 2016, the payment of my salary was split between Bosasa Operations (Pty) Ltd and Consilium Business Consultants (Pty) Ltd. This information also appears from my IRP5's.

6.30.3 Additional to my income, I received monthly cash payments from Gavin Watson. I was informed that Gavin Watson had made the PAYE payments on the amounts.

6.30.4 I also received gifts from Gavin Watson. These included from



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expensive clothing, holidays and other perks.

6.30.5 In 2013, certain book entries were made indicating payments received by myself and other individuals. These amounts were never paid over and were mere book entries.

TAX YEAR	ANNUAL EARNING: A Agrizzi	ANNUAL EARNING: D. Agrizzi	ADDITIONAL BENEFIT AND VALUE (my estimates)	CASH PAYMENT RECEIVED
1999	R187 000-00	R400 000-00	R45 000-00 Holiday to Mauritius	R60 000-00
2000	R190 000-00	R480 000-00	-	R60 000-00
2001	R192 000-00	R517 670-00	R65 000-00 Holiday to Mauritius	R240 000-00
2002	R202 341-00	R700 000-00	R78 000-00 Holiday to Italy	R240 000-00
2003	R234 382-00	R720 000-00	R85 000-00 Holiday to Mauritius	R240 000-00
2004	R406 206-00	R720 000-00	R30 000-00 House painted	R240 000-00



TAX YEAR	ANNUAL EARNING PAID BY BOSASA	ANNUAL EARNING PAID BY CONSILIUM	ADDITIONAL BENEFITS AND VALUE (my estimates)	CASH PAYMENT RECEIVED
2005	R647 065-00	R420 000-00	R70 000-00 Holiday to Zanzibar	R240 000-00
2006	R665 705-00	R435 000-00	R170 000-00 Assistance vehicle trade-in	R240 000-00
2007	R1 882 008-00	R435 000-00	-	R240 000-00
2008	R1 120 538-00	R445 000-00	R350 000-00 2 nd hand Audi Q7	R240 000-00
2009	R963 969-00	R780 000-00	-	R300 000-00
2010	1 127 312-00	R300 000-00	R110 000-00 Holiday to Italy	R300 000-00



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TAX YEAR	ANNUAL EARNINGS PAID BY BOSASA	ADDITIONAL BENEFITS AND VALUE (my estimates)	CASH PAYMENT RECEIVED
2011	1 644 692-00	R170 000-00 Holiday to Mauritius	R300 000-00
2012	1 968 964-00	-	R300 000-00
2013	5 119 209-00	2 400 000-00 Bonus	R300 000-00
2014	R3 406 643-00	R120 000-00 Tour Ferrari	R300 000-00
2015	R3 964 960-00	R110 000-00 Holiday Italy	R300 000-00
2016	R4 308 867-00	R75 000-00 Grand Prix Abu Dhabi	R300 000-00
2017	R27 391 651	R22 000 000-00 Payments in terms of retention and separation agreements	-

The Structure of Companies And History of Bosasa

7.

- 7.1 To the best of my knowledge Dyambu Operations (Pty) Ltd started out as Meritum Hostels (Pty) Ltd. The shareholders were Fanie Van Zijl and Dr



Jurgen Smith. Its main operations were the contracts at a Youth Development Centre (Mogale Youth Development Centre previously known as Meritum Youth Development Centre) and Lindela where youth awaiting trial and undocumented migrants were detained. It also provided catering to Blyvooruitzicht Mine and Leslie Gold Mine hostels. I was informed by Gavin Watson that the shares in Meritum Hostels (Pty) Ltd were later sold to himself, Mansell and Dyambu Holdings (Pty) Ltd.

7.2 An organogram of the structure of the Bosasa group of companies and its affiliates and associates as it appeared at the time that I left Bosasa is attached as **Annexure "E1" to Annexure "E2"**. I did not compile this document. I do not know who drafted this document. I cannot verify the veracity of the information that appears therein but I submit that it will provide a good overview to understand the references to various companies and people referred to in this affidavit. From this document, it appears that the parent company is Bosasa Empowerment and Management Services (Pty) Ltd (Registration No. 1999/020406/07), with various companies and entities as shareholders. Various companies operated as part of the Bosasa group of companies. Throughout my employment with Bosasa, the structure, shareholders and directors of all of these companies changed so often that it was difficult to keep track. For purposes of this affidavit, the following companies will be specifically referred to:

- 7.2.1 Bosasa Operations (Pty) Ltd which is now African Global Operations (Pty) Ltd;
- 7.2.2 Bosasa Security (Pty) Ltd which later became Black Rox Security Intelligence Services (Pty) Ltd;
- 7.2.3 Bosasa Youth Development Centres (Pty) Ltd;



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7.2.4 Leading Prospect Trading 111 (Pty) Ltd t/a Lindela;

7.2.5 Sondolo IT (Pty) Ltd which is now Global Technology Systems (Pty) Ltd;

7.2.6 Phezulu Fencing (Pty) Ltd (which does not appear on the organogram); and

7.2.7 Consilium Business Consultants (Pty) Ltd (which does not appear on the organogram). This is a company in which the late Dr Jurgen Smith previously had an interest which will be later referred to in this affidavit.

7.3 I wish to point out that I will in this affidavit refer to various entities. At this stage I cannot recall the full particulars of all these entities and will refer to them to the extent to which I can recall their details.

7.4 The person with the responsibility for establishing the companies in the Bosasa group of companies was the Company Secretary of the Bosasa group of companies, Tony Perry.

7.5 From time to time Gavin Watson and Seopela mentioned names to me of those involved in the Bosasa group of companies. He also mentioned names of government officials who I understood to be shareholders of companies in the Bosasa group of companies. I cannot vouch for the accuracy or veracity of these reports. I am willing however to disclose what was told to me should the Chair wish me to do so.

7.6 The name of Meritum Hostels (Pty) Ltd was changed to Dyambu Operations (Pty) Ltd.



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the main business of the company was to provide catering services, and full facilities management services at various mine hostels for the Department of Home Affairs Lindela Repatriation facility (Leading Prospect Trading 111 (Pty) Ltd t/a Lindela) and for Youth Centres of the Department of Social Services. The services to the Youth Centres were provided by Bosasa Youth Development Centres (Pty) Ltd.

8.2 During 2001 to 2003 Bosasa also entered into agreements with amongst others the following entities:

- 8.2.1 a catering contract with Sasol SA;
- 8.2.2 a full facilities contract with Kloof and Libanon mines operated by Goldfields in Carletonville;
- 8.2.3 a full facilities and catering contract with Hartebeesfontein Gold Mine in Klerksdorp;
- 8.2.4 a full facilities contract with Randfontein Estates in Randfontein;
- 8.2.5 a full facilities contract with Harmony Gold Mines in the Free State;
- 8.2.6 a catering contract with Goedehoop Collieries in Witbank;
- 8.2.7 catering contracts with Oryx and Beatrix Mines in the Free State which formed part of Goldfields Gold mines;
- 8.2.8 an agreement with the South African Post Office to provide security at post offices; and



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8.2.9 a guarding agreement with the Airports Company South Africa at O.R. Tambo International Airport.

9.

9.1 As referred to above, I became aware at a very early stage of the fact that Gavin Watson was paying off trade union members and National Union of Mineworkers regional officials. This was done to ensure the support of the particular union's in order to obtain catering and Full Facilities Management agreements at various mine hostels.

9.2 During late 1999 I was instructed by Gavin Watson to attend to the Sasol catering tender. Dyambu Operations (Pty) Ltd had submitted a tender before I became an employee of the company. Someone at Sasol SA informed Gavin Watson of short-comings in the tender and wanted the company to address these short-comings after the submission date of the tender. I had to attend to this in a meeting with a Sasol procurement official, which I did. Lindie Gouws attended this meeting. The matter was resolved. The procurement official was annoyed that she had been instructed to meet with ourselves by certain Sasol management.

9.3 Shortly thereafter and at Secunda, Gavin Watson and I had a meeting with Simon Mofokeng. Simon Mofokeng was the head of CEPPAWU (Chemical, Energy, Paper, Printing, Wood and Allied Workers Union). Gavin Watson told me that he had arranged with Simon Mofokeng that as the head of the trade union he was to put pressure on management at Sasol SA through a threat of a strike or work stoppage to ensure that Dyambu Operations (Pty) Ltd would be awarded the tender. Simon Mofokeng also gave information regarding SASOL pricing to Gavin Watson to assist Gavin Watson to procure the SASOL tender. I then realised that the lady who was heading up the newly established training team at Dyambu was in fact Maureen Mofokeng the wife of Simon



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Mofokeng.

- 9.4 Dyambu Operations (Pty) Ltd was awarded the tender. On request, Sasol acceded to a name change to Bosasa.
- 9.5 Shortly thereafter, on instruction of Gavin Watson, I arranged for purchasing and delivery of goods (such as cold drinks and meat) to Simon Mofokeng on a regular basis:
- 9.5.1 An employee, Sydney Manthatha (the unit leader) would attend at my office with an order request. He indicated that the order was for Simon Mofokeng.
- 9.5.2 I would sign the order request and allocate it for marketing expenses.
- 9.5.3 Sydney Manthatha would then file the order at the service providers on Dyambu Operations (Pty) Ltd's account and to my knowledge, Sydney Manthatha would then deliver the goods ordered to Simon Mofokeng in accordance with Gavin Watson's instruction.
- 9.5.4 From time to time, the deliveries would be confirmed by Simon Mofokeng. At other times he would complain to Gavin Watson if he had not received his delivery. I knew this because Gavin Watson would request that I sort the problem out.
- 9.5.5 At this stage the contract was managed by Daniel van Tonder and Johan Viljoen who were employees of Bosasa, and who had knowledge of the arrangements in respects of Simon Mofokeng.



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9.5.6 Each order was approximately R15 000-00 in value.

9.6 As far as I can recall, Bosasa held the contract from 1999 to 2002. It then sold this and other contracts to Equality Foods (Pty) Ltd, which was owned and managed by Gregg Lacon-Allin.

9.7 After the sale of the contracts, Gregg Lacon-Allin contacted me to say that Simon Mofokeng indicated that he wanted the benefits as before and asked me if this was standard practice. I explained to Gregg Lacon-Allin that this was specific to Simon Mofokeng as he had always received this undue benefit from Bosasa.

South African Post Office (SAPO)

10.

10.1 A tender was awarded to Bosasa Security (Pty) Ltd in approximately June 2002 to provide security at the South African Post Office (SAPO). I was responsible for the submission of the tender. A while before this tender was awarded, Gavin Watson issued an instruction that we had to start logistical preparations to implement the contract. It was originally a three-year contract that was extended by an additional two years at the instance of the CEO Maanda Manyatshe.

10.2 After the awarding of the tender Gavin Watson would often name-drop. Two of the names mentioned were:

10.2.1 Siviwe Mapisa (hereinafter referred to as Mapisa), who at the time was the Head of Security employed by the South African Post Office; and



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10.7 Mapisa attended hunting trips at Ronnie Watson's (the brother of Gavin Watson) game farm in the Eastern Cape. I had to arrange trucks to transport the meat from the Eastern Cape to Mapisa's house in Gauteng at the expense of the company.



11.

- as responsible
over. I wish to
as delivered to .



them in these grey security plastic bags. This practice continued up to when I left the company. These individuals were Reuben Pillay and Joe Serobe as well as the Procurement Officer Mohammed Bashir, who all received bribes from Joe Gumede. I packed the amounts and was in attendance when they were handed out on many occasions.

12.

Black Book

- 12.1 Often directors would come to my office whilst Gavin Watson was there. They would ask Gavin Watson for large amounts of cash in my presence. Gavin Watson would then go to what was referred as "Gavin's Safe", a walk-in vault behind the main boardroom and return with a grey security plastic bag. This was done in the full view of people in the offices. It became evident to me that payments would be arranged for various people and this was a regular occurrence.
- 12.2 This practice became the norm after a period of time. I was tasked with recording the information and the amounts required, which I recorded in what became known as "The Black Book." The reason I was asked to do this was because of the number of withdrawals. I could not remember them all. I would have to account for any funds that were passed on to me, should I be questioned on the reconciliations by Watson.
- 12.3 Watson had started to involve me with managing the cash – not with its delivery to the end person. My task was to prepare and package the cash. I was required to keep a record. Normally I would attend to the directors who would provide me with a list and sometimes the names of the individuals they were going to pay. I would communicate the relevant amounts to Watson. I would then issue a list to Jacques Van Zyl, who



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would then, on my instruction, pack the amounts. I would provide Jacques van Zyl with a code. For instance, ELF30PLC: ELF would denote Elford Mayixele, the 30 would denote R30 000.00 and the PLC would denote Patrick Littler Catering.

