

COMMISSION OF INQUIRY INTO STATE CAPTURE

HELD AT

PARKTOWN, JOHANNESBURG

10

24 JUNE 2019

DAY 119

20

PROCEEDINGS ON 24 JUNE 2019

CHAIRPERSON: Good Morning Ms Hofmeyr, good morning everybody.

ADV KATE HOFMEYR: Good morning Chair.

CHAIRPERSON: Thank you. Are we ready this morning?

ADV KATE HOFMEYR: We are indeed.

CHAIRPERSON: Okay thank you.

ADV KATE HOFMEYR: Chair I propose just before we commence with the first witness to just give a sense of where we are in the aviation evidence.

10 **CHAIRPERSON:** Yes.

ADV KATE HOFMEYR: Because we have been running for about a week and we have got about a week and a bit left.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: There have been some changes in some of the logistics so I thought it useful just to take a moment.

CHAIRPERSON: Yes.

20 **ADV KATE HOFMEYR:** And take stock. In relation to the four investigation areas what evidence we have heard and what is still to come. So Chair with your leave I will commence of the first of those areas. The first area of investigation dealt with the 15 billion capital raising exercise that SAA embarked upon the 2015/2016. We have heard the evidence of three witnesses so far in relation to that aspect of investigation. They were Ms Stimpel, Mr Van Der Merwe and Ms Nhantsi. We still have the evidence to receive from Mr Mahlangu, arrangements have been made and his evidence will be received later

this week. That will conclude for this phase of the evidence session the witnesses in relation to that aspect. As I indicated at the opening of the aviation evidence there is an intention to have a second evidence session later in the year where the final strands of that investigation will be picked up. Chair the second area of investigation is the North West ground handling transactions that we have been looking at over the last few days. We have received the evidence of four witnesses in relation to those transactions between the North West Department of Transport, South African Express and then Koreneke
10 amongst other management companies. The evidence has come from Mr Ngwenya, Mr Phiri, Ms Phatudi and Ms Tlatsana. Chair there are two remaining witnesses in relation to that area of the investigation. The first of those is Mr Viljoen who will be giving evidence today and the second is from another company who received payments of some of the proceeds of those monies that came out of the North West Government through South African Express and into Koreneke. And that will be completed by the end of this week. The third area of investigation Chair is an area that looks at jet fuel procurement between SAA, SA Express on the one hand and an entity called EML
20 Energy. Chair that evidence will commence today. It will commence after Ms Viljoen has concluded her evidence with the evidence of Ms Loock who is the airport's coordinator for South African Express and that will be followed by the evidence of Mr Vaughan who is the head of fuel management at South African Airways. Chair just a practical matter on our estimation for today's proceedings it is unlikely that we

will get to Mr Vaughan's evidence. We envisage that the day will be occupied by the evidence of Ms Viljoen and Ms Looock. Mr Vaughan is here, he was summoned, he is in attendance. In the light of the high unlikelihood that we will get to him today I wondered if we may request that he be excused to return first thing tomorrow for his evidence?

CHAIRPERSON: That would be fine. What is your anticipation of what time we might be done with the other witnesses Ms Viljoen and Ms Looock.

10 **ADV KATE HOFMEYR**: Chair we will be able to give you a better sense.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: In the lunch break if you do not mind. It really does depend how long Ms Viljoen takes.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Ms September will be presenting the evidence of Ms Looock. She has indicated to me previously that she thinks she will need about three to four hours.

CHAIRPERSON: Oh okay.

20 **ADV KATE HOFMEYR**: So it does depend on how swiftly we finish Ms Viljoen.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: But the hope would be to finish Ms Looock today.

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: Whatever.

CHAIRPERSON: Yes okay.

ADV KATE HOFMEYR: And – but we will give you sense if we may at lunch time.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: About how much.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: If at all past four we think we might need to sit.

CHAIRPERSON: Okay. No that is fine. If need be we can sit beyond four o'clock.

10 **ADV KATE HOFMEYR**: Thank you Chair we are indebted.

CHAIRPERSON: Again so that we try and finalise their evidence.

ADV KATE HOFMEYR: Excellent.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: So Mr Vaughan can be excused until tomorrow if he may?

CHAIRPERSON: Yes. Mr Vaughan – where is he? Okay you are excused from attendance today please come back tomorrow and be here at nine o'clock so that in case we decide to start at nine you are available.

20 **MR MARK VAUGHAN**: Thank you Chair I will do that.

CHAIRPERSON: Thank you very much.

ADV KATE HOFMEYR: Thank you Chair. Chair just to complete that third area of investigation Mr Vaughan will give us after Ms Look's evidence the overview of the jet procurement space – jet fuel procurement space and that will become an important lead into the

aspect of the evidence that deals with the IDC. I had highlighted in the opening that there is an aspect of this procurement that involves the IDC because it was off the back of contracts that were obtained or were anticipated to be obtained from SAA and SA Express that a funding application was made to the IDC. So there will also be further evidence in that regard. And then finally Chair the fourth area of investigation dealt with broad themes of governance and that investigation has focussed and the evidence will show the extent of board interference in procurement matters at South African Airways over a period of time
 10 which involved according to the evidence that will be heard numerous demands made for the allocations of contracts to certain entities and also evidence from witnesses who endeavour to stand up to what they regarded as unlawful demands and then were summarily suspended. Chair that evidence will commence on Wednesday and it will run until Monday of next week with an interlude on Thursday to go back to some of the remaining witnesses. But that Chair with your leave is our plan for the remainder of the aviation evidence.

ADV PHILLIP MOKOENA: No that is in order.

ADV KATE HOFMEYR: Chair then without further ado if we could
 20 swear Ms Viljoen in?

CHAIRPERSON: Yes please administer the oath or affirmation?

REGISTRAR: Please state your full names for the record?

MS KALANDRA VILJOEN: Kalandra Viljoen.

REGISTRAR: Do you have any objections to taking the prescribed oath?

MS KALANDRA VILJOEN: I do not.

REGISTRAR: Do you consider the oath to be binding on your conscience?

MS KALANDRA VILJOEN: I do.

REGISTRAR: Do you solemnly swear that all the evidence that you will give will be the truth; the whole truth and nothing but the truth; if so please raise your right hand and say, so help me God.

MS KALANDRA VILJOEN: So help me God.

REGISTRAR: Thank you.

10 **CHAIRPERSON:** Thank you. You may proceed.

ADV KATE HOFMEYR: Thank you Chair. Chair we have – Chair we already entered...

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Ms Viljoen's bundle into the record as Exhibit DD9 we did that in the course of the evidence of Ms Tlatsana on the weekend.

CHAIRPERSON: Okay

ADV KATE HOFMEYR: So there will not be a need to so again.

CHAIRPERSON: Okay.

20 **ADV KATE HOFMEYR:** But Ms Viljoen just to orientate you in front of you you have a sort of soft cover file which is – comprises your various affidavits and statements. It will be referred to in the course of today as Exhibit DD9 that is necessary just for the purposes of the record. And then you also have next to you a legislation bundle. Chair we have prepared a legislation bundle that may become relevant in the course of

today's evidence. If I may beg leave to hand one up to you?

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Ms Viljoen already has her copy there. And then there is just also next to Ms Viljoen the bundle of Mr Ngwenya's evidence.

CHAIRPERSON: Okay thank you.

ADV KATE HOFMEYR: There may be a point at which it is relevant to go there.

CHAIRPERSON: Hm.

10 **ADV KATE HOFMEYR:** And that is Exhibit DD5.

CHAIRPERSON: Okay thank you.

ADV KATE HOFMEYR: Ms Viljoen if I may then just commence with some assistance in navigating your bundle because there are a number of affidavits that are to be found in the bundle that has been put together for your evidence and I would like to just get clarity in relation to some of them when they were deposed to and also to ask you whether are any corrections you would like to make in advance of your evidence to any of them?

MS KALANDRA VILJOEN: Okay.

20 **ADV KATE HOFMEYR:** So let us start with the first that appears at page 1. That is an affidavit as I have it that you provided to the commission and if you go to the end of the affidavit you will see at page 16 it was deposed to on the 23 May 2019, is that correct?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: And are there any corrections you want to make

to that affidavit?

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: The second affidavit which is actually an annexure to that affidavit which you provided to the commission is an affidavit that you did to the then FSB. If you go to page 40, 40 of the bundle in front of you you will find – it is entitled ‘Response to summons issued under case number 2018/02/6680’ but it is an affidavit as I have it that you deposed to before a commission of oaths on the 26 February 2018. You will pick that up at page 46, is that correct?

10 **MS KALANDRA VILJOEN:** Yes.

ADV KATE HOFMEYR: And are there any corrections you would like to make in that affidavit?

MS KALANDRA VILJOEN: No Chair.

ADV KATE HOFMEYR: Thank you and then the final affidavit I am calling it an affidavit with hesitation because the document which is the affidavit does not appear to have been deposed to before a commissioner albeit that it was signed you will find that at page 91, 91 of that bundle, do you have that?

MS KALANDRA VILJOEN: I do Chair.

20 **ADV KATE HOFMEYR:** And you will see there it is an affidavit related to the Mafikeng case number 4908/2017 and if we go in that – I am going to call it an affidavit to page 93, can you confirm that that is your signature on that page?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: And the date at the bottom is given but without

a year it is 14 December, from my reading of this affidavit and placing it in context I take it to have been signed on the 14 December 2017, is that correct?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: And again are there any corrections you would like to make to that?

MS KALANDRA VILJOEN: No Chair.

ADV KATE HOFMEYR: Thank you. You have confirmed the contents of this affidavit therefore under oath albeit that this was not commissioned
10 at the time so just for the ease of reference in the course of the proceedings I will refer to it also as an affidavit.

MS KALANDRA VILJOEN: Okay Chair.

CHAIRPERSON: I am sorry. I think you asked her if she confirms?

ADV KATE HOFMEYR: Yes.

CHAIRPERSON: And she – I saw she nodded.

ADV KATE HOFMEYR: Oh yes.

CHAIRPERSON: But I am not sure that she confirmed it. So you will have to please just articulate your confirmation so that the microphone can ...

20 **MS KALANDRA VILJOEN:** I will do that Chair.

ADV KATE HOFMEYR: So just for the record's purposes you confirm that the contents of the affidavit that appears at page 91 of the bundle contains statements that are true and correct to the best of your knowledge?

MS KALANDRA VILJOEN: Can I add details to this because I did not

write this affidavit or this statement?

ADV KATE HOFMEYR: Certainly.

MS KALANDRA VILJOEN: Someone wrote it for me, Mr Jan Judeel wrote that he asked me to sign it.

ADV KATE HOFMEYR: Right. Let us get a few of those details because they may well be important.

MS KALANDRA VILJOEN: Okay sorry my bundle has now fallen apart.

CHAIRPERSON: Okay maybe let us – let us do this. Let us do it this way. The affidavit as it stands I think you have confirmed that it is
10 correct, is that right?

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: But what you have just said suggest that you feel that there may be other facts that need to be added.

MS KALANDRA VILJOEN: Which is covered in my second.

CHAIRPERSON: Which are not – which are not – which are not there.

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: Okay no that is fine then.

ADV KATE HOFMEYR: Thank you Chair. I am indebted to you. So there may be more background you would like to give and we will find
20 that in the other affidavits but its contents are correct?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: Thank you. Chair I do note that Ms Viljoen is struggling with...

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: The manner in which the file has been put

together. I have asked my learned friend Ms Buthelezi if she would not maybe just take a spare copy of that file.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: That we have and place it in a file.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Which then might not create the difficulty of pages coming apart.

MS KALANDRA VILJOEN: I have got 14 pages to fix.

ADV KATE HOFMEYR: My worry is that it might occur again.

10 **CHAIRPERSON**: Yes it might occur again.

ADV KATE HOFMEYR: So it may simply be easier to put it in a lever arch file.

CHAIRPERSON: Ja no let us do it that way yes.

ADV KATE HOFMEYR: Chair while that is being done.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Ms Viljoen you do not need to trouble yourself with those papers you will get a replacement file now that will be easier to...

MS KALANDRA VILJOEN: Done.

20 **ADV KATE HOFMEYR**: To turn over.

MS KALANDRA VILJOEN: I am done. It is going in, it is going in and then I am done and it is fixed and I will make sure it does not come undone.

CHAIRPERSON: No she is very – she is very passionate about wanting that one.

MS KALANDRA VILJOEN: That is fine.

CHAIRPERSON: Let us leave it like that.

MS KALANDRA VILJOEN: It looks pretty.

CHAIRPERSON: She promises it will not come apart again.

ADV KATE HOFMEYR: It will not come apart again well we will have on standby just in case.

CHAIRPERSON: And that promise is under oath so...

ADV KATE HOFMEYR: We will hold you to it.

CHAIRPERSON: Okay.

10 **ADV KATE HOFMEYR**: Ms Viljoen you were about however to give us some background to the genesis of that last affidavit. You mentioned Mr Judeel. Can you tell us the circumstances in which it came to be produced, this affidavit at page 91?

MS KALANDRA VILJOEN: Mr Judeel called me and asked for a meeting.

ADV KATE HOFMEYR: When was that?

MS KALANDRA VILJOEN: It would have been more or less around this time.

ADV KATE HOFMEYR: December 2017?

20 **MS KALANDRA VILJOEN**: Yes.

ADV KATE HOFMEYR: Thank you.

MS KALANDRA VILJOEN: And ...

CHAIRPERSON: And tell us before you proceed who he was or he is?

MS KALANDRA VILJOEN: He presented himself as a private investigator.

ADV KATE HOFMEYR: And what did he say to you?

MS KALANDRA VILJOEN: In all honesty I forgot about this until you sent me this statement. But it was a quick meeting at a Mugg and Bean and he asked me about the transactions. I went and I looked at this transactions. He took notes. He wrote the affidavit, he emailed it to me and then I just signed it.

ADV KATE HOFMEYR: How did he obtain the documents that are attached to it?

MS KALANDRA VILJOEN: I sent it to him.

10 **ADV KATE HOFMEYR:** So let me just get clear.

MS KALANDRA VILJOEN: I – sorry I might have given it to him but ja I gave it to him.

ADV KATE HOFMEYR: And that was at a face to face meeting in December 2017?

MS KALANDRA VILJOEN: If memory serves me right yes.

ADV KATE HOFMEYR: So you were contacted, did he make reference to a criminal case?

MS KALANDRA VILJOEN: I will have to lie if I answered that I cannot remember. It was December we had family coming over from overseas
20 so I have to – it was a brief meeting and I cannot remember if he made reference to it or not.

ADV KATE HOFMEYR: So when you signed the affidavit did you look at the first page which says Mafikeng CAS 4908.2017?

MS KALANDRA VILJOEN: I did see it yes but that does not really mean anything to me.

ADV KATE HOFMEYR: Right but you considered the contents and you were satisfied with their correctness and so you signed it, is that right?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: And at some point either prior to that meeting or thereafter you gave Mr Judeel the documents which are then attached to that statement because those documents originate from you, correct?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: Did you meet with him and a Ms Captain
10 Mogotse?

MS KALANDRA VILJOEN: No Chair.

ADV KATE HOFMEYR: Were you aware in the evidence over the weekend that Ms Tlatsana indicated that Mr Judeel had said to her that he attended with Captain Mogotse when he met with you?

MS KALANDRA VILJOEN: I saw it and no he was not with Captain Mogotse

ADV KATE HOFMEYR: So why – why did you agree to meet with him and depose to an affidavit then?

MS KALANDRA VILJOEN: He asked very nicely?

20 **CHAIRPERSON:** What was that answer?

MS KALANDRA VILJOEN: He asked very nicely. Can you please meet me?

CHAIRPERSON: Okay. Alright.

ADV KATE HOFMEYR: But you were under no compulsion to do so – you did not have a sense that it had anything to do with a criminal

investigation.

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: Or any such thing.

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: We will return to that in due course in the evidence thank you. Ms Viljoen I would like to begin at page 1 then of your affidavit to the commission and in paragraph 3 on that page you start to explain to us about an entity called Asset Movement Financial Services CC. Chair we have previously in the evidence been referring
10 to this entity as AMFS we may do that in the course of the evidence but that will then be a reference to this CC which I understand you established to run the business of...

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: And tell us what exactly that business was and for that purpose I would like us to go to the company profile that you have provided in various of these affidavits. There are a number of copies Chair in the papers. The best copy I could find at page 48 so if we go to page 48.

CHAIRPERSON: Yes.

20 **ADV KATE HOFMEYR:** You will see a 25 February 2015 company profile, can you confirm that that is your profile of the company Ms Viljoen?

MS KALANDRA VILJOEN: Yes it is Chair.

ADV KATE HOFMEYR: And then if we go over to page 50, 50 you usefully give a description of your business there in the top paragraph.

For the purposes of today's evidence can you just explain to us what that business was?

MS KALANDRA VILJOEN: It was a cash in transit business.

ADV KATE HOFMEYR: And what does that mean?

MS KALANDRA VILJOEN: It means that if a business would need money we would deliver the funds for them.

ADV KATE HOFMEYR: Thank you and can you just give us a sense...

CHAIRPERSON: I am sorry you would take funds from a business to deliver the – or cash from a business.

10 **MS KALANDRA VILJOEN**: We will pick up the funds from a bank and then deliver it to clients that might need funds.

CHAIRPERSON: Yes and vice versa?

MS KALANDRA VILJOEN: Like a G4S. Yes.

CHAIRPERSON: And vice versa? So you would also take from a business to go and bank for them?

MS KALANDRA VILJOEN: We did not – we did not really do collections.

CHAIRPERSON: You did not do the collection from the business?

MS KALANDRA VILJOEN: No.

20 **CHAIRPERSON**: You only did one way?

MS KALANDRA VILJOEN: Yes.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: Can we just have that again. You said you did not really do collections. Did you ever do collections?

MS KALANDRA VILJOEN: Not to my recollection.

ADV KATE HOFMEYR: Thank you. And then just in terms of the industry in which your business was operating how big is the market? Did you have lots of competitors?

MS KALANDRA VILJOEN: I would say it is big. G4S, Fidelity, Coin, SBV it is a big industry.

ADV KATE HOFMEYR: And did they all operate a similar business model to yours?

MS KALANDRA VILJOEN: I cannot comment if their business model was the same as mine.

10 **ADV KATE HOFMEYR:** But your sense is it is a big market and there are a number of competitors in it?

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: You know at least of one business that operated a similar business model do you not? That was your previous employer, is that correct?

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: And what is the name of that employer?

MS KALANDRA VILJOEN: Rustic Stone.

20 **ADV KATE HOFMEYR:** Thank you. We will come back to just a few more details about Rustic Stone in a moment but I would like to continue on page 50 because on that page you set out some further details about your business and its services.

CHAIRPERSON: Ms Hofmeyr.

ADV KATE HOFMEYR: Yes.

CHAIRPERSON: You said page 50 is better than I guess another page?

ADV KATE HOFMEYR: Yes it is hard to believe I know because 50 is not clear at all.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: What we may seek to do Chair.

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: Is just get a better copy from Ms Viljoen in due course.

CHAIRPERSON: In due course we can – we can do what we can with this.

10 **ADV KATE HOFMEYR:** Yes.

CHAIRPERSON: Make do with it.

ADV KATE HOFMEYR: With this indeed and given that it is her document.

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: Where it is relevant for us to know precisely

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: What is said on the page.

CHAIRPERSON: Ys.

ADV KATE HOFMEYR: I will ask for Ms Viljoen's assistance.

20 **CHAIRPERSON:** That is fine.

ADV KATE HOFMEYR: If we may proceed on that basis. And Ms Viljoen that takes me to the next question which is mid-way down the page there is a heading there which I read to be company ownership/legal entity, is that a correct understanding of what is...

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: And then you say under that as I have it AMFS is registered as a CC and then it says all required certifications will be acquired and maintained at all times. And then all legal compliance to legislation is and will continue to be maintained. Is that an accurate reading of what is reflected there?

MS KALANDRA VILJOEN: I would say so Chair.

ADV KATE HOFMEYR: Let us just pause on that question of legal compliance. I assume it was important for the operation of your business that you ensured that you complied with the applicable
10 legislation, is that right?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: If you can give an answer. Thank you. The record has to have your answer verbally. Then I would like to just explore a bit what that legislation was. Were you compliant with the Private Security Industry Regulation Act?

MS KALANDRA VILJOEN: I was yes.

ADV KATE HOFMEYR: Can you just give us a sense of what that legislation regulates?

MS KALANDRA VILJOEN: I will have to check I cannot remember.

20 **ADV KATE HOFMEYR:** Okay.

MS KALANDRA VILJOEN: But we had to be part of PSIRA register the company under PSIRA and register all the people that was working under PSIRA and we were.

ADV KATE HOFMEYR: Right. And then legislation that is colloquially called FICA the Financial Intelligence Centre Act, were you compliant

with that?

ADV KATE HOFMEYR: I FICA'd all my clients yes.

ADV KATE HOFMEYR: Well what does that mean?

MS KALANDRA VILJOEN: I would obtain copies of their ID's, their income tax numbers, all the details required by FICA I would get that from the clients?

ADV KATE HOFMEYR: So did you regard yourself as obligated under FICA to do so?

MS KALANDRA VILJOEN: Yes.

10 **ADV KATE HOFMEYR:** Okay that is certainly consistent with what you say at page 5 of your affidavit. If we go to page 5 Chair and Ms Viljoen you will see at the top paragraph on that page under 5.1.1 towards the end you say: I will deal with the on-boarding process of each, these are the types of clients you are going to describe in turn and the steps that I took to ensure compliance with AMFS's FICA obligations, you see that?

MS KALANDRA VILJOEN: I do Chair.

ADV KATE HOFMEYR: So as part of the statutes that you needed to comply with in order to conduct your business was FICA, is that
20 correct?

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: I would like for this purpose just to go to FICA for a moment because one of the chapters that is particularly pertinent to today's proceedings is the chapter dealing with control measures for money laundering. Chair you will find it in the legislation bundle and

Ms Viljoen and the Financial Intelligence Centre Act which we will refer to as FICA is under Tab 5 and it commences at page 110. And if you go to page 121 in that bundle you will see Chapter 3 two thirds of the way down the page which is headed 'Control measures for money laundering and financing of terrorists and related activities.' Chair we will return to the pertinent provisions in due course in Ms Viljoen's evidence but I would like to just be clear on Ms Viljoen is were you concerned to ensure that all the necessary regulatory and legislative requirements were met by your company?

10 **MS KALANDRA VILJOEN:** Sorry can you just say that?

ADV KATE HOFMEYR: Were you concerned to ensure that you complied with all the requirements of FICA in the operation of your company?

MS KALANDRA VILJOEN: Yes I tried my best Chair.

ADV KATE HOFMEYR: And I assume that that would have included the measures that are put in place under FICA to guard against businesses being used for money laundering, is that correct?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: And then in terms of your role or status under
20 FICA which of the accountable institutions under FICA did you recognise your business as?

MS KALANDRA VILJOEN: A money remitter.

ADV KATE HOFMEYR: Thank you. And what is your understanding of money remitter?

MS KALANDRA VILJOEN: A cash in transit business.

ADV KATE HOFMEYR: And why is that?

MS KALANDRA VILJOEN: Because we remit money.

ADV KATE HOFMEYR: Did you seek legal advice on that?

MS KALANDRA VILJOEN: I did yes Chair.

ADV KATE HOFMEYR: Amongst the governing documents in relation to FICA are also a series of guidance notes that the Financial Intelligence Centre issues from time to time, did you ensure that you kept up to date with those?

MS KALANDRA VILJOEN: I did not Chair no.

10 **ADV KATE HOFMEYR:** Do you know that you are legally obliged as an accountable institution under FICA to do so?

MS KALANDRA VILJOEN: I do now. Thank you Chair.

ADV KATE HOFMEYR: I would like to just take us to one of those guidance notes which we have put in the bundle. Chair you will find it and Ms Viljoen at page 159.1. It is a guidance note issued on the 14 March 2008. Ms Viljoen have you seen this before?

MS KALANDRA VILJOEN: No I have not. Sorry which page?

ADV KATE HOFMEYR: Apologies 159.

MS KALANDRA VILJOEN: 151 oh 9.

20 **ADV KATE HOFMEYR:** 159.1. And it is dated the 14 March 2008 and you will see on that page in terms of its title it is Guidance Note 4 on Suspicious Transaction Reporting. Have you seen this document before?

MS KALANDRA VILJOEN: I have not, no Chair.

ADV KATE HOFMEYR: We will go to it at the appropriate time in the

evidence. But as I have it so far you accept that you are an accountable institution under FICA because you identify your company as a money remitter, correct?

MS KALANDRA VILJOEN: That is correct yes Chair.

ADV KATE HOFMEYR: But you have not kept track of amongst other things Guidance Note 4 in relation to suspicious transactions that require reporting?

MS KALANDRA VILJOEN: No Chair.

ADV KATE HOFMEYR: Thank you. I would then like to just move over
10 to page 2 of your affidavit if we may? Because there at paragraph 3.4
...

CHAIRPERSON: I am sorry did you say you going back to her affidavit?

ADV KATE HOFMEYR: To the affidavit indeed Chair at page 2 we will pick it up.

CHAIRPERSON: Okay thank you.

ADV KATE HOFMEYR: And on page 2 we are at paragraph 3.4 because Ms Viljoen as I read paragraph 3.4 you explain in that paragraph why at a point in time you had to hand over the books and
20 records of your CC, is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Can you tell us about those circumstances and what happened?

MS KALANDRA VILJOEN: It was a case with Small and Medium Business Bank Namibia and they opened up an inquiry and they ...

ADV KATE HOFMEYR: A liquidation inquiry?

MS KALANDRA VILJOEN: Yes they did and they then asked for us to hand over our documentation.

ADV KATE HOFMEYR: And ...

CHAIRPERSON: I am sorry. I am sorry. Just before we proceed we know what business your entity was involved in. From where did you operate?

MS KALANDRA VILJOEN: From Springs.

CHAIRPERSON: From Springs?

10 **MS KALANDRA VILJOEN:** Yes Chair.

CHAIRPERSON: And your clients would be around Springs only or you worked ...

MS KALANDRA VILJOEN: No Chair.

CHAIRPERSON: Beyond? What was the scope?

MS KALANDRA VILJOEN: Gauteng.

CHAIRPERSON: The whole of Gauteng?

MS KALANDRA VILJOEN: Gauteng – yes Chair.

CHAIRPERSON: Okay, thank you.

MS KALANDRA VILJOEN: thank you Chair.

20 **CHAIRPERSON:** And just the size of your operation. About how many employees did you have for example?

MS KALANDRA VILJOEN: We were a small team.

CHAIRPERSON: Hm.

MS KALANDRA VILJOEN: There were four – four drivers.

CHAIRPERSON: Hm.

MS KALANDRA VILJOEN: So it was a small team ...

CHAIRPERSON: *Ja.*

MS KALANDRA VILJOEN: But we were busy.

CHAIRPERSON: Okay, alright. No, I just wanted to – so that we know exactly from ...

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: Where you operated and what was the area in which your business was active.