- 12.4 I had absolutely no authority to decide on who should be paid, and how much. On occasion I would be asked by Gavin Watson for my opinion on who should be paid. Such a decision would depend on the usefulness of the intended recipient to the organisation. The majority of the time however the decision had already been taken by Gavin Watson. He merely informed me out of courtesy, so that I could keep a record thereof as changes were frequent.
- 12.5 Records were initially kept on loose pages to facilitate packing of cash. Later on and because loose pages kept going missing, I kept records in various A6 books. However because the books were always kept in the safe of Gavin Watson, it was necessary to make notes on pieces of paper and later transfer the information into the books. Sometimes books went missing after they had been submitted to Gavin Watson. Eventually more than one book would be used and kept in rotation. It must also be noted that we could never collate and account for the full expenditure because Gavin Watson made his own drawings of which we were not always made aware. Numerous payments were made without my knowledge.
- 12.6 I have available a video relevant to this evidence (**Exhibit "1"**), and the transcription thereof (**Exhibit "2"**) I did not take this video. However I know the procedures shown, the premises shown and the persons who appear and speak on the video.
- 12.7 In the case of certain very high-profile officials Gavin Watson would deal with the deliveries himself. This was prevalent over the festive period in



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month of December. Gavin Watson would visit special people and make special deliveries himself. At one stage I asked Gavin Watson to keep more detailed records. He simply ignored me. When I enquired again he made it clear that he doesn't like paper and that is why he does not sign anything. On numerous occasions Watson would openly boast that he didn't have a secretary, he didn't write anything down, he never signed anything and he only had a briefcase and a car as an office.

- 12.8 If Gavin Watson referred someone to me for any favours, I would call Gavin Watson and confirm any arrangement. I would confirm if he was aware of it and supported it. If he was concerned about it he would then call the person, call me back and tell me it was approved.
- 12.9 Quite simply I don't believe that Gavin Watson even knew the extent of the payments going out and not recorded. I recall one day taking a refuse bag out of his vault, only to find about R70,000 in R100 notes in the refuse bag. I alerted Gavin Watson to this. Access to the vault was in a separate building. In the vault was a drop safe. The only one who had access to the drop safe was Gavin Watson. In the event that he urgently needed a refill of cash, we would be instructed to drop the money in the drop safe. I would drop the banknotes with a reconciliation paper or the black book into the safe. I would always make sure that one of the trusted people accompanied me and would count whilst I deposited in the drop safe.
- 12.10 In all the time I was instructed to handle the cash I was never questioned and shortages did not occur.
- 12.11 Apart from the cash payments, numerous favours being done included settling school fees, having vehicle repairs done, and making and paying for special travel arrangements. Initially this was done by merely paying



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12.12 I am also aware that vehicles were serviced for people. One matter that comes to mind is that of Reuben Pillay. I would authorise the servicing of his vehicle. This servicing was done in a Bosasa workshop, called Technical Main. I have further direct evidence in this regard.

Money Laundering – Tax Evasion and Bribery

13.

13.1 One of the methods of concealing cash transactions was to simply issue a cash cheque and cash the cheque at the bank. Then a fictitious invoice would be created to justify the cash transaction. The fictitious invoice would be created in the name of a company in liquidation or a company about to be placed in liquidation.

13.2 Fake invoices were also issued in the name of small or start-up companies with no VAT numbers, or companies that had delivered a product and service and were not used again. Specifically, I recall a company called Kgwetlo Events which belonged to a Mr. and Mrs. Gwebu, where false invoices for hiring and catering requisites were used. Carlos Bonifacio the then Chief Accountant would draw up the invoices, issue cash cheques and draw the money accordingly. The reason for this system was to avert any potential questions from SARS or the auditors. It replaced a previous system used where cash would be drawn ostensibly for the payment of casual wages and sponsorships, but in reality for the payment of bribes.



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family member died, two cheques would be issued: the first cash cheque in an amount reflecting the value of the death benefit (underwritten by Metropolitan); the second cash cheque was recorded as a donation to the deceased's family from Bosasa. However the amount of the second cash cheque would not be paid over to the family. It would be kept by Bosasa and then used for unlawful payments. I am aware that records of these transactions were kept. I estimate approximately R300,000.00 per month was derived using this methodology.

13.8 The system then changed. I received advice from Petrus Venter (known as Peet Venter of D'Arcy Herman Auditors, consultant to Bosasa) and Jacques Van Zyl, the Bosasa accountant who handled cash drawings.

13.9 In the manner set out in this affidavit an estimated R4,000,000.00 to R6,000,000.00 a month in cash drawings was generated and used for bribery and corruption. The full extent would have to be collated and accounted for. By accounting for these cash payments as company expenses, Bosasa's company tax liability was unlawfully reduced. I estimate the loss to SARS to be in excess of R 100 000 000.00.

13.10 A rough calculation based on simple averages follows;

13.10.1 $R4,000,000.00 \text{ (Per Month)} \times 12 \text{ Months} \times 9 \text{ Years} = R432,000,000.00$; and

13.10.2 $R432,000,000.00 \text{ (Absorbed into Cost of Sales)} \times 28\% = R120,960,000.00 \text{ Tax Evasion.}$

13.11 At this stage I cannot give an accurate and final figure. This would require a complete forensic analysis with which I will gladly assist. The practice was never really uncovered because the methods used appeared



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plausible.

- 13.12 Another method used to generate cash was the following: Bosasa bought shares in a fuel station in Belfast. Bosasa would collect cash paid to the fuel station by motorists for fuel purchases. Bosasa would then reimburse the fuel station by EFT transfer. This payment was reflected as fuel expenses in the books of Bosasa.
- 13.13 As the erstwhile Operations Officer of Bosasa I am very well versed in all the aspects of the Bosasa group of companies' businesses. I am in a position to assist in a more detailed investigation, into fraudulent transactions, money laundering and racketeering. I will gladly tender my time and resources in the recovery of unlawful proceeds.
- 13.14 Another method used is the following: Clients would be offered an incentive bonus. For instance, a youth centre required a software programme. The supply of this programme would entail no cost for Bosasa, alternatively it would already have been paid for under general expenses. This programme would nevertheless be invoiced out to the relevant department at an inflated cost. Payment would be received by Bosasa. Part of the monies paid would be paid in cash to the official who facilitated the transaction. The remainder would be retained by Bosasa. I myself facilitated such a transaction in the North west province. This method was used to provide cash to officials on their request.
- 13.15 This happened on numerous occasions especially at the North West Youth Development facilities where pre-opening expenses were levied, equipment was charged for, and in certain cases costs of fencing and security systems were inflated. The person who would negotiate these payments was a Director of the Bosasa Youth Development Centres by the name of Syvion Dlamini. I am not sure who the payees were as these



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13.18 The average purchases and expenditure of Bosasa (including the salaries and wages) amounted to about R88,000,000.00 per month. The cash drawings referred to above averaged about R4,500,000.00 per month. This amount was spread amongst the various companies in the Bosasa group and represented perhaps 5.5% of nett profit. This was further masked by the fact that the actual margins attained by the operations especially the Catering Services to Corrections was on average 35%, which in effect meant that the contracts would still reflect a 28% to 30% average nett profit. The auditors wouldn't pick up fluctuations in the margins because they remained constant throughout the year. The practices I have referred to were consistent. In November and December when additional cash was required, the percentage would be perhaps a further 2% or 3% but this would be explained in terms of Public Holiday costs and special functions costs.



14.

- ## Cash Bars and Canteens

15.

- 15.1 Bosasa managed numerous hostels for the mining industry. Bars and canteens in the various hostels were a major source of cash revenue. Only a certain amount of the cash takings was in fact declared. The balance was used for the payment of bribes and was collected and placed in the vault. Ryno Roode, an employee, was appointed with the



task of counting the cash and balancing it before putting it for safekeeping in the vault.

- 15.2 This practice dwindled in 2003/4 when Bosasa sold the mining contracts to Equality Foods – Gregg Lacon-Allin.

Cash Drawings

16.

- 16.1 During the period 2003/2004, as a result of the fact that the bars and canteens had been sold as part of the mining contracts, special arrangements were required to sustain the cash income that needed to be paid out.
- 16.2 At that stage cash was generated through the establishment of "ghost workers" on a payroll who would be paid wages in cash.
- 16.3 Andries Van Tonder and others were instructed to draw up fake payroll sheets on Excel and attribute work to builders and others. These expenses were allocated to the facilities being constructed at the time at Luipaardsvlei and 2 North Hostel where work was being done, albeit by a contractor Riekele.
- 16.4 I recall Andries van Tonder raising an objection to this, but being compelled to continue. On a few occasions I warned them that this practice was in fact risky, as they would draw cash cheques at the local bank and collect the cash themselves. I accompanied them on one occasion to the bank. The amount drawn was made up of three cheques which totalled R720,000.00 which they would have to pack in a bag, leave Key West FNB and drive to the office.



n a bag, leave

16.5 This practice was a weekly occurrence.

Casual Wages

17.

17.1 In 2003, the Department of Labour made the payment of casual wages subject to all types of scrutiny. Workman's Compensation and UIF had to be paid for casual labour. It was then decided that the practice of Bosasa in this regard would cease. The requirement for the amount of cash had increased as well especially with the new Department of Correctional Services (DCS) contract.

Equal Trade

18.

18.1 The delivery of large amounts of cash via Jumbo became somewhat obvious to the accounting general staff. Further the fact that Bosasa did not actually use liquor and did not need a relationship with Jumbo proved to be an area of concern. Hence Jacques Van Zyl then approached me about changing the methodology. The fact of the matter was that I didn't want to get involved. Jacques van Zyl then approached Gavin Watson with the idea of utilizing an existing supplier that was supplying frozen poultry portions to the various catering operations on a national basis.

18.2 I am aware that the process and the methodology used was coordinated by a few of the accountants as Gavin Watson insisted that they be remunerated in cash. I would have to give them each R10,000.00 cash per month. These were:



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18.2.1 Jacques Van Zyl;

18.2.2 Carien Daubert;

18.2.3 Rika Hundermark; and

18.2.4 Carlos Bonifacio

18.3 Because the accounting system "Great Plains" would from time to time need to be manipulated, Gavin Watson also instructed me to make a monthly payment to Gavin Hundermark of R20,000.00. I would record all the payments made to the employees as these were monthly occurrences.

18.4 Whilst I didn't actually order or arrange for the cash, I am well aware of the process used and payments made.

18.5 Gregg Lacon-Allin has a business called Equal Trade that supplies only frozen chicken portions to various correctional facilities nationally.

18.6 The standard procedure differs from the fraudulent procedures used by Bosasa.

19.

19.1 The standard process involves: the ordering of goods; the delivery and receipt of those goods; a comprehensive recordal system; the generation of an invoice issued to Bosasa and payment.

19.2 The fraudulent system involves the generation of a fictitious invoice to



Bosasa for no goods delivered or received. Payment for this invoice is done by Bosasa by means of EFT. The recipient of this payment, in this case Equal Trade, then and in return delivers an equivalent cash amount (minus its commission) to Bosasa.

- 19.3 In order to avoid SARS scrutiny for VAT, fictitious invoices would often reflect zero-rated items such as: beans, maize meal, oil and rice, even though these items were not standard stock items in correctional services facilities or on the menu plan.
- 19.4 Investigating this fraudulent process is a detailed and complex task but it can be done. I tender my assistance in this process.
- 19.5 Equal Trade would obtain the cash from various sources. These would include tattersalls for horse racing and, I believe, cross-border liquor sales. For them the benefit was that they would not have to bank the cash, and it could be moved inter-company.

AA Wholesalers

20.

- 20.1 Peet Venter, Bosasa's tax consultant at the auditing firm, D'Arcy Herman had a client (AA Wholesalers) whom he dealt with in Lenasia, a wholesaler and retailer of various consumer goods, fridges, stoves, mattresses, as well as other homeware goods. Peet Venter understood the difficulties with trying to deal with the cash requirements in the company. Initially the introduction to AA Wholesalers was with Peet Venter and Andries Van Tonder. A second meeting was arranged with Peet Venter, Andries Van Tonder, Gavin Watson and myself at their facility at Lenasia.



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20.2 During 2017 Peet Venter was cooperating with me in making full disclosure of unlawful activities at Bosasa. In December 2017 he attested to an affidavit disclosing his involvement and instructions he received related to these unlawful activities. I annex a copy of the affidavit marked **Annexure "F"**


20.3 We were at the stage anticipating the acquiring of a company that would do retail cash sales to alleviate the burden of trying to gather cash reserves for Gavin Watson. Pursuant to the complete tour of the facility, it was decided that we could work with them, but that doing an acquisition would be far too complicated, even if we had agreed to a part shareholding, as we didn't actually understand the industry.

20.4 The only potential opportunity would be for AA Wholesalers to let us know how much cash they collected weekly, then invoice out for certain items at inflated rates. Certain of the transactions were legitimate and others were inflated to ensure that the balances (over-payments) could be returned to Bosasa in cash. In all these schemes Gavin Watson did not want all directors to know the detail.

21.

21.1 On 7 July 2000, my wife and two children, while visiting family in Port Elizabeth, were in a serious car accident. Gavin Watson had made all the arrangements to ensure that I got to my family as soon as humanly possible. He often visited my family in hospital. He also made arrangements with his wife to visit them in hospital when I was unable due to my work obligations. He acted in an exceptionally caring manner.

21.2 From about 2003 the business of Bosasa Operations (Pty) Ltd started to change. This will be discussed in more detail below.



Nomvula Mokonyane

22.

- 22.1 Mokonyane was a shareholder of Dyambu Holdings (Pty) Ltd who in turn, at some stage, was a shareholder of Dyambu Operations (Pty) Ltd.
- 22.2 During 2002/2003 she was the MEC for Safety and Security, Gauteng (as far as I can remember). I met her at the Bosasa office while she was there on a social visit.
- 22.3 Subsequent thereto, towards the end of every year, I was tasked by Gavin Watson to see to her family's Christmas needs. This would include (approximately):
- 22.3.1 120 cases of cold drinks;
 - 22.3.2 4 cases of high-quality whiskey;
 - 22.3.3 40 cases mixed beer;
 - 22.3.4 8 lambs;
 - 22.3.5 12 cases of frozen chicken pieces;
 - 22.3.6 200kg beef (as well as various braai packs); and
 - 22.3.7 numerous cases of premium brandy and speciality alcohol.
- 22.4 Initially, I sourced the products on account and processed it as a special order through the books. I then arranged for delivery. Later, I merely



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oversaw the process of providing benefits to her but did not physically have much to do with it.

22.5 Soon after 2002, I was tasked by Gavin Watson to supply her and her family or friends with provisions during the course of the year. I was instructed to contact her personal assistant Sandy Thomas. This included:

22.5.1 Paying and organising funerals in respect of deceased family members;

22.5.2 arranging for the rental of a vehicle for periods of three months at a time (through Blakes Travel, a premium vehicle such as an Audi A3) for her daughter when she visited from China where she was studying;

22.5.3 catering for several ANC rallies on her instruction;

22.5.4 providing catering for supporters at President Zuma's birthday parties at amongst others Luthuli House and for his private birthday parties (by way of example I annex as **Annexure "G"** a photograph of a cake that I arranged for President Zuma's 72nd birthday party); and

22.5.5 maintenance at her house in Roodepoort, which included maintaining her electric fencing, generators, CCTV and gardening, pool, gates, lighting.

22.6 In 2008 / 2009 Mokonyane approached Bosasa to do an analysis of security at hospitals. On instruction from Gavin Watson, I did this analysis and supplied her with a report after visiting hospitals in Gauteng.



Bosasa group would be awarded the tender; and

22.10.4 that Gavin Watson was “seeing to” the Minister and that we would need their registration form to submit to the Minister.

22.11 At the meeting the following persons were present:

22.11.1 Angelo Agrizzi (myself);

22.11.2 Gavin Watson;

22.11.3 Paul Silver, Head of Facilities Management to Chiefton; and

22.11.4 Raymond Moodley, co-founder of Chiefton.

22.12 I do not know what happened but Chiefton consultants were not appointed, as they did not comply with specifications. As a consequence Bosasa did not bid for the tender.

22.13 Shortly after this incident I discussed the issue with Gavin Watson. I pointed out that a lot of money had been paid to Mokonyane with no return to Bosasa. He indicated that she had “clout” and that if he did not do what she wanted, we would not have protection and we needed her support to avert possible prosecution. In this discussion I tried to indicate to Gavin Watson that it served no purpose to conduct the business in the manner in which it was being done, as the corruption or pay-outs would eventually compromise the livelihood of 6,000 families. I also said that it made no sense to run this business “politically”.



23.

- ent.



23.6 Seopela informed me that he was well connected with high ranking officials in the National Prosecuting Authority (hereinafter referred to as the NPA), the Hawks and the erstwhile Scorpions. It always amazed me how Seopela would be able to verify information that we had received particularly in relation to the investigation into Bosasa.

23.7 Seopela accompanied Gavin Watson and other directors on overseas trips and to meetings and appointments with high ranking government officials. He interacted with government departments on ministerial and director-general level on how Bosasa could benefit in various lucrative tenders. Although I was aware of the fact that money was paid to Seopela for unlawful payments to government officials in turn, I only supplied him with cash for this purpose from 2009 onwards (as will be discussed in further detail below). Seopela merely requested an amount of money from me, and was not prepared to supply me with a comprehensive list of individuals and the amount per individual. I raised this with Gavin Watson, who instructed to do as Seopela said. The cash handed to Seopela was distributed by him and he from time to time confirmed payments to some individuals. The money I handed to Seopela on a monthly basis from 2008 to 2016 was the following:

23.7.1 R500 000-00 for payment to the Department of Correctional Services. This was later increased to R750 000-00 when Tom Moyane (hereinafter referred to as Moyane) was appointed as the National Commissioner to accommodate payments to Moyane and other officials. This was told to me by Seopela. But I mention it here because this evidence is consistent with other evidence including the fact that at this time Bosasa was able to retain lucrative contracts with the Department of Correctional Services.

23.7.2 2.5% of all payments received from the Department of Justice and



23.7.3 R300 000-00 a month for the Department of Transport in respect of a contract held by one of the companies in the Bosasa Group for the administration of the Senior Management Services (SMS) Fleet for government. At times these monies were given to Leshabane. I can assist in the provision of further details in this regard.

23.8 When the money was to be delivered to Seopela, I would inform him and he would indicate to me where I should meet him. This was always at a different place. Sometimes we met in parking areas, other times at Monte Casino, Nicol-Way Shopping Centre, alongside roads and at fuel stations where I would then follow him to an undisclosed place. At times when I was not available, Leshabane or Gumede would deliver the money to Seopela.




Vincent Smith**24.**

24.1 Although I had met Vincent Smith earlier, I attended a meeting at a hotel on Rivonia Road Johannesburg during 2011 with Gavin Watson and Seopela. Vincent Smith and two other parliamentarians, Magagula (whose first name I do not know) and Winnie Ngwenya were present. During this meeting it became evident to me that those individuals were all members of parliament and members of the Standing Committee on Correctional Services. Vincent Smith also alluded to a previous discussion with Gavin Watson relating to the working relationship between the Department of Correctional Services and Bosasa.

24.2 During this meeting it was decided that these individuals would ensure at the parliamentary committee meetings, that the negative media coverage against Bosasa would not preclude further tenders being awarded to Bosasa. In return they received the following monthly payments in cash:

24.2.1 Vincent Smith – R45 000-00;

24.2.2 Magagula – R30 000-00; and

24.2.3 Winnie Ngwenya – R20 000-00.

24.3 Initially these payments were made to these individuals by Gavin Watson and Seopela. I assisted him in preparing the packages. But during 2016, I was entrusted to occasionally make these payments when Gavin Watson was unavailable.

24.4 I am able to provide details of further meetings relevant to the above to



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any investigation.

- 24.5 At some stage, Vincent Smith intimated a reservation in regard to the credibility of Seopela and he insisted on dealing directly with myself or Gavin Watson. We then excluded Seopela from all arrangements.
- 24.6 At some stage the members of the standing committee were reviewed. Magagula and Winnie Ngwenya were no longer members of the committee and were therefore no longer part of the process. The payments to them stopped.
- 24.7 During 2016, the payments to Vincent Smith increased to R100 000-00 per month. These payments were made by Gavin Watson and were handed to Vincent Smith at meetings. When Gavin Watson was not available the money was given to me to deliver to Vincent Smith. At that stage, frequent meetings were held with Vincent Smith where he would brief Gavin Watson on the activities within the Department. He would also intervene when Zach Modise (hereinafter referred to as Modise) was appointed as the National Commissioner of Correctional Services to put pressure on the National Commissioner to ensure a favourable attitude towards Bosasa. He informed us during meetings that he would also assist during committee meetings in parliament to ensure favourable decisions towards Bosasa.
- 24.8 It was during this time that a crime incident occurred at Vincent Smith's house in Constantia Kloof in Roodepoort. Gavin Watson offered to instal a security system and a camera system at his house. I instructed Richard Le Roux (hereinafter referred to as Le Roux) to implement a Cathexis video system, an alarm system, electric fencing and various other security infrastructural hardware at his house. At a later stage, gate motors, electrical fencing and perimeter control were also installed at his house.



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- 25.2 I was aware that there was a contract with The Department of Correctional Services Boksburg Management Area for the supply of beef to prisons by Bosasa's butchery which was operated under Dyambu Trading (Pty) Ltd. I received, saw and filled the orders for delivery but I had no connection with this contract. I later learnt that this agreement was arranged between Gillingham and Paul (Vossie) Vorster. When Paul Vorster died, Mansell on his return took it over and developed a relationship with Gillingham.
- 25.3 In late 2003 I met Gillingham at Lindela Repatriation Centre. I was introduced to him by Gavin Watson who informed me that we would be working closely with him. I did not know the specifics of how we would be working closely with him.
- 25.4 It was shortly after this that Gavin Watson informed me that he wanted to abandon the catering contracts with the mines and venture into catering and security contracts for government and state owned enterprises.
- 25.5 Gavin Watson informed high ranking Bosasa employees including me, that he wanted to get out of mining because it had become too expensive having to pay bribes. It was a very competitive market and getting payment from the mines was difficult and delayed due to the fluctuation in the gold price.
- 25.6 During the course of 2004, Bosasa was awarded a training contract by the Department of Correctional Services. I had nothing to do with the awarding of this contract. I found out about this contract when Dr Jurgen Smith invited me to a function for the awarding of the contract. This function appeared to be co-ordinated by Dr Jurgen Smith and Mark Taverner (hereinafter referred to as Taverner), a Bosasa employee. Mark Taverner is the brother-in-law of Gavin Watson.



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25.7 At that stage I was not aware that Taverner would be involved in the furnishing of officials' houses.

25.8 At the beginning of 2004, I met Gillingham for the second time. Gavin Watson had informed me on the previous day that I, together with other employees of Bosasa Operations (Pty) Ltd, were to attend a tour of prisons around the country with Gillingham to evaluate the catering needs and concerns of the Department of Correctional Services and to create a blueprint for catering and services as to how the Department could deal with the problems identified. We, as employees of Bosasa, were further informed not to wear anything that would identify us as employees from Bosasa and that the tour would be co-ordinated by Mansell and Gillingham.

25.9 The following people were on this tour of Department of Correctional Services prisons:

25.9.1 Myself;

25.9.2 Frans Vorster (logistics);

25.9.3 Hennie Viljoen (maintenance and technical);

25.9.4 Mansell (business consultant); and

25.9.5 Patrick Gillingham.

25.10 We visited prisons in:

25.10.1 Johannesburg;



25.10.2 Port Elizabeth;

25.10.3 Durban;

25.10.4 Cape Town;

25.10.5 Pretoria; and

25.10.6 Modderbee.

25.11 The first meeting took place at Johannesburg Management Area, where I met with the Area Commissioner at the time Mr Hento Davids, who led the tour of the facilities and the catering operations.

25.12 On these tours we talked to people on the ground in order to compile an analysis report. This report was compiled by myself in the evenings after touring each facility.

25.13 The flights and hotel accommodation were pre-booked by Bosasa. It could possibly have been booked via Blakes Travel but I do not have first-hand knowledge of the booking or payment of the invoices.

25.14 All extra hotel expenses for the Bosasa employees who attended the tour were paid for by me. I did not pay for any of the additional hotel expenses on behalf of Gillingham.

25.15 After arriving back at the office and as part of the report to be filed, I instructed an employee, Johan Helmand (herein after referred to as Helmand), who at the time was the manager of the control room at Bosasa, to draw up a diagram with explanation of a CCTV system based



on the design of Lindela and the Youth Centres that could be used in the correctional services environment. I supplied him with some information we had obtained from the people on the ground.

- 25.16 The report was finalised after comment and final approval by Gavin Watson. I was then instructed by him to send the report to Mansell. Gavin Watson supplied me with two email addresses, namely:

25.16.1 kobus@bfn.co.za

25.16.2 stokkies@bfn.co.za

- 25.17 I believed, at the time, that Bosasa was acting as a consultant for the Department of Correctional Services to assist them to determine what was necessary in their facilities. At that stage I did not know that this document would become the specifications documents used as part of the invitation to bid for the catering tender, dealt with hereunder.

- 25.18 The first time that I saw that the report was used for the specifications of the tender was when I was supplied with the invitation to bid and given an instruction by Gavin Watson to respond to the invitation and bid for the tender. (I cannot remember all the specific dates and have used the Special Investigating Unit's Report to assist me with dates of events. The report is attached hereto as **Annexure "J"** (herein after referred to as the SIU Report.))

- 25.19 The bid was advertised on 21 May 2004.