ADV KATE HOFMEYR: Chair I do plan to go into that in more detail ...

10 **CHAIRPERSON:** Yes.

ADV KATE HOFMEYR: In due course ...

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: But that is useful background for the purposes of understanding your handing over of your records. So you were explaining Ms Viljoen that there was a liquidation inquiry into the Small and Medium Enterprise Bank Namibia. Is that correct?

MS KALANDRA VILJOEN: That is correct Chair yes.

ADV KATE HOFMEYR: And in the course of that you were asked to hand over certain books and records. Is that correct?

20 **MS KALANDRA VILJOEN:** That is correct Chair yes.

ADV KATE HOFMEYR: Can I just get clear on what books and records you handed over?

MS KALANDRA VILJOEN: I handed over all books and all records.

ADV KATE HOFMEYR: Of your entire business?

MS KALANDRA VILJOEN: Yes that is correct.

ADV KATE HOFMEYR: Even though the entire business would not have related to the Small and Medium Enterprises Bank Namibia?

MS KALANDRA VILJOEN: They have asked for it and I handed it all over.

ADV KATE HOFMEYR: How precisely did they ask for it and I am asking that Ms Viljoen in fairness to you because the powers of the Master under a liquidation inquiry is to demand by subpoena documents that may be relevant to the company in liquidation but the powers do not extend beyond that. So are you quite sure that you did not get a
10 request for the documents and books related to the company in liquidation?

MS KALANDRA VILJOEN: I do not recall getting a summons. We were at the Commission of Inquiry and they asked for it and we handed it over.

ADV KATE HOFMEYR: Every single ...?

MS KALANDRA VILJOEN: Everything.

ADV KATE HOFMEYR: Related beyond the Small and Medium Enterprise Bank ...?

MS KALANDRA VILJOEN: Yes that is correct. That is correct.

20 **ADV KATE HOFMEYR:** Did you take steps to recover all the documents of your business thereafter?

MS KALANDRA VILJOEN: Not yet no.

ADV KATE HOFMEYR: Did they say thanks for these 37 files but we are only interested in two?

MS KALANDRA VILJOEN: No they did not.

ADV KATE HOFMEYR: And to whom were they handed?

MS KALANDRA VILJOEN: To the liquidators. They came and they collected it from my lawyer's office.

ADV KATE HOFMEYR: I would then like to just be clear about precisely what documents were given to them if we may ...

MS KALANDRA VILJOEN: Okay.

ADV KATE HOFMEYR: And you will find at page 17 of your bundle the letter that you have provided to us which I understand is the covering letter when you handed over these documents and you will see under
10 two you say:

“Kindly find 34 lever arch files and one plastic folder containing to the best of our client's knowledge the full books and records of account for Asset Movement & Financial Services CC.”

Do you see that?

MS KALANDRA VILJOEN: I do yes Chair.

ADV KATE HOFMEYR: That suggests to me that it was accounting records that you were handing over (intervenes).

MS KALANDRA VILJOEN: It was everything.

20 **ADV KATE HOFMEYR:** Records of account?

MS KALANDRA VILJOEN: It was everything.

ADV KATE HOFMEYR: But can – can I just – can we pause on the description there. The full books and records of account you are saying that is not confined to accounting records?

MS KALANDRA VILJOEN: It has got the accounting records as well.

ADV KATE HOFMEYR: Including others?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: So let us just go through what those others would have been. What else was handed over?

MS KALANDRA VILJOEN: Well it is all just the accounting records.

ADV KATE HOFMEYR: So ...

MS KALANDRA VILJOEN: So it would have been the bank statements. It would have been receipts. It would have been – it would have been everything. Invoicing – it would have been everything.

10 **ADV KATE HOFMEYR:** So can I just go through a list that I have compiled and you can tell me if that is what was handed over. Invoices?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: Your monthly reconciliations ...

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: Of which there are some examples in the papers. Delivery slips?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: So every single delivery slip of your business
20 was handed over to the liquidators?

MS KALANDRA VILJOEN: It - it should have been in the files. Yes

ADV KATE HOFMEYR: Just let us pause there. Should have been – did you satisfy yourself as to what was in the files when you handed them over?

MS KALANDRA VILJOEN: I – I literally just took the files. Actually it

was with my bookkeepers in their – in their storage units. So I went and I just took everything that was with my bookkeepers and I dropped it off at my lawyers and then they collected it. So everything should have been in those files.

ADV KATE HOFMEYR: Your – did you keep management accounts?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: So that would have gone as well?

MS KALANDRA VILJOEN: That would have been in there yes.

ADV KATE HOFMEYR: And financial statements?

10 **MS KALANDRA VILJOEN:** No that would not have been in there no.

ADV KATE HOFMEYR: Why not?

MS KALANDRA VILJOEN: I had a separate file for financials Chair.

ADV KATE HOFMEYR: And anything else other than those that I have listed that you can recall?

MS KALANDRA VILJOEN: No I cannot remember but it would have been everything.

ADV KATE HOFMEYR: Documents that you had compiled for the purposes of vetting your clients. Would that have gone as well?

MS KALANDRA VILJOEN: It might have been. I – I cannot confirm.

20 **ADV KATE HOFMEYR:** It seems to me Ms Viljoen - and I am asking this in fairness to you so we can get clarity on it – the focus was - as I have suggested – the accounting records, the evidence of the deliveries etcetera. It may not have extended though to documents that you compiled in the course of vetting clients and establishing who they were. Is that right?

MS KALANDRA VILJOEN: It – it could have been. I – I cannot remember what was in that clear folder. I cannot recall what was in there. So I – I cannot remember but I gave everything over.

ADV KATE HOFMEYR: You did so under subpoena. Did you not?

MS KALANDRA VILJOEN: Again you have asked me and I do not think I was subpoenaed to hand over the documents.

ADV KATE HOFMEYR: The language you use in your affidavit is that you were ordered to do so. What – what did you mean when you said ordered at page 2 paragraph 3.4?

10 **MS KALANDRA VILJOEN:** Well I was not ordered. I was asked.

CHAIRPERSON:

ADV KATE HOFMEYR: You were asked?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: Thank you. So it may not have been pursuant to an order from the Master?

MS KALANDRA VILJOEN: Correct Chair.

CHAIRPERSON: who asked you?

MS KALANDRA VILJOEN: The liquidators.

CHAIRPERSON: The liquidators?

20 **MS KALANDRA VILJOEN:** Yes Chair.

CHAIRPERSON: Did they speak to you directly or they spoke to your attorney and your attorney told you?

MS KALANDRA VILJOEN: They spoke to both of us ...

CHAIRPERSON: Ja.

MS KALANDRA VILJOEN: And they asked us for the files ...

CHAIRPERSON: *Ja.*

MS KALANDRA VILJOEN: And then afterwards they would have spoken to my attorney.

CHAIRPERSON: Oh, so your attorney was present when they spoke to you?

MS KALANDRA VILJOEN: That is correct Chair.

CHAIRPERSON: Okay, thank you.

ADV KATE HOFMEYR: And just to be clear they asked you for all the files of your entire business?

10 **MS KALANDRA VILJOEN:** I would have to lie to answer if they asked me that.

ADV KATE HOFMEYR: You are not sure?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: You are not sure if they asked for that but you are sure that you gave everything?

MS KALANDRA VILJOEN: I gave everything yes Chair.

CHAIRPERSON: Hm. Do you have a recollection of what your impression was of what they asked for? Is it that – is - at least your understanding is it - is that they wanted everything?

20 **MS KALANDRA VILJOEN:** It might have come across like that Chair.

CHAIRPERSON: *Ja.*

MS KALANDRA VILJOEN: I am – I am not sure but I do not want to say it came across like that and then it did not and so ...

CHAIRPERSON: Yes. No, no I understand that but at least you – I think you – you gave everything because you probably that they wanted

everything.

MS KALANDRA VILJOEN: They can have everything.

CHAIRPERSON: That was your understanding. They – they might or might not have said so but you would have given them everything ...

MS KALANDRA VILJOEN: I just gave everything for in case they might wanted to come back and ask for more.

CHAIRPERSON: *Ja.*

MS KALANDRA VILJOEN: So I gave them everything.

CHAIRPERSON: Okay.

10 **MS KALANDRA VILJOEN:** Yes Chair.

ADV KATE HOFMEYR: Did you keep copies of what you gave over?

MS KALANDRA VILJOEN: I did not know Chair.

ADV KATE HOFMEYR: You did not have electronic versions of those?

MS KALANDRA VILJOEN: For somethings I did have electronic thing – copies.

ADV KATE HOFMEYR: But not others?

MS KALANDRA VILJOEN: No not – not for everything – not nearly everything.

20 **ADV KATE HOFMEYR:** Do you know that under FICA as an accountable institution you have to keep all the records of your business for a minimum of five years?

MS KALANDRA VILJOEN: By then the company was liquidated and ...

ADV KATE HOFMEYR: Can you answer the first question? Do you know that you have to by law keep the records of the ...?

MS KALANDRA VILJOEN: I did not know.

ADV KATE HOFMEYR: You did not?

MS KALANDRA VILJOEN: No Chair.

CHAIRPERSON: Do you know whether your attorney kept a record of what was handed over to the liquidators?

MS KALANDRA VILJOEN: My – my attorney?

CHAIRPERSON: *Ja*. Do you know whether your attorney kept a list of what was given to the liquidators or not?

MS KALANDRA VILJOEN: I am – I am sure he might have. I cannot answer. I am not sure.

10 **CHAIRPERSON:** Well no you can answer because you either know or you do not know.

MS KALANDRA VILJOEN: I do not know Chair.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: But just so I have your evidence correct. You were not aware that under FICA you are required to keep all the records for a minimum of five years.

MS KALANDRA VILJOEN: Can I – can I answer that in a two point?

ADV KATE HOFMEYR: Hm.

20 **MS KALANDRA VILJOEN:** So when the business is liquidated liquidators that liquidate the business then take all the files over and then they are legally apparently not my files anymore. That is how it was explained to me. So the business was liquidated and then the files were to go to the people who liquidated the business but then just after that the liquidators of SME asked for those documents.

ADV KATE HOFMEYR: Okay. We are dealing with a few liquidators

here. Let us deal first ...

MS KALANDRA VILJOEN: Sorry.

ADV KATE HOFMEYR: With your business.

MS KALANDRA VILJOEN: Yes. So as it was explained to me that when you liquidate your business then the liquidators of that business takes possession of all your files.

ADV KATE HOFMEYR: Huh-uh.

MS KALANDRA VILJOEN: That is how it was explained to me and then afterwards SME liquidators requested for the files and so we handed
10 the files over to them.

ADV KATE HOFMEYR: So you had to get them back from the liquidators?

MS KALANDRA VILJOEN: We still had to take them to the liquidators. They were still with my bookkeepers and we still had to take them to the liquidators.

ADV KATE HOFMEYR: Your liquidators?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: So let us just get that chronology right if we may. When was your business liquidated?

20 **MS KALANDRA VILJOEN**: It was in the start of 2018.

ADV KATE HOFMEYR: So who at that point had all your records?

MS KALANDRA VILJOEN: My bookkeeper still had all my records.

ADV KATE HOFMEYR: So when did you give them to the liquidators?

MS KALANDRA VILJOEN: I think it was end of 2018.

ADV KATE HOFMEYR: So after you gave all of them to the liquidators

of the Small and Medium Enterprises Bank?

MS KALANDRA VILJOEN: Can you repeat that - sorry?

ADV KATE HOFMEYR: You gave all the records to the liquidators of the SME Bank Namibia ...

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: In October 2018?

MS KALANDRA VILJOEN: I cannot confirm if it was in October but it was end of ...

ADV KATE HOFMEYR: It was in October because that is when the
10 letter that you have put up ...

MS KALANDRA VILJOEN: Okay, yes.

ADV KATE HOFMEYR: Went to the lawyers.

MS KALANDRA VILJOEN: That is when we did it, yes.

ADV KATE HOFMEYR: So I just want to understand did your liquidators have them then?

MS KALANDRA VILJOEN: No they were still with the bookkeepers for some reason. I do not know why but they were still with the bookkeepers for some reason.

ADV KATE HOFMEYR: But if they went from the bookkeepers to the
20 liquidators of SME Bank Namibia then they have never gone to your liquidators.

MS KALANDRA VILJOEN: They should have apparently gone.

ADV KATE HOFMEYR: To your knowledge?

MS KALANDRA VILJOEN: To my knowledge yes.

ADV KATE HOFMEYR: Have they gone to the liquidators of AMFS?

MS KALANDRA VILJOEN: No, not to my knowledge.

ADV KATE HOFMEYR: Right.

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: So that is not why you do not – you did not retain the documents and records for five years. Correct?

MS KALANDRA VILJOEN: That is correct Chair.

CHAIRPERSON: Did you give instructions that the – those books be given to the liquidators of your close corporation at any stage?

MS KALANDRA VILJOEN: I do not recall giving instruction.

10 **CHAIRPERSON**: Yes. It is just that you – as I understand your evidence you say before the liquidators of the SME ...

ADV KATE HOFMEYR: Namibian – indeed Namibian Bank we can maybe refer to.

CHAIRPERSON: Before the liquidators of the Namibian Bank approached you for those books or documents you say those books or documents should have gone to your liquidators.

MS KALANDRA VILJOEN: That is correct Chair.

CHAIRPERSON: Did I understand you correctly?

MS KALANDRA VILJOEN: That is correct Chair.

20 **CHAIRPERSON**: Why do you say they should have gone?

MS KALANDRA VILJOEN: Hm.

CHAIRPERSON: Who – how – how is it that they should have gone there if you do – you had not given instructions that they be taken there? You were the owner of the business as I understand.

MS KALANDRA VILJOEN: I – I cannot recall if my bookkeeper had to

finish things or why it never went. I – I cannot recall and I do not want to say now that it is for this reason ...

CHAIRPERSON: Yes.

MS KALANDRA VILJOEN: Or for that reason but I cannot recall.

CHAIRPERSON: Had they been asked for already? Had the – had your liquidators asked for ...?

MS KALANDRA VILJOEN: They had not asked for it Chair no.

CHAIRPERSON: Yes. Okay but what is it that makes you say they should have gone there already?

10 **MS KALANDRA VILJOEN:** That is how they explained it to me that all my books will then have to go to them.

CHAIRPERSON: That is your liquidators?

MS KALANDRA VILJOEN: That was my bookkeepers.

CHAIRPERSON: Your bookkeeper told you so?

MS KALANDRA VILJOEN: That is how they explained it to me yes.

CHAIRPERSON: Oh but it is not the – your liquidators who said that to you?

MS KALANDRA VILJOEN: No, no they did not say that.

20 **CHAIRPERSON:** But did you say to your bookkeepers okay in that event you must take the books to the liquidators?

MS KALANDRA VILJOEN: I do not recall saying that.

CHAIRPERSON: Ja. Well – okay. English is not my first language. I do not know if it is yours Ms Viljoen but it may be that the problem is the use of the word “should”.

ADV KATE HOFMEYR: It well be Chair.

CHAIRPERSON: Yes, yes.

ADV KATE HOFMEYR: For our purposes the most important aspect ...

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: I would like to get clarity on.

CHAIRPERSON: Hm, hm.

ADV KATE HOFMEYR: It is first - and you will correct if my summary is incorrect Ms Viljoen. You were not aware of your obligation as an accountable institution to keep your records for five years?

MS KALANDRA VILJOEN: No Chair.

10 **ADV KATE HOFMEYR:** You did not know of that obligation under FICA?

MS KALANDRA VILJOEN: No Chair.

ADV KATE HOFMEYR: When I probed with you why it was as a matter of fact irrespective of the legal obligation that you did not retain your records for five years I understood your answer to in some way relate to the liquidation of your business. Correct?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: But as a matter of fact you do not know whether the records of your close corporation ever ended up with the
20 liquidators of that close corporation. Correct?

MS KALANDRA VILJOEN: Correct Chair. It ended up with the SME liquidators.

ADV KATE HOFMEYR: Yes.

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: But not yours?

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: Thank you. We will return to those provisions Chair.

CHAIRPERSON: Well just – just so that we clarify whether they ever reached your liquidators is that something you know or is that something you do not know?

MS KALANDRA VILJOEN: I – I know it did not reach it Chair.

CHAIRPERSON: Oh, it did not go to them?

MS KALANDRA VILJOEN: Yes Chair.

10 **CHAIRPERSON:** Okay. No that is fine thank you.

ADV KATE HOFMEYR: Chair we will return to those provisions in relation to the records because in due course I – I am going to ask for Ms Viljoen's comment on the extent of the obligation ...

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Under that section albeit that she has told us already she was not aware of it.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: I will ask for her comment on it when we look at the section.

20 **CHAIRPERSON:** *Ja*. No it is fine.

ADV KATE HOFMEYR: And then Ms Viljoen if we can go back to the series of questions that the Chair began asking you about the formation of your business. I would like to get some detail background there and I have it commencing in your affidavit at page 2 under the heading "4. Background". Now you begin as I read your affidavit explaining your

prior employment at a business called Rustic Stone.

You will pick that up in paragraph 4.2. Can you tell us about that employment and its duration?

MS KALANDRA VILJOEN: They were a cash in transit business and I – I started with them around 2012 and I finished up – I want to say it was October 2014 I left to start AMFS.

ADV KATE HOFMEYR: And Ms Viljoen I had it from your evidence previously that they operated a similar business model to AMFS. Can we take it that what they were doing at Rustic Stone you then
10 replicated in AMFS in terms of the business approach?

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: We will explore that in quite a bit more detail in due course but I just wanted to be clear Rustic Stone operated in the same way as AMFS when you set it up. Correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And then tell us about how from Rustic Stone your close corporation came to be formed?

MS KALANDRA VILJOEN: One of the clients from Rustic Stone approached me and suggested that I start my own entity.

20 **ADV KATE HOFMEYR:** Who was he?

MS KALANDRA VILJOEN: Hm.

ADV KATE HOFMEYR: Who was the client?

MS KALANDRA VILJOEN: Andries.

ADV KATE HOFMEYR: Andries who?

MS KALANDRA VILJOEN: Greyvenstein.

ADV KATE HOFMEYR: Thank you.

MS KALANDRA VILJOEN: And he – he then said he will help with the funding and yes that is how AMFS was started.

ADV KATE HOFMEYR: I pick that up at page 3 of your affidavit from paragraph 4.6. That is where you reference being approached by Mr Greyvenstein who I understand was an existing client of Rustic Stone. I understand there that he provided initial funding to establish the business. Is that correct?

MS KALANDRA VILJOEN: That is correct yes.

10 **ADV KATE HOFMEYR:** And any other role that he played in the business?

MS KALANDRA VILJOEN: No role.

ADV KATE HOFMEYR: So he was not a member of the CC?

MS KALANDRA VILJOEN: He was a member of the CC until I paid back the initial loan and then he – he went off as a member of the CC.

ADV KATE HOFMEYR: And just tell us that timeline. When was the CC established and when did Mr Greyvenstein leave as a member?

20 **MS KALANDRA VILJOEN:** It – it was established around 2015 – January 2015 – and he either left the CC at the end of 2015 or the start of 2016.

ADV KATE HOFMEYR: And from that point if I pick it up at paragraph 4.8 who were the members in the business?

MS KALANDRA VILJOEN: Just myself.

ADV KATE HOFMEYR: So you had 100 percent member's interest?

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: You go on in that paragraph 4.8 to say that:

“At no time was Andries ...”

I take that to be a reference to Mr Greyvenstein.

“...involved in the running of the business.”

Is that correct?

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: Where did your business operate from?

MS KALANDRA VILJOEN: From his premises at the back.

ADV KATE HOFMEYR: Did it always operate from his premises at the
10 back?

MS KALANDRA VILJOEN: No, no, no. Eventually I started working
from home.

ADV KATE HOFMEYR: So when – when did that change occur?

MS KALANDRA VILJOEN: More or less the same time that the
business was handed over.

ADV KATE HOFMEYR: So can I just get that correct then. The
business starts end of 2014 I have it in your affidavit that you
purchased this shelf CC. So we could maybe take it from end of 2014
to end of 2015 you operated from his premises. Is that correct?

20 **MS KALANDRA VILJOEN:** That is correct yes.

ADV KATE HOFMEYR: Then he sold out of the close corporation ...

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: In early 2016 and do I have your evidence to be
from that date onwards you no longer operated at his premises?

MS KALANDRA VILJOEN: It was still registered there and the vehicles

would sometimes be parked there but I no longer had my little office there. If that makes sense.

ADV KATE HOFMEYR: No it does but I would just like to get clarity. Did the vehicles of the business continue to be parked there throughout the AMFS existence?

MS KALANDRA VILJOEN: Right to the end. Sometimes the vehicles would be parked there yes. That is correct.

ADV KATE HOFMEYR: So what was the arrangement with Mr Greyvenstein that allowed you to continue to part your vehicles
10 there?

MS KALANDRA VILJOEN: He had premises right next door and he was not using it and he said we can use that to – if we needed to use it we can use it for the parking of the vehicles.

ADV KATE HOFMEYR: So he did continue to have some involvement in the business but it is confined I understand your evidence to allowing your vehicles to park on his premises?

MS KALANDRA VILJOEN: That is correct yes Chair.

ADV KATE HOFMEYR: There was no other role that he played in the business?

20 **MS KALANDRA VILJOEN:** No Chair.

ADV KATE HOFMEYR: And then if we move down to paragraph 4.9 on that page you talk about the profitability of the business. Can you please assist us with information about how much money was moving through the business at its peak?

MS KALANDRA VILJOEN: About 500 million.

ADV KATE HOFMEYR: Over what period?

MS KALANDRA VILJOEN: Per month.

ADV KATE HOFMEYR: So at its peak half a billion Rand was moving through the business. Correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: When did the peak start and when did it end?

MS KALANDRA VILJOEN: Oh no I cannot recall that Chair.

ADV KATE HOFMEYR: Well let us just go through – just an order of magnitude. As I have it your business operated from early 2015 till
10 March 2018. Is that correct?

MS KALANDRA VILJOEN: Until I sold the business in October 2017 and the final handover was done in November 2017.

ADV KATE HOFMEYR: Oh, right the liquidation happened in March ...

MS KALANDRA VILJOEN: And then ...

ADV KATE HOFMEYR: 2018?

MS KALANDRA VILJOEN: And then yes.

ADV KATE HOFMEYR: Okay. So let us just get the timeline right beginning 2015 to let us call it October 2017. Are you comfortable with that?

20 **MS KALANDRA VILJOEN:** That is fine, *ja*.

ADV KATE HOFMEYR: So that is about two years and 10 months?

MS KALANDRA VILJOEN: Three years, *ja*.

ADV KATE HOFMEYR: Okay. I am just trying to get a sense – of those two years and 10 months how much of it could be described as the peak?

MS KALANDRA VILJOEN: 2016 was a good year and – and so was 2017 as well. 2015 because we had the robbery and we had to outsource it was profitable but not as much as maybe August 2016 going into 2017.

ADV KATE HOFMEYR: Okay. So would it be fair to say that there was about half a billion Rand moving through your business for at least a year of its existence?

MS KALANDRA VILJOEN: We can say that yes Chair.

ADV KATE HOFMEYR: Thank you. Ms Viljoen I would next like to
10 move to the process you used to vet clients and we can pick that up at page 4 of your affidavit under a heading “Client Vetting and the Delivery Process”. Before we get into its details though I would just like to get a sense from you about the importance you placed on client vetting.

Did – did you regard it as an important aspect of your business?

MS KALANDRA VILJOEN: I did Chair.

ADV KATE HOFMEYR: And were you aware of the ways in which accountable institutions under FICA are required to vet their clients?

20 **MS KALANDRA VILJOEN:** I did know yes Chair.

ADV KATE HOFMEYR: We can go to those provisions in due course. I also just want to know we looked at Chapter 3 which is a series of control measures under FICA to try and prevent the use of businesses for money laundering. Do you know what money laundering is?

MS KALANDRA VILJOEN: I do Chair.

ADV KATE HOFMEYR: So can I take it that it would be part of the reason for vetting clients that you equip yourself as a business to guard against money laundering. Is that fair?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: And can I also just for preparatory purposes get an understanding that whether you agree that there can be a link between money laundering and corrupt activities. Do you accept that there is a link between those two?

MS KALANDRA VILJOEN: Yes Chair.

- 10 **ADV KATE HOFMEYR:** And just to explore that a bit further. It seems to me that the link lies in the fact that corruption is about paying people off for favours that they give you. Do you accept that very basis explanation?

MS KALANDRA VILJOEN: I do Chair.

ADV KATE HOFMEYR: And one of the ways that that can ...

CHAIRPERSON: Your – your – your loose definition is too loose.

ADV KATE HOFMEYR: To loose.

CHAIRPERSON: Hm.

ADV KATE HOFMEYR: I am happy to employ the – the legislative ...

- 20 **CHAIRPERSON:** I am – I am ...

ADV KATE HOFMEYR: Definition.

CHAIRPERSON: I am allowed to pay my daughter for her to do a favour for me.

ADV KATE HOFMEYR: Easy Chair. I should have added a favour that it is not legally permissible to be made. Indeed Chair. I am indebted

to you. We can actually pick it up in the Prevention of Organised Crime Act and also PRECCA has a useful definition of corruption but maybe for present purposes I think the refinement was critical. It – it is ...

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: It is paying a benefit to receive a benefit yourself to which you are not legally entitled. Are you comfortable with that definition?

MS KALANDRA VILJOEN: I understand and I am comfortable with that yes.

- 10 **ADV KATE HOFMEYR:** And then just in terms of the link between money laundering and corruption money laundering – and correct me if you have a different interpretation – is about disguising or concealing the true nature, source, location or movement of unlawful proceeds. Do you accept that?

MS KALANDRA VILJOEN: I do yes Chair.

ADV KATE HOFMEYR: So the one way in which corruption can be facilitated is if you render money in a way that its true source is not clear in order for those who must be repaid for the illicit favour you have received then getting money. Do you accept that?

- 20 **MS KALANDRA VILJOEN:** I do Chair.

ADV KATE HOFMEYR: Thank you. Let us go then to your process for vetting clients because it begins at page 4 of your affidavit but it really gets into its detail over the page at page 5. Do you see that?

MS KALANDRA VILJOEN: I do Chair.

ADV KATE HOFMEYR: And we commence at paragraph 5.1.1 because

as I read that paragraph you draw a distinction between new and existing clients. Can you explain that difference to us?

MS KALANDRA VILJOEN: New clients would be people who I did not have prior workings with at Rustic Stone where existing clients were clients who came from Rustic Stone to Asset Movement & Financial Services.

CHAIRPERSON: And just to tie one loose end. What – what is the position that you held at Rustic Stone?

MS KALANDRA VILJOEN: It started off where I was doing the
10 administration and then eventually it involved where I was ordering the funds and I was much more involved in the day to day running and not just ...

CHAIRPERSON: Yes. No I saw that is what you say in the affidavit but I want the job title. Were you a manager something? Were you consultant or something?

MS KALANDRA VILJOEN: They never gave me a job title.

CHAIRPERSON: Oh. Okay, alright.