- 25.20 I pointed out to Gavin Watson that large portions of the analysis report I had submitted to Mansell, as well as its conclusions, appeared to have been used as the specifications document, which formed part of the



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invitation to bid for the catering tender. His response to me was that he had it under control and told me that we were going to be awarded the tender and that I must just do the paper work.

- 25.21 I, together with a team, compiled the response to the Invitation to Bid. The contract was awarded to Bosasa on 20 July 2014. It was for rendering of services for a period of three years. The contract value was R239 427 694-00 per annum. Bosasa was informed that it was the successful bidder on 27 July 2004.
- 25.22 The costings in the bid documents were deliberately understated. Actual costs eventually charged and paid were 35% higher. I can provide detail on request.
- 25.23 On approximately 29 September 2004, on instruction of Gavin Watson, I made a proposal to Gillingham that seven satellite correctional centres be included in the catering tender. I know that at the time Mansell had discussed and negotiated this with Gillingham, as Mansell had told me about it and I was present whilst Gavin Watson issued the instruction to me. This expansion was authorised by Richmond Linda Mti (hereinafter referred to as Mti) on 17 May 2005. Mti was the National Commissioner of Correctional Services. To the best of my recollection, the value of this expansion was approximately R14 000 000-00 per month. This expansion was not authorised by the original tender documents. Nor did this expansion go out to tender.

26.

- 26.1 After the award of the contract I, together with a number of employees (if not all) received substantial salary increases.




- 26.2 After the catering tender had been awarded to Bosasa, in November 2004, a presentation meeting was arranged at SuperSport Park in Centurion. This was a presentation on the progress of the tender award Bosasa had received, as well as expanding on other services that could be offered by the Bosasa Group. This was the first time that I met Mti and the third time I encountered Gillingham.
- 26.3 I, and a number of directors of Bosasa attended this meeting. Mansell and Gavin Watson were not present. In total around 40 people attended the presentation. They were from both the Bosasa Group and the Department of Correctional Services.
- 26.4 Mti introduced himself to everyone in the group as everyone else did. On this occasion I had no further interaction with him.
- 26.5 The following day, Gavin Watson informed me that he had received good feedback from Mti on the presentation we had given. I was further informed that an access control contract would be in the pipeline shortly.
- 26.6 Gavin Watson and Mansell instructed me to draft the specification document for an access control tender that would be advertised. I was further instructed to draft the specifications in such a way that it would be a foregone conclusion that Bosasa and no one else would meet the requirements. The Department of Correctional Services supplied Mansell with an overview of their needs and I used Johannesburg Prison as a model as I previously had access to it.
- 26.7 I did as I was told, showed it to Gavin Watson who approved it and again sent the document to Mansell at:

26.7.1 kobus@bfn.co.za



26.7.2 stokkies@bfn.co.za

26.8 The Invitation to Bid was advertised on 4 February 2005. The instruction came from Gavin Watson to respond to the Invitation to Bid for the tender under the name of Bosasa Security (Pty) Ltd. I together with a team compiled the response application to the invitation to bid. Before we submitted the document, Gavin instructed Tony Perry (Bosasa Group company Secretary) to establish a new company under which the bid could be submitted. Sondolo IT (Pty) Ltd was established. The necessary amendments were affected and the application was submitted.

26.9 Sondolo IT (Pty) Ltd was awarded the contract on 11 April 2005. As far as I can recall it was a two-year contract. This contract was later expanded to include the staffing of the control rooms at 66 sites. The expansion took place after the awarding of the initial contract. Its cost was R236 997 385.31.

26.10 After the award of the contract, I was called into a meeting by Gavin Watson with Ishmael Dikane (at the time his surname was Mncwaba hereinafter referred to as Dikane), Gumede and Leshabane (all directors of Bosasa) and was told that I was doing a good job. I was also told to trade in my old Audi A6 for the new Audi A6 and that the company would cover the shortfall which was around R174 000-00. Dr Jurgen Smith completed the requisition for the cheque for the car.

27.

27.1 During 2005, I had informal discussions with Gavin Watson regarding the high-security fencing at the Department of Correctional Services facilities. These discussions were initiated by him. It was evident to me that he was aware of the fact that the Department had a specific need in this regard. I was not aware of this. Gavin Watson saw this as a further potential



business opportunity. We were both under no illusion that Bosasa did not have the internal capacity to venture into this opportunity.

- 27.2 It was clear to me that he had already given this some thought and had discussed it with individuals in this field. He indicated to me that he had discussed commercial viability with Michael Roodenburg from Beta Bastion (which later became Beta Fence) during which the procurement of 26 percent shareholding of the South African branch of the company as a BEE deal was raised.
- 27.3 Beta Fence sent some test panels to the Bosasa offices, together with a taut wire system to be installed as a "test fence". This was done before any discussions of a potential tender.
- 27.4 I later became aware of the fact that such an agreement had been concluded.
- 27.5 Soon thereafter, I attended a meeting with Gavin Watson, Mansell, Michael Roodenburg (managing director of Beta Fence, South Africa), JP Hobbs (an engineer) and another gentleman called Riaan. During this meeting, it appeared that JP Hobbs and Riaan were involved in companies called Teq-con and Modutec. The discussion dealt predominately with working with these companies on a project with the Department of Correctional Services. One of the possibilities that was raised was for them to sub-contract with Sondolo IT (Pty) Ltd. Later these two companies became suppliers.
- 27.6 Gavin Watson negotiated the purchasing of a company called Phezulu Fencing (Pty) Ltd. I do not know the specifics of the agreement except that the sale would only go through once it was awarded the Duplo fencing contract from the Department of Correctional Services. This was



done to hide the fact that the Bosasa Group would be awarded another Department of Correctional Services tender contract.

27.7 It was agreed that Gloria Josephs who was a shareholder with Roodenburg's wife in Phezulu Fencing, would be paid a nominal fee of a few million rands and would be allowed to subcontract as Gordian (Pty) Ltd (another company they had). Gloria Josephs would still have to appear in meetings as the CEO of Phezulu Fencing but in name only.

27.8 At around the same time, Gavin Watson entered into a supply agreement with Beta Fence, whereby, upon Phezulu Fencing being awarded a Department of Correctional Services contract for the Duplo fencing, Beta Fence would supply the fencing material to Phezulu Fencing at a lower cost than it would supply the materials to any other company. In turn Beta Fence would transfer 26 percent of its shares at no cost to two trusts controlled by Gavin Watson, Bopa and Phafoga.

27.9 In approximately 2005 I accompanied Mansell to Bloemfontein to meet with Geoff Greyling from SA Fence and Gate (Pty) Ltd. The goal of this meeting was to make arrangements for SA Fence and Gate to become subcontractors to Phezulu Fencing after it had been awarded the Duplo fencing contract for the installation of the fences. A similar arrangement was made with a number of other companies including:

27.9.1 Live Wire (Pty) Ltd;

27.9.2 Gordian (Pty) Ltd

27.9.3 Mavundla Iron Clad (Pty) Ltd;

27.9.4 LJ Civils (Pty) Ltd (a company in which Mansell and his son had an



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interest); and

27.9.5 Jaco Pitzer, who represented a company whose name I cannot recall.

27.10 The aforementioned arrangement required each of the aforementioned companies to submit separate tender applications for the Duplo fencing tender. These tender applications were compiled at Bosasa Operations (Pty) Ltd offices.

27.11 Mansell compiled a specifications document for 47 Department of Correctional Services sites for fencing and security, including the specification for taut wire and sensors as well as Duplo fencing. He asked me to scrutinise the document which I did. I was told by Mansell that Phezulu Fencing (Pty) Ltd was positioned to be awarded the tender. He further informed me that he and his son were already working at various correctional sites, doing surveys with a theodolite and an engineer and plotting out various correctional centres. This happened long before the tender documents were even issued. He said that this advantage would allow Phezulu Fencing (Pty) Ltd's costing to be more accurate (a benefit which other bidders did not have).

27.12 I was to oversee the bidding process and to put a team together to draft the tender bid. I requested that another team be placed on the project as I was extremely busy and was spending weeks on the various catering and security installation sites. Gavin Watson agreed, but insisted I maintained oversight. I later learned that this was done by the team in conjunction with representatives of the various sub-contractors referred to above, on instruction by Gavin Watson and Mansell. I had very little to do with the drafting of the bid.



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- 27.13 I observed representatives of the various companies referred above working together at the Bosasa premises compiling their respective bids in collusion. They were relaying information to Gavin Watson and Danny Mansell. I raised my concern at this with Gavin Watson and Danny Mansell. Gavin Watson told me that he had matters under control.
- 27.14 The fencing tender was advertised on 14 October 2005. It was awarded to Phezulu fencing (Pty) Ltd on 29 November 2005. The tender contract value was R486 937 910.00.
- 27.15 The project ran its course and culminated in a maintenance contract which was managed by Sondolo IT (Pty) Ltd. Sondolo IT (Pty) Ltd also supplied security equipment in respect of this project.
- 27.16 Subsequent to the tender being awarded to Phezulu Fencing (Pty) Ltd, I, on instruction of Gavin Watson, attended meetings of Beta Fence (Pty) Ltd, as a representative of the 26% shareholders.
- 27.17 On the instruction of Gavin Watson, I arranged with Beta Fence (Pty) Ltd to pay the dividends in respect of these shareholders into the trust account of attorney Biebuyck. I instructed attorney Biebuyck to in turn transfer this money to Bosasa.
- 27.18 Tony Perry, as the company secretary, saw to the arrangements for the transfer of the shares in Phezulu Fencing (Pty) Ltd into the names of Bopa and Phafoga.
- 27.19 The manner in which this contract was structured, involving as it did trusts, assisted in concealing the real beneficiary, Bosasa.



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28.

- 28.1 In late 2005 I met Gillingham for the fourth time. I bumped into him at Bosasa's offices. Mansell was present. We had a 5-minute informal discussion about problems with televisions in correctional facilities. He requested me to design a solution which would include an integrated television distribution system with centralised management for every prison cell. The unit had to be internationally rated as Ingress Protection 65, which included the unit to be waterproof and vandal resistant.
- 28.2 Mansell and Gavin Watson indicated to me that the Department of Correctional Services had surplus funds in their budget that they needed to spend and that I must design a system where a television was placed in every cell and which was centrally distributed. The system had to incorporate a networked interface which would be able to be used to integrate future data transmission in each and every prison cell in the country, so that at a later stage security applications such as cell phone detection, cameras and other Internet Protocol compatible devices could be incorporated with ease. At the same time there were talks about developing an integrated computerised offender management system.
- 28.3 I consulted with various role players in the industry and designed such a system, which was submitted to Mansell and Gillingham.
- 28.4 I was then instructed by Gavin Watson to have a specifications document drawn up. The specifications document was drafted by myself and Elandre Fourie from Pinnacle Micro (Pty) Ltd.
- 28.5 The invitation to bid was advertised on 14 October 2005. The instruction from Gavin Watson was to bid for the tender under the name of Sondolo IT (Pty) Ltd. It was a foregone conclusion that Sondolo IT (Pty) Ltd would be awarded the contract.



28.6 Sondolo IT (Pty) Ltd was awarded the contract on 3 March 2006. It was a once-off service delivery agreement. The contract value was R224 364 480.00.

29.

29.1 In 2006, Mti wanted a company registered in his mother's name, Leonora. Gavin Watson instructed Tony Perry to register such a company on behalf of Mti. I did not know why Mti wanted the company registered.

29.2 During July 2007, the catering tender was extended for a further year as it was to expire at the end of September 2007. This contract was later extended by a further 6 months. The contract was extended by Nontsikelo Jolingana (hereinafter referred to as Jolingana) the acting head of the bid adjudication committee of DCS.

29.3 Mti resigned as Commissioner in November 2006. Up to this point I had no direct contact with Mti although I assisted with things that had to be done for him, on instructions I had received from Gavin Watson.

29.4 The first media publication relating to Bosasa and the aforementioned tenders was published during 2005. It was a publication in the Beeld and Die Burger. I attach copies of the relevant articles marked as **Annexure "K"**

29.5 After Mti's resignation, during approximately 2007, I met Mti for the second time. I accompanied Gavin Watson to a meeting at Mti's house in Savannah Hills. I was informed by Gavin Watson that Bosasa had paid for the house and the furnishing in the house. Subsequently, the following was explained to me:



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29.5.1 Riekele Construction (Pty) Ltd, operated by Riaan Hoeksma, did not only build his house but also that of Gillingham. They had previously done construction work for Bosasa and were at that time busy with work for Bosasa. The payment of the costs of the houses was done by Bosasa via a company set up by Mansell called Grande Four (Pty) Ltd. Subsequently false invoices were submitted by Grande Four (Pty) Ltd to Bosasa. The invoices of Riekele Construction (Pty) Ltd for Bosasa were also inflated to incorporate some of the costs of the houses.

29.5.2 The house of Mti was registered in the name of Autumn Storm Investments 119 (Pty) Ltd, a company in which Riekele Construction (Pty) Ltd had an interest.

29.5.3 Bosasa paid for the furnishing and décor of Mti's house. Mark and Sharon Taverner owned and operated a company, which saw to the furnishing and décor and invoiced Bosasa for payment thereof.

29.5.4 Mti's house was rented by the Department of Correctional Services for Mti subsequent to some sort of tendering process (this was done to avert any undue attention). Rent would be paid by the Department of Correctional Services directly to the Autumn Storm Investments 119 (Pty) Ltd and Riaan Hoeksma then paid the money to Mti. It was agreed that the house would later be transferred to Mti.

29.5.5 After Mti had resigned as National Commissioner he remained in the house for a period of approximately 18 months and continued to pay the rent knowing he was going to get the money back from Riaan Hoeksma.



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29.5.6 Mti then relocated to a house in Savannah Hills owned by him, which was renovated and furnished by Bosasa.

29.5.7 Later, when Riaan Hoeskma was supposed to transfer the house to Mti, he however, registered a bond over the house and used the rent to pay this bond.

29.5.8 I, together with Andries Van Tonder, on instruction from Gavin Watson, attended a meeting with Riaan Hoeksma to ensure that he did not present a version of the events which might incriminate any of the parties. At that stage he had not yet been interviewed by the SIU.

29.6 At a meeting between Gavin Watson, myself and Mti we discussed the media attacks on Bosasa and Mti. Mti wanted me to assist him with the security proposal to be presented for security at the 2010 World Cup. I was to assist with a security plan and presentation to be presented by Mti. Gavin Watson handed Mti a grey security bag. On the way back, Gavin Watson told me that he had given Mti money, and jokingly commented that this was like "monopoly money" but that Mti had always delivered on his promises. I later learnt that the amount paid to Mti on a monthly basis was R65 000-00. I would often accompany Gavin Watson to meetings with Mti.

29.7 It was during this time that I also became aware of the fact that holiday trips and travelling costs for the Mti family were paid for by Bosasa. Initially I came to learn that Mark Taverner and Gavin Watson would make holiday arrangements for Mti. Mark Taverner complained at one stage about a booking he made during a December one year at Bushmans River and there were issues regarding the booking. I was often tasked by Gavin Watson to arrange flights for the Mti family. I was instructed to



29.8 Bosasa also paid for the studies of two of Mti's children from his previous marriage and for the provision of security services at his home. Gumede assisted Mti when he was charged with driving under the influence of alcohol. Gumede requested money to be used to bribe an official. I provided the money and was later told that the bribe was successful. At some stage, money was raised for payments to Mti by the submission of false invoices for electrical services rendered to Bosasa by my brother, Claudio Agrizzi. My brother became very uncomfortable with this arrangement and this practice was terminated.

29.10 Around the same time, a meeting was arranged between myself, Gavin Watson, Khulekani Sithole (Ex Commissioner of the Department of Correctional Services), and Sbu (I cannot recall his surname. I think he was at the time the General Secretary of POPCRU). They offered a solution to Vernie Petersen's refusal to communicate with me. It was agreed that they (including M Nxele, Regional Commissioner of the Department of Correctional Services) would be paid R1 000 000-00 per month. They would invoice Bosasa Operations (Pty) Ltd and Sondolo IT (Pty) Ltd through various entities for services rendered. One such entity was a company called Vleissentraal (Pty) Ltd. In exchange, they would ensure that Bosasa would always receive undue benefit during tender processes in the Department of Correctional Services.



during tender

- 29.11 These payments were made on a monthly basis and continued for some time. Initially, the gentlemen were unhappy that the R1,000,000-00 was inclusive of VAT but this was merely a misunderstanding on their part. The sum was later reduced to R700 000-00 per month as Sondolo IT (Pty) Ltd lost the staffing contract in the control rooms at Correctional Services facilities.
- 29.12 During approximately 2008, the agreement eventually ceased with Sithole and Sbu but continued with Nxele. An amount of R57 500-00 was paid to Nxele on a monthly basis for his influence in the KwaZulu Natal Region of the Department of Correctional Services. He was unhappy with the amount and wanted it to be increased.
- 29.13 Around the same time, I accompanied Gumede to a meeting with Nxele at the Inter-Continental Hotel at OR Tambo. This was my first meeting with Nxele. Prior to this meeting, both Gumede and I were present while Gavin Watson packed R57 500-00 into a grey security bag.
- 29.14 During lunch it was discussed with Nxele that we were aware that he was unhappy with the agreed amount payable to him. We explained that Bosasa was not in a position to increase the agreed upon amount. The security bag was handed over to Nxele by Gumede.
- 29.15 Nxele was still not satisfied and conveyed this dissatisfaction to Gavin Watson. I was instructed to accompany Trevor Mathenjwa (hereinafter referred to as Mathenjwa), a director of Sondolo IT(Pty) Ltd to the Beverly Hills Hotel to meet Nxele and again explain that Bosasa was not in a position to increase the agreed-upon amount. He was not happy with the explanation and left without taking the grey security bag from Mathenjwa. A while later he contacted Mathenjwa to make arrangements for the collection. I did not accompany Mathenjwa and did not attend further



meetings with Nxele.

- 29.16 At some stage, Gavin Watson instructed Frans Vorster to purchase a new E-class Mercedes Benz vehicle for Gillingham from Constantia Kloof Motors and Andries Van Tonder to purchase a new Polo VW from Volkswagen The Glen for Megan Gillingham (Gillingham's daughter).
- 29.17 Gavin Watson's instructions were that the payments for these vehicles were to be made by electronic transfers from personal accounts and that Consilium Business Consultants (Pty) Ltd would refund us by means of a bonus.
- 29.18 However an issue arose and Mercedes Benz had to be paid immediately, which Frans Vorster could not do at that stage. Gavin Watson instructed me that I would be receiving a bonus in the amount of R150 000-00 which was to be paid over to Carlos Bonifacio, a Bosasa employee, as a loan. I would then be reimbursed via Consilium Business Consultants (Pty) Ltd. I received the bonus. I then paid the money to Carlos Bonifacio, who in turn paid Constantia Kloof Motors.
- 29.19 Vernie Peterson suspended Gillingham during September 2008. Attorney's fees to assist Gillingham were paid by Bosasa and later by other Bosasa related companies.
- 29.20 Sometime thereafter (during the course of 2008), the SIU raided Gillingham's house. Gavin Watson called and told me that the SIU had come across a Bosasa laptop in the possession of Gillingham with specification documents on it. He instructed me to meet with Gillingham. I immediately left the office and met up with Gillingham at his house.
- 29.21 Gillingham informed me that the SIU had also found a business card



business card

involved with the Department of Correctional Services. I was tasked by Gavin Watson to accompany Papa Leshabane to a meeting at the Inter-Continental Hotel OR Tambo with Modise, who was in charge of correctional care and security at the Department of Correctional Services. At this meeting I explained the benefits of outsourcing and Leshabane handed Modise a parcel wrapped in newspaper. Earlier that day, myself and Gavin Watson packed a grey plastic security bag with cash to be handed to Modise. I gave this bag to Leshabane. At the time I presumed that Leshabane had wrapped the grey plastic security bag in newspaper before presenting it to Modise. When I questioned Leshabane later he confirmed that he had given the money to Modise.

30.

- 30.1 At this time, a media report was published, which indicated that a journalist had copies of documents from Blakes Travel, which apparently showed that Bosasa used Blake Travel to facilitate travel arrangements of amongst others government officials. A copy of the media report is attached as **Annexure "M"**.
- 30.2 Flights, travel, accommodation and on occasion car hire would also be booked by me on the Bosasa VIP account at Blakes Travel for Mti and his wife. I have supporting documentation.
- 30.3 Gavin Watson instructed Andries Van Tonder and me to attend to Blakes Travel and collect all documents and computers and to destroy them. We then met with Brian Blake (hereinafter referred to as Blake) at Blakes Travel and informed him of what was to be done. He obliged and handed to us documents and computers.
- 30.4 After collecting all computers and documents, we drove to Luipaardsvlei hostel (it was a property which belonged to Bosasa and at that stage was



30.5 An employee at Bosasa, was instructed by Gavin Watson to re-write the travel orders, using fictitious names. This was done.

30.7 Subsequent thereto, Blake was subpoenaed to testify in a matter instituted by the SIU in the Pretoria High Court. Gavin Watson instructed Biebuyck to attend to a meeting with Blake and his attorney to ensure that Blake would not implicate Bosasa in his evidence. I was instructed to attend this meeting. The meeting took place but I was not convinced that we were successful in our endeavour. I do not know whether Blake ever testified.

31.



destroyed on the servers, copies were made of the hard drives. Based on the disaster log of the server (**Annexure "N"**) I circulated a memo in the company informing every one of the "crash" of the system.

- 31.2 Gavin Watson told me during a telephone call (on a Sunday afternoon while I was in Madikwe) that Seopela informed him that he had received information that the Bosasa offices were going to be raided the following Monday morning. He also told Gavin Watson that they were looking for specific documents and transactions. Gavin Watson instructed me to meet him at the office. I immediately proceeded to the office.
- 31.3 Gavin Watson and Andries Van Tonder arrived ahead of me. We were instructed to go through all the offices and look for possible incriminating evidence. The information Gavin Watson received from Seopela included reference to documents regarding the sale of shares agreement in respect of Phezulu Fencing (Pty) Ltd as well as the agreement between Gavin Watson and Mti for the payment of money in return for an undertaking from him that he would ensure that Bosasa would be given preference in the awarding of tenders. I knew the latter document actually existed as I had seen it. We were instructed to specifically look for those documents.
- 31.4 We removed the documents that we found.
- 31.5 Sometime later when newspaper reports were published rehashing the SIU investigation, Gavin Watson approached Andries Van Tonder and me to destroy the documents.
- 31.6 Save for the agreement between Gavin Watson and Mti, the documents were then burnt.



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31.7 I later handed the agreement to Gavin Watson at his house. He was visibly relieved. He took the document, shredded it, put it in a plastic bag, filled it with water and then proceeded to flush the contents down the lavatory.

32.

32.1 On 6 January 2009, the Department of Correctional Services awarded Bosasa Operations (Pty) Ltd a new catering contract (HK 14/2008). This was a three-year contract. All the documents used in the tender process in respect of the prior catering contract were again used for the second catering contract to be awarded to Bosasa.

32.2 During this time a meeting was arranged between representatives of the SIU and representatives of Bosasa. This was subsequent to a letter written by attorney Biebuyck to the SIU in which Bosasa tendered their assistance. At this meeting, a date was arranged when representatives of the SIU would image the hard drives and laptops of various people at Bosasa.

32.3 This meeting was later postponed on the instruction of Gavin Watson. This allowed the Bosasa IT specialist to remove potentially damaging information.

32.4 Representatives of the SIU eventually did make the mirror images of the hard drives and certain laptops.

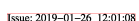
32.5 The Bosasa main server is linked to another server. When something is done on the one it can be monitored on the other. Gavin Watson arranged with William Brandon and Max Leeson to monitor what the representatives of the SIU did. They also had to ensure that they removed



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33.

33.1.10 purchasing of imported kitchens;




33.1.11 retirement village concession for Gillingham's father;

33.1.12 numerous other favours such as rugby season tickets, computers and printers, and a matric dance dress for Megan Gillingham; and

33.1.13 trading-in of certain vehicles, where the person could not obtain a lucrative settlement. These were bought by individuals and subsidised by Bosasa.

33.2 I discussed the content of the SIU Report with Gavin Watson. He did not go into specific details but blamed, *inter alia*, Mansell, Mark Taverner and Tony Perry for not taking precautionary measures. He simply assured me that he had everything under control. I was advised that I had to stick to Gavin Watson as any other options were in fact bleak.

33.3 Subsequent to the release of the SIU Report, Mark and Sharon Taverner received subpoenas in a case brought by the SIU. I was instructed by Gavin Watson to meet with them and to take steps to delay their appearance as much as possible. I was to attend meetings with them and attorney Biebuyck to ensure that Bosasa was not compromised and to insist on seeing their statements before they were submitted. I did this. They eventually appeared in compliance with the subpoenas.

34.

34.1 From approximately 2009 I was tasked by Gavin Watson to become involved with the arrangements regarding the obtaining, handling and delivering of cash for the purposes of bribery and corruption.

34.2 Gavin Watson stated that a more convenient method of handling cash for the payment of junior officials at the Department of Correctional Services



34.3 Gavin Watson, Gumede, Leshabane and Ishmael Dikane made payments to the following Department Correctional Services officials on a monthly basis from shortly after Mti's resignation in 2007 until approximately the end of December 2016:

34.3.7 Mollet Ngubo (R15 000-00).

34.4.2 This sum would then be transferred from the safe in Gavin Watson's office to the safe in Jacques Van Zyl's office.



34.4.3 I would then receive instructions from Gavin Watson, other directors, and senior management staff who needed to be paid.

34.4.4 I then compiled a list of who needed to be paid and what amounts and got Gavin Watson's final approval for those payments.