ADV KATE HOFMEYR: And just so I can get clear about your difference in approach on vetting between new and existing clients. I
20 understand from what happens later in your affidavit that relates to whether they were required to sign standard terms and conditions. Is that correct?

MS KALANDRA VILJOEN: That is correct Chair yes.

ADV KATE HOFMEYR: Is that the only difference?

MS KALANDRA VILJOEN: That would have been the only difference.

ADV KATE HOFMEYR: So even if it was an existing client that you knew at Rustic Stone you would still go through a vetting process. Is that correct?

MS KALANDRA VILJOEN: I would yes Chair.

ADV KATE HOFMEYR: And tell us what that vetting process comprised please?

MS KALANDRA VILJOEN: I would get their ID number, income tax number, address. I would go visit the address and make sure that they are who they are. I normally like to visit the address as well to see if it
10 was a security risk for my – my men to go and do the deliveries. I would get their telephone numbers and that is it.

ADV KATE HOFMEYR: And if we go on page 5 to paragraph 5.1.2.3 that is where you move from the description you have just given of the various documents you sought and inquiries that you made and you go on and you say:

“Once I’d received the above completed with copies of all supporting documents, I would conduct various trade enquiries, and if all added up, and I was confident that the request came from a legitimate business, I would conduct a
20 site visit to confirm he address provided and also to consider same from a security point of view”,

I’d like to just unpack that a little bit, what various trade enquiries would you make?

MS KALANDRA VILJOEN: I would ask them, what do they do, so I didn’t find different sources to verify it but I did sit with them and find

out from them if it was a good business, what they do...(intervention).

ADV KATE HOFMEYR: And did you keep records of that information?

MS KALANDRA VILJOEN: I never took notes no I was just – it was just a discussion.

ADV KATE HOFMEYR: So you weren't aware under, FICA, that you were required to keep a record of that?

MS KALANDRA VILJOEN: No I wasn't Chair.

ADV KATE HOFMEYR: And then you go on and you say,

10 "And if all added up and you were confident that a request
 came from a legitimate business",
 Just help us there, what would equip you to know if it added
up?

MS KALANDRA VILJOEN: If they seemed like a real business, if they seemed – that feeling you get inside of you, that everything's okay.

ADV KATE HOFMEYR: And let me just be clear about this, would you meet them always at their businesses, when you had this discussion with them?

MS KALANDRA VILJOEN: Yes because I wanted to do the site visits and see if it was safe.

20 **ADV KATE HOFMEYR:** So you always met them at the business?

MS KALANDRA VILJOEN: I would say yes Chair.

ADV KATE HOFMEYR: And you had a bit of a discussion and then you got a feeling about whether it was a legitimate business and on that basis you'd continue to conduct business with them?

MS KALANDRA VILJOEN: That's right Chair.

ADV KATE HOFMEYR: And are you aware, under FICA, of your obligations to establish the source of funds of any business that you enter into a business transaction with?

MS KALANDRA VILJOEN: No Chair.

ADV KATE HOFMEYR: Not aware of that?

MS KALANDRA VILJOEN: No Chair.

ADV KATE HOFMEYR: I take it – your affidavit description talks about this one initial engagement where, if you're satisfied then you regard it as acceptable to continue in business with that entity or
10 individual, is that correct?

MS KALANDRA VILJOEN: That's correct Chair.

ADV KATE HOFMEYR: Did you do any follow-ups in relation to the businesses?

MS KALANDRA VILJOEN: No Chair.

ADV KATE HOFMEYR: I take it then you aren't aware that under FICA you were required to regular due diligences of the business with which you transacted?

MS KALANDRA VILJOEN: What due diligence would that be Chair?

ADV KATE HOFMEYR: To continue to check the source of funds of
20 the businesses with which you transacted.

MS KALANDRA VILJOEN: No Chair.

CHAIRPERSON: So you would satisfy yourself at the commencement of the business relationship that...(intervention).

MS KALANDRA VILJOEN: Everything was in order.

CHAIRPERSON: That they were legitimate – they were a legitimate

business and everything seemed to be in order and thereafter as long as you continued to have that feeling that they were fine you would then not do any further check.

MS KALANDRA VILJOEN: No Chair.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: Then let's move to the terms and conditions, I understand your evidence to be, sometimes they were signed sometimes they weren't, can you just take us through how that happened?

10 **MS KALANDRA VILJOEN:** Where are we now?

ADV KATE HOFMEYR: You talk about – at the bottom of page 5 paragraph 5.1.3, you say there,

“Insofar as existing clients were concerned AMFS would follow all of the above steps but as there was no obligation on it to have written terms and conditions in place with it's clients, as I knew the client already and they were familiar with our terms and conditions of business I would not insist that our terms and conditions be signed”,

Do you see that?

20 **MS KALANDRA VILJOEN:** So in this case, with this specific client I did send them the terms and conditions but they never sent it back to me signed.

ADV KATE HOFMEYR: No indeed, we'll get to the specific client that's relevant to these proceedings, at this stage I'm just talking generally in terms of your business. I understand you to be saying

here, that you wouldn't require terms and conditions to be signed with existing clients, is that correct?

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: How then would you be satisfied as to your legal rights and obligations in relation to those customers?

MS KALANDRA VILJOEN: I was just satisfied, I was happy, I was satisfied, they understood the process, I understood the process, I was satisfied Chair.

ADV KATE HOFMEYR: And in relation to new clients.

10 **MS KALANDRA VILJOEN:** They signed the terms and conditions.

CHAIRPERSON: I'm sorry were your terms and conditions the same as those of your previous employer?

MS KALANDRA VILJOEN: No Chair.

CHAIRPERSON: Okay so in other words...(intervention).

MS KALANDRA VILJOEN: So let me maybe explain this, the terms and conditions were the same but the contract was not the same.

CHAIRPERSON: Okay, alright.

MS KALANDRA VILJOEN: Just to clarify.

ADV KATE HOFMEYR: So the written text differed, is that right?

20 **MS KALANDRA VILJOEN:** That's correct yes.

ADV KATE HOFMEYR: But the upshot of what you were doing – well the business of Rustic Stone and what it's clients could assume would happen in the business, what your obligations were and what their obligations were was the same when you moved into AMFS, is that correct?

MS KALANDRA VILJOEN: The gist of it was the same correct.

ADV KATE HOFMEYR: The I would like – so we've done the processes you had developed it for vetting, if you go over the page to page 6 you then tell us how the cash delivery process would work from AMFS and I'd like us to please go through that. You set it out in some detail there and the detail is important, so if you could take us through each of the steps, for how you would process a delivery of cash.

MS KALANDRA VILJOEN: Okay, my client would contact me saying they need a certain amount of funds...(intervention).

10 **ADV KATE HOFMEYR:** Can we just stop there, how would they contact you?

MS KALANDRA VILJOEN: With a phone.

ADV KATE HOFMEYR: Thank you.

MS KALANDRA VILJOEN: I would then compile all of that and send it to the service provider and then they would pack the funds into clear bags and made sure that it's been counted and then my drivers would go and pick it up and do the deliveries afterwards.

ADV KATE HOFMEYR: Okay, if I may, I'd like to unpack that a little bit further.

20 **MS KALANDRA VILJOEN:** Okay.

ADV KATE HOFMEYR: So it starts with a telephone call from a client.

MS KALANDRA VILJOEN: That's correct.

ADV KATE HOFMEYR: What does the client say to you on the call?

MS KALANDRA VILJOEN: We need a certain amount of funds.

ADV KATE HOFMEYR: Right, then what would happen.

MS KALANDRA VILJOEN: Do you want it now...(intervention).

ADV KATE HOFMEYR: In detail.

MS KALANDRA VILJOEN: In detail, okay.

ADV KATE HOFMEYR: So let's go through a day in the life of AMFS right because I understand these transactions happened within a day, is that correct?

MS KALANDRA VILJOEN: Yes it's fast.

ADV KATE HOFMEYR: Right, so you get a call, I assume in the morning.

MS KALANDRA VILJOEN: That's correct.

ADV KATE HOFMEYR: Let's use a hypothetical example.

MS KALANDRA VILJOEN: It is in the morning.

ADV KATE HOFMEYR: You get a call, your client says I need 5million rand in cash today, what is the next event that happens?

MS KALANDRA VILJOEN: I wait for the funds to come in...(intervention).

ADV KATE HOFMEYR: To come in, so sorry.

MS KALANDRA VILJOEN: Into the bank account.

ADV KATE HOFMEYR: So they deposit, if I take your language at paragraph 5.1.4.1, they deposit 5million rand into the AMFS bank account, is that correct?

MS KALANDRA VILJOEN: That's correct.

ADV KATE HOFMEYR: What happens then...(intervention).

CHAIRPERSON: And who is they now?

MS KALANDRA VILJOEN: The client.

CHAIRPERSON: I thought you said earlier on, they would say they need so much.

MS KALANDRA VILJOEN: Yes so they would say to me – they would call and say they need 5million and then they would transfer the 5million into the account – into my bank account.

CHAIRPERSON: When they needed like 5million, did that mean they needed you to transfer 5million for them what did that mean?

MS KALANDRA VILJOEN: No, no I'm going to explain the whole
10 situation...(intervention).

CHAIRPERSON: Well I want to understand the need first, you were asked, what they would say to you...(intervention).

MS KALANDRA VILJOEN: They would like to have 5million, they are ordering 5million Chair.

CHAIRPERSON: Now when they said that were they asking you to give them 5million rand.

MS KALANDRA VILJOEN: No Chair.

CHAIRPERSON: What did that mean?

MS KALANDRA VILJOEN: It means that they ordering 5million.

20 **CHAIRPERSON:** Ordering from whom?

MS KALANDRA VILJOEN: From me.

CHAIRPERSON: You would have money and you would give it to them?

MS KALANDRA VILJOEN: No Chair, I would then go on and order it from the service provider.

CHAIRPERSON: In your name?

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: The service provider being a bank?

MS KALANDRA VILJOEN: It's SBV and the four banks own SBV.

CHAIRPERSON: Oh okay would the service provider always be SBV?

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: Okay, now I think you just said that – or something that I understood to be the client would provide money to you or did I misunderstand you.

10 **MS KALANDRA VILJOEN:** Yes so they would order the funds from me and then they would transfer the funds into my account and then I would transfer it into SBV's account and then they would pack it and make sure that it is the right quantities as we need it.

CHAIRPERSON: The "they" is your client, initially...(intervention).

MS KALANDRA VILJOEN: Excuse me.

CHAIRPERSON: They phone you, is that your client.

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: They say they need money.

MS KALANDRA VILJOEN: Yes Chair.

20 **CHAIRPERSON:** That's your client still.

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: And then they, being your client, transfer money into your account.

MS KALANDRA VILJOEN: That's right Chair.

CHAIRPERSON: That's the part I don't understand.

ADV KATE HOFMEYR: Indeed Chair, if I may be of assistance.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: When they say they need 5million, am I correct in understanding they are saying they need 5million in cash?

MS KALANDRA VILJOEN: Oh that's correct yes.

ADV KATE HOFMEYR: Right so they have 5million in their account because otherwise this transaction is not going to take place.

MS KALANDRA VILJOEN: Yes it can't SBV...(intervention).

ADV KATE HOFMEYR: Your client phones you in the morning they've
10 got 5million in their account, they say we want this 5million in cash today, correct?

MS KALANDRA VILJOEN: Correct yes.

ADV KATE HOFMEYR: They then transfer the 5million into your bank account, AMFS's bank account.

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: Because they want, within the day, that 5million rand that comes to you in a EFT to be converted to cash to be delivered to them, correct?

MS KALANDRA VILJOEN: That's correct yes.

20 **ADV KATE HOFMEYR:** Right, let's just go...(intervention).

CHAIRPERSON: Okay now I think that's helpful, so they've got 5million but not in the form of cash.

MS KALANDRA VILJOEN: That's correct, yes Chair.

CHAIRPERSON: And they want you to take whatever steps you need to take to provide them on that same day with cash to the value of

5million.

MS KALANDRA VILJOEN: That's correct Chair.

CHAIRPERSON: Okay, now I understand.

ADV KATE HOFMEYR: Right so we're at the point at which – because the sequence is very important, that's why I'm wanting to break it down, you get your call, your client says 5million rand is going to come into your account today, I need that cash you – what then happens?

MS KALANDRA VILJOEN: So if the funds come into the bank account I will call the client and confirm that it's their funds and
10 then...(intervention).

ADV KATE HOFMEYR: Okay just, if we can stop there just for a moment, so you got a call in the morning, now are you watching your bank account?

MS KALANDRA VILJOEN: I do and I've got - I had the text message alert that comes through as well but I am watching my bank account.

ADV KATE HOFMEYR: And how many calls are you getting on an average morning?

MS KALANDRA VILJOEN: So by then end of 2017 I would get up to a hundred phone calls a day, my phone never stopped.

20 **ADV KATE HOFMEYR:** Okay, let's just get it right, you're getting...(intervention).

CHAIRPERSON: Business was good.

MS KALANDRA VILJOEN: This was 2017 yes.

ADV KATE HOFMEYR: In your peak of half a billion rand a month.

MS KALANDRA VILJOEN: It was busy.

ADV KATE HOFMEYR: Right so you get a call in the morning from about a hundred people who say – this is on average – they need cash in various amounts, correct?

MS KALANDRA VILJOEN: That's correct Chair.

ADV KATE HOFMEYR: Then you watch your bank account for when those funds come in, correct?

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: Now if there are a hundred that are coming in, in the course of a morning, how do you work out which of those
10 payments relate to which client?

MS KALANDRA VILJOEN: Some of the reference numbers I would recognise but the ones I didn't I would call the clients and say, money has been deposited in my account, can you confirm the reference and then...(intervention).

ADV KATE HOFMEYR: Can I just – sorry, just there, so it wasn't a requirement of your terms and conditions with your clients that they use a particular reference number?

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: So sometimes you'd be lucky enough to
20 recognise a reference number that would relate to a particular client.

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: Would you then regard that as satisfactory indication to you that the cash should be delivered to them?

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: But sometimes you'd get other references,

correct?

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: Like BK.

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: And then what would you do when you saw BK come in with 5million rand for example?

MS KALANDRA VILJOEN: So the client that would have called saying that they want 5million, I would call them and then confirm whether it's their funds, what's the reference they used...(intervention).

10 **CHAIRPERSON:** Ja just finish.

MS KALANDRA VILJOEN: That's all Chair.

CHAIRPERSON: Was – were the requests always telephonic and not in writing or sometimes in writing?

MS KALANDRA VILJOEN: No Chair some of them were in writing Chair.

CHAIRPERSON: By way of email?

MS KALANDRA VILJOEN: That's correct Chair.

CHAIRPERSON: Okay.

20 **ADV KATE HOFMEYR:** Give us a sense of the order of magnitude, how many were telephonic and how many were email, just in a proportion.

MS KALANDRA VILJOEN: I cannot answer that, I would say most of them were probably on phone.

ADV KATE HOFMEYR: Well that's certainly consistent with what you say at paragraph 5.1.4 because there you only speak about being

contacted telephonically by a representative. So the majority of these requests are coming in on phone correct?

MS KALANDRA VILJOEN: That's correct Chair.

ADV KATE HOFMEYR: Okay so now we're at the point...(intervention).

CHAIRPERSON: So – I'm sorry again, so would some of the requests be by way of SMS's or WhatsApp, just for the sake of completeness?

MS KALANDRA VILJOEN: I can't recall if people SMS'ed it was majority phone calls.

10 **CHAIRPERSON**: Okay, no that's fine.

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: So effectively when you were delivering cash to a client, to the value that the client had specified in their request in the morning, you were basically giving them ...(intervention).

MS KALANDRA VILJOEN: Their own money back.

CHAIRPERSON: Their own money back.

MS KALANDRA VILJOEN: That's correct Chair.

CHAIRPERSON: Yes in cash form.

MS KALANDRA VILJOEN: That's correct Chair.

20 **CHAIRPERSON**: Ja and you retained what they had in effect, they didn't have cash but they did have 5million, they transferred that to you and you secure cash and give them the cash form of that amount.

MS KALANDRA VILJOEN: That's correct Chair.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: Chair I see we are at the usual time for the tea

break, if it's convenient to adjourn now.

CHAIRPERSON: Yes let's take the short adjournment for tea, we'll resume at half past eleven, we adjourn.

INQUIRY ADJOURNS

INQUIRY RESUMES

CHAIRPERSON: You may proceed.

ADV KATE HOFMEYR: Thank you Chair. Ms Viljoen we had concluded your evidence at the bottom of page of the affidavit just before the break that is where you were telling us that where you were not sure of
10 the reference you would make telephonic contact back with the client and check with them whether the money you had received was from them, is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And then if we go over the page to page 7 you say at paragraph 5.1.4.5.

“If the amount and the reference given added up to
the amount that was deposited and the reference
shown in my bank statement I would certain that the
funds belonged to that client and would then be in a
20 position to deliver the funds to the client.”

Do you see that?

MS KALANDRA VILJOEN: Yes I do Chair.

ADV KATE HOFMEYR: I just want to explore your statement there that you could be certain of the origin of the funds having adopted this method. Okay. How could you be certain as to the origin of the funds

by using this method?

MS KALANDRA VILJOEN: A strange person that did not do the payment would not know the amount nor the reference.

ADV KATE HOFMEYR: But you had asked for no evidence of the bank account from which the funds were paid?

MS KALANDRA VILJOEN: No I did not.

ADV KATE HOFMEYR: Did you?

MS KALANDRA VILJOEN: I was satisfied that once they confirmed verbally that the funds were indeed theirs.

10 **ADV KATE HOFMEYR:** But then your system allowed a situation to develop as we will see it did in some occasions.

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: Where your client would phone and say, I need R5 million in cash but would then not be the person or entity that in fact deposited money in your account, correct?

MS KALANDRA VILJOEN: This came to light afterwards so yes.

ADV KATE HOFMEYR: So when you say you could be certain that the funds belonged to the client that is not correct, is it?

MS KALANDRA VILJOEN: At that point it was.

20 **ADV KATE HOFMEYR:** Well let us explore that. If the client simply said to you telephonically I need R5 million in cash and then subsequently a payment came in in that amount other than phoning the client back for their verbal confirmation you had no other way of checking that this was not proceeds from some other entity, correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: So you could not be certain that it was that client's money, could you?

MS KALANDRA VILJOEN: Now looking at the bigger picture yes I was not certain but at that point when the client confirmed the name and the amount I was certain.

CHAIRPERSON: You thought you were certain?

MS KALANDRA VILJOEN: I thought I was certain.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: And then what happens next in the sequence?

10 **ADV KATE HOFMEYR:** You can pick that up at 5.1.4.6.

MS KALANDRA VILJOEN: Yes I would subtract my fee and I would then consolidate the whole cash order and send it to my service provider and of course I would pay the funds over to them and they would do the packing and the counting and then my drivers would go pick it up once it has been ready – once it is ready.

ADV KATE HOFMEYR: Let us just spend a bit of time on the service provider. Who was the service provider?

MS KALANDRA VILJOEN: SBV.

ADV KATE HOFMEYR: And what is SBV?

20 **MS KALANDRA VILJOEN:** Again as I explained to the Chair SBV is owned by the four banks.

ADV KATE HOFMEYR: And what is it?

MS KALANDRA VILJOEN: They do distribution of funds for the banks.

ADV KATE HOFMEYR: So are they like a cash warehouse?

MS KALANDRA VILJOEN: They are – they are a cash in transit

business and they are what I can yes assume is a cash warehouse. But they do cash in transit as well.

ADV KATE HOFMEYR: So you are on your understanding of your business a cash in transit business and you receive funds through a deposit into your business' bank account, correct?

MS KALANDRA VILJOEN: Yes. Correct.

ADV KATE HOFMEYR: You then take a fee off that amount, correct?

MS KALANDRA VILJOEN: Correct.

ADV KATE HOFMEYR: And that fee as I have it from your affidavit was
10 in general .3%, is that correct?

MS KALANDRA VILJOEN: Correct.

ADV KATE HOFMEYR: Then you would pay over the nett proceeds to another cash in transit business, correct?

MS KALANDRA VILJOEN: Correct.

ADV KATE HOFMEYR: And then that business would pack the funds, the money.

MS KALANDRA VILJOEN: Correct.

ADV KATE HOFMEYR: And your drivers would go and collect it, is that correct?

20 **MS KALANDRA VILJOEN:** That is correct yes.

ADV KATE HOFMEYR: And then what would happen to the funds?

MS KALANDRA VILJOEN: They would be delivered to the various clients.

ADV KATE HOFMEYR: And – apologies Chair.

CHAIRPERSON: Yes. Please explain to me why any client would feel

that they needed your services because I take it that is if SBV was...

MS KALANDRA VILJOEN: Our vehicles were unmarked.

CHAIRPERSON: Hang on, hang on, hang on. If SBV was an entity owned by the four banks, big banks I guess you mean and they were there to deliver cash to clients I assume why did the clients not who needed your service – or felt they – who contacted you why did they not contact SBV or the banks directly and say, you know I have got money, I have got an account with, I have got money, I need cash and then the banks would contact SBV and SBV would deliver?

10 **MS KALANDRA VILJOEN**: That is a good question. SBV has got marked vehicles and most of the clients do not like when a big truck with lots of money stops in front of their premises and people can then see that they are receiving funds. So our vehicles were unmarked and then at that point we offered a same day delivery where some of the cash in transit business did not offer same day delivery. For – as for the clients not going to the bank physically sometimes it is not safe for them to go to the bank to collect funds from a bank.

CHAIRPERSON: No, no I was not suggesting that they should collect the money themselves but I was – I was talking about why they would
20 not...

MS KALANDRA VILJOEN: We had the unmarked...

CHAIRPERSON: Get rid of you or not make use of your services go direct to the banks and if the banks say use SBV because that is the entity we have created, they phone SBV and say can you confirm with my bank it is one of the four – the big four, I have got the money but I

need cash. And then SBV can liaise with the bank, get whatever confirmation if they need to but then take the money and deliver it to the client. You have said that some of the clients maybe all the clients that came to you did not want a marked vehicle from SBV coming to their premises because then ...

MS KALANDRA VILJOEN: It becomes a security...

CHAIRPERSON: Criminals would know that they were bringing money.

MS KALANDRA VILJOEN: That is correct yes.

CHAIRPERSON: But why would SBV provide unmarked vehicles?

10 **MS KALANDRA VILJOEN**: No, no the unmarked vehicles were our vehicles.

CHAIRPERSON: No, no, no.

MS KALANDRA VILJOEN: Okay.

CHAIRPERSON: You – from what you have explained to me the need to use your services arose from the fact that SBV's vehicles were marked?

MS KALANDRA VILJOEN: Yes that is correct.

20 **CHAIRPERSON**: And clients did not want to have SBV vehicles seen arriving in their premises because then criminals would see that money was brought there. So – and I would imagine SBV and the banks which created SBV knew about that concern and I wondering why SBV did not decide to provide unmarked vehicles because then...

MS KALANDRA VILJOEN: I cannot answer for SBV.

ADV KATE HOFMEYR: Because then there would be no need for their client – for the bank's clients to spend money to pay to you or services

like yours.

MS KALANDRA VILJOEN: Yes, no I hear what you saying but I cannot answer for SBV why they do not have unmarked vehicles.

CHAIRPERSON: Yes. Okay alright.

ADV KATE HOFMEYR: Ms Viljoen do you as a fact that SBV has no unmarked vehicles?

MS KALANDRA VILJOEN: No I do not know that as a fact.

ADV KATE HOFMEYR: Thank you. Let us just get clear. So you charged a fee of .3%.

10 **MS KALANDRA VILJOEN**: That is correct yes.

ADV KATE HOFMEYR: Just to follow up on the Chair's questions. If this was a transaction just between the client and the bank do you know whether the bank would charge a .3%?

MS KALANDRA VILJOEN: The bank would charge a full percent if they had to go to a branch and...

CHAIRPERSON: Sorry they would charge how much?

MS KALANDRA VILJOEN: A full percent.

CHAIRPERSON: A full percent?

MS KALANDRA VILJOEN: Yes.

20 **ADV KATE HOFMEYR**: For a cash withdrawal.

MS KALANDRA VILJOEN: That is correct.

CHAIRPERSON: Hm.

MS KALANDRA VILJOEN: And then if they went with SBV because I originally got a quote from SBV before they became a service provider they would have charged a little bit more than what I charged.

ADV KATE HOFMEYR: So it seems that there are two reasons. You were charging less and you had unmarked vehicles but to your knowledge you do not know whether SBV did not have unmarked vehicles?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: Thank you.

MS KALANDRA VILJOEN: And also we offered same day delivery.

ADV KATE HOFMEYR: Do you know whether that could be arranged with the banks?

10 **MS KALANDRA VILJOEN:** I am sure it could. I do not want to confirm or deny but I am sure maybe it could.

ADV KATE HOFMEYR: And then I – as I have it your driver would go and collect from SBV and then would deliver to the client?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: Where would they deliver to the client?

MS KALANDRA VILJOEN: At their premises.

ADV KATE HOFMEYR: And which premises would those be?

MS KALANDRA VILJOEN: Their place of business.

20 **ADV KATE HOFMEYR:** And would that be the premises that you had vetted in your site visit originally?

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: Was that always the case?

MS KALANDRA VILJOEN: Yes that is correct.

CHAIRPERSON: Did you always have the – in your records the addressed of each client – the address of each client where cash was

to be delivered?

MS KALANDRA VILJOEN: Yes.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: Given that the questions come up Chair maybe we can just go to the check list that Ms Viljoen used to complete. I have that at page 29 of the papers. This is in Exhibit DD9. Ms Viljoen is this the check list you would complete with your clients in the vetting process?

MS KALANDRA VILJOEN: Yes Chair.

- 10 **ADV KATE HOFMEYR**: And if you see there you have got the name of this particular client. You have got an ID number, you have an income tax number, this is what you went through with us in your previous evidence. And then you have an address there as well, do you see that?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: So is that the address that you vetted for the purposes of this client?

MS KALANDRA VILJOEN: Yes that is correct.

- ADV KATE HOFMEYR**: I think you say that later in your affidavit. So
20 this is your record associated with this client insofar as your vetting was concerned, is that right?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Thank you.

CHAIRPERSON: If your – I am sorry if your client was a legal entity like a company or a CC I see here your client was a person.

MS KALANDRA VILJOEN: I vetted the person.

CHAIRPERSON: Ja you vetted the person you considered to be in charge of the entity?

MS KALANDRA VILJOEN: That is correct yes.

CHAIRPERSON: Yes. Only or also the entity?

MS KALANDRA VILJOEN: No just the person.

CHAIRPERSON: Just the person?

MS KALANDRA VILJOEN: Yes.

CHAIRPERSON: Okay.

10 **ADV KATE HOFMEYR**: Thank you Chair. We will return to that a little bit later when we get into the details of that particular client. But let us just understand. Now in the sequence we have got your unmarked armed vehicles going to deliver to the address which is reflected on your check list for any client, correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And then what would happen when they reached the premises?