34.4.5 Once I received this approval, I would encode the list and submit it to Jacques Van Zyl, either by hand or by e-mail, who would then pack the cash into grey sealable security bags, identify each bag with the code on the list and hand it to me with the list supplied to him.

34.4.6 I would then give the grey sealable security bags to the applicable director or senior management staff member, whoever requested the cash, for them to deliver it to the relevant person.

34.4.7 I attach hereto copies of such cash lists compiled by me marked **Annexure "P1"** to **Annexure "P4"**. I would normally throw the list away, as it was of no more use to me. The originals of the annexures attached hereto were found in between my belongings. I still have these.

34.5 On the instruction of Gavin Watson, I delivered to Seopela payments to be handed to officials from the Department of Correctional Services, which, according to Seopela, included senior government officials.

34.6 Gillingham resigned from the Department of Correctional Services in November 2010. He then insisted that he be paid for the salary which he had lost. I was given an instruction from Gavin Watson to ensure that Gillingham be paid an amount of R110 000-00 per month. He was paid this amount.



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35.

- 35.1 During approximately 2009 / 2010, I accompanied Gavin Watson to a meeting with Mti at his house. An informal discussion pertaining to the investigation against Bosasa and himself ensued. Mti was aware of the fact that the NPA was involved in the investigation. He suggested to us that we have to "sort out" certain individuals in NPA. He indicated that a secretary, who previously worked for him, Jackie Lephinka, was working for Nomgcobo Jiba and Lawrence Mrwebi and that they were handling the investigation at the NPA.
- 35.2 Mti met weekly with the persons for whom he gave code names. "Snake" was for Nomgcobo Jiba, "J" was for Jackie and "Snail" was for Lawrence Mrwebi. At these meetings they provided him with details of the status of the investigation and the prosecution and in return they received cash on a monthly basis. Mti received the cash from either Gavin Watson or myself and it was marked as follows:
- 35.2.1 "Snake" - R100 000;
- 35.2.2 "J" – R20 000-00; and
- 35.2.3 "Snail" – R10 000-00.
- 35.3 These amounts were paid and received on a monthly basis.
- 35.4 At a stage Gillingham had expressed anxiety about these arrangements to me. After this Gavin Watson called Gillingham and told him that he (Gavin Watson) had matters under control.
- 35.5 Approximately a week after this meeting I was instructed by Gavin



- 35.6.4 Internal Memorandum from Adv M Simelane to Adv G Breytenbach dated **8 February 2010** (see **Annexure "Q4"**);
- 35.6.5 Minutes (NPA/Extended Ministerial Meeting) dated **9 March 2010** (see **Annexure "Q5"**);
- 35.6.6 Report from Adv M C de Kock to the National Director of Public Prosecutions: Adv M Simelane dated **17 November 2010** (see **Annexure "Q6"**);
- 35.6.7 Information Note (market SECRET) to the Commander: Anti-Corruption Task Team **17 October 2011** (see **Annexure "Q7"**);
- 35.6.8 Confidential document by Adv M C de Kock SCCU Pretoria dated **28 October 2011** (unsigned) (see **Annexure "Q8"**);
- 35.6.9 Document titled "Annexure A" "Bosasa Investigation" signed by Adv M C de Kock and Adv A G J Van Rensburg dated **1 November 2012** (see **Annexure "Q9"**);
- 35.6.10 Memorandum from Adv L S Mrwebi to SCCU: Adv Mokgathe, Adv de Kock and Adv Janse Van Rensburg dated **2 November 2012** (see **Annexure "Q10"**);
- 35.6.11 E-mail chain from Jackie Lepinka to Silas Ramaite and Lawrence S. Mrwebi dated **22 November 2012** (see **Annexure "Q11"**);
- 35.6.12 Progress report on Bosasa Investigation from Adv de Kock to Adv Mokgathe dated **26 November 2012** (see **Annexure "Q12"**);



35.9 On 8 May 2015, when it became apparent through media reports that Jiba and Mrwebi were compromised, I accompanied Gavin Watson to a meeting with Mti at his house. During this meeting Gavin Watson emphasised to Mti that Jiba was compromised and that Bosasa was at risk. He made proposals as to how this should be handled. I made a



recording of this discussion and this recording is available as **Exhibit "3"**.
I annex a transcript of this recording as **Annexure "R"**.

36.

36.1 I became aware of the fact that the cash for these unlawful payments was generated by service providers, who supplied false invoices to Bosasa for services rendered and goods delivered (which were never rendered or delivered). Bosasa paid these service providers in accordance with the false invoices. The service providers then repaid Bosasa in cash but deducted a percentage thereof for their own account. The cash was then delivered directly to Gavin Watson. The following service providers were involved in this scheme:

36.1.1 Jumbo Liquor wholesalers;

36.1.2 AA wholesalers;

36.1.3 Equal trade; and

36.1.4 Kgwetlo Events.

36.2 At a stage I started working closely with Andries Van Tonder. He indicated to me that this practice had been in operation for some time. He also indicated to me that cash for these payments was also generated in the following manners:

36.2.1 The sources of cash always included cash received from the canteens and bars at hostels and Lindela. However, this did not produce enough cash needed by Gavin Watson;



36.2.2 Dummy invoices were created for companies that didn't exist in order for Bosasa to draw the cash for the purported payment of these invoices. Those invoices were created by Carlos Bonifacio and Jacques Van Zyl.; and

36.2.3 Cash was also generated through Belfast Toyota in which Gavin Watson had an interest.

Danny Mansell

37.

37.1 During 2012, during a report back to parliament on the Bosasa investigation by Willie Hofmeyr, Danny Mansell became very nervous. He met me at the office at 05:00 insisting I call Gavin Watson. Danny Mansell was uncontrollable, and insisted I call Gavin Watson as he felt that Gavin Watson had arranged this so all the blame fell on Danny Mansell. Danny Mansell insisted that he wanted to get out of the country and that Gavin Watson should arrange everything and fund the process, as Gavin Watson had caused the predicament that Danny Mansell had found himself in. Danny Mansell confided in me that this was the nature of Gavin Watson and he had done the same to him when they defrauded the Small Business Development Corporation (SBDC) in Port Elizabeth years ago. The following was agreed between him and Gavin Watson:

37.1.1 I together with Andries Van Tonder (on instruction from Gavin Watson) made the necessary arrangements for Mansell to relocate to the USA.

37.1.2 Bosasa paid Mansell 7 000 USD on a monthly basis for as long as he stayed in the USA and didn't divulge any details of Bosasa



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affairs (this was done through Mansell invoicing from a company called Safe As Fences (Pty) Ltd on the pretext that this was a Bosasa subsidiary). Supporting documents have been submitted to the Commission.

- 37.2 Mansell provided me with documentation I had to sign and agree to, in order to facilitate his residency application in America.
- 37.3 A meeting was held with Gillingham, Gavin Watson and myself where I was tasked to take over the role Mansell had played.
- 37.4 I was also tasked by Gavin Watson to ensure that the Mansell invoices were always paid timeously, as Gavin Watson didn't want any issues. Although the invoices specify work done on behalf of Sondolo / Bosasa, there was no work actually done. (Annexure "S ")
- 37.5 I was also tasked to provide oversight on the management of the Gillingham family, attending to various issues from arranging a tax consultant to dealing with personal matters.
- 37.6 I was instructed to use Peet Venter from D'Arcy Herman, who would do both Mti and Gillingham's tax submissions and make the relevant payments if need be.
- 37.7 I recall that the first payment I had to make to Gillingham whilst he was employed by DCS (when Mansell and Gavin Watson decided I must take over from Mansell) was R47,500 per month in cash which Gavin Watson would provide to me to give to Gillingham. For some or other reason this amount would equate to Gillingham's earnings, I don't know what the idea was only that Gavin Watson and Mansell had agreed to the amount.



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80

- 37.8 On 29 January 2013 Andries Van Tonder accompanied Mansell to the USA. Mansell's family left earlier.
- 37.9 The payments referred to above were made to Mansell until I left Bosasa in December 2016. I do not know if subsequent payments were made.

38.

- 38.1 During approximately 2013, an incident occurred where Gumede and I saw cash and lists lying around in Jacques Van Zyl's walk-in-safe. Gumede reported this to Gavin Watson in my presence who at the time expressed his doubts as to Van Zyl's loyalty.
- 38.2 Gavin Watson then issued an instruction to Van Zyl, Andries Van Tonder and myself that the cash duties should be taken away from Jacques Van Zyl and that I should take it over. I now had to manage it. Jacques Van Zyl was still involved in creating the false invoices. I was not prepared to handle the cash alone and brought Andries Van Tonder in to assist me.
- 38.3 From then on, I kept, what I called, my "little black book". The method of handling the cash was similar to that referred to above when it was under control of Jacques Van Zyl, with the exception that I now recorded the lists in these black books. It was used as a short-term recall in the case that I may need to confirm and explain any of these payments made. It was not a full reconciliation but it was a record kept of payments made and an estimation of cash on hand. These black books were kept in Gavin Watson's safe. Attached hereto are copies of extracts from one little black book which I unknowingly retained in a folder section of my briefcase, marked **Annexure "T1" to Annexure "T 56"**.
- 38.4 The amount of money paid by Bosasa to various officials and other



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39.

39.2 At that time, Bosasa had already been providing security guarding services in various regions for the Department of Justice and Constitutional Development in terms of a contract which had been awarded during approximately 2006. I became involved in the payment of cash during approximately 2009 and submitted lists to Jacques Van Zyl of



money requested by directors of the Bosasa Group of Companies for payment to third parties. I became aware of the fact that Gumede requested R40 000-00 for Mams Nyumbuse and R30 000-00 for Norman Thobane. I packed these cash amounts. Their names and payments are recorded in code in the black book referred to above. Payments in respect of rentals, furniture and repairs of vehicles on behalf of Nyumbuse and Thobane were also made by Bosasa (on the request of Gumede).

- 39.3 Seopela arranged for Bosasa to supply security upgrades to the Department of Justice and Constitutional Development to the value of approximately R20 000 000-00 when the SALU building in Pretoria was renovated. No tender processes were followed. This was apparently met with some resistance from The Billion Group from whom the Department of Justice and Constitutional Development rented the building. The Billion Group was liable for the payment for the security upgrade to the building. Seopela informed me that he could obtain the approval of the Billion Group if money were to be paid to individuals in the Billion Group who were responsible for payments. Seopela requested the amount of R1 900 000-00 which I then supplied to him in cash. I do not know if the money was ever paid over.

40.

- 40.1 During or about 2013, a third catering contract for Correctional Services was awarded to Bosasa. The same tender specifications as previously used were used in the advertising of the tender. A new tender application was submitted. However, the award to Bosasa was not a foregone conclusion, as it no longer had substantial influence in the Department of Correctional Services.
- 40.2 This contract was for a three year period and the value of this contract was R420 000 000.00 per annum. The approximate profit margin for this



contract was 40%. Similar profit margins existed for other Bosasa Group contracts.

Dudu Myeni

41.

- 41.1 Dudu Myeni was first introduced to me at the Sheraton Hotel in Pretoria. It was an informal introduction as I was with Gavin Watson coincidentally at the time.
- 41.2 I was well aware that Gavin Watson had committed to paying R300,000.00 a month in cash to Myeni for onward payment to the "Jacob Zuma Foundation". On occasions, I would have to pack the money for him in this regard. At this time Dudu Myeni was the Chair of the Jacob Zuma Foundation.
- 41.3 One morning (I can't remember the date), Gavin Watson asked me how he could impress Myeni. He asked for my wife's advice. My wife said he should purchase her a nice handbag. She arranged with Louis Vuitton Sandton to procure one. The handbag was delivered. R300,000.00 in cash was placed in the bag. The bag was then given to her by Gavin Watson. I know this because of my discussions with Gavin Watson and because Dudu Myeni thanked me personally.
- 41.4 These payments continued regularly on a monthly basis. I was well aware of them because I was at times present when the cash was packed by Gavin Watson for her. I was present at a few deliveries to Myeni.
- 41.5 Myeni would often call on Gavin Watson to arrange functions for President Zuma and his family. Gavin Watson and directors of the Bosasa



ctions for
ne Bosasa

41.9 Myeni would coordinate numerous meetings at President Zuma's Nkandla residence to discuss matters with President Zuma. On one such occasion Gavin Watson was concerned that the R300,000.00 per month he was giving to Myeni was in fact not being delivered to President Zuma in full. He arranged to meet with President Zuma at Nkandla, and there he



personally handed the bag of R300,000.00 in cash to President Zuma. This was confirmed to me by both Gavin Watson and Gumede who had attended the meeting.

41.10 At the same Nkandla meeting, Gavin Watson raised the issue of the criminal investigation into Bosasa. I note that this meeting took place shortly prior to a trip by President Zuma to Russia. At this meeting President Zuma agreed to make a call to a senior official at the Hawks so that a meeting could be arranged between the Hawks and Gumede. Gumede confirmed to me that this meeting eventually took place. There is further corroborating evidence of this meeting having taken place. I have handed to the Commission a recording of a meeting where Gumede confirmed the facts set out above. The transcript of the recording is attached as **Annexure "W"**. The recording is attached as **Exhibit "4"**. I have handed to the Commission a further recording confirming the contents of this meeting. This recording is of a meeting arranged by Joe Gumede and attended by a director Jacky Leyds and the Human Resources manager Johan Abrie. The recording transcript is attached as **Annexure "X"**. The recording is attached as **Exhibit "5"**.

41.11 One afternoon (again I cannot remember the date) Gavin Watson asked that I attend a meeting with Myeni. He told me that she had important information regarding the Hawks investigation. She apparently also had had discussions at the NPA. She had told Gavin Watson that she had had long meetings at the NPA. Once more Gavin Watson prepared the R300,000.00. We proceeded to the Sheraton, where we were escorted to a private lounge area with stringent access control. I think it was a member-only lounge on the 6th floor.

41.12 At the meeting Myeni briefed us. She said she was trying to arrange that the investigation be terminated. She produced a police case docket. She



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was insistent that I do not make copies. I asked Gavin Watson and Myeni if I could be excused to study the docket quietly and if I could make notes in my journal. Myeni conceded reluctantly on the basis that I would not make copies or photos. She said that the docket had been obtained from the NPA.

41.13 I took the docket to a quiet spot and took a few photos on my cell-phone. I was interrupted by Myeni who seemed very nervous. I thought it best to appease her and return the docket to her.

41.14 Attached as **Annexure "Y"** are the photographs I took of the documents in the docket. I point out that on one of the photographs the carpet in the hotel is visible. I have been informed that the Commissions investigators have confirmed this as correct.

41.15 At the meeting Gavin Watson requested that the matter "**be put to bed and shut down**". He also requested that Myeni speak to President Zuma as a matter of urgency.

President Jacob Zuma

42.

42.1 Gavin Watson had been introduced to President Zuma at his Forest Town home one evening by a certain lady by the name of Zuki. My recollection was that it was Zukiswa Madonga who was introduced to Gavin Watson at our offices by a director Thandi Makoko.

42.2 Zuki Madonga ran a guest lodge in East London, and had a very good relationship with President Zuma. They specifically referred to her as his "prayer warrior". I also recall making arrangements to pay for dresses to



be made for Zuki Madonga. I also arranged for goods to be bought for her guest lodge by Thandi Makoko.

- 42.3 Pursuant to being introduced to Dudu Myeni, Gavin Watson invited Dudu Myeni to visit the Bosasa office park. Tours would normally take up to 4 hours. Visitors would be shown all aspects of the business, and staff had been rehearsed to provide explanations on what they were doing and would give a rendition to visitors. President Zuma also visited the Bosasa office park on one occasion.
- 42.4 Dudu Myeni would have frequent meetings with Gavin Watson as well as Trevor Mathenjwa, whom Gavin Watson had seconded to deal with her. One of the primary focus areas that would always be raised was the NPA and the Bosasa prosecutions matter. I would be present when the matter and its urgency would be raised for discussion. This is the predominant reason that Myeni needed to set up the meeting with President Zuma and Gavin Watson.
- 42.5 One such meeting was just after the Nkandla R250,000,000.00 expose that was published in the Sunday Times. Gavin Watson commented on the fact that he had been to Nkandla and had seen the shoddy workmanship. He also attended to the Bosasa investigation with President Zuma. We were told in an open meeting at Bosasa that Gavin Watson had basically instructed President Zuma how to call in Anwar Dramat and shut down the investigation against Bosasa. In a meeting with Gavin Watson and Mti at which I was present, Gavin Watson said that Mti must tell Jiba that he is waiting for her to make a move on the process to shut the Bosasa investigation down.
- 42.6 I recall being present at a meeting when Gavin Watson spoke over the telephone to President Zuma. During the conversation Gavin Watson



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42.7 Any requests forwarded on behalf of President Zuma would be granted by Gavin Watson. It was clear to me that Gavin Watson believed that he had the support and protection of President Zuma. I can provide detail if necessary. Gavin Watson would often praise President Zuma at length at the morning meetings referred to above.

43.

- 

Meyersdal which was owned by George Papadakis. Frans Vorster would receive orders on a weekly basis in this regard and often complained to me of the wastage of costs. Some of the relevant delivery records are available.

Department of Home Affairs-Lindela Renegotiations

44.

- 44.1 The Lindela Repatriation Centre is a facility owned by Bosasa Properties (Pty) Ltd, a subsidiary of Bosasa. Lindela is managed by Bosasa. It is a facility for the detention and repatriation of undocumented migrants. This takes place on the authority of the Department of Home Affairs (DHA). The tender for the management of Lindela was granted by DHA to Leading Prospect Trading (Pty) Ltd, another subsidiary of Bosasa.
- 44.2 At a time the Lindela contract was under review by the DHA. It employed Fever Tree Consulting for this purpose. The person appointed by Fever Tree Consulting to conduct the review was Aneel Rahadkrishna. Aneel Rahadkrishna conducted negotiations with me to reduce the contract price. The Minister responsible (Nosiviwe Mapisa-Nqakula) had instructed the DHA to reduce costs at Lindela.
- 44.3 DHA wanted a review of the minimum-fee clause of the Lindela contract. Gavin Watson was concerned that it would affect profits. Gavin Watson called a meeting with myself and Kevin Wakeford. It was decided that Aneel Rahadkrishna could be "managed". Gavin Watson, Kevin Wakeford and Aneel Rahadkrishna agreed on a deal. I was informed later by Rahadkrishna that payment of an amount of R7,000,000.00 to him was discussed. The payment to Rahadkrishna was intended to facilitate a renegotiation and extension of the contract that would benefit



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Bosasa.

- 44.4 The outcome was that the contract was extended for a further five years without the need for further tender processes and Treasury approval. The price was reduced by R860,000.00 per month. However more favourable contract terms were included in the contract. The annual gross value to Bosasa was in the region of R 93 600 000.00.
- 44.5 At a stage I confronted Gavin Watson as Rahadkhrishna was annoyed that he had extended the contract period and yet no payments were forthcoming to him as apparently promised. My concern then was that I could not understand why an agreement to pay Rahadkhrishna had been reached in the light of the reduction in the price of the contract amounting to R 860 000.00 per month. I note that at this stage I had not yet examined the extended contract in detail.
- 44.6 Kevin Wakeford explained the benefits of the extended contract to Bosasa to me. An important benefit was that opposition to the contract on the part of opposition political parties and SCOPA had been mitigated.
- 44.7 Gavin Watson's instruction was very clear. He said that Bosasa was not in a position to transfer a lump sum to Rahadkhrishna but would make a monthly retainer payment on production of an invoice.
- 44.8 Rahadkhrishna was not happy. He started putting in invoices in the name of a "Wine Merchant Company" in Cape Town. I cannot recall the name or the exact details of the invoices. I think it was about R75 000.00 per month that was invoiced. The payments were effected by Carlos Bonifacio.
- 44.9 I stopped the invoicing from Aneel Rahadkhrishna in 2015. The Bosasa



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group of companies was under severe scrutiny. I instead offered to help Rahadkhrishna with branding and marketing resources for his company "Akhile". I used this as an excuse for not making further payments to him. I told him payments would resume when the heat was off. I arranged that the internal design team of Bosasa to provide him services at no charge to re-brand his company and to design and create websites. Gavin Watson was informed.

Irregular Payments

45.

- 45.1 I was introduced to the current ANC Youth League treasurer, Mr. Reggie Nkabinde by Gavin Watson. At one stage we utilized our design studio to assist Nkabinde to develop a brand for a company he had established.
- 45.2 On occasion I would meet Nkabinde with an associate of his by the name of Sam Segote. I was aware that Reggie Nkabinde had relationships with various politicians, more specifically with Tom Moyane and others at the Department of Correctional Services.
- 45.3 In 2016 I was called into a meeting in the small boardroom at the Bosasa offices by Gavin Watson. It appeared that he had been busy with a meeting with Reggie Nkabinde, Patrick Monyeki and Sam Sekgota. In the meeting I was asked if I knew that the tender specification for the catering services for DCS had been leaked. I was surprised.
- 45.4 It was decided by Gavin Watson that we best work with Sekgota and Nkabinde in order to retain the existing catering contract and to obtain an extension. I did so.



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- 45.5 An extension of the contract was successfully negotiated. A payment of R5,000,000.00 was made to a company controlled by Sekgota. I cannot remember the name of the company. The money was paid on receipt of an invoice from this company for consulting services relating to the extension of the contract.
- 45.6 A second agreement with Sekgota was entered into in order to obtain a renewal of the catering contract. The agreement provided for the payment of R10 000 000.00 to Sekgota's company. Gavin Watson refused to pay this amount. As a result, Sekgota did not secure a renewal of the whole catering contract.

Further Irregular Favours for Office-bearers and Officials

46.

- 46.1 On a regular basis Bosasa provided full security solutions at the residences of Ministers, senior politicians and senior government officials. These security solutions included specialized electric fencing, Internet Protocol camera systems with off-site monitoring capability, generators (at times), alarm systems, detection beams, automated gates, specialised lighting and other items. This would include installation and maintenance of the systems. This was done at no cost to the recipient or the state. Beneficiaries of this practice are named in the affidavit of Richard le Roux annexed hereto. I will refer to this affidavit in evidence. Annexure "BB"

The Bosasa Group of Companies and BEE

47.

- 47.1 The Bosasa group of companies and related entities were and remain



are and remain

The Gavin Watson Pact and Instruction to Silence

48.1 In 2010 after my return from vacation I had to go to a meeting with the Watson brothers at the Michelangelo Hotel. This was at the pinnacle of the negative press articles directed at Bosasa involving the SIU investigation. At the meeting it was made clear by Gavin Watson that there should be an unbreakable pact between the Watson brothers, Andries Van Tonder and myself. Gavin Watson reiterated that if at any stage anyone of us was to turn against the pact, including him, and spoke out on the goings-on at Bosasa, we would be dealt with and that severe consequences would ensue for ourselves and our families. We were specifically told that the "problem child" would be dealt with by his high ranking contacts in government. We had no reason to disbelieve him.



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n's conspiracy

The SIU Report Release

49.

- 49.1 A regular morning occurrence during the exposure of Bosasa in the press about the SIU probe during 2009, was to take a walk in the park to have discussions regarding the matter.
- 49.2 Gavin Watson insisted that he, Andries Van Tonder and myself go overseas on a trip together. At that stage we were under severe scrutiny and Gavin Watson was aware that both Andries Van Tonder and I were concerned about how he had involved us in the various shady transactions. I confronted Gavin Watson in the boardroom after he had made a suggestion (he told me on advice received) that I "take the fall" on behalf of Bosasa in the SIU investigation. I voiced my discontent with this approach and felt betrayed by Gavin Watson.
- 49.3 He called me numerous times that evening and apologised and I accepted his apology. Although I accepted his apology, I raised this matter on numerous occasions with Brian Biebuyck who agreed with my concern about Gavin Watson's suggestion that I take the fall for Bosasa.
- 49.4 Gavin Watson invited Andries van Tonder and myself to accompany him overseas. He insisted that no costs be spared. We toured Italy and France.
- 49.5 During the trip Watson did absolutely everything to appease us. During the trip Gavin Watson would consistently remind us of the fact that we had to be inseparable as we were implicated and if one went down all would go down. My stance at the stage was a personal debate with what Gavin Watson's assertion that he had it all under control politically.



- 49.6 Brian Biebuyck told me that the matter would never get to trial, as long as we stood together. Biebuyck said we were a formidable team.
- 49.7 The welfare of the employees of Bosasa aroused a deep personal sense of responsibility to rather keep quiet and trust in Gavin Watson and Biebuyck. The Bosasa directors were all of the view that we had to fight this and not give up. Eventually I started believing that without Gavin Watson I would be left to the wolves and be eliminated. The real threat of leaving Gavin Watson was re-iterated in a meeting held with Gavin Watson and Brian Biebuyck at his offices in Sandton. I was well aware of the ramifications if I was left to defend the matter alone. The costs of the involvement of Brian Biebuyck and the various counsel had already been well over R17,000,000.00. Furthermore we had placed R30,000,000.00 in trust with Brian Biebuyck and a further R10,000,000.00 in another attorney's trust account. Gavin Watson reminded me that without the availability of funds, I would be prosecuted on my own.
- 49.8 Whilst in Paris, we got wind of the SIU report that had come out. We managed to print a copy of the document which had been sent to us via an associate. Gavin Watson asked me to arrange a meeting to discuss this with Brian Biebuyck which I did on my return. The meeting resolved that Gavin Watson would attend to the politics, Andries van Tonder would attend to the finance and the banks and I would attend to the legal fight with the SIU together with Biebuyck. I played an active role in manipulating information to stymie the SIU investigations.