MS KALANDRA VILJOEN: So the client would – some clients would check to make sure everything was in order because it was packed in
20 clear bags and then they would sign a delivery slip and my drivers would be their way again.

ADV KATE HOFMEYR: Can I just ask above that I forgot. At 5.1.4.8 you say:

“The cash would be packed by SBV in clear sealed plastic bags and same could be counted without

having to open the bag.”

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: How was that possible?

MS KALANDRA VILJOEN: So you can count it 10, 20, 30 you can count it. Sometimes there were money missing like a R1 000,00 but then I would just contact SBV with the seal number and I will say to them there is money missing can you maybe just check what happened there?

ADV KATE HOFMEYR: But you would be able through the bag at least
10 to see the...

MS KALANDRA VILJOEN: More or less

ADV KATE HOFMEYR: The packs?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: But it would be more or less...

MS KALANDRA VILJOEN: Yes that is correct.

ADV KATE HOFMEYR: Because of course if there was an error in putting together one pack you would not know that?

MS KALANDRA VILJOEN: Yes correct.

ADV KATE HOFMEYR: Would your drivers do a general check?

20 **MS KALANDRA VILJOEN:** Yes they would

ADV KATE HOFMEYR: For the amounts that were being delivered.

MS KALANDRA VILJOEN: Yes they would.

ADV KATE HOFMEYR: And then the funds are handed over as I have the evidence and there is some delivery slip that is signed.

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: What happens to those slips?

MS KALANDRA VILJOEN: Those slips would come back to me.

ADV KATE HOFMEYR: Well...

MS KALANDRA VILJOEN: The client would keep a slip and then the carbon copy would then come back to me.

ADV KATE HOFMEYR: And let us just look at one of those slips if we may? You have it at page – it is – you will find it at 24 in Exhibit DD9.

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: Is that your standard delivery slip?

10 **MS KALANDRA VILJOEN:** That is correct yes.

ADV KATE HOFMEYR: Is this the same one you used throughout the business of AMFS?

MS KALANDRA VILJOEN: Throughout that is correct yes.

ADV KATE HOFMEYR: Let us just look at the bottom one. That is a delivery slip dated the 12 April 2016, is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And how much in cash was delivered to that client on that day?

MS KALANDRA VILJOEN: R15 million.

20 **ADV KATE HOFMEYR:** R15 million in cash and the client is – what is the client there? Or who is the client?

MS KALANDRA VILJOEN: G Markides.

ADV KATE HOFMEYR: And what is that notation under company stamp?

MS KALANDRA VILJOEN: I would use codes for the clients so if a slip

either went missing or they lost a slip it does not have the actual company details on there where people might then know there is – there is cash on the premises. So we use codes for our clients.

CHAIRPERSON: I am sorry. Are you referring to the code – to the number below company stamp?

MS KALANDRA VILJOEN: Yes.

CHAIRPERSON: So that number that you would write there would represent what?

MS KALANDRA VILJOEN: That would represent a certain client.

10 **CHAIRPERSON:** A certain client?

MS KALANDRA VILJOEN: That is correct yes Chair.

CHAIRPERSON: And you would use the same code throughout?

MS KALANDRA VILJOEN: For the same client that is correct yes Chair.

CHAIRPERSON: Okay you would put in that if there was no stamp?

MS KALANDRA VILJOEN: Excuse me Chair?

CHAIRPERSON: You would put the code if there was no company stamp or you would put the code even if there was?

MS KALANDRA VILJOEN: No we would the code down all the time.

20 **CHAIRPERSON:** All the time?

MS KALANDRA VILJOEN: That is correct yes Chair.

CHAIRPERSON: And you say the purpose for the code was what?

MS KALANDRA VILJOEN: If this slip had to go missing and someone picked it up and a company stamp was there or the company details were there they would see that there is funds going to those premises

and it might become a security risk.

CHAIRPERSON: Ja I am not sure if I understand that. If you put the number – the code if there was no company stamp then I would understand that to mean that you want to know which client this slip belongs to. But you say even if there was a company stamp you would put the code?

MS KALANDRA VILJOEN: Always the code.

CHAIRPERSON: And you say the code represented a client?

MS KALANDRA VILJOEN: A certain client yes.

10 CHAIRPERSON: The code was for your own purposes only?

MS KALANDRA VILJOEN: For my purposes and the drivers.

CHAIRPERSON: And would the client know the code?

MS KALANDRA VILJOEN: Some of the clients would know their codes yes.

CHAIRPERSON: Yes. And you said it represented that there was money given to them?

MS KALANDRA VILJOEN: It just represents their code.

CHAIRPERSON: You created the code, your closed corporation not the client?

20 MS KALANDRA VILJOEN: That is correct yes Chair.

CHAIRPERSON: Yes. And you used the code whether you – the name of the company was there in the document or was not there?

MS KALANDRA VILJOEN: We always used the codes.

CHAIRPERSON: Yes. But somebody from outside who did not know what the code represented would not be able to make use of it?

MS KALANDRA VILJOEN: They would not know where to go and look for the company yes.

CHAIRPERSON: Yes. Okay maybe it is not important.

ADV KATE HOFMEYR: Chair it actually it. With respect so if I may just follow up there?

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: I understand you to say that you needed to use a code because of concerns about security related to where the monies were being delivered, is that correct?

10 MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Because it could not be the identity of the client because the client's identity is here.

MS KALANDRA VILJOEN: The client signs.

ADV KATE HOFMEYR: Right?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: I mean anyone who picks this up knows that R5 million has been delivered to Mr G Markides, correct?

MS KALANDRA VILJOEN: That is correct yes.

20 ADV KATE HOFMEYR: So as I understand from your affidavit the code is to anonymise the delivery address?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Correct? And can I be clear...

MS KALANDRA VILJOEN: Can I just add in also when you are talking on a radio we would give the code out again so that people do not know.

ADV KATE HOFMEYR: Right.

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: There would be speaking over the radio?

MS KALANDRA VILJOEN: No names.

ADV KATE HOFMEYR: Of the actual location?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And address where it was going?

MS KALANDRA VILJOEN: Yes that is correct.

ADV KATE HOFMEYR: So let us just move into the world of cash in
10 transit. You have your people in the armoured vehicles and you say the
R15 million it has to go to 1010 and then they would know what that
means?

MS KALANDRA VILJOEN: Yes correct.

ADV KATE HOFMEYR: And if we go to your check list which is at page
29 can I assume 1010 is associated with the address that you take
down.

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: With the check list which is 23 Whitakers Way.

MS KALANDRA VILJOEN: That is correct yes.

20 **ADV KATE HOFMEYR:** So your drivers would know this is a 1010
delivery and they would know to take it to 23 Whitakers Way because it
is a delivery for Mr G Markides.

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: Is that a fair summary?

MS KALANDRA VILJOEN: That is correct yes.

CHAIRPERSON: Ja I think that might be helpful. But why did you I mean a code is meant to conceal something from somebody. Now the purpose of the code was to identify the client and the address where cash had to be delivered?

MS KALANDRA VILJOEN: That is correct Chair.

CHAIRPERSON: Now if anybody who had – I would have thought that where you have the heard – a document that has the code should not also have the name of the client and the address, the two should not be found together and that what should happen is that ...

10 **MS KALANDRA VILJOEN**: Can I...

CHAIRPERSON: Your – your...

MS KALANDRA VILJOEN: Can I maybe explain...

CHAIRPERSON: Before you do that.

MS KALANDRA VILJOEN: The delivery slip.

CHAIRPERSON: Just listen. No just listen. I would have thought that your drivers would have a document that gives them the names of clients and the addresses separate from the code and that either they – if they did not know the code to which address or client it related to they would have a document somewhere where they could go and check
20 so from your point of you you just say I need you to make a delivery to 1010. Then if they know what 1010 represented or which client it represented and the address then they do not have to check. They say okay we will pick the cash and we deliver it to 1010. If they did not know then they have a document where they could go and check that, that is what I would expect but I see here you have got the address, the

name of the client and the address of the client – is the address there or no you do not have the address but you have got the name of the client, you have got the cell number of the client and then you have got the code and of course you have got the amounts. Yes you can now explain?

MS KALANDRA VILJOEN: So on my delivery slips my drivers write this out and I will let them know they need to take a certain amount to 1010 and so they would write the slip out before hand and then when they get to the client the client just signs for it. So yes some clients might
10 write their names out like this one and some might just like sign for it. But this code was written by our drivers so that they can identify when they do the delivery that is going to that certain client.

CHAIRPERSON: Okay thank you.

MS KALANDRA VILJOEN: So ja I did not write out this slips this was written out by my drivers and that is how they would write it out to know what to do with – with the funds.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: Ms Viljoen there are some other delivery slips that you provided as an annexure to your affidavit to the FSB you will
20 find those commencing at page 54, 54.

CHAIRPERSON: Well Ms Hofmeyr.

ADV KATE HOFMEYR: Yes.

CHAIRPERSON: What happened to Ms Viljoen's bundle has happened to mine. So but for now I can – I can continue. Maybe during the lunch break.

ADV KATE HOFMEYR: We will give you those.

CHAIRPERSON: You can swop ja.

MS KALANDRA VILJOEN: I have to say Chair mine is holding on tight.

CHAIRPERSON: Ja. Yes.

ADV KATE HOFMEYR: Apologies Chair we will give you a lever arch which may be preferable.

CHAIRPERSON: I think – ja – it should be a lever arch file ja. Okay alright.

ADV KATE HOFMEYR: If we just go to page 54 those as I have it from
10 your FSB affidavit are some other delivery slips related to the particular investigation that they were conducting, is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: The copies here Chair at page 54 are very bad. You can barely make out what is said there. So we contacted Ms Viljoen about it and she has kindly made available to us the originals of those delivery slips which I have in my hand at the moment. I do appreciate that being provided to us. What I just note here is these slips are slightly different to the previous ones. In fairness to you there is a whole was so I am just going to suggest that we hand a few
20 to Ms Viljoen and a few to yourself Chair so we can all be looking at a similar type. It is just about how these delivery slips change over.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: It is just about how these delivery slips change over time if I may. We will then make copies of these for the purposes of the record Chair so that they – we can have the better copies in the

bundle.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: The only point of distinction it seems to me Ms Viljoen and I would be interested in your comment on it is if we go back to the ones at page 24 just for comparison purposes you will see under delivery there you seem to have a stamped number under the line Dell.

CHAIRPERSON: Okay yes.

ADV KATE HOFMEYR: And then under the section for company stamp is written in hand 1010 on both of the delivery slips that appear on
10 page 24. Is that correct?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: If you look at the originals that we have circulated there is nothing under company stamp, is that correct?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: But under Dell is written 1010?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: Is there any significance to attach to that change?

MS KALANDRA VILJOEN: No you will have contact Minute Man and
20 ask them why they changed it. Because these books were ordered from Minute Man and if you look on the originals there is a stamped number right next to seal number in red. So I can assume maybe they changed the way that they printed the books.

ADV KATE HOFMEYR: I understand thank you. That is helpful. And can I just ask these delivery slips which you still have the originals of

these did not form part of what went to the liquidators, did they?

MS KALANDRA VILJOEN: They do have copies of this but my lawyer kept the originals ja. But they do have copies of these.

ADV KATE HOFMEYR: So you made copies of some of the documents you handed to the liquidators and retained the originals but in other cases you did not retain the originals.

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: What guided that choice?

MS KALANDRA VILJOEN: Because they were busy investigating this
10 my lawyer kept this on file for us in case we needed the originals.

ADV KATE HOFMEYR: But you were happy to hand over all the rest in their original form?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: Thank you.

CHAIRPERSON: Your microphone.

ADV KATE HOFMEYR: If we return then to this process which we are about to complete it is back at page 8 of your affidavit. You will see if you pick it up at paragraph 5.1.4.11 you talk about what happens after the delivery slip has been signed, can you take us through that?

20 **MS KALANDRA VILJOEN**: Yes it will be returned to me and then I will make sure that everything was delivered and I would then normally file it.

ADV KATE HOFMEYR: And then in the last paragraph under that section of the affidavit you talk about how you would reconcile all of this at the end of the month, how would that work?

MS KALANDRA VILJOEN: I would – I had a book where I wrote all the deliveries in. I would take the bank statements and I would take the slips then I would do a reconciliation for every client so that they can get a transaction sheet and an invoice at the end of the month.

ADV KATE HOFMEYR: And if we go to page 26 I understand that to one example of the type of reconciliation you would do.

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And what we see there is at various dates over the month of May 2015, is that correct?

10 **MS KALANDRA VILJOEN:** That is correct yes.

ADV KATE HOFMEYR: You would have an amount deposited, an amount delivered, a service fee, excluding and including, what does that mean?

MS KALANDRA VILJOEN: Excluding VAT, including VAT.

ADV KATE HOFMEYR: And then what does that last column read?

MS KALANDRA VILJOEN: Including and for some reason I do not know why I put the column in there but I never used it but it is there.

ADV KATE HOFMEYR: So what you took out of the proceeds is reflected as amounts including and excluding VAT in the third and
20 fourth columns, is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And do you would that on a monthly basis as I understand your affidavits?

MS KALANDRA VILJOEN: That is correct yes Chair.

ADV KATE HOFMEYR: Just before we get into the detail of the three

transactions that are pertinent for the investigation that the commission has embarked upon can I just check in relation to the delivery slips to Mr Markides that are the subject matter I understand your evidence to be you did not – you do not have those delivery slips, why was that?

MS KALANDRA VILJOEN: We just had a robbery or attempted robbery – I should say. One of my men was killed. The other one was in hospital. He had seven ricocheted bullets in his leg and our vehicle - the one vehicle was written off and I can only speculate that the books were in that vehicle when it went in for recovery. That is the only thing

10 I can think of why we would not have had these slips.

ADV KATE HOFMEYR: Right but you still managed to do a reconciliation I assume?

MS KALANDRA VILJOEN: I did yes.

ADV KATE HOFMEYR: What did you rely on then?

MS KALANDRA VILJOEN: My bank statement and again the book that I wrote in.

ADV KATE HOFMEYR: Thank you. I would then like to move at page 8 of the affidavit to the section beginning paragraph 6 because this is where you start to deal with your business relationship with
20 Mr Markides ...

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: And if we can pick it up at paragraph 6.2 you say:

“All of the inquiries ...”

What are those inquiries?

MS KALANDRA VILJOEN: We had the inquiry with the FSB. Then the SME liquidators and then of course this inquiry with the Hawks. Everything we have – we have been dealing with.

ADV KATE HOFMEYR: And you say:

“All of the inquiries have related to transactions carried out for one person namely George Markides who was an existing client and who was a sole proprietor trading under one of two business names being Dedrego or ITH.”

10 **MS KALANDRA VILJOEN:** That is correct yes.

ADV KATE HOFMEYR: Can I just get clarity? Who was your client – Dedrego or ...?

MS KALANDRA VILJOEN: George was my client.

ADV KATE HOFMEYR: George the - the person?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: George the person was your client and when you say there that it traded under one of two business ...

MS KALANDRA VILJOEN: That is Mr – Is it Markides?

MS KALANDRA VILJOEN: Markides that is correct Chair.

20 **CHAIRPERSON:** Is that the correct pronunciation?

MS KALANDRA VILJOEN: That is correct yes.

CHAIRPERSON: Yes okay.

ADV KATE HOFMEYR: So the client was Markides. Let me say in fairness to you that is consistent with the checklist because it is George Markides who is the client. It is his ID number. It is his income

tax number and it is the address that you vetted for him. Correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And then you say:

“He was a sole proprietor trading under one of two
business names being Dedrego or ITH.”

Do you see that?

MS KALANDRA VILJOEN: I do Chair.

ADV KATE HOFMEYR: I just would like to go to your FSB affidavit - if
we may - at page 44.

10 **MS KALANDRA VILJOEN**: 44. Okay.

ADV KATE HOFMEYR: If we look at paragraph 5.20.2 on that page you
state there:

“In each of the transactions in question I was
contacted telephonically by an individual by the
name of George Markides whose business is known
to me only as ITH and which to the best of my
knowledge is a sole proprietorship conducted by
him.”

MS KALANDRA VILJOEN: Yes Chair.

20 **ADV KATE HOFMEYR**: Is ITH the only trading name that you are aware
of or is it both Dedrego and ITH?

MS KALANDRA VILJOEN: So what happened was they were known as
Dedrego. It was Rustic Stone and then when they moved over they
stayed Dedrego and then eventually I saw in their signature they would
refer to themselves as ITH.

ADV KATE HOFMEYR: What signature was that?

MS KALANDRA VILJOEN: So if Lisa emailed me then in her signature it would be and if I phoned they would answer ITH. So it – in my mind I thought maybe a name change or what not but ...

ADV KATE HOFMEYR: But then it is not correct to say at paragraph 5.20.2 that the business is known to you only as ITH.

MS KALANDRA VILJOEN: So when the FSB did this I went to think about it afterwards and I started putting more things together and:

“They are known to me...”

10 **That is why statement to you says:**

“They are known to me as Dedrego and ITH.”

ADV KATE HOFMEYR: And at the time that you did the FSB affidavit they were known to you only as ITH. Is that correct?

MS KALANDRA VILJOEN: Well again they were known as Dedrego but I eventually called them ITH.

ADV KATE HOFMEYR: So it is not correct to say that they were only known to you as ITH?

MS KALANDRA VILJOEN: It is not correct yes.

ADV KATE HOFMEYR: Thank you; but ...

20 **CHAIRPERSON:** Did you – I am sorry. Once you knew about ITH did you think that was a replacement – replacement of the other name, a change of name or did you understand that both names referred to the same business?

MS KALANDRA VILJOEN: Both names referred to the same business.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: Did - did you make inquiries to confirm that?

MS KALANDRA VILJOEN: No I did not.

ADV KATE HOFMEYR: So you might have now been dealing with a different business. Might you not?

MS KALANDRA VILJOEN: Same person – might have been different business yes. I did however ask who I can invoice and they said to me I must invoice Dedrego.

ADV KATE HOFMEYR: So you must continue to invoice Dedrego?

MS KALANDRA VILJOEN: Yes.

10 **ADV KATE HOFMEYR:** Despite the fact that you notice a name change or some other different business that you dealing with?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: And you were satisfied to continue to invoice in the old name albeit that that is not what is appearing on the communications?

MS KALANDRA VILJOEN: It was just like I say the email address. So it might have been her personal email address I do not know but they got to know or I got to know them also as ITH and not just Dedrego.

ADV KATE HOFMEYR: but you made no inquiries as to the nature ...

20 **MS KALANDRA VILJOEN:** No.

ADV KATE HOFMEYR: Of that business?

MS KALANDRA VILJOEN: No. The person stayed the same.

ADV KATE HOFMEYR: And that is why I have your evidence to be the client was Mr Markides. Correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Thank you. If we then go over to page 9 of the affidavit.

CHAIRPERSON: And that is her affidavit before the Commission?

ADV KATE HOFMEYR: The Commission – indeed Chair. Apologies we – there are three. So it is useful to be a bit more specific.

CHAIRPERSON: *Ja.*

ADV KATE HOFMEYR: It is the affidavit to the Commission which you will find in EXHIBIT DD9 at page 9. You begin at paragraph 6.3 there talking about your interactions with Mr Markides and the processes you
10 followed for taking him on as a client and vetting him. That we do need to spend a bit of time on because it is Mr Markides' transactions or purported transactions in the amount of R9 million that this Commission is concerned with. So if I may you start at paragraph 6.3.1 and you say:

“When Markides – Mr Markides – indicated that he wished for his business which I was led to believe was a trading house buying goods in South Africa and exporting them to the rest of the Africa to be moved from AFMS to Rustic Stone our checklist was
20 completed and I requested that he forwards a copy of his ID to us.”

Do you see that?

MS KALANDRA VILJOEN: I do.

ADV KATE HOFMEYR: What does it mean when you say there I was lead to believe that his business was a trading house?

MS KALANDRA VILJOEN: Well with all the inquiries we have had so far clearly that is not the case.

ADV KATE HOFMEYR: No certainly but who led you to believe that?

MS KALANDRA VILJOEN: They did. George did.

ADV KATE HOFMEYR: So is that when you were making inquiries as to his business ...?

MS KALANDRA VILJOEN: Yes I asked him what do you guys do as a business and I was then led to believe that.

CHAIRPERSON:

10 **ADV KATE HOFMEYR:** Why was his business relevant if he was client?

MS KALANDRA VILJOEN: I was just asking general questions. What do you guys do? Oh, how long have you been doing it? Normal conversation.

ADV KATE HOFMEYR: But you were not then vetting the business? You were vetting Mr Markides. Is that correct?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: So this was just part of the conversation?

MS KALANDRA VILJOEN: That is right.

ADV KATE HOFMEYR: What does he do in the week and ...

20 **MS KALANDRA VILJOEN:** That is right.

ADV KATE HOFMEYR: He told you he had a trading house buying goods in South Africa and exporting them but it was not of concern to you to vet that business. Was it?

MS KALANDRA VILJOEN: Can I ask a question? How would I vet that?

ADV KATE HOFMEYR: Unfortunately ...

MS KALANDRA VILJOEN: Sorry but how would I vet that?

CHAIRPERSON: You – you must answer the questions not ask the questions.

MS KALANDRA VILJOEN: No.

CHAIRPERSON: If you know you know if you do not know you do know. Okay.

ADV KATE HOFMEYR: Right.

CHAIRPERSON: What is the answer?

10 **MS KALANDRA VILJOEN:** Yes.

ADV KATE HOFMEYR: I think the answer is no.

MS KALANDRA VILJOEN: Yes, no is the answer and yes to Chair.

ADV KATE HOFMEYR: You did not vet the business?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: And if we go down you say I also confirm this is at 6.3.2 that:

“I sent AMFS’ standard terms and conditions to him.”

Ms Viljoen you mention that earlier in your testimony. In fairness just
20 explain to us what happened in relation to Mr Markides and those terms and conditions?

MS KALANDRA VILJOEN: We never received it back.

ADV KATE HOFMEYR: But you continued to engage in business with him?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: And then at 6.3.3 you say that:

“As I had never been to Markides’ premises during my time at Rustic Stone I conducted a site visit to 23 Whittakers Way Bedfordview and confirm that the business was conducted there.”

Is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Is that the only premises that you visited in relation to Mr Markides?

10 **MS KALANDRA VILJOEN:** That is the only premises yes.

ADV KATE HOFMEYR: And what business did you see been conducted there?

MS KALANDRA VILJOEN: Well it was offices. So they had the reception desk and it was a normal office, boardroom.

ADV KATE HOFMEYR: Are you sure about that?

MS KALANDRA VILJOEN: Yes I am.

ADV KATE HOFMEYR: At that address?

MS KALANDRA VILJOEN: At 23 – yes I am.

ADV KATE HOFMEYR: Do you know that your deliveries were not to 23
20 Whittakers Way according to your delivery – your invoices?

MS KALANDRA VILJOEN: They had two addresses. I do know that. They had two premises but I went to Whittaker. I vetted Whittaker and that is where we did the deliveries.

ADV KATE HOFMEYR: But your invoices indicate that the deliveries were to another address?

MS KALANDRA VILJOEN: As per their request. They ...

ADV KATE HOFMEYR: So – so let me just get clear here. You – you know that they have two premises ...

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: But you only vet one of them?

MS KALANDRA VILJOEN: Because the delivery would have only gone to the one premises.

ADV KATE HOFMEYR: But none of your invoices reflect the 23 Whittaker's Way address as the delivery?

10 **MS KALANDRA VILJOEN**: No.

ADV KATE HOFMEYR: Then I do not understand why your invoice would reflect a delivery address which is not the address to which the deliveries were made?

MS KALANDRA VILJOEN: As – as I said they have the two addresses and they were working out of Whittaker. It was their offices where they would always be present for they delivery and that is where we went. That is where George was and that is where we went.

CHAIRPERSON: No but the – the point that is being made is the invoices reflect a different address not the Whittaker address.

20 **MS KALANDRA VILJOEN**: That was the address that they asked me to put on the invoicing.

CHAIRPERSON: Yes and you did not vet that address?

MS KALANDRA VILJOEN: It was also the same address that came from Rustic Stone. So it all stayed the same.

CHAIRPERSON: No, no, no. The question is did you vet that address?

MS KALANDRA VILJOEN: I did not go to that address no.

CHAIRPERSON: And why not?

MS KALANDRA VILJOEN: Because as I said my deliveries were to go to Bedfordview as per their request.

CHAIRPERSON: You said earlier on that when your driver had delivered the cash they would come back and give you – I think – a note?

MS KALANDRA VILJOEN: Yes.

CHAIRPERSON: Which would be proof that delivery of the cash had
10 taken place. Is that right?

MS KALANDRA VILJOEN: That is correct yes.

CHAIRPERSON: And that note – whatever you call it – would have the address at which the delivery took place?

MS KALANDRA VILJOEN: So Dedrego's deliveries always went to Whittaker because that is where George – that is where he sat every day. That is where his offices were.

CHAIRPERSON: So you – you are saying – are you saying that there were no deliveries made by your drivers to Mr Markides at any address other than the Whittaker address?

20 **MS KALANDRA VILJOEN:** It would have been the Whittaker address yes.

CHAIRPERSON: Yes but you were not doing the deliveries yourself. Were you?

MS KALANDRA VILJOEN: No.

CHAIRPERSON: So therefore you cannot know that for sure – for sure.

Can you?

MS KALANDRA VILJOEN: No, no. It would have gone to where George is.

CHAIRPERSON: No, no. If you went – if you did not do the deliveries or you were not there when the deliveries were effected at the address you cannot know that. You would have to depend on reports on somebody. Is it not?

MS KALANDRA VILJOEN: No I would tell them where to go so they would go there.

10 **CHAIRPERSON:** Yes but they could decide not to listen to you.

MS KALANDRA VILJOEN: No, no, no. No, no they went where they were supposed to go.

CHAIRPERSON: No, no, no you do not know for sure whether they went there if you were not there when they delivered.

MS KALANDRA VILJOEN: I was not there.

CHAIRPERSON: Yes therefore you cannot know. All you can say is my drivers told me that they went to the address to which I said they should go and I trusted that they were telling the truth.

MS KALANDRA VILJOEN: That is correct.

20 **CHAIRPERSON:** But whether or not in fact they were telling the truth I do not know.

MS KALANDRA VILJOEN: We can say it like that yes Chair.

CHAIRPERSON: It has to be like that.

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: Okay. Ms Hofmeyr.

ADV KATE HOFMEYR: Let us go to your invoices for this client.

MS KALANDRA VILJOEN: Page.

ADV KATE HOFMEYR: We will find one of them at page 25. This is an invoice arising from your business relationship with Mr Markides. Is that correct?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: Am I correct in saying that this page makes no reference to Mr Markides anyone?

MS KALANDRA VILJOEN: That is correct.

10 **ADV KATE HOFMEYR:** It refers to what seems to be an entity called Dedrego. Correct?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: Not that a business that you ever vetted?

MS KALANDRA VILJOEN: That is correct but George is Dedrego though.

ADV KATE HOFMEYR: No but Ms Viljoen I spent some time being very clear about who your client was ...

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: And who you were concerned to vet ...

20 **MS KALANDRA VILJOEN:** Alright, *ja*.

ADV KATE HOFMEYR: And that is Mr Markides as I have your evidence.

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: His income tax number, his cellphone, his address?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: Right and this invoice indicates that you are delivering for Dedrego to 56 Watt Street. Correct? There is no reference to this on 23 Whittaker's Way. Correct?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: Why would you allow invoices to be prepared for a customer who incorrectly reflected who the customer was and where the proceeds in millions of Rands were being delivered?

MS KALANDRA VILJOEN: As I said Dedrego is at Watt but also they
10 have got premises in Whittaker and Mr Markides was always at Whittaker.

ADV KATE HOFMEYR: Yes. So why do the invoices for Mr Markides who was your client not reflect that as the delivery?

MS KALANDRA VILJOEN: Because as I think that Dedrego is actually registered at this address.

ADV KATE HOFMEYR: Ms Viljoen the difficult that invoices that reflect the wrong facts create is that in a situation where you are an accountable institution under FICA precisely what you do to vet your clients is extremely important. Do you accept that?

20 **MS KALANDRA VILJOEN:** I do.

ADV KATE HOFMEYR: And particular because businesses that move half a billion Rand a month need to be on the lookout for amongst other things whether they are involved in facilitating money laundering. Correct?

MS KALANDRA VILJOEN: Correct.

ADV KATE HOFMEYR: Do you then accept that in a business where the relationship is with a natural person and an address of that natural person has been vetted but invoices are prepared in relation to the trading name through which he is conducting business and another delivery address you are creating a false impression of the nature of the business relationship.

MS KALANDRA VILJOEN: I can see how it can – how it can look like that yes.

ADV KATE HOFMEYR: Thank you. If we ...

10 **CHAIRPERSON:** But – I am sorry. When your driver came back from making a delivery they would give you a document which showed or which was supposed to show where the delivery took place and who the client was. Is that right?

MS KALANDRA VILJOEN: That is correct.

CHAIRPERSON: What did you call that document?

MS KALANDRA VILJOEN: Delivery notes.

CHAIRPERSON: Delivery note, *ja*. Okay, alright. I just wanted to make sure we are on the same page. Would you look – would you examine each delivery note when each driver came back to see whether
20 what was written there was in accordance with your expectation in terms of whether the money was delivered to the right client and at the right address?

MS KALANDRA VILJOEN: As we said earlier the address is not on the delivery slip for security purposes Chair. So I would – I would check the amounts and I would then of course confirm that the client received

the funds but the actual address is not on the delivery note.

CHAIRPERSON: Yes but was there anything or how did you ascertain where the deliver took place? In other words whether it took place at the correct address. How did you ascertain that? How did you find out that?

MS KALANDRA VILJOEN: Well if it was not at the address then the client would not have signed for it.

CHAIRPERSON: Sorry?

MS KALANDRA VILJOEN: If – if it was not – if it was not the right
10 address then the client would not have signed for it and we only went to where the client said this is our address. This is where you please must deliver the funds.

CHAIRPERSON: Well the client could have had – could have given you the Whittaker address but could have arranged – could he not – that the delivery be effected at a different address?

MS KALANDRA VILJOEN: It would have been their address.

CHAIRPERSON: Yes.

MS KALANDRA VILJOEN: (Intervenes) own place.

CHAIRPERSON: Their address ...

20 **MS KALANDRA VILJOEN:** *Ja*.

CHAIRPERSON: But a different address from the one recorded in your books.

MS KALANDRA VILJOEN: So it could have gone to – to Watt Street.

CHAIRPERSON: Huh-uh.

MS KALANDRA VILJOEN: Is that what you are saying Chair?

CHAIRPERSON: No. I am saying in terms of the address of - for example - Mr Markides your records reflected that his address - as I understand the position – was the one for Whittaker Way. Is that right?

MS KALANDRA VILJOEN: That is correct?

CHAIRPERSON: That is the only address that you have in your – you had in your records for him or was there another address?

MS KALANDRA VILJOEN: I – I have two addresses for him.

CHAIRPERSON: You had two addresses?

MS KALANDRA VILJOEN: Yes.

10 **CHAIRPERSON:** Now your instruction to the drivers was it ...

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: That they should deliver at anyone of the two addresses or was your instruction that they should deliver at a particular address namely the Whittaker address?

MS KALANDRA VILJOEN: I – I have to say I could have told them to go to both addresses but my memory of maybe our later deliveries was definitely we always went to Whittaker but yes in the earlier days they might have gone there but as ...

CHAIRPERSON: But ...

20 **MS KALANDRA VILJOEN:** I said my memory with our later 2017/2016 is we normally went to Whittaker.

CHAIRPERSON: Yes. Was there any particular importance as far as you were concerned of the address to which the cash was delivered ...

MS KALANDRA VILJOEN: Just where the person would be to sign for it.

CHAIRPERSON: In other words if – if cash was delivered into an address other than the one that you wanted them to deliver cash to would that have been something quite important to you or was the position that as long as the cash was given to the client it did not matter in which address it was delivered?

MS KALANDRA VILJOEN: It – how to explain? As long as the client was there at the address that they supplied us with ...

CHAIRPERSON: If – if the client was at an address that had not been supplied to you were your drivers permitted to deliver?

10 **MS KALANDRA VILJOEN:** No, no, no. They had to go to the offices.

CHAIRPERSON: Yes, okay.

ADV KATE HOFMEYR: Thank you Chair. Ms Viljoen when you went to Whittaker's Way were they operating from a house?

MS KALANDRA VILJOEN: Yes. It looked like a house which they converted into offices.

ADV KATE HOFMEYR: Because Whittaker's Way is a residential street?

MS KALANDRA VILJOEN: That is correct yes, yes. They converted it all into offices.

20 **ADV KATE HOFMEYR:** But at that stage your client was Mr Markides. Correct?

MS KALANDRA VILJOEN: That is correct Chair.

ADV KATE HOFMEYR: So it was relevant to vet the address he gave you. Correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And as I have your evidence previously you made no inquiries whatever about the source of the funds that Mr Markides was depositing into your account?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: We will go to ...

MS KALANDRA VILJOEN: I said I - I vetted him. I FICA'd him and of course I confirmed with his PA that it is their funds.

ADV KATE HOFMEYR: Well Ms Viljoen I FICA'd him is something that I am going to have some difficulty with. What – what does that mean?

10 **MS KALANDRA VILJOEN:** I got all the necessary documents from him. Sorry my bundle unravelled again.

ADV KATE HOFMEYR: That is fine.

CHAIRPERSON: Well Ms Hofmeyr did tell you she thought it would happen again and ...

ADV KATE HOFMEYR: And then there is a promise I think that it would not but I certainly will not hold that against Ms Viljoen.

CHAIRPERSON: She – she warned you about that.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: Is it more convenient to change now ...

20 **ADV KATE HOFMEYR:** Hm.

MS KALANDRA VILJOEN: Let us twist this now.

CHAIRPERSON: To give her the – the lever arch file now.

ADV KATE HOFMEYR: I think we should possibly do that Chair just for convenience.

CHAIRPERSON: *Ja* let us do that *ja*. Let us do that. No let us do

that. Forget about that one Ms Viljoen. You will be given another one. So we will not have this again.

ADV KATE HOFMEYR: Ms Viljoen just to be clear we have used another file we had on hand. Please do not look at the spine because it relates to another witness but it is just for convenience purposes ...

CHAIRPERSON: Hm.

ADV KATE HOFMEYR: That we will give it to you in this form.

MS KALANDRA VILJOEN: I have now – I have now twisted it into little swirlies. So I am thinking maybe it might hold.

10 **ADV KATE HOFMEYR:** Well ...

CHAIRPERSON: *Ja.*

ADV KATE HOFMEYR: Let us put the other one there in case.

MS KALANDRA VILJOEN: Thank you.

ADV KATE HOFMEYR: I – I said I wanted to pick up on your statement that you FICA'd the client because we will go to the section shortly but amongst the legal obligations you had as an accountable institution was to establish the source of funds of any of your clients and I have your evidence to be you did not do so.

20 **MS KALANDRA VILJOEN:** Except for calling them and confirm with them.

ADV KATE HOFMEYR: Ms Viljoen calling them and confirming with them that a payment has been made is different to establishing from them where they sourced the funds that they are going to transact with you on. Do you see that difference?

MS KALANDRA VILJOEN: I see yes.

ADV KATE HOFMEYR: And you made no inquiries as to the source of the millions of Rands that Mr Markides was asking you to deliver in cash (intervenes) business relationship?

MS KALANDRA VILJOEN: So my understanding was it comes from them.

ADV KATE HOFMEYR: Who is them?

MS KALANDRA VILJOEN: Mr Markides - his entities. It comes from him – his company. It – it comes from them. How do I explain this?

ADV KATE HOFMEYR: No, you have explained it Ms Viljoen but there
10 is a difficulty with that answer because your onerous obligations under FICA require you to know where funds are coming from when you transact with a business as an accountable institution. Do you accept that?

MS KALANDRA VILJOEN: Sorry. I was under the impression or my impression was that if it is an electric transfer that it is the bank's responsibility to source where the funds come from where if it was cash then it was my responsibility to see where the funds were coming from but if I am wrong in my understanding then I do apologise but that was my understanding.

20 **ADV KATE HOFMEYR:** We will come to the legal obligations in due course. For present purposes you did not check funds. You understand Mr Markides was your client and you did not vet his businesses. Correct?

MS KALANDRA VILJOEN: Correct.

ADV KATE HOFMEYR: And in terms of the amounts associated with

Mr Markides you indicate in your affidavit that they compromise less than one percent of the business of AMFS. Is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: But that is still millions of Rands. Is it not?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: I did a quick tally of the delivery slips that were relevant to the FSB affidavit. It seemed to be in the order of an excess of 20 million. Is that a fair computation on my part?

MS KALANDRA VILJOEN: I – I think it was a bit more.

10 **ADV KATE HOFMEYR**: Possibly 30.

MS KALANDRA VILJOEN: I am not sure but it was a bit more yes.

ADV KATE HOFMEYR: And then at least nine million in relation to the transactions that we are interested in?

MS KALANDRA VILJOEN: Correct.

ADV KATE HOFMEYR: Thank you and if we ...

CHAIRPERSON: Just remember to ...

ADV KATE HOFMEYR: Oh yes. The answer there was yes.

CHAIRPERSON: Give an answer rather than nodding.

20 **MS KALANDRA VILJOEN**: No, no, no I said correct. Maybe I did not say it loud enough.

CHAIRPERSON: No, I think you just nodded.

MS KALANDRA VILJOEN: Okay.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: Let us then please move to your interactions with the Hawks and you will find those in the affidavit to the

Commission in EXHIBIT DD9 at page 11.

MS KALANDRA VILJOEN: DD9?

ADV KATE HOFMEYR: That is the file that you are in.

MS KALANDRA VILJOEN: *Ja, ja.*

ADV KATE HOFMEYR: And it is at page 11. You begin at paragraph 6.4.3.1 there and as I read it you state:

10 “In March 2018 I was contacted by a certain
 Captain Mogosi who stated that she was from the
 Hawks and wished to interview me as a witness
 relating to a case involving a company called
 Koreneka.”

Do you see that?

MS KALANDRA VILJOEN: (No audible reply).

ADV KATE HOFMEYR: Please say yes.

MS KALANDRA VILJOEN: Yes – sorry.

ADV KATE HOFMEYR: And the next paragraph you say:

20 “As I did not know this company I asked her to
 explain and it became clear to me that this had
 once again to do with Markides – Mr Markides.”
Is that correct?

MS KALANDRA VILJOEN: That is correct.

ADV KATE HOFMEYR: Ms Viljoen you did know though in March 2018 about Koreneka. Did you not?

MS KALANDRA VILJOEN: As I said earlier I completely forgot about Mr Judeel when I met him in the December. I – I remembered when you

sent me this statement a week ago.

ADV KATE HOFMEYR: Oh.

MS KALANDRA VILJOEN: Yes, okay.

ADV KATE HOFMEYR: Well when Mr Judeel engaged you in December 2018 had the other issues around Mr Markides arisen yet?

MS KALANDRA VILJOEN: No not yet.

ADV KATE HOFMEYR: So you had an interaction with a private investigator for whom you prepared an affidavit detailing and providing all your records of your delivery slips with Mr Markides and its
10 association with Koreneka but when you were contacted in March 2018 you had forgotten the reference to Koreneka. Is that your evidence?

MS KALANDRA VILJOEN: Yes that is correct.

ADV KATE HOFMEYR: Thank you and then you go on in that – on that page to explain the extent of your interactions with the Hawks and steps that you took in relation to the particular transactions that they were interested in. Can you tell us what those were?

MS KALANDRA VILJOEN: What steps I took?

ADV KATE HOFMEYR: Yes. In ...

MS KALANDRA VILJOEN: I just gave them all the details, we met at
20 a restaurant and we weren't there long, I opened my water and I don't even think I finished my water and I just explained the business, I gave them all the invoices, I think, and some slips and they said they'll contact us because I might need to be a witness but it wasn't a very long interaction.

ADV KATE HOFMEYR: Ms Viljoen, as I understand your evidence

there's something that you do between the call from captain Mogosi? and then meeting up with her and her colleague at the restaurant at Bedfordview and that involves an interaction with Ms Lisa Zogby is that correct?

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: Who is Lisa Zogby?

MS KALANDRA VILJOEN: She is George Markides' PA – personal assistant.

ADV KATE HOFMEYR: So what did you do in relation to her?

10 **MS KALANDRA VILJOEN:** When I couldn't find our delivery receipts I contacted her and asked her maybe for her copy and then she sent me a brown envelope, she said it's fine she'll send proof that the funds were delivered and she sent me a brown envelope with receipts in there.

ADV KATE HOFMEYR: Okay let's just go back in the evidence, I understand you didn't have copies of the delivery slips yourself because of that heist.

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: Is that your evidence?

20 **MS KALANDRA VILJOEN:** Yes.

ADV KATE HOFMEYR: And then when you got contacted by Captain Mogosi, you then took steps to try and get the client's counter copy of the other copy, is that correct?

MS KALANDRA VILJOEN: That's correct.

ADV KATE HOFMEYR: And then you made contact with Ms Zogby

for that purpose.

MS KALANDRA VILJOEN: That's correct.

ADV KATE HOFMEYR: And just tell us precisely what happened then?

MS KALANDRA VILJOEN: She sent me a brown envelope...(intervention).

ADV KATE HOFMEYR: Did she send it or did you collect it?

MS KALANDRA VILJOEN: Um ja, my old driver went to collect it from her premises and he dropped it off.

10 **ADV KATE HOFMEYR:** And then what happened with those slips?

MS KALANDRA VILJOEN: I gave it over to the Hawks.

ADV KATE HOFMEYR: At that meeting?

MS KALANDRA VILJOEN: At that meeting yes.

ADV KATE HOFMEYR: Okay I just want to go to the question of your retention of the deliver notes and for that purposed I'd like to go to your affidavit of December 2017 which you find commencing at page 91 of the Exhibit DD9 and if you go down at page 92, it's the second page of that affidavit to paragraph 7 you say there,

20 "According to my delivery notes, the funds were delivered as follows",

And then you detail what happened on the 8th of May and what happened on the 16th of September, I'm just not sure I understand what delivery notes you were looking at there?

MS KALANDRA VILJOEN: As I said earlier, I didn't write this and I did not have delivery notes so I think what it should say is maybe my

transaction sheets because I did not have any slips.

ADV KATE HOFMEYR: Ms Viljoen you did give evidence that you didn't write it but you did give evidence that you read it before you signed it, correct?

MS KALANDRA VILJOEN: Ja.

ADV KATE HOFMEYR: So this is an error in it's recordal?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: You didn't have delivery notes?

MS KALANDRA VILJOEN: I did not have delivery notes.

10 **ADV KATE HOFMEYR:** So you engage Ms Zogby because you want to see if she has copies.

MS KALANDRA VILJOEN: Yes maybe she might have copies and I just didn't get it or – I can't understand why I didn't have the copies, that's why I said maybe we did not write anything out but ja I contacted her to see maybe if she's got receipts.

ADV KATE HOFMEYR: And did you satisfy yourself as to the delivery notes and their authenticity before you handed them over to the Hawks?

MS KALANDRA VILJOEN: No and when we had this discussion I
20 went and I thought about it, my driver delivered them and I went to put them in my car and then I went to pick up my daughter and I never checked them up until when the Hawks opened up the brown envelope and it had my name on it and when they opened it that was the first time I saw it.

ADV KATE HOFMEYR: What period of time lapse between you

collecting them and you meeting with the...(intervention).

MS KALANDRA VILJOEN: It's probably a day or two.

ADV KATE HOFMEYR: And can we go to those documents that you say were in the brown envelope.

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: You'll find them at page 64 are those – and they comprise three pages as I have your evidence, it's 64, 65 and 66 correct.

MS KALANDRA VILJOEN: That's correct Chair.

10 **ADV KATE HOFMEYR:** Are these accurate copies of what you saw in the brown envelope?

MS KALANDRA VILJOEN: That's correct yes Chair.

ADV KATE HOFMEYR: And are these your delivery notes?

MS KALANDRA VILJOEN: They are not, no Chair.

ADV KATE HOFMEYR: Do you have any other knowledge about these documents?

MS KALANDRA VILJOEN: Just when I gave them to the Hawks I said to them, these are not my delivery slips.

ADV KATE HOFMEYR: You say in your affidavit that you
20 think...(intervention).

CHAIRPERSON: I'm sorry Ms Hofmeyr, let me just get this, when you spoke to Mr Markides' PA, to ask for their copies of delivery notes, is the position that what you were asking for, was copies of what your drivers would have brought back to you, after they had delivered cash to them.

MS KALANDRA VILJOEN: Yes that's correct Chair.

CHAIRPERSON: But what they gave you – what she gave you was delivery notes or was something different.

MS KALANDRA VILJOEN: That's correct, yes Chair.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: As I have your evidence, Ms Viljoen you speculate at paragraph- if we return in your affidavit to page 12 you say at paragraph 4. – sorry 6.4.3.13 on that page,

10 “I confirm having now considered these slips and once again reiterate that the slips are not my documents and I'm unable to comment on same, further than to state that I believe that they may well be evidence of the on-delivery of funds once AMFS had delivered same”,

Do you see that?

MS KALANDRA VILJOEN: I do see that.

ADV KATE HOFMEYR: What is the basis for your comment there?

MS KALANDRA VILJOEN: Can you elaborate please?

20 **ADV KATE HOFMEYR:** I'm asking why you said what you said in this paragraph, why do you surmise that they have to do with on-delivery?

MS KALANDRA VILJOEN: Well that is clearly what has been happening with Mr Markides' cases, if I just look at the SME case so I can make that assumption that the funds actually never went for his business and it went on to someone else.

ADV KATE HOFMEYR: Were those facts that were established in

the SME bank of Namibia case?

MS KALANDRA VILJOEN: Yes that's correct.

ADV KATE HOFMEYR: So he transacted with you but then he made those funds available to a third party?

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: So it's on that basis that you regard these as evidence of the onward movement of the cash.

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: If we then move over to page 13 we are
10 finally, Chair, going to arrive at the transactions that are relevant to the investigation, the background, I submit has been important though to understand the manner in which the business was operating. As I have it Ms Viljoen there were three transactions related to matters involving Koroneka a close company, is that correct?

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: I'd like to suggest that we just go to the bank statements to pick up where those payments were received by AMFS, the first of those you'll find at page 70, is this your CC's bank statement?

20 **MS KALANDRA VILJOEN:** Yes it is Chair.

ADV KATE HOFMEYR: And you were banking at that point with Nedbank correct?

MS KALANDRA VILJOEN: That's correct Chair.

ADV KATE HOFMEYR: If you go to the fourth line on that page, you'll see a date 08/05/2015 and then you'll see a next column that is

headed, description or narrative, do you see that?

MS KALANDRA VILJOEN: Yes Chair.

ADV KATE HOFMEYR: What is reflected as the description or narrative for that...(intervention).

MS KALANDRA VILJOEN: Koroneka and the date.

ADV KATE HOFMEYR: Koroneka...(intervention).

MS KALANDRA VILJOEN: Koroneka and the date.

CHAIRPERSON: Ms Viljoen just wait until she has finished the question and then answer, okay.

10 **MS KALANDRA VILJOEN:** Okay Chair.

ADV KATE HOFMEYR: Under description or narrative, please read out to us what is reflected there.

MS KALANDRA VILJOEN: Koroneka and the date.

ADV KATE HOFMEYR: Just to get that 06/05/2015 correct.

MS KALANDRA VILJOEN: That's correct.

ADV KATE HOFMEYR: And if we move across to credits, what is the amount that comes into your bank account?

MS KALANDRA VILJOEN: The 2million.

20 **ADV KATE HOFMEYR:** Okay so let's stop there. You've told us a lot about how you would check payments that came in to verify who was sending you the amounts, so when Koroneka and a date two days prior to this date came into your account, that didn't cause you concern, that it might have been from a source other than Mr Markides?

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: Why not?

MS KALANDRA VILJOEN: Like I said I confirmed with them that it is their funds and my assumption is they using Koroneka for their own referencing purposes.

ADV KATE HOFMEYR: Right and then the second one on that page, you'll find...(intervention).

CHAIRPERSON: I'm sorry that last answer, why would they use a reference that would mean nothing to you when they deposit amounts into your account. Isn't the purpose of a reference so that when you see the amounts, you know what it's for and where it's coming from?

10 **MS KALANDRA VILJOEN:** Chair I had this discussion with Ms Hofmeyr when we met the first time and you'll see on my second bank statement there's clients using AMFS as their reference and so I had to call clients and confirm that, that was their money so the reference means nothing to me but it is important for the client of course. So I did not find that to be funny.

CHAIRPERSON: Yes but I would have thought that a reference was important to you.

MS KALANDRA VILJOEN: No, no the referencing is not important to me.

20 **CHAIRPERSON:** Let me tell you why I would think it was important because then you wouldn't have to phone the client each time there was money put into the account, if you had a reference with a client to say in your dealings with me, your reference, when you deposit any money will have to be this, and if you saw that there was money under that reference then you wouldn't have to phone the client, do you

agree?

MS KALANDRA VILJOEN: I do agree yes.

CHAIRPERSON: You didn't have that arrangement with your clients?

MS KALANDRA VILJOEN: I did not have that arrangement though no.

CHAIRPERSON: And you did tell us that in a morning you could get up to a hundred requests?

MS KALANDRA VILJOEN: Near the end yes.

CHAIRPERSON: And the fact that you didn't have that arrangement must have meant you had to make many calls.

10 **MS KALANDRA VILJOEN:** No when it was later in the business, when I got all those phone calls, they did start using references identifying themselves better but when it all started, I did not have that agreement or anything like that with the client.

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: If we look on that page 70 for the second relevant transaction for our purposes, Ms Viljoen and Chair you'll find it just beyond midway down that page there's another entry on the 11th of May 2015 that reads Koroneka, do you see that Ms Viljoen?

MS KALANDRA VILJOEN: I do.

20 **ADV KATE HOFMEYR:** And what was the amount deposited on the 11th of May?

MS KALANDRA VILJOEN: 2million.

ADV KATE HOFMEYR: And then if we go over to page 74 – apologies not 74, 84 you'll see again, just below halfway down that page there's an entry for the date 16 September and the description is

BK, do you see that?

MS KALANDRA VILJOEN: I do Chair.

ADV KATE HOFMEYR: Do you confirm – well what is the amount of that...(intervention).

CHAIRPERSON: I'm sorry let me just try and see if I can find it.

ADV KATE HOFMEYR: Apologies, it's very difficult to find it Chair if you...(intervention).

CHAIRPERSON: Will I find the reference to BK on the second column...(intervention).

10 **ADV KATE HOFMEYR:** Yes in the description column, Chair if you track the description column down just below halfway you'll see a BK.

CHAIRPERSON: Ja I see it.

ADV KATE HOFMEYR: And the amount there Ms Viljoen?

MS KALANDRA VILJOEN: It's 5million.

ADV KATE HOFMEYR: 5million and these three amounts reflecting Koroneka on the 8th of May, Koroneka on the 11th of May and BK on the 16th of September, have you satisfied yourself, all relate to payments from Koroneka?

MS KALANDRA VILJOEN: That's correct yes.

20 **ADV KATE HOFMEYR:** And not from Mr Markides?

MS KALANDRA VILJOEN: Yes.

CHAIRPERSON: And it's September 2015, 2016?

ADV KATE HOFMEYR: All 2015 Chair.

CHAIRPERSON: All 2015, okay.

ADV KATE HOFMEYR: Chair we're going to look, in a moment in

Ms Viljoen's evidence at the flow of funds diagram because those dates become relevant when we look back at the evidence that's been given previously about when precisely funds came in to Koroneka and when this total of 9million came out but we'll get to that at an appropriate point, with your leave, and Ms Viljoen I'd then like to take you, if we may, to page 14, the next page of your affidavit.

MS KALANDRA VILJOEN: Okay.

ADV KATE HOFMEYR: And pick it up at 3.- sorry at 7.3.7 because here you pick up the point about yourself not being in possession of the
10 delivery slips, page 14 Chair.

CHAIRPERSON: Sorry what page...(intervention).

ADV KATE HOFMEYR: Page 14.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: And we are at paragraph 7.3.7.

CHAIRPERSON: Thank you.

ADV KATE HOFMEYR: You say there,

“Although I'm not in possession of the delivery slips relating to the three deliveries, I confirm that the funds were delivered to Markides at his place of business and Lisa Zogby confirmed
20 this by sending their version of the receipts”,

Do you see that Ms Viljoen?

MS KALANDRA VILJOEN: I do.

ADV KATE HOFMEYR: When you say at his place of business there, what place do you mean?

MS KALANDRA VILJOEN: Whittaker.

ADV KATE HOFMEYR: You know that for certain?

MS KALANDRA VILJOEN: We did most deliveries to – actually no I don't ever recall us doing deliveries to their Springs address so I want to say yes, we did the deliveries all to Whittaker.

ADV KATE HOFMEYR: But following on from the Chair's line of questioning earlier you don't know that as a fact do you?

MS KALANDRA VILJOEN: I don't know it as a fact but my instructions to my drivers were Whittaker.

ADV KATE HOFMEYR: Despite what was reflected on the invoices?

10 **MS KALANDRA VILJOEN:** Yes.

ADV KATE HOFMEYR: Ms Viljoen I then want to move to paragraph 7.3.9 and 7.3.10 on that page because you make some – what I want to suggest are concluding remarks there after your affidavit has detailed the facts of your engagements with Mr Markides and your processes. At paragraph 7.3.9 you state,

20 "I wish to record that I took all steps necessary to establish Markides' identity and confirmed same by obtaining a copy of his identity document, I obtained his income tax number and personally inspected his business premises, and then the next paragraph, I never received any cash at all from Markides and I further confirm that the transactions in question were run of the mill for cash in transit business and did not seem suspicious at all",

Do you stand by those statements?

MS KALANDRA VILJOEN: I do yes.