Resignation from Bosasa Group

50.

- 50.1 Gavin Watson started denying any involvement in any irregularity as



have set out. This concerned me as it was evident that as before he would attribute blame to others.

50.2 In August 2016 I resigned from the Bosasa group of companies after having raised my discontent at the way the Bosasa Group had been managed. As a result of ongoing corruption within the Bosasa group as dealt with in this statement, I realised that this was not a life to live. For 19 years I had been committed to Gavin Watson and had supported him. Gavin Watson continuously compromised people and hurt families in the manner he was conducting his business. People were easily disposed of and I no longer wanted part of this. Lies and daily manipulation had become the order of the day shrouded under the cloak of religion and political agendas. It was unbearable.

50.3 As early as then I knew something was amiss with my health. I had visibly aged in the last year before my resignation. The burden of the Watson's pact for loyalty had become untenable. I decided to share my unhappiness and concern with Dr Jurgen Smith who I trusted implicitly and whose counsel I valued. I also shared many personal issues I had with Gavin Watson. Dr Jurgen Smith was also very concerned. This culminated in me making a final decision to resign knowing the consequences of my actions.

50.4 The day after I had left Bosasa, Gavin Watson and Brian Biebuyck started calling me incessantly. At first I did not take their calls but due to Gavin Watson bombarding me with cell phone messages, emails, voice messages and calling on my wife's phone, I decided after about two weeks to accept a call from Brian Biebuyck. Biebuyck pleaded with me to have a meeting with Gavin Watson and cautioned me as he always did that we had to stick together because we will all end up in jail. I refused to meet with Gavin Watson. Daniel "Cheeky" Watson arrived at my house



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a day after accepting Biebuyck's call.

51.

- 51.1 I was confronted by Cheeky Watson who insisted that I take the reins of Bosasa as the wellbeing of the 4 500 employees were dependent on my return. Gavin Watson would from now on remedy his old ways. Cheeky Watson said to me that should I return, a substantial retainer and a shareholding agreement would be entered into. The shareholding agreement would facilitate and allow me carte blanche to re-engineer Bosasa.
- 51.2 Convinced that Gavin Watson had resolved to put an end to the old ways I was advocating to stop, I accepted the offer without further negotiations. I was content that Gavin Watson was prepared to change. I withdrew my resignation and returned. Gavin Watson seemed sincere when he tasked me to work with a renowned professor from Wharton in developing a business strategy to re-engineer Bosasa.
- 51.3 Within a week of my return to Bosasa I presented a business and awareness turn-around strategy to all management and directors in two separate sessions. This was well received and applauded by Gavin Watson.
- 51.4 In November 2016 I realised that Gavin Watson was not sincere in what he had promised and I demanded that the shareholding due to me be registered. He was not happy as he knew that as soon as my shareholding was implemented I would have legal ground to challenge any decision of Gavin Watson.
- 51.5 At this stage Gavin Watson requested me to make a payment to a person



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whose name I can no longer remember. I remember the amount involved being R 265 000.00 in cash. He gave me the money and I put it in the boot of my car. I did not want to confront him at this stage.

- 51.6 I went on leave on the 15th December 2016.
- 51.7 On the 16th of December 2016 Dr Jurgen Smith called me. I had become close to him and assisted him personally during his terminal illness. I agreed to see him at his home.
- 51.8 Dr Jurgen Smith, re-iterated a dream to me and he opened up to me for about five hours where he discussed numerous issues with me. One of the issues was his concern about Bosasa's pension funds and that he did not trust Gavin Watson. He was concerned at that stage about the people who were entitled to pensions. He mentioned that the only thing standing in Gavin Watson's way was my recent ability to stand up to Gavin Watson. He also said that although Gavin Watson had pleaded for me to come back, he was not being honest with his family. Dr Jurgen Smith made it clear to me that Gavin Watson was planning to pin all the corruption onto myself.
- 51.9 I fell ill and was hospitalized on the 25th December 2016. I had major surgery, was resuscitated and placed on life-support.
- 51.10 When I came out of the coma, I was shocked to hear that Gavin Watson had attempted to claim life insurance on a policy in my name. I resolved finally resign from the company once I had recovered fully.
- 51.11 I went on a family break to recover. On my return, I was contacted by Brian Biebuyck and told that Gavin Watson had insisted I leave the employ of the Company and had cancelled what was a ten-year



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agreement. I later received a significantly reduced amount in comparison to the settlement value of the original agreement.

- 51.12 I was retained on a quasi-consultancy agreement which Gavin Watson. He did not always adhere to the terms.
- 51.13 I started receiving threats and messages from unknown people saying that if I spoke out that I would be dealt with. I reported the matter to the police in an affidavit which I attach as **Annexure "Z"**
- 51.14 At the beginning of November 2017, I was called by Brian Biebuyck to resolve a matter with a group of my previous colleagues who wanted to whistleblow as they had been subjected to the same treatment meted out to me by the Watsons and the Bosasa directors. I was forced into agreeing that I would assist. I arranged for the parties to reach a separation agreement with the assistance of an attorney. This was a quasi-retrenchment type agreement.
- 51.15 I insisted that the gentlemen sign whatever was placed before them. I had been warned as indicated in the SAPS statement referred to above that I was in danger if I did not get them to sign the separation agreement. A further witness will confirm the threats that have been made.
- 51.16 I decided to set up an appointment with Willie Hofmeyr to enquire on how I could take the matter forward, as I and Andries van Tonder were concerned. We met Hofmeyr and I related my issues to him. He said he would revert back to me which he never did.
- 51.17 I approached Adv Glynnis Breytenbach in June 2018 for advice. She advised me to see an attorney which I did.



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51.18 I approached several others for advice.

51.19 During this period, I was approached by a family, some of which had previously worked for me at Bosasa who had lost a brother under suspicious circumstances on the 29th July 2018. I was told that the deceased, who I do not know, had been coerced and paid by Bosasa whilst having been accommodated in a Krugersdorp guest lodge to manufacture statements about me. The family provided me the original statements that had been prepared by the deceased and invoices paid by Bosasa. I handed this over to the SAPS. The family told me that Bosasa paid for the immediate cremation of the deceased and provided proof of payment.

51.20 The family was also threatened that if they raised the issue they would be dealt with.

51.21 I received telephonic threats on the evening of the 21st August 2018, and advised my immediate family that I have carried this burden long enough and would ensure that this now stopped.

51.22 I prepared a press statement and within minutes of its release I was inundated by calls and messages from Gavin Watson, Brian Biebuyck and various other Watsons wanting to meet with me urgently. I did not take any of their calls. The press statement is annex hereto marked **Annexure "AA"**

51.23 Both Ronnie and Valance Watson arrived at my house with Brian Biebuyck and Jarrod Watson at 21:30 on the 22nd of August 2018. They were extremely apologetic and stated that they knew nothing of what I told them. I briefed them of the actions taken against me. They left at 01:20 on 23rd August 2018.



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- 51.24 Ronnie, Valence and Jarrod Watson together with Brian Biebuyck met me on the 23rd August 2018 at my house. They said that they had confronted Gavin Watson who denied the allegations raised by me and would do anything to rectify the situation. They said that they had been mandated by Gavin Watson to make offers to me regarding the marketing of Royalston Wildlife Residential Estate which they would fund. I refused this.
- 51.25 Knowing that they were in fact trying to ensnare myself and a colleague, I said that Brian Biebuyck should draft an agreement, which he agreed to. I was requested to draft the parameters of the offer. In this offer I specified that the signed offer should be sent to myself. The Watsons left my premises at 01:00 on the 24th August 2018, believing I would succumb to an offer.
- 51.26 At 10:00 Mr. Valence Watson and his son Jarrod arrived at my house, requesting that I look at the offer in the presence of Andries Van Tonder. I looked at the offer and suggested changes. The response from Valence Watson was that they would accept any changes I would make in the offer. So I made changes accordingly. I even sent it to my attorney to peruse the offer made.
- 51.27 The Watsons sat in my office and debated and questioned what went wrong at Bosasa, now African Global Operations, and kept insisting that I sign the offer. It was as if they were trying to tire me out, knowing that I had only slept about 4 hours in the preceding two days.
- 51.28 Andries Van Tonder who was with us on request of the Watsons, was exhausted and said he had to get some sleep.



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Meeting Requested by Watson's / Jarod / Roth / Lindsay**52.**

- 52.1 At 15:00 on 24th August 2018, Valance and Jarrod Watson left my house. Jarrod insisted that he bring the two children of Gavin Watson, Roth and Lindsay, to make amends with myself. The meeting was not confirmed. I then had a few gins and tonic. I am diabetic and should not have had a drink and failed to take my insulin shot. I mentioned this to all present during supper. I was extremely agitated having been constantly harassed by the Watson's wanting me to retract my statement and keep quiet about all the corruption. All I wanted was an early evening as I had less than 4 hours sleep over the last two days.
- 52.2 Jarrod Watson was insistent that I tell the Watson children the facts about their father as they evidently did not know the truth and the lead up to the issue. I explained I was exhausted but he continually insisted I attend, so I obliged.
- 52.3 I welcomed Lindsay, Roth and Jarrod Watson into my home at 18:30, and my daughter arrived home at 19:30 after I had asked her to fetch take-away meals.
- 52.4 The meeting that eventually took place with Roth, Lindsay and Jarred Watson was in the privacy of my home. I at no stage gave anyone consent or permission to unlawfully and intentionally record my conversation and discussion and to intercept and monitor same at all material times. I at the time was unaware that the Watson children had planned to entrap me in a heated discussion. I state further I never had any intention to injure the feelings of persons mentioned in the heated discussion. Further, whatever was discussed was done privately and was

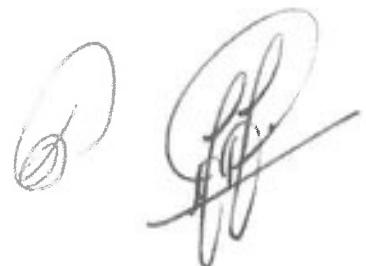


52.5 We discussed various topics, ranging from how things had gone wrong, how they were not aware of what their father had done and how they also wanted the bribery and corruption ended.

52.7 The racial slur which I deeply regret, occurred whilst sitting in the lounge discussing a video that was sent to me by Gavin Watson about Dr Manning an African American preacher that condemns the actions of black people.

Attempt to Entice Me into a Silence Agreement

53.1 On Saturday 25 August 2018 I received a draft agreement. It offered me in excess of R50 million to comply with the Watsons request. I responded by saying that I was not happy with the fact that there were no signed suretyships. I was told by Brian Biebuyck in an email that the family would stand surety. I was also told in the email that he wanted my bank account details to deposit a good faith payment of R10 000 000.00 but I had to sign the agreement quickly.



- Press, I called
case had been



opened by Johannes Gumede and Papa Leshabane on the 31st August, regarding the alleged racial comment I had made. The recording which Jarred Watson had made when they had met with me in my private residence was circulated on the 1st September 2018 on social media (Facebook and Twitter) and print media. This is an attempt to discredit me further.

53.10 The threats that I have been receiving have continued.

54.

54.1 Having reviewed this statement I realise that I have not included all the facts and records at my disposal. This was entirely due to the time pressures under which the statement was prepared. The events of the past almost 20 years are too voluminous to have been recorded in this statement in the circumstances in which it has been prepared. I have no intention of withholding any information from the Commission. For this reason, I will cooperate fully with the Commission's investigators in the further investigations regarding my conduct. I have also tendered my assistance to law enforcement agencies in their investigations. I have handed all relevant documentation in my possession relating to the above matters to the Commission's investigators.



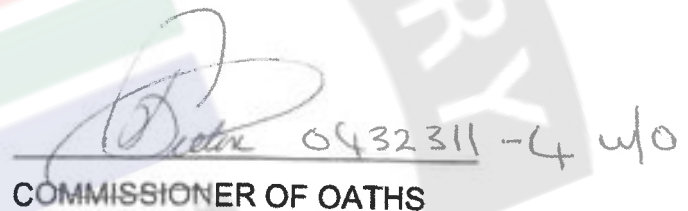
ANGELO AGRIZZI





ANGELO AGRIZZI

THUS SIGNED AND SWORN TO before me at PARKTOWN on this the 15th day of JANUARY, 2019 by the deponent who acknowledges that he knows and understands the contents of this affidavit; that it is the truth to the best of his knowledge and belief and that he has no objection to taking the prescribed oath and regards the same as binding on the deponent's conscience and the administration of the oath complied with the Regulations contained in Government Gazette No. R1258 of 21 July 1972, as amended.



0432311-4 w/o
COMMISSIONER OF OATHS

EX OFFICIO:

FULL NAMES:

Dawid Jacobus Pieterse

PHYSICAL ADDRESS: No.1. Clarendon Place SAPS. Hillbrow

DESIGNATION: warrant officer SAPS.