ADV KATE HOFMEYR: I then – I kept promising in the course of your evidence that we would finally go to FICA and look at the various obligations that you had as an accountable institution. Chair with your leave I'd like to go there.

CHAIRPERSON: Yes let's do that.

ADV KATE HOFMEYR: You'll find the relevant provisions in the legislation bundle under tab 5 which contains the Financial Intelligence Centre Act 38 of 2001 and where I'd like to suggest we start, is at page 122 of – within that Act. Ms Viljoen, we've already established in your
10 evidence the importance placed on...(intervention).

CHAIRPERSON: I'm sorry Ms Hofmeyr did you say page 122?

ADV KATE HOFMEYR: 122 in the top right pagination, do you have that Chair?

CHAIRPERSON: Yes thank you.

ADV KATE HOFMEYR: We've already covered in your evidence the responsibility that accountable institutions have to take steps to guard against money laundering, you accept that?

MS KALANDRA VILJOEN: I do.

ADV KATE HOFMEYR: And you had taken legal advice that you were
20 an accountable institution under FICA in the form of a money remitter, correct?

MS KALANDRA VILJOEN: Correct.

ADV KATE HOFMEYR: So we start with what the FICA requirements are on that page at section 21, you have to among other things – I'm going to summarise, just for the purposes of the efficiency

of the evidence, what section 21 is concerned with is your need to establish and verify the identity of the client, that's under 21 (1) A, do you see that?

MS KALANDRA VILJOEN: I see that yes.

ADV KATE HOFMEYR: And then if you go down to 21A you're also required to understand and obtain information on the business relationship, do you see that, and what you have there is the following,

10 “When an accountable institution engages with a prospective client to establish a business relationship as contemplated in Section 21, the institution must, in addition to the steps required under 21, and in accordance with its risk management compliance programme, obtain information to reasonably enable the accountable institution to determine whether future transactions that will be performed in the course of the business relationship concerned, are consistent with the institutions knowledge of that prospective client including information describing a) the nature of the business relationship concerned, b) the intended purpose of the business relationship concerned, c) the course of the funds

20 which the prospective client expects to use in concluding transactions in the course of the business relationship concerned”,

Do you see that?

MS KALANDRA VILJOEN: I do.

ADV KATE HOFMEYR: And I have it as your prior evidence that

you did not at any point, establish the source of funds as you were required to do under section 21A (C) is that correct?

MS KALANDRA VILJOEN: To me, establishing where the funds came from was to contact and confirm with the client that it is their funds.

ADV KATE HOFMEYR: The source of funds that the prospective client expects to use in concluding the transaction, let's break it down in fairness.

MS KALANDRA VILJOEN: Okay.

ADV KATE HOFMEYR: Your client is transacting with you, is it not
10 by depositing an amount in your account.

MS KALANDRA VILJOEN: Yes that's correct.

ADV KATE HOFMEYR: So what this section – if we read that section in plain terms it's saying you must establish where the source of funds for that transaction with you is coming from, do you see that?

MS KALANDRA VILJOEN: Again I would read it as, they are the source and I confirmed they are the source from them.

ADV KATE HOFMEYR: Did you receive legal advice to that effect?

MS KALANDRA VILJOEN: Not that I can recall.

CHAIRPERSON: Would you have read this yourself, the actual Act
20 yourself?

MS KALANDRA VILJOEN: I can't remember Chair.

CHAIRPERSON: In other words, where would you have gained information from?

MS KALANDRA VILJOEN: I did ask my attorney...(intervention).

CHAIRPERSON: Hang on Ms Viljoen just learn to wait until the

question is completed, okay.

MS KALANDRA VILJOEN: Sorry Chair.

CHAIRPERSON: Where would you have got the information from as to what your obligations were under FICA?

MS KALANDRA VILJOEN: My attorney sent it to me and I probably would have read it on all the information sent to me.

CHAIRPERSON: He would have – did he send to you the whole Act, did he send to you relevant sections of the Act, did he send to you a memo or a note or a letter explaining what the obligations were?

10 **MS KALANDRA VILJOEN:** I cannot remember in which format it was sent.

CHAIRPERSON: Yes.

MS KALANDRA VILJOEN: I can't remember.

CHAIRPERSON: Okay but do you have a recollection that you did read the Act or you don't have that recollection, the Act – when I say the Act not necessarily that you read the whole Act but at least you read what you considered was necessary to establish your obligations.

MS KALANDRA VILJOEN: I do remember reading some yes.

CHAIRPERSON: Okay and you did understand that the Act required
20 you to establish the source of the funds or what was your understanding?

MS KALANDRA VILJOEN: My understanding was I can confirm with the client that it is their funds and that would of course then be the source of the funds.

CHAIRPERSON: That was your understanding?

MS KALANDRA VILJOEN: Yes Chair.

CHAIRPERSON: Not that you had to ask the client, where did you get the funds from?

MS KALANDRA VILJOEN: No Chair.

CHAIRPERSON: Okay, alright.

ADV KATE HOFMEYR: Just to go back to the language of 21 A (C) you'll see that it says that what you need to establish is the source of the funds which that prospective client expects to use in concluding transactions in the course of the business relationship. So source of
10 funds are where they got, what they are going to use in transacting with you, do you see that reading?

MS KALANDRA VILJOEN: I see that now yes.

ADV KATE HOFMEYR: You didn't see that reading at any point previously?

MS KALANDRA VILJOEN: I don't recall doing that no.

ADV KATE HOFMEYR: If we go over the page to page 123 the next relevant obligation is at 21 (C) right at the bottom of the page, it's a requirement to do ongoing due diligence, were you aware of that obligation?

20 **MS KALANDRA VILJOEN:** No Chair.

ADV KATE HOFMEYR: And you'll see, we've had this reference before, there's a constant reference in this section to a risk management and compliance programme that each accountable institution has to develop, had you developed one of those?

MS KALANDRA VILJOEN: Can you repeat that please?

ADV KATE HOFMEYR: If you look at section 21 (C) it begins,

“An accountable institution must, in accordance with its risk management and compliance programme”,

And then it goes on to talk about the various steps you take to do a due diligence. What I’m interested in, we’ve had that reference to the risk management and compliance programme in the previous section we were looking at, and I’m just asking, did you develop a risk management and compliance programme in your business?

MS KALANDRA VILJOEN: I did not no.

10 **ADV KATE HOFMEYR:** Are you aware that, that’s another requirement of accountable institutions under FICA?

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: Please give the answer now?

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: Thank you, if we speak at the same time, the record can’t pick it up.

MS KALANDRA VILJOEN: Okay.

ADV KATE HOFMEYR: And then 21 (E) is fairly important for the conducting of your business Ms Viljoen because what 21 (E) provides is
20 that if an accountable institution is unable to do certain things, and I’ll go into it in detail, it may not establish a business relationship with any client and let’s look at what you have to have in terms of this section before you can conduct business. You have to establish and verify the identity of the client or other relevant person, that’s a) under b) you have to obtain the information contemplated in 21 (A) you’ll recall that’s

the section dealing with source of funds and you have to conduct an ongoing due diligence as contemplated in 21 (C) which we've just been looking at and if you fail to do any of those three things under (i) you may not establish a business relationship or conclude a single transaction with a client, do you see that?

MS KALANDRA VILJOEN: I see that.

ADV KATE HOFMEYR: Ms Viljoen your evidence has been that you did not take those steps, correct?

MS KALANDRA VILJOEN: Correct.

10 **ADV KATE HOFMEYR:** So this section means you were prohibited from establishing any business relationship or concluding any transaction with any of the clients in respect of whom you did not take those steps, do you see that?

MS KALANDRA VILJOEN: I see that yes.

ADV KATE HOFMEYR: Thank you, if we go over the page to section 125, those are the sections there dealing with the duty to keep records. I indicated to you earlier in the evidence that we'd go back to those sections. In summary form, and I'm happy to go to the actual text if you want to, but what sections 22 and 22 (A) indicate is that you
20 must keep records of the due diligences that are done and you must also keep transaction records, were you aware of that obligation?

MS KALANDRA VILJOEN: No I was not.

ADV KATE HOFMEYR: And then at section 23 it makes clear that those records have to be kept for a period of at least five years under sub (a), do you see that?

MS KALANDRA VILJOEN: I do.

ADV KATE HOFMEYR: I take it you were not aware of that obligation either?

MS KALANDRA VILJOEN: As I said earlier no.

ADV KATE HOFMEYR: And then Ms Viljoen if we go over to page 129 – Chair I see we are at 1 o'clock there are one or two aspects just to complete on FICA, with your leave I suggest we do that and then take the break.

CHAIRPERSON: Yes let's do that.

10 **ADV KATE HOFMEYR:** So at page 129 there's a section dealing with suspicious and unusual transactions, that's section 29, do you see that?

MS KIALANDRA VILJOEN: I see that yes.

ADV KATE HOFMEYR: Chair this section is one of the sections of FICA that actually is not confined to accountable institutions, most of the sections of the Act place obligations on accountable institutions and that's why we've been engaging with Ms Viljoen because she understood herself to be an accountable institution. Section 29 is actually much broader, it applies to any person who carries on a
20 business or is in charge of or manages a business or who is employed by a business and who knows or ought reasonably to have known or suspected certain things. I only preface the question with that so that we understand this is an obligation that accountable institutions and others have under FICA and what you're required to do, Ms Viljoen as any person who carries on a business is to make a report to the

Financial Intelligence Centre if in the course of your business you come across what are called suspicious and unusual transactions, were you aware of this provision of the Act and the obligations it placed on you?

MS KALANDRA VILJOEN: I was yes.

ADV KATE HOFMEYR: But I had your evidence earlier that you didn't look at the guidance notes ever that were published by FICA is that right?

MS KALANDRA VILJOEN: That's right yes.

ADV KATE HOFMEYR: Did you ever make a suspicious or unusual
10 transaction report to the FIC in the course of your business

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: But you were aware of the obligation to do
so?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: You'll see that one of the examples of a
suspicious or unusual transaction which you're required to report on,
under (B) is a transactional series of transactions to which the
business is a party (i) facilitated or is likely to facilitate the transfer of
the proceeds of unlawful activities or property which is connected to an
20 offence relating to the financing of terrorist or related activities and (b)
it's a transaction that has no apparent business or lawful purpose, do
you see that?

MS KALANDRA VILJOEN: I see it yes.

ADV KATE HOFMEYR: And then under (c) there one of the other
suspicious or unusual transactions are transactions where the business

has been used or is about to be used for money laundering purposes, do you see that?

MS KALANDRA VILJOEN: I see that yes.

ADV KATE HOFMEYR: So if you had been alerted to the fact that your business was being used for any of these purposes, you did know that you had an obligation to report it, correct?

MS KALANDRA VILJOEN: That's correct yes.

ADV KATE HOFMEYR: Chair just to conclude this point the guidance note which is of relevance is the one that appears at 159.1 of
10 this bundle and the relevant page you'll find at 159.14 and you'll see on that page, Ms Viljoen there's a heading, Unusual Business, do you see that?

MS KALANDRA VILJOEN: I see that yes.

ADV KATE HOFMEYR: Just to give you the benefit of this part of the notice, what the FIC is doing in this guidance note it, it's trying to provide financial – well accountable institutions and others with guidance as to what they should be on the lookout for, for suspicious and unusual transactions and you'll see under that heading, Unusual Business, there's a list bulleted of the types of unusual businesses
20 that you should be on the lookout for and it's the first one that I'm interested in, deposits of funds with the request for the immediate transfer elsewhere. Ms Viljoen that's a description of your business, isn't it?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: Thank you, Chair there will be a few

questions to follow up on after the break I don't imagine that they will take long, but if it's convenient we can take the lunch break now.

CHAIRPERSON: Okay we'll take the lunch break and we'll resume at five past two. We adjourn.

INQUIRY ADJOURNS

INQUIRY RESUMES

CHAIRPERSON: Okay let us proceed.

ADV KATE HOFMEYR: Thank you Chair. Chair we took the liberty over the break of replacing your and Ms Viljoen's soft cover files into a
10 lever arch file which should make.

CHAIRPERSON: Thank you for that.

ADV KATE HOFMEYR: The remainder of the afternoon's proceedings a little bit easier.

CHAIRPERSON: Ja. Yes.

ADV KATE HOFMEYR: Chair I want to pick up if I may with that point about unusual business practices that we ended before the break with Ms Viljoen but before doing that Ms Viljoen in fairness to you the transactions that this commission is concerned about took place in 2015, is that correct?

20 **MS KALANDRA VILJOEN:** That is correct yes.

ADV KATE HOFMEYR: Those were the two in May and the one in September, correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: We have been through a number of provisions of FICA as we calling it colloquially and in fairness to you I must place

on record that some of those obligations arose pursuant to an amendment in the Act in 2017 which was after the transactions that are relevant to the work of the commission. I do want to state that. What is clear though is that the ones that operated at the time required adequate steps to be taken to identify and verify the identity of your clients and I take it to be your evidence that you are now satisfied that the steps you took were not adequate, is that correct?

MS KALANDRA VILJOEN: I would still say I think they were adequate.

ADV KATE HOFMEYR: But you had no way of knowing that another
10 entity was in fact transacting with you, right?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Yes. So you did not know that it was not Mr Markides depositing R2 million into your account on the 6 May 2015, correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: The obligations to keep the records was present at the time and I understand you to say you did not know of that obligation at the time?

MS KALANDRA VILJOEN: I was informed that we are getting the
20 records back.

ADV KATE HOFMEYR: Oh.

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: Well that may be relevant to the commission's further investigation but we will be in touch with you in due course. I would then like to pick up this point that we ended on where we were

looking at the guidelines of the financial intelligence centre about suspicious and unusual transactions and we looked at page 159.14 of the legislation bundle and the question I asked just before the break was the first unusual business that is described by FICA as requiring the possible reporting obligation under Section 29 to arise is deposits of funds with a request for their immediate transfer elsewhere, you will recall that?

MS KALANDRA VILJOEN: I do yes.

ADV KATE HOFMEYR: And just for absolute clarity that Section 29
10 obligation to report suspicious and unusual transactions operated in 2015 and you were aware of it as I have your evidence?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: And we said is that not a description of your business and after a little bit of a pause I had your evidence to be yes it was.

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: I would like to probe that just a bit further because I want to suggest to you that despite your description of your business as a cash in transit service it may well not have been that and
20 let me do so in the following way and I would like your comment on how I am describing a run of the mill cash in transit business. Okay so it seems to me cash in transit works when for example retailers who have a need for cash in order to conduct their businesses need to deposit cash at the end of the day with their banks and so they need somebody to transport all of that cash that they have on site to the bank so that

their funds – those funds can be credited to their account, does that sound like part of what cash in transit businesses traditionally do?

MS KALANDRA VILJOEN: It sounds like part of it yes Chair.

ADV KATE HOFMEYR: So end of a day of retail they take the money from the retailer to its bank so that its bank account can be credited, correct?

MS KALANDRA VILJOEN: Correct.

ADV KATE HOFMEYR: It seems to me those retailers may also need funds maybe at the start of a week or a day because they need so many
10 R5 coins and so many R10 notes and so they engage with their bank and they to the bank I need this much to be withdrawn from the account in these denominations and then the bank procures somebody to bring it to them, does that sound accurate to you?

MS KALANDRA VILJOEN: Correct yes.

ADV KATE HOFMEYR: Are you aware that the Financial Intelligence Centres Guidance Notes on money remitters only identify banks and entities engaged in foreign exchange as potential money remitters under the Act?

MS KALANDRA VILJOEN: No.

20 **ADV KATE HOFMEYR:** You see cash in transit businesses do not enter into transactions the traditional ones. Do you accept that?

MS KALANDRA VILJOEN: With you saying it yes.

ADV KATE HOFMEYR: On the description I have given there is no transaction that it is involved in because all it does is literally move money from the retailer to the bank where it is going to be credited

against its account or from the bank where it has been withdrawn to the retailer, do you understand that?

MS KALANDRA VILJOEN: I do yes.

ADV KATE HOFMEYR: The reason why this is important is because any entities that receive deposits of money from the general public and then have an agreement to repay those funds over time to the clients from whom they receive them are actually operating the business of a bank, are you aware of that?

MS KALANDRA VILJOEN: No.

10 **ADV KATE HOFMEYR:** Okay let us just go in fairness to those sections of the Banks Act because what they tell us is what the business of a bank and what a deposit means and you will find that under the last tab of the legislation bundle. And it commences Chair at page 221.

CHAIRPERSON: Yes I have got it.

ADV KATE HOFMEYR: And the relevant section I would like to look at first is at page 234. And that is where we find the definition of a business of a bank and under A it means the acceptance of deposits from the general public including persons in the employ of the person
20 so accepting deposits as a regular feature of the business in question. Ms Viljoen is that not a description of your business?

MS KALANDRA VILJOEN: Would deposits be EFT deposits or cash deposits?

ADV KATE HOFMEYR: Let us look at the definition of deposit. You will find that at page 227.

MS KALANDRA VILJOEN: 227.

ADV KATE HOFMEYR: You will see – apologies. You will see midway down that page a definition of deposit. It says there:

“When used as a noun it means any amount of money paid by one person to another person subject to an agreement in terms of which

10 a. An equal amount or part thereof will be conditionally or unconditionally repaid either by the person to whom the money has been so paid or by any other person with or without a premium on demand or at specified or unspecified dates or in circumstances agreed to by or on behalf of the person making the payment and the person receiving it.”

And then b. tells that it is irrelevant whether interest is or is not payable on that deposit. So in layman’s terms as I read that section a deposit is when you receive an amount of money – an amount of money is paid from person A to person B and there is an agreement between those two people that it will be repaid on any terms.,

MS KALANDRA VILJOEN: On any terms yes.

20 **ADV KATE HOFMEYR:** Ja. Do you see that?

MS KALANDRA VILJOEN: I do yes.

ADV KATE HOFMEYR: Is that what your business was doing?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: Um...

CHAIRPERSON: Maybe I must just raise a question.

ADV KATE HOFMEYR: Yes.

CHAIRPERSON: That I thought of when I was trying to understand what the need was for her business.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: Ordinarily when you talk about the deposit of money you talking about depositing cash but sometimes you may be depositing a cheque.

ADV KATE HOFMEYR: Correct.

10 **CHAIRPERSON:** And with – with technology there may be all kinds of ways.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: So when I was asking her questions about what they do at some stage I also wanted to say well she was saying a client will request cash of a certain amount on the particular day but she will not make arrangements for the delivery of that cash to the client until the client has transferred money...

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: Into her account.

ADV KATE HOFMEYR: Indeed.

20 **CHAIRPERSON:** Now when you transfer electronically that might depend on if there is a definition of transfer and of money somewhere I guess it is not cash that moves. It is information is moved.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: And the bank will understand that from now on this money which belonged to A now belongs to B. So that the question

would be whether when they – there is a transfer like that one can talk of about – of a deposit of money or not.

ADV KATE HOFMEYR: Indeed Chair.

CHAIRPERSON: Of course I have not looked at various definitions so – but I am just raising it because it may arise in regard to this.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: But also because I had wondered at the time.

ADV KATE HOFMEYR: Yes.

CHAIRPERSON: But I thought well maybe it might not arise. It might
10 be my ignorance of technology.

ADV KATE HOFMEYR: Certainly not Chair with respect. If I may just respond in the following way. What is peculiar about the traditional cash in transit business that I was debating with Ms Viljoen is that there is no deposit into an account of the cash in transit business. It goes and it literally moves money between a client and its bank. The bank...

CHAIRPERSON: Yes physically.

ADV KATE HOFMEYR: Physically.

CHAIRPERSON: Ja, ja this is...

20 **ADV KATE HOFMEYR**: It takes that – those hard notes and coins if they are ever interested in coins and it takes it from location A to location B or the reverse.

CHAIRPERSON: That is like SBV.

ADV KATE HOFMEYR: That is like SBV indeed.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Indeed. And Chair with respect that is an important analogy because the arrangement of Ms Vlljoen's business that we have been discussing today puts her in no different position to the four big banks.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Because the banks can receive deposits by EFT and they can give cash to their client using SBV.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: As I understand AMFS's business model it sits
10 in exactly the same position.

CHAIRPERSON: Yes, yes.

ADV KATE HOFMEYR: It receives deposits.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: There is a transaction.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Which enables it.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Electronically in the main as I understand it.

CHAIRPERSON: Yes.

20 **ADV KATE HOFMEYR:** To receive the money.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: And then it gets the cash from SBV but uses its own vehicles to then deliver those.

CHAIRPERSON: Yes. Yes, yes.

ADV KATE HOFMEYR: It is not I want to submit and have your

comment Ms Viljoen in the position of the traditional cash in transit business with whom no deposits are being made and no transactions are being entered to, do you accept that?

MS KALANDRA VILJOEN: I do yes.

ADV KATE HOFMEYR: Ms Viljoen the...

CHAIRPERSON: But just to complete what my query on your understanding. When there is a transfer from one account to another.

ADV KATE HOFMEYR: Yes.

CHAIRPERSON: Of different.

10 **ADV KATE HOFMEYR**: Yes.

CHAIRPERSON: People – entities no actual transfer of cash happens as such?

ADV KATE HOFMEYR: No not necessarily.

CHAIRPERSON: It is just – it is just..

ADV KATE HOFMEYR: It is credits and debits against accounts.

CHAIRPERSON: It is credits ja credits and debits.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: That is all.

ADV KATE HOFMEYR: Indeed.

20 **CHAIRPERSON**: But for all intents and purposes it is considered that money has moved from one account into another.

ADV KATE HOFMEYR: Indeed. And Chair if I may in that respect there are transactions.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: But what I must be clear on is they would not

constitute deposits.

CHAIRPERSON: Yes okay.

ADV KATE HOFMEYR: In the sense that the Banks Act is concerned.

CHAIRPERSON: Oh okay.

ADV KATE HOFMEYR: Unless...

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: The relationship is as and I will describe it now in simplified terms if I may? Entity A or person A only engages in a deposit with Entity B. If there is a transfer of funds and there is an
10 agreement between those two entities that that amount will be repaid back.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: To person A.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Pursuant to certain aspects of the agreement.

CHAIRPERSON: Arrangements.

ADV KATE HOFMEYR: Maybe interest, maybe not.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Maybe over time but just transactions of EFT
20 nature between businesses are not deposits.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: They are deposits when you are acting like a bank.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: You are holding the money of someone.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: And pursuant to arrangements you make giving that back to them as when they require it.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: And it is that feature of AMFS that I have suggested to Ms Viljoen constitutes the business of a bank.

CHAIRPERSON: Yes but within the context of the definition of deposit must I approach this definition on the basis that in the context of Ms Viljoen's business deposit includes transfer by her clients of money into
10 her account?

ADV KATE HOFMEYR: Indeed. Exactly.

CHAIRPERSON: And would you know whether that is based on the act or just on the practice and reality and everyone – everyone's understanding who understands technology?

ADV KATE HOFMEYR: Chair certainly deposit as we read it there.

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: Means an amount of money paid by one person to another.

CHAIRPERSON: Ja.

20 **ADV KATE HOFMEYR**: The Act does not specify the method of payment.

CHAIRPERSON: Yes okay.

ADV KATE HOFMEYR: Historically it may have been cheques, earlier than that cash or even earlier than that some other matters.

CHAIRPERSON: But resistive.

ADV KATE HOFMEYR: But – indeed – indeed, but...

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: The essence of the arrangement I would submit is that one person pays to another person through whatever means an amount of money that is going to be repaid back to them.

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: On certain conditions and terms. Ms Viljoen the consequence of that is that if indeed AMFS was conducting the business of the bank it would have to be registered as a bank, are you
10 aware of that?

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: Okay well the Banks Act we do not need to go into the provisions but it requires any entity doing that receiving deposits and ensuring that they are repaid subject to whatever terms are agreed between the entities have to be registered. But I take it you were not aware of that until now?

MS KALANDRA VILJOEN: Until three seconds ago.

ADV KATE HOFMEYR: Right. And the Act goes further and makes it clear that conducting the business of a bank without registration is a
20 criminal offence. It also provides that conducting the business of a bank without registration may result in all of the proceeds that were obtained in the course of that business being required to be repaid, were you aware of those provisions?

MS KALANDRA VILJOEN: No.

ADV KATE HOFMEYR: Ms Viljoen I would then like to move just to

what we can make of your evidence in relation to the monies from Koreneke. As I have it and I am putting this to you for your comment if there is any part of my summary that you disagree with. Your evidence as I have it is that you were misled by Ms Markides that an amount of R9 million that was paid to you came from him, is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And you have subsequently established that they did not come from him, correct?

MS KALANDRA VILJOEN: That is correct yes.

10 **ADV KATE HOFMEYR:** And they came from a business called Koreneke Trading and Project CC, is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Chair I would just like to go at this point to the diagram that I mentioned earlier.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Ms Viljoen this is not a diagram that you have prepared it has been prepared by the commission and it simply is a flow of funds to represent graphically how the money arrived in Koreneke and ended up in you and if there is any aspect of it that you disagree
20 with you must please let us know. You will find it in your bundle right at the end at page 105 and it will also be reflected on the screens for everyone's benefit. I reiterate again this is not information of which you have personal knowledge it is our ability just to track this story together so that it makes sense in the context of the previous that has been received.

CHAIRPERSON: You said the diagram is at what page?

ADV KATE HOFMEYR: At 105.

CHAIRPERSON: 105.

ADV KATE HOFMEYR: Of DD9. Ms Viljoen you will...

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: You will identify AMFS beneath Koreneke.

MS KALANDRA VILJOEN: In the middle.

ADV KATE HOFMEYR: In the middle right? That is the only part of this that you could speak to and I will take you to in a moment. But
10 Chair this is just a further extension of the diagram we looked on on Saturday because on Saturday we got up to AMFS in the evidence of Ms Tlatsana.

CHAIRPERSON: Oh yes.

ADV KATE HOFMEYR: And so what we have done is we have added a few further lines.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: As the evidence is progressed.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: We felt it appropriate only to stop at the point
20 of Ms Tlatsana's evidence on Saturday.

CHAIRPERSON: Ys.

ADV KATE HOFMEYR: And now having the benefit of Ms Viljoen's evidence we continue with those lines further down.

CHAIRPERSON: Okay.

ADV KATE HOFMEYR: So just to orientate you Ms Viljoen you have

got a diagram on the top left representing the North West Government. And you have got represented by red lines on that page the monies that come out of the North West Government, do you see that?

MS KALANDRA VILJOEN: I see it yes Chair.

ADV KATE HOFMEYR: And you will see that sometimes the money out of the North West goes to South African Express which is in the top right hand corner.

MS KALANDRA VILJOEN: Corner got it.

ADV KATE HOFMEYR: And from South African Express it goes into
10 Koreneke, you see that amount of R31 million.

MS KALANDRA VILJOEN: I do yes.

ADV KATE HOFMEYR: Or it goes directly from the North West Government into Koreneke and that is the line representing 2.606335 million, do you see that?

MS KALANDRA VILJOEN: I see that yes.

ADV KATE HOFMEYR: That is all evidence that we have received previously in the commission. At then sits in Koreneke about 51 million in total and from Koreneke it is distributed to various entities. If I work from the left of the page there is a payment to an entity called Elskakol
20 then a payment for what is described as management consulting. Then a payment to an individual referred as Mr Papitas and then we have the payment of R9 million to AMFS, do you see that?

MS KALANDRA VILJOEN: I see that yes.

ADV KATE HOFMEYR: And your evidence has confirmed that those funds were received by Koreneke.

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And then this is the part that you can speak to is the line in green going down from that. That is a payment on 9 million as you understood it being made to Mr Markides, correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Well to be absolutely accurate it is an amount slightly less than 9 million because you took off a fee.

MS KALANDRA VILJOEN: Yes I would have taken off my fee yes.

ADV KATE HOFMEYR: It is a small bit less than that and then the
10 question is where does it go from there and all that you have been able to offer in that regard are those delivery slips that you receive from Ms Zogby is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Thank you. We will continue Chair with the Neosolutions lines after the evidence on Thursday.

CHAIRPERSON: Thank you.

ADV KATE HOFMEYR: But that just assists to graphically track the flow of funds in this case.

CHAIRPERSON: Well if that diagram correctly and accurately reflects
20 the flow it looks like somebody at SA Express would cause SA Express to well would cause money to go from SA Express to Koreneke various stops on the way and then he ultimately meets it somewhere later.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: So...

ADV KATE HOFMEYR: Indeed Chair.

CHAIRPERSON: So he causes it to ultimately go to his account but it is a long round about ...

ADV KATE HOFMEYR: Correct.

CHAIRPERSON: Route but ultimately it ends with him.

ADV KATE HOFMEYR: Chair that is the force of some of the questions I put to Ms Viljoen at the commencement of today.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Because rendering unlawfully obtained proceeds into cash really does stop the trail often because then you do
10 not have transactions in bank accounts that can be tracked. And it is why I suggested to Ms Viljoen that any businesses involved in cash should be on high alert for their possible involvement in the facilitation of money laundering.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Because you change – you engage in a series of transactions to hide in a sense the origination of the funds.

CHAIRPERSON: Ja and how they...

ADV KATE HOFMEYR: And their ultimate end point.

CHAIRPERSON: Yes.

20 **ADV KATE HOFMEYR**: Indeed.

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: Ms Viljoen just to return to you we established from your evidence that you have subsequently learnt that those funds were deposited to you by an entity called Koreneke, correct?

MS KALANDRA VILJOEN: Correct yes.

ADV KATE HOFMEYR: And your evidence also is that you never vetted Koreneke as a client, correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And the consequence of that is that there was a business transaction between AMFS and Koreneke without any vetting been done of that client, correct?

MS KALANDRA VILJOEN: Also without my knowledge but yes correct.

ADV KATE HOFMEYR: And your evidence is that you did nonetheless deliver R9 million in cash less your fee to what you understood to be Mr
10 Markides' appointed premises, correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: And you also – the only knowledge you have after that point are the delivery slips provided by Ms Zogby is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: Thank you. Ms Viljoen those are the essence of the submissions that – at least the questions that I wanted to ask of you today. Chair there are or two concluding submissions I propose to make just to in relation to the upshot of Ms Viljoen's evidence and it is
20 a look down the line to the possible types of recommendations.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: That the commission may consider making.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: And if I may just take a moment on that?

CHAIRPERSON: Ja do that.

ADV KATE HOFMEYR: And Ms Viljoen of course if there is any aspect of what I say that you want to offer comment on afterwards you will be given an opportunity to do that. Chair the concern arising I submit from the nature of the AMFS business is that it really was acting as a bank in the pursuit of its work. But a bank that was not regulated by the Banks Act at the time and if there are others operating in a similar way it will be our recommendation in due course that one of the recommendations that this commission considers making is that the entities responsible for regulation of the Banks Act that being the

10 Reserve Bank and the Registrar of banks or indeed the FICA Act, the Financial Intelligence Centre be mandated to investigate these type of businesses in closer detail. Because what we have established through this evidence is that there was an operation carrying at its peak more than half a billion rands of funds. And if this commission is to have some chance of establishing where some of the public funds that we know were unlawfully obtained ended up it may well be that these types of entities need to be investigated further. If there is a way to check where public funds pursuant to state capture corruption and fraud went it may well be it will be our recommendation that these oversight bodies

20 need to look into these types of entities.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Chair it was for that reason that we asked Ms Viljoen at the outset whether she knew of other businesses that were engaged in a similar type of business model.

CHAIRPERSON: Ys.

ADV KATE HOFMEYR: Her answer in fairness to her was she knows that the industry of cash in transit is quite big but through the questions today it is my submission that we have established that the business was not a traditional cash in transit business.

CHAIRPERSON: Hm.

ADV KATE HOFMEYR: But at least Rustin Stone we have as her evidence operated in a similar manner. Ms Viljoen are you aware whether Rustic Stone continues to operate?

MS KALANDRA VILJOEN: No they closed down.

10 **ADV KATE HOFMEYR:** And are you aware of any others in the industry that operate on the same business model as matters stand currently?

MS KALANDRA VILJOEN: The person that bought the business from me.

ADV KATE HOFMEYR: Right and you sold that out at the end of 2017, is that correct?

MS KALANDRA VILJOEN: That is correct yes.

ADV KATE HOFMEYR: So that business actually does continue to operate does it?

20 **MS KALANDRA VILJOEN:** I do not know if it operates the same way I did.

ADV KATE HOFMEYR: But it was a sale of business transaction so we could investigate that further?

MS KALANDRA VILJOEN: Yes.

ADV KATE HOFMEYR: Thank you.

CHAIRPERSON: Well if the business they run or the businesses that

they conduct fall within the definition of the business of a bank.

MS KALANDRA VILJOEN: Yes.

CHAIRPERSON: That would mean the Banks Act applies.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: And if the Banks Act applies I guess would mean that the regulatory bodies could – could move in and investigate?

ADV KATE HOFMEYR: Indeed they have extensive powers.

CHAIRPERSON: Yes, yes.

ADV KATE HOFMEYR: Because the whole point about bank regulation.

10 **CHAIRPERSON**: Yes.

ADV KATE HOFMEYR: Is that it is done pursuant to extremely.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Rigorous processes.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: You cannot operate the business of a bank lawfully in this country.

CHAIRPERSON: Yes

ADV KATE HOFMEYR: Without being registered.

CHAIRPERSON: Yes.

20 **ADV KATE HOFMEYR**: With the Reserve Bank.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: And we know as a matter of fact that there are very few entities who are in fact registered.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: And Chair I will not take you through all the

provisions now but the Banks Act has detailed investigative procedures.

CHAIRPERSON: Yes, yes.

ADV KATE HOFMEYR: For inspectors.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: Whenever there is a suspicion that a business is operating as a bank without being registered as such they can do the investigation, they can take further steps including requiring refunds to those who have deposited with the institutions and then in the background of all of that there are the criminal processes.

10 **CHAIRPERSON**: Yes.

ADV KATE HOFMEYR: Associated with that conduct.

CHAIRPERSON: I am concerned that it may be that such regulatory bodies should consider looking into such businesses without having to wait for the...

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: Commission to finish its work because it may well be that there could be serious transactions that are illegal.

ADV KATE HOFMEYR: Indeed.

20 **CHAIRPERSON**: Where the – the money you know might not be traced after some time and – and the tax payer and other persons get prejudiced.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: By businesses who conduct the business of a bank without being registered.

ADV KATE HOFMEYR: Indeed Chair.

CHAIRPERSON: As a bank.

ADV KATE HOFMEYR: In that regard my submission is that there have been ongoing engagements between this commission and both the Reserve Bank.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: And the Financial Intelligence...

MEETING ADJOURNS

HEARING RESUMES

CHAIRPERSON: The money you know might not be traced after some
10 time and – and the tax payer and other persons get prejudiced.

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ADV KATE HOFMEYR: Indeed Chair.

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ADV KATE HOFMEYR: In that regard my submission is that there have been ongoing engagements between this commission and both the Reserve Bank.

CHAIRPERSON: Yes.

20 **ADV KATE HOFMEYR**: And the Financial Intelligence Centre.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: They have certainly always been available.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: In the course of the investigations to assist.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: As they must.

CHAIRPERSON: Ys.

ADV KATE HOFMEYR: As organs of state the regulations require them to do so.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: So that may be a profitable route.

CHAIRPERSON: Yes.

ADV KATE HOFMEYR: to raise with them even in the interim.

CHAIRPERSON: Yes.

10 **ADV KATE HOFMEYR:** It is as you point out Chair with respect.

CHAIRPERSON: Ja.

ADV KATE HOFMEYR: Firmly within their mandate.

CHAIRPERSON: Ja yes, yes. No, no that is what I think that it will be necessary to alert them so that – because if there are regulatory bodies they entitled indeed they are under a duty if they become aware of information that suggest that somebody may be in breach or in contravention of the Banks Act to take the necessary steps.

ADV KATE HOFMEYR: Indeed.

CHAIRPERSON: Ja. Okay.

20 **ADV KATE HOFMEYR:** Thank you Chair. Ms Viljoen were there any comments you wanted to make in response?

MS KALANDRA VILJOEN: No thank you.

ADV KATE HOFMEYR: Thank you Chair.

CHAIRPERSON: Okay. Thank you very much Ms Viljoen.

MS KALANDRA VILJOEN: Thank you Chair.

CHAIRPERSON: We leave it at that for now. Should the need arise to ask you to come back you will be contacted but thank you very much and you are excused.

MS KALANDRA VILJOEN: Thank you for your time Chair.

CHAIRPERSON: Thank you.

ADV KATE HOFMEYR: Chair if I may suggest we have a new witness and there is a bit of a change over that needs to take place would it be appropriate to take a five minute break for that purpose?

CHAIRPERSON: Yes we will take a five minutes break and we will
10 resume at quarter to three.

ADV KATE HOFMEYR: Thank you

CHAIRPERSON: We adjourn.

REGISTRAR: All rise.

INQUIRY ADJOURNS

INQUIRY RESUMES

CHAIRPERSON: Good afternoon Ms September.

ADV VERUSCHKA SEPTEMBER: Good afternoon Chair.

CHAIRPERSON: Are you ready?

ADV VERUSCHKA SEPTEMBER: Yes we are Chair.

20 **CHAIRPERSON**: Yes let us proceed.

ADV VERUSCHKA SEPTEMBER: Chair if I may begin the evidence that is to be led through this witness deals with a different focus within this particular aviation stream. In particular it is the evidence of a – an employee of South African Express. Her evidence deals with particularly the procurement of Jet A1 Fuel by South African Express

which was borne out of the operational need of South African Express and in particular the Pilanesberg Airport.

Through this evidence Chair certain questions will be raised. The first question is whether or not any proper procurement processes were in fact followed for the supply of jet fuel to Pilanesberg Airport and forgive me Chair I am – it is Jet A1 Fuel for the record but I may just interchangeably use it as jet fuel.

The next question which is a bit more of a broader one is whether or not proper procurement processes were observed when
10 South African Express concluded contractual arrangements with a particular entity called EML Engineers and Construction trading as EML Energy and certain IDC funding that was related to that transaction and lastly Chair the other main question that would be placed before this Commission is whether or not there were any fraudulent or corrupt activities in relation to these particular procurement processes.

Having said that Chair the bundle before you is marked DD12 and with your leave if I could just give some clarity to what exactly is contained in this bundle.

CHAIRPERSON: Yes.

20 **ADV VERUSCHKA SEPTEMBER:** Under – there are three tabs to the bundle. Under the first tab Chair we will find the affidavit for this witness. Under the second tab Chair are two documents in particular which relate to this witness' bundle but it is just more comprehensive to what was actually included in their and under the third bundle is an affidavit by a Mr Gavin Fourie who will not be called to give evidence

today but we submit that his affidavit which includes some annexures be tendered and placed before this – this Commission as evidence.

During the evidence of this witness the affidavit of Mr Gavin Fourie will certainly be looked to – to corroborate or to support certain allegations and a version that is tendered by this witness.

CHAIRPERSON: Okay.

ADV VERUSCHKA SEPTEMBER: Unless Chair has anything else for me to address I then request that the oath be administered.

10 **CHAIRPERSON:** The lever arch file containing the statement or affidavit of Ms Estelle Loock and annexures will be marked EXHIBIT DD12. Yes.

ADV VERUSCHKA SEPTEMBER: As it pleases.

CHAIRPERSON: Thank you. You may administer the oath or affirmation to the witness.

REGISTRAR: Please state your full names for the record.

MS ESTELLE LOOCK: Estelle Loock.

REGISTRAR: Do you have any objections to taking the prescribed oath?

20 **MS ESTELLE LOOCK:** No.

REGISTRAR: Do you consider the oath to be binding on your conscience?

MS ESTELLE LOOCK: Yes.

REGISTRAR: Do you solemnly swear that all the evidence that you will give will be the truth, the whole truth and nothing but the truth if so

please raise your right hand and say so help me God.

MS ESTELLE LOOCK: So help me God.

MS ESTELLE LOOCK: (duly sworn, states)

ADV VERUSCHKA SEPTEMBER: Ms Loock – if I may – could I ask you to turn to page 1 of the bundle before you please? Do you recognise this document?

MS ESTELLE LOOCK: Yes this is my affidavit.

ADV VERUSCHKA SEPTEMBER: And can I ask you to turn to page 14 – 1-4? Whose signature appears where deponent is marked?

10 **MS ESTELLE LOOCK:** That is my signature.

ADV VERUSCHKA SEPTEMBER: And so it is correct then that you deposed to this affidavit on 22 May 2019 before a Commissioner of Oaths?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Can I ask you to turn to page 98 please? Is it correct that this particular page was not included as part of your affidavit when you deposed to it but that you have since had an opportunity to have a look at it?

MS ESTELLE LOOCK: That is correct yes Chair.

20 **ADV VERUSCHKA SEPTEMBER:** Thank you. Is it true that you are currently employed by South African Express?

MS ESTELLE LOOCK: Yes I am Chair.

ADV VERUSCHKA SEPTEMBER: And what position do you hold?

MS ESTELLE LOOCK: Airport's Coordinator for SA Express.

ADV VERUSCHKA SEPTEMBER: When did you first join SA Express

Ms Loock?

MS ESTELLE LOOCK: I joined on 8 November 2000.

ADV VERUSCHKA SEPTEMBER: And what position did you hold when you joined the organisation?

MS ESTELLE LOOCK: I started off as a cabin crew member.

ADV VERUSCHKA SEPTEMBER: When were you appointed to the position of Airport's Coordinator?

MS ESTELLE LOOCK: It was around 2009 – apologies – around 2008/2009 that I was appointed yes.

10 **ADV VERUSCHKA SEPTEMBER:** And the evidence that you present today is it correct that those – that your evidence concerns events that took place during 2017?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Well predominantly during 2017?

MS ESTELLE LOOCK: 2017 - that is correct.

ADV VERUSCHKA SEPTEMBER: And during that year or during the time period of 2017 who were you reporting to as your immediate report?

MS ESTELLE LOOCK: My immediate report was the General Manager
20 for Operations which was Mr Dave Allenby.

ADV VERUSCHKA SEPTEMBER: How would you describe your working relationship with Mr Allenby?

MS ESTELLE LOOCK: I had a good relationship with Mr Allenby.

ADV VERUSCHKA SEPTEMBER: Would you say that he trusted your professional abilities?

MS ESTELLE LOOCK: Yes I can.

ADV VERUSCHKA SEPTEMBER: And how long did you report to him?

MS ESTELLE LOOCK: If my memory is correct I reported to him about three to four years.

ADV VERUSCHKA SEPTEMBER: Okay and is he still with SA Express?

MS ESTELLE LOOCK: No. He has gone on pension.

ADV VERUSCHKA SEPTEMBER: When was that?

MS ESTELLE LOOCK: The end of last year around – I think it is September – if I can refer to my affidavit.

10 **ADV VERUSCHKA SEPTEMBER:** Yes you are welcome. It is actually at paragraph 3 on page 1 you do inform that Mr Allenby retired around September 2018.

MS ESTELLE LOOCK: That is correct – September 2018 yes, *ja*.

ADV VERUSCHKA SEPTEMBER: Thank you. So by the time of the year 2017 how long approximately were you in the role of Airport's Coordinator?

MS ESTELLE LOOCK: Around about eight years.

ADV VERUSCHKA SEPTEMBER: Yes, okay. Before we get into what exactly your role entailed during our consultation Chair she gave some
20 really useful background to set context for her position which is necessary to explore. Ms Loock there are different user departments within SA Express as I understand. Is that correct?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And so can you please explain to the Chair the different user departments within SA Express?

MS ESTELLE LOOCK: Alright. If I can explain we have main units and then – sorry – apologies Chair. We had main units and then there were sub – sub ...

CHAIRPERSON: I do think the mic is close enough. So you might not need to come closer to it.

MS ESTELLE LOOCK: Need to come forward.

CHAIRPERSON: *Ja*, just relax and then speak.

MS ESTELLE LOOCK: Okay. So we have main sections in our industry and then there are subsections underneath those and if you want me to
10 I can explain those to you.

ADV VERUSCHKA SEPTEMBER: Please if you may.

CHAIRPERSON: You might just have to raise your voice a little bit but without going too close to the mic okay alright. Continue.

MS ESTELLE LOOCK: Alright. We have an Operations Department which contain Flight Operations. That is the flight deck and the cabin crew. We have an Airport Operations Section which is – contains mostly the stations. The OCC Department – it stands for Operations Control Centre.

That is more for the aircraft movements and deployment of
20 flights and the Ramp Services also fell under Operations and then there was a Training and Planning Section under the Operations Department. We had a Finance Section. The Finance Section contained the Procurement Section which was the sourcing of the service providers, Asset Management which assisted with disposal through moveable assets Chair.

Then we have the Fuelling Section underneath. The Treasury - the Treasury Section was for foreign payments for the cash flow section. Then IT and the Internal Auditors. That fell all under the Finance Department. We had a commercial – Commercial Department, Legal, Technical. If I can go into detail on the Technical Section.

ADV VERUSCHKA SEPTEMBER: Please.

MS ESTELLE LOOCK: The Technical had a Heavy Maintenance and a Line Maintenance Section. Heavy Maintenance refers to your major maintenance on your aircraft which is like A Checks or C Checks and I
10 can explain that if - if you would like to Chair – and then there is the Line Maintenance Section was the day to day to maintenance on the aircraft, night services planning and the stores.

We had a Human Capital Department. We have a quality control and safety department which ensures the audits and compliance to the regulatory bodies. Then we also have a Security Department where all security incidence were reported to. We have the CEO Office, the Boards and then the Shareholders.

ADV VERUSCHKA SEPTEMBER: Thank you. So just to summarise then there are essentially eight user departments. One of which is the
20 Operations Department and is that – sorry – is that the user department in which you work?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And is that the user department to which Dave Allenby is the General Manager?

MS ESTELLE LOOCK: Yes that is correct Chair.

ADV VERUSCHKA SEPTEMBER: You also made mention that there are certain divisions within operations such being Cabin Services, Airport Operations, Flight Operations, Operations Control Centre and Ramp. How does your role as Airport's Coordinator integrate or deal with the divisions as just mentioned each of which I understand is led by a Divisional Manager?

MS ESTELLE LOOCK: My role is more of a supporting and an administrative role to the Divisional Managers of the sectors and then I report directly to the General Manager Chair. So I supported these
10 sections. I did administration work for the sections and then specifically focused on the stations coordinating the stations. There are several services that go with the stations. If you would like me to explain that Chair.

ADV VERUSCHKA SEPTEMBER: We will – I think let us – let us ...

MS ESTELLE LOOCK: *Ja.*

ADV VERUSCHKA SEPTEMBER: Deal with it. Is that all that you wish to state on that point?

MS ESTELLE LOOCK: Yes because if we go into detail of exactly what all my roles are then we can.

20 **ADV VERUSCHKA SEPTEMBER:** And on your cue we will do exactly that. So paragraph 4 on page 1 of your – of the bundle ...

MS ESTELLE LOOCK: Yes.

ADV VERUSCHKA SEPTEMBER: Deals with your functions as Airport's Coordinator. Can you give a high level overview of what exactly your role and responsibilities were in the position of Airport's Coordinator

particularly during the year of 2017 and even 2018 for that matter?

MS ESTELLE LOOCK: Alright. (Clearing throat) - excuse me. I had several different roles being an Airport's Coordinator which one of them was a – a financial type of role where I verified invoices according to gazetted rates, according to contracts. Once I verify it goes to the General Manager for authorisation. Then it goes for payment. I also review budgets with the Divisional Manager of Airports, monitoring the – the expenses at the stations, implement cost saving initiatives to see where we can cut costs.

10 Also work a lot with the payments with the service provider ensuring that certain service providers are paid Chair. On a procurement level I was a lot involved in drawing up documentation like the RFQs which was the Request for Quotations, the Request for Proposals which led to a tender process, deviations. (Clearing throat) - excuse me.

 As a function I drew up these documents. However it – it went to either the Divisional Manager of the Sector or the General Manager to sign off before submission to procurement. Also assisting stations with their requirement procurement wise – do they need
20 stationery, do they need equipment? (Clearing throat) - excuse me. Contracts wise I normally work with Procurement to finalise agreements.

 I review agreements with the Divisional Manager of that section to see if the contract contains what our requirements are. Also assist Divisional Managers with the SLAs that are implemented with the

service providers to ensure that the service providers do exactly what is in the contract. On a compliance side I assisted stations with having updated manuals especially for audit purposes for (IOSA) IATA audits.

I also distribute documents that compliance is required for and also updating of manuals for auditing purposes. This is not flight auditing purposes. On the distribution side I assisted with giving stations or giving stations what they need, sending stations what they need like baggage tags and boarding passes, ramp – assisting with ramp equipment, reflective jackets all for daily operations what people
10 needed and then reporting wise I also did monthly reports for the General Manager or Divisional Manager what they required Chair and at a stage I was also involved in setting up stations.

Certain divisions of the airline is required to sit down and see exactly what is required for a new station and every department had its role in setting up the stations.

ADV VERUSCHKA SEPTEMBER: Thank you. So generally if – if I understand your testimony correct you had a full view of exactly what was happening at any particular station and just for the record would – what exactly is a station?

20 **MS ESTELLE LOOCK:** A station is a destination that we fly to. So Bloemfontein, Kimberley that is a station – George.

CHAIRPERSON:

ADV VERUSCHKA SEPTEMBER: And so that would specifically then be the airport within that particular ...?

MS ESTELLE LOOCK: That is correct *ja*.

ADV VERUSCHKA SEPTEMBER: Location.

MS ESTELLE LOOCK: Airport.

ADV VERUSCHKA SEPTEMBER: Okay.

MS ESTELLE LOOCK: That is correct Chair yes.

ADV VERUSCHKA SEPTEMBER: But certainly within the role that you had you were in a position to have a full appreciation for the overall function and operations of a particular station?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: For purposes of the evidence today it
10 is important to look at – at least two aspects of your role in greater detail. You made mention of the fact that you are involved in procurement at stations. Is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And so can I then ask you to turn to page 58 which is under Tab seven? Do you recognise this document Ms Loock?

MS ESTELLE LOOCK: Yes I do Chair.

ADV VERUSCHKA SEPTEMBER: Please identify it?

MS ESTELLE LOOCK: It is the Supply Chain Management Policy of SA
20 Express.

ADV VERUSCHKA SEPTEMBER: And it is to be noted that on page 58 the effective date of this policy is 1 April 2017 with the review date of 31 March 2018. Is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Is it true that this is actually the

policy that regulated or ought to have regulated procurement during this period under scrutiny of your evidence in 2017?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: If I can then ask you to turn to page 62 please? Chair at - at the preamble on paragraph 1 it sets the tone to – to record:

10 “This policy establishes an integrated Supply Chain Management Framework within which the acquisition of goods, services and works is performed within SA Express.”

The scope is set out on page 63 which is the next page at paragraph 4 and the policy scope is identified as that:

“It shall apply to supply chain management activities within SA Express covering all business units of the company. It is further applicable to all procurement transactions irrespective of their nature or value.”

On page 64 the responsibility and accountability of the Chief Executive Officer is set out in 5.2 which identifies that:

20 “He is or she is responsible and accountable for the procurement of goods and services for the company entering into contracts, strategic partnerships, arranges the hiring or letting of anything. The acquisition or granting of any right for on behalf of SA Express and disposes of moveable SA Express

property.”

Ms Loock if I can now ask you to then turn to page 65 which talks particularly to Supply Chain Management Unit at paragraph 5.4. In which user department did Supply Chain – did the Supply Chain Management Unit sit?

MS ESTELLE LOOCK: In the Procurement Section under Finance Chair.

ADV VERUSCHKA SEPTEMBER: And what were the Human Resources or the capacity requirements of the Procurement Division during
10 2016/2017?

MS ESTELLE LOOCK: The Procurement Section was not fully manned – if I can make that statement Chair.

ADV VERUSCHKA SEPTEMBER: And why was that?

MS ESTELLE LOOCK: It – changeover of staff, limited staff members.

ADV VERUSCHKA SEPTEMBER: Okay and how did that impact on the procurement of goods and services within SA Express at the time?

MS ESTELLE LOOCK: Obviously it has led to things not been done or things not been finalised – if I can state that.

ADV VERUSCHKA SEPTEMBER: And so did that outcome impact on
20 your role at all?

MS ESTELLE LOOCK: Yes it did *ja*.

ADV VERUSCHKA SEPTEMBER: How?

MS ESTELLE LOOCK: In 2017 I had to get more involved in sorting out agreements with service providers. So ...

CHAIRPERSON: One second. Thank you. We may proceed.

ADV VERUSCHKA SEPTEMBER: Thank you Chair. So the lack of resources in the Procurement Department impacted on your role?

MS ESTELLE LOOCK: Yes I became more involved in producing documentation that went to procurement to try and source service providers Chair.

ADV VERUSCHKA SEPTEMBER: Okay. If you look at page 65 of the bundle you will note that under one of the bullet points of the sub heading. It lists that:

10 “These responsibilities of the unit then
 encompasses ...”

On the fifth bullet:

 “...the Chief Procurement Officer is responsible for
 insuring that SA Express’ supply ...”

Forgive me Chair. I have just noted that that sentence appears to be incomplete but having said that:

 “The Chief Procurement Officer ...”

In four bullets down:

 “...may from time to time establish an *ad hoc* cross
 ...”

20 Which again appears to be an incomplete sentence. Nonetheless the Chief Procurement Officer was certainly an integral stakeholder in the procurement of goods and services at SA Express. Is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Can I then ask you to turn to page 69 please and if you look at paragraph 10 which regulates acquisition

management 10.1 in particular which talks to the methods of acquisition and threshold values for procurement of goods and services. The table below that identifies procurement mechanisms. The first column on the left hand side identifies the mechanism.

The middle column identifies threshold and the last column identifies delegated authority. Do you see that Ms Looock?

MS ESTELLE LOOCK: Yes I do Chair.

ADV VERUSCHKA SEPTEMBER: Can I ask you to please list then or rather read into the record that which has – which applies or rather if I
10 can ask you to read the third line which begins with:

“RFP/RFI ...”

Into the record and what exactly that would mean in context of procurement.

MS ESTELLE LOOCK: The RFP Chair stands for Request for Proposal. So that would have been a tender process that if it is an amount higher than 500 000 we have to go out on a tender process.

ADV VERUSCHKA SEPTEMBER: Okay and who would be the delegated ...

CHAIRPERSON: Sorry. Please continue.

20 **ADV VERUSCHKA SEPTEMBER:** Thank you. Who would be the delegated authority for an RFP/RFI according to the table?

MS ESTELLE LOOCK: According to the table it would be the BAC, the CE and the Board.

ADV VERUSCHKA SEPTEMBER: And for the record what does BAC stand for?

MS ESTELLE LOOCK: Bid Adjudication Committee.

ADV VERUSCHKA SEPTEMBER: And CE?

MS ESTELLE LOOCK: Chief Executive, yes.

ADV VERUSCHKA SEPTEMBER: If you then look three lines down which starts with deviations can you please do the same in respect of deviations for the record please?

MS ESTELLE LOOCK: The delegated authority would be the General Manager, the CE, the BAC and the Board.

ADV VERUSCHKA SEPTEMBER: And is it correct that or rather what is
10 the threshold in relation to deviations for such delegated authority?

MS ESTELLE LOOCK: That would be above 500 000.

ADV VERUSCHKA SEPTEMBER: Thank you. Can I now ask you to turn to page 79 please?

CHAIRPERSON: I am sorry. That emergency procedure 500 is that correct? Emergency procedures 500 – that seems ...

MS ESTELLE LOOCK: Sir I would believe that would be a typing error.

CHAIRPERSON: Sorry.

MS ESTELLE LOOCK: That would be a typing error. I believe it is 500 and more.

20 **CHAIRPERSON:** Yes. It should be 500 000.

MS ESTELLE LOOCK: Yes.

CHAIRPERSON: Okay, alright thank you.

ADV VERUSCHKA SEPTEMBER: Thank you Chair.

MS ESTELLE LOOCK: Apologies – the page number?

ADV VERUSCHKA SEPTEMBER: Page 7-9 – 79. Paragraph 17 deals

with the Regulation of Emergency Bids and Deviations. For the record can I ask you to read the first three paragraphs of the section because it is quite key to your evidence which continues on page 80?

MS ESTELLE LOOCK:

“Emergency Bids and Deviations: it may become necessary during the normal course of business to procure goods or services in an emergency situation. The normal bidding processes or procurement process may not be appropriate for such an eventuality. Motivations to deviate from the normal supply chain management procedures shall be presented to the SA Express Bid Adjudication Committee for consideration or submitted for approval to the Chief Executive Officer. Such purchases shall be within threshold prescribed in terms of the delegation of authority as well as within the ...”

“...a detailed and sound motivation must be provided when submitting requests for deviations. Under no circumstances will the application be supported where it is evident that alternative action is proposed with the purpose with the purpose of circumventing the S A Express procurement processes and that the urgency is due to negligence or bad planning.”

ADV VERUSCHKA SEPTEMBER: Thank you. And you will see then that the table below identifies on the one hand cases of emergency and alongside it requirement to satisfy support, which is preceded by a sentence which reads the criteria reflected in the table below may be

used by the S A Express bid adjudication committee during the assessment process.

For the record can I ask you to identify what is written under cases of emergency please?

MS ESTELLE LOOCK:

“Actions where emergency is pleaded.”

ADV VERUSCHKA SEPTEMBER: And alongside where it identifies the requirement to satisfy support?

MS ESTELLE LOOCK: It reads:

10 “Proof that action was in the circumstances of an emergency was in the best interest of S A Express. S A Express did not suffer negligence or damages and desirable outcomes or objectives will be achieved.

ADV VERUSCHKA SEPTEMBER: Thank you, and just lastly the S A – sorry, paragraph 28, on the same page talks specifically to aircraft on ground emergency procurement procedures but it’s within a threshold or within a range, a monetary range of what appears to be 500 to R1.5million, is that correct?

MS ESTELLE LOOCK: That is correct Chair.

20 **ADV VERUSCHKA SEPTEMBER:** And then lastly on page 81 I just wish to highlight to you Chair that there are certain provisions as well which regulates unsolicited bids at paragraph 31 and at paragraph 32 it talks to the sole supplier or single source.

CHAIRPERSON: Yes, I’m still just at that figure, that R500 499,999 do you think it’s another type that 500?

ADV VERUSCHKA SEPTEMBER: I'm not at liberty to say Chair but could be.

CHAIRPERSON: But also if you, I mean the 499 is it – do you read it as four million, what is it, is it four hundred and ninety nine thousand nine hundred and ninety nine rand.

ADV VERUSCHKA SEPTEMBER: That's how I read it Chair, R499 999.

CHAIRPERSON: But is that how you read it also Ms Look?

MS ESTELLE LOOCK: Yes Chair.

CHAIRPERSON: But isn't the difficulty with reading it that way, that it
10 seems to start from a higher amount to a low amount, number one, number two, it makes a difference of what – one Rand.

MS ESTELLE LOOCK: That is correct Chair.

CHAIRPERSON: As opposed to if you read it as 500 then it makes some sense up to a certain point, but it wouldn't make much sense if you read it as R500 000 to R499 999?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Chair if may ...(intervention)

CHAIRPERSON: Do you have some understanding of it Ms September?

ADV VERUSCHKA SEPTEMBER: I must admit I was a big boggled
20 when I saw the 500.

CHAIRPERSON: Sorry?

MS ESTELLE LOOCK: I was a bit boggled when I too first saw the 500 but if you look at the two sub-paragraphs there the first paragraphs talks to a threshold of 500 to 499 999, the second sub-paragraph has another threshold which is from 500 000 to R1.5million.

CHAIRPERSON: That one makes sense. The first one is troublesome.

ADV VERUSCHKA SEPTEMBER: Yes.

CHAIRPERSON: But there was also a reference earlier on to R500 which I drew Ms Loock's attention to earlier and she thought it must be a mistake, but maybe – it might not be so important for our purposes, so you will know better in advance if it will – if it is really of any significance for our purposes.

ADV VERUSCHKA SEPTEMBER: In fact I'm happy to identify that whilst reference is made within some correspondence to aircraft on
10 ground which is abbreviated to AOG certainly the thresholds do not apply and it's for that purpose that I've really just identified this particular paragraph.

CHAIRPERSON: Ja, okay.

ADV VERUSCHKA SEPTEMBER: And then lastly on page 83 paragraph 38 talks specifically to contracting and reads in the first sentence:

“That all contracts within S A Express shall be governed by the provisions of the contract management policy.”

And that is then the – some of the important aspects of the supply chain management policy that applied or to have applied during 2017,
20 is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Can I then ask you to go back to page 2 of your affidavit, and in particular paragraph 4.4 mention is made in this particular sub-paragraph of ground handling services at different stations, is it correct that your role as airports coordinator was

it limited to ground handling services or did it extend beyond that?

MS ESTELLE LOOCK: The services extended beyond ground handling ja.

ADV VERUSCHKA SEPTEMBER: So it is understood that there is an important distinction between airports that are owned by ACSA and airports that are not owned by ACSA, is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Looking at the listing of stations, or airports as I would commonly know them to be can I ask you to identify
10 in the list which stations or airports are in fact ACSA airports please?

MS ESTELLE LOOCK: Johannesburg, Durban, East London, Port Elizabeth, Cape Town, Bloemfontein, Kimberley and George.

ADV VERUSCHKA SEPTEMBER: And why is the distinction between ACSA airports and non-ACSA owned airports so important, for purposes of your evidence today, sorry.

MS ESTELLE LOOCK: In the context of my affidavit it relates to the SAA Fuel Contract which links to the ACSA airports.

ADV VERUSCHKA SEPTEMBER: Okay so if I understand you correctly are you then, is it your evidence that the SAA, S A Express Jet A1 fuel
20 contract only applies to ACSA owned airports?

MS ESTELLE LOOCK: According to the quantum ...(intervention)

CHAIRPERSON: You may have had too many on this, and confused her. You want to find out whether it applied to ACSA airports only?

ADV VERUSCHKA SEPTEMBER: Yes.

MS ESTELLE LOOCK: That is correct, it applies to ACSA owned

airports yes Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. So how would jet fuel or jet A1 fuel then be supplied at the airports which are not ACSA owned or non-ACSA airports?

MS ESTELLE LOOCK: You would have to either use the service provider that has been contracted by the Airports Company that – with a privately owned airport, they would have their own fuelling companies, supplying fuel at the station, so you would have to then contract with a single sole service provider Chair, that is with
10 recommended or told by the Airports Company that you may use Chair.

ADV VERUSCHKA SEPTEMBER: So the distinction then in summary is that at ACSA owned airports an airline would contract for the supply of jet fuel at those airports or rather S A Express sorry would contract for the supply of jet fuel at those airports on the basis of the SAA/SA Express Jet Fuel Contract, is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And then at the airports which are not ACSA owned S A Express would need to contract with the fuel supply service provider that has been identified and nominated by the
20 owner of that airport?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Sun City or Pilanesberg station and Mafeking station is it correct that those two stations are not ACSA owned?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Now your role as airports coordinator did it extend to all of these stations at the time?

MS ESTELLE LOOCK: At the time of this no, I was prior to that I was removed from the set up of the Sun City and the Mafeking stations.

ADV VERUSCHKA SEPTEMBER: And when were they, approximately when were the Pilanesberg or Mafeking, or Sun City station and Mafeking set up, do you remember?

MS ESTELLE LOOCK: I'm talking under correction, it's either in 2016.

ADV VERUSCHKA SEPTEMBER: According to our investigations it was
10 set up during the year of 2015.

MS ESTELLE LOOCK: Oh, correct yes, that is correct ja, Chair.

ADV VERUSCHKA SEPTEMBER: Having said that you now mentioned that you were removed from the setting up of these two particular airports, which for record purposes we will refer to as Pilanesberg and Mafeking airports, who removed you and why?

MS ESTELLE LOOCK: The Divisional Manager at the time removed me and if I can explain how it works.

ADV VERUSCHKA SEPTEMBER: Please do.

MS ESTELLE LOOCK: And you would have a better understanding of
20 it. Certain sections in the airline have certain responsibilities in setting up the station, like I explained earlier, and me under Airport Operations we had certain things that we were responsible in setting up and for example providing radio services, providing ramp equipment and so on. In this instance I was totally not actively involved, I was removed by the Divisional Manager as this was a commercial department venture

into Sun City and Mafeking.

ADV VERUSCHKA SEPTEMBER: And who was the divisional manager at the time.

MS ESTELLE LOOCK: That was Stompie Tshesane.

ADV VERUSCHKA SEPTEMBER: And would that have been the divisional manager of operations?

MS ESTELLE LOOCK: Airport operations yes.

ADV VERUSCHKA SEPTEMBER: So who exactly according to your knowledge was involved in the setting up of the Mafeking and the
10 Pilanesberg Airports.

MS ESTELLE LOOCK: It would have been the Commercial Section.

ADV VERUSCHKA SEPTEMBER: Did they explain to you why Ms Loock you were excluded from the set up of these two stations.

MS ESTELLE LOOCK: I cannot remember the details Chair.

ADV VERUSCHKA SEPTEMBER: And is Ms Tshesane still working at S A Express?

MS ESTELLE LOOCK: No she's not Chair.

ADV VERUSCHKA SEPTEMBER: Why not, or do you know the reasons why she's no longer working there?

20 **MS ESTELLE LOOCK:** I do believe she was suspended but you may confirm that with our Human Capital Department.

ADV VERUSCHKA SEPTEMBER: Okay. Were you ever involved in the supply ...(intervention)

CHAIRPERSON: Ms September did you provide the spelling for that surname?

ADV VERUSCHKA SEPTEMBER: No I did not but with Ms Looock's assistance it will be much appreciated if she could, if you could just place on record the spelling of Ms Stompie Tshesane please.

MS ESTELLE LOOCK: Right, can I ...(intervention)

CHAIRPERSON: That is if you know it.

MS ESTELLE LOOCK: Yes I do.

CHAIRPERSON: Okay.

MS ESTELLE LOOCK: Stompie which is S-t-o-m-p-i-e and T-s-h-e-s-a-n-e.

10 **ADV VERUSCHKA SEPTEMBER:** Thank you. Were you involved in any procurement of jet fuel at any of the stations?

MS ESTELLE LOOCK: Other than which resulted in the situation in my affidavit no.

ADV VERUSCHKA SEPTEMBER: Okay, and this situation that you speak of is this the requirement for jet fuel at Pilanesberg Airport?

MS ESTELLE LOOCK: That is correct Chair.

20 **ADV VERUSCHKA SEPTEMBER:** Can you please explain to the Chair how – when firstly, and how an operational requirement for the supply of jet fuel arose at the Pilanesberg Airport, and now we're on paragraph, we're starting on paragraph 5 of the affidavit which is on page 2.

MS ESTELLE LOOCK: The jet A1 fuel problem came in due to the service provider at Pilanesberg we found that the fuel was not user friendly, if I can place it that way.

ADV VERUSCHKA SEPTEMBER: What does user friendly mean?

MS ESTELLE LOOCK: For example contaminated, so it was not safe to use it on our aircraft. We resulted in doing a fuel audit so I did go to our Quality Department and requested that a fuel audit be done on the current supplier at Pilanesberg just to ensure that the fuel is safe, the report did come back, a report was then discussed with the flight operations department as well as the General Manager of Operations, Dave Allenby, and confirmed that the fuel cannot be uplifted, which means we cannot take fuel in Sun City due to the contamination of the fuel.

- 10 **ADV VERUSCHKA SEPTEMBER:** Who was the fuel service provider at Pilanesberg at the time?

MS ESTELLE LOOCK: RSI Fuel.

ADV VERUSCHKA SEPTEMBER: So it's now understood that RSI Fuel as a fuel service provider in Pilanesberg was not your solution to getting the supply of fuel at Pilanesberg Airport?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: More particularly Ms Loock why did you need operationally fuel to be provided to your aircraft in Pilanesberg?

- 20 **MS ESTELLE LOOCK:** S A Express had a flight from Cape Town to Pilanesberg, the distance is too long for that aircraft to turn around and go back to Cape Town so the requirement was to uplift fuel in Sun City to ensure that that aircraft can fly back to Cape Town.

ADV VERUSCHKA SEPTEMBER: So the reason for obtaining or rather the reason for the need for fuel was to refuel on the route from Cape

Town to Pilanesberg.

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: What then happened when you learnt of the difficulty in relation to RSI Fuel which was the fuel service provider at the time at Pilanesberg?

MS ESTELLE LOOCK: The difficult was that we could not use that supplier at the station, the flight was too long, fuel was needed in Sun City so there must be an alternative to get fuel to Sun City and that was the main reason, I was then instructed by my General Manager, if
10 we move on with the affidavit.

ADV VERUSCHKA SEPTEMBER: Yes please, we are. So your General Manager being Mr Dave Allenby?

MS ESTELLE LOOCK: That is correct yes.

ADV VERUSCHKA SEPTEMBER: So he instructed you to explore?

MS ESTELLE LOOCK: Yes.

ADV VERUSCHKA SEPTEMBER: As solution.

MS ESTELLE LOOCK: What happened there was that he indicated to me and because of the requirement especially from the flight operation side the necessity of getting fuel in Sun City was quite urgent and
20 important. The general manager instructed me to contact technical and in this context I am going to refer to the Technical Department was busy with a company called EML reviewing the process with them for the defueling and the refuelling of an aircraft.

ADV VERUSCHKA SEPTEMBER: Just for clarity for those of us who may need clarity in the aviation terminology context, what exactly is

defueling and refuelling for purposes of the requirements of S A Express Technical?

MS ESTELLE LOOCK: The defueling of an aircraft is when you remove all the fuel from the fuel tank of the aircraft, that will be applicable when you have heavy maintenance on an aircraft, so when an aircraft is pulled into a hanger and we call it a C-check which I explained earlier is a major service on the aircraft. It is needed to remove the fuel from the tanks to ensure that the fuel tank can be investigated for any damage or to ensure that the fuel tank is still fine. The refuelling is
10 obviously placing fuel back into that aircraft so that it can be operational.

ADV VERUSCHKA SEPTEMBER: And so just for a better understanding when someone is contracted to do refuelling, sorry, defueling and then refuelling would it ordinarily include the supply of Jet A1 fuel? Do you know?

MS ESTELLE LOOCK: No I don't.

ADV VERUSCHKA SEPTEMBER: Okay.

CHAIRPERSON: If somebody is contracted to refuel or rather to defuel the proper person may also refuel.

20 **MS ESTELLE LOOCK:** That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Most likely that is what would happen, the same entity would ...(intervention)

MS ESTELLE LOOCK: I would believe the same entity would provide the fuel yes, it would make the job easier, that's correct yes.

CHAIRPERSON: Yes, yes, yes. That kind of entity that would do that

would be the entity that normally provides what I assume would be simply called fuelling, so I guess when an aircraft has landed and it doesn't have enough fuel to go back but there is some fuel and fuel is put into it that's fuelling.

MS ESTELLE LOOCK: That's fuelling.

CHAIRPERSON: As opposed to defueling and refuelling the refuelling is when fuel has been taken out and then you take it back, is that right?

MS ESTELLE LOOCK: Defueling is removing all the fuel, refuelling is putting fuel into the aircraft, it's fuelling.

10 **CHAIRPERSON:** Ja, that's what I'm saying, you defuel when you take it out, but when you take it back you are refuelling.

MS ESTELLE LOOCK: That is correct Chair yes.

CHAIRPERSON: When you just put it in without taking out anything you are fuelling.

MS ESTELLE LOOCK: That is correct Chair.

CHAIRPERSON: Yes, and that can be done by the same person, the same entity?

MS ESTELLE LOOCK: Yes the fuel supplier.

20 **CHAIRPERSON:** All of it all three, fuelling, defueling, refuelling can all be done by the same business, in other words a business that does fuelling can also do defueling and refuelling, is that right?

MS ESTELLE LOOCK: That is correct.

CHAIRPERSON: Okay.

ADV VERUSCHKA SEPTEMBER: Thank you Chair. Ms Loock before we close off the fuelling and defueling concept what is a bowser?

MS ESTELLE LOOCK: My understanding a bowser is a (indistinct) that goes from the fuelling truck to the aircraft to enable fuel to be pumped from a vehicle through to the aircraft.

CHAIRPERSON: Just like in a garage.

MS ESTELLE LOOCK: That's correct Chair.

ADV VERUSCHKA SEPTEMBER: So you were explaining Ms Loock that you were asked by Mr Allenby to look into the requirement of the supply of fuel at Pilanesberg Airport and that you were directed to technical. Who in S A Express Technical did you approach?

10 **MS ESTELLE LOOCK:** I was referred to Peter Corver in Technical as they were already in communication with EML for the defueling and refuelling of aircraft at O R Tambo International Airport.

ADV VERUSCHKA SEPTEMBER: Did it concern any particular aircraft that you were aware of?

MS ESTELLE LOOCK: As far as I'm aware it consisted of November Mike Echo and November Mike November, but I stand to be corrected.

ADV VERUSCHKA SEPTEMBER: So November, can we just do this again, November Mike November and November?

20 **MS ESTELLE LOOCK:** Mike Echo, that is aviation lingo, alphabet actually where ...(intervention)

ADV VERUSCHKA SEPTEMBER: Please clarify?

MS ESTELLE LOOCK: Ja, November, Mike, Echo is a registration of an aircraft Chair, ja.

ADV VERUSCHKA SEPTEMBER: And so those are unique identification registrations on each aircraft?

MS ESTELLE LOOCK: That's correct Chair.

ADV VERUSCHKA SEPTEMBER: And so you're referring to two particular aircraft that S A Express Technical was looking into in relation to the defueling and refuelling of.

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. Is it correct that this all took place around May of 2017?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: So you approached Mr Corver and
10 you provides you a business card for EML, what do you then do with this particular information?

MS ESTELLE LOOCK: As instructed by my general manager the instruction was clear just to find out whether EML can provide a fuel truck to travel to Sun City to fuel our aircraft according to the schedule of Sun City, which was twice a week, that's four flights, two on Monday and two on Friday Chair.

ADV VERUSCHKA SEPTEMBER: And the solution then if I understand your correctly was to transport Jet A1 fuel from Johannesburg to Pilanesberg in order to meet the operational requirement for the flight
20 route from Cape Town to Pilanesberg?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Can I then ask you to turn to page 16 please, 16. In fact if we could start on page 17, oops sorry, page 18, sorry about that. In fact it begins on the preceding page which is – it is listed as an email that is sent from yourself on Tuesday the 16th of May

2017 at 10:59 am, to a certain Eric Motlake and the subject is jet fuel to Sun City Airport. Who is Eric Motlake?

MS ESTELLE LOOCK: I believe Eric Motlake is the CEO of EML, CEO meaning owner of EML.

ADV VERUSCHKA SEPTEMBER: Thank you, and if I can ask you to read then your email on page 18 into the record, which is addressed to him.

MS ESTELLE LOOCK:

“Good day Eric,

10 I received your details from Peter Corver from our Technical Department. S A Express would like to find out whether your company can transport jet fuel to Sun City as per our flight schedule and what the cost would be.”

ADV VERUSCHKA SEPTEMBER: You can continue to inform of the flight, what’s written below that.

MS ESTELLE LOOCK: Alright;

“Flight schedule OR Tambo Airport to Sun City Monday and Friday and Cape Town to Sun City Monday and Friday.

Regards Estelle”

20 **ADV VERUSCHKA SEPTEMBER:** Now this email was sent off the back of an instruction that you received from your general manager, Mr Dave Allenby, is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: What exactly was the instruction in the context of what you were asking a quotation to be provided on?

MS ESTELLE LOOCK: In this context it's obviously to obtain a truck that can transport jet A1 fuel to Sun City Chair.

ADV VERUSCHKA SEPTEMBER: And if it's understood then, if I'm understanding your evidence correctly it was a turnkey solution if we could call it that, in that it was not just the transportation of fuel but it may have even included the supply of fuel, is that right or am I misunderstanding?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: If we can then turn to page 17, the
10 previous page, the senders details is actually on page 16 and its from Eric/EML Energy Pty Ltd and it's sent Tuesday May 15 2017 at 11:06 am and it's Tshenolo and you have been copied in on it together with Thilly Basaya, if I'm pronouncing that correctly, spelt Thilly second word Basaya. The subject fuel – subject being RE jet fuel to Sun City Airport. Who is Tshenolo?

MS ESTELLE LOOCK: I have never met Tshenolo Chair.

ADV VERUSCHKA SEPTEMBER: But is it correct that this is in fact an email which requests you to receive a response quite urgently on – on request for a quotation?

20 **MS ESTELLE LOOCK:** That is correct. So I believed that Tshenolo then worked for EML or was part of EML.

ADV VERUSCHKA SEPTEMBER: Your name is however highlighted there as a particular statement for your attention?

MS ESTELLE LOOCK: That is correct.

ADV VERUSCHKA SEPTEMBER: Please read that part into the

record?

ADV VERUSCHKA SEPTEMBER: It states:

“Best Tshenolo please revert to Estelle as a matter of urgency. Estelle please advise on the quantities that you would require per day and or per week.
Best Regards EML Motlake.”

ADV VERUSCHKA SEPTEMBER: And just below that signature Mr Motlake is identified as the Managing Director of EML?

MS ESTELLE LOOCK: Apologies yes Managing Director ja Chair.

- 10 **ADV VERUSCHKA SEPTEMBER:** If you then turn to page 16. There appears an email of response from yourself and it is sent on the 9 June 2017 at 10:32 to Eric of EML Energy PTY LTD and Mr Dave Allenby is CC'd on the email. The subject is titled Re: Jet Fuel of Sun City Airport. Please read this email into the record?

CHAIRPERSON: Do you know Ms September why these emails are in reverse order? You start with ones in May here and then you go – or do I misunderstand something? Ja the ones in May are after the one in June?

- 20 **ADV VERUSCHKA SEPTEMBER:** My understanding is that it is an email trail. So instead of the individual emails having been printed it is...

CHAIRPERSON: Yes but an email trail is – an email is – in an email trail

ADV VERUSCHKA SEPTEMBER: Yes Chair.

CHAIRPERSON: The email that you should read first you should

receive first is one that is in May and not one that is in June. The one that is in June should come after the one in May. Here at page 17 do you not have a May 2017, email and at page 16 you have a June 2017 email?

ADV VERUSCHKA SEPTEMBER: Yes Chair.

CHAIRPERSON: Ja do you know why that is so?

ADV VERUSCHKA SEPTEMBER: My understanding is that the June email is in response to the May email which is in response to ...

CHAIRPERSON: Yes but that means the email – May email should
10 come first. If the June email is – if the June – if the June email is in response to a May email we should come across the May email first, is it not? And then because the person who sent the May email would have sent it in May and then the person who responded to it would have responded to it in June.

ADV VERUSCHKA SEPTEMBER: Chair I fully agree with you. In this instance though it appears that instead of them printing the individual emails they printed a string of emails which consequently ...

CHAIRPERSON: Which must have been mixed because I – there can be a string but you can separate them so that when one reads one...

20 **ADV VERUSCHKA SEPTEMBER:** Okay.

CHAIRPERSON: Gets the picture as it evolved over a month or over weeks you do not read – you do not read a June email first and then come to a May email. You first read the May email then you come to the June email.

ADV VERUSCHKA SEPTEMBER: Yes Chair.

CHAIRPERSON: That is what I am talking about.

ADV VERUSCHKA SEPTEMBER: Yes Chair.

CHAIRPERSON: Well I guess – you understand what I am talking about?

ADV VERUSCHKA SEPTEMBER: Yes you know I certainly hear you Chair.

CHAIRPERSON: Yes.

ADV VERUSCHKA SEPTEMBER: That the order is almost...

CHAIRPERSON: One would have expected...

10 **ADV VERUSCHKA SEPTEMBER**: In reverse.

CHAIRPERSON: Yes one would have expected that the...

ADV VERUSCHKA SEPTEMBER: Is in reverse.

CHAIRPERSON: That the May emails would have come before in the sequence of documents.

ADV VERUSCHKA SEPTEMBER: Yes Chair.

CHAIRPERSON: And then the June emails come after. So as – so that as you read and you go through the annexures you can follow how the events and the correspondence evolved in actual in reality.

ADV VERUSCHKA SEPTEMBER: I will be pleased to get instructions
20 from the investigators as to why it was printed off in this fashion.

CHAIRPERSON: It may be that somebody just did not ...

ADV VERUSCHKA SEPTEMBER: As opposed to that.

CHAIRPERSON: Might not have paid attention but otherwise one can easily get confused. Alright let us continue. If you do find a sound explanation you would let me know if not if there is a chance of

arranging them in terms of dates that accord with what would have happened in reality. As I say if I sent you an email today and you respond tomorrow in the file I should not come across tomorrow's email response before I come across the one to which you respond to.

ADV VERUSCHKA SEPTEMBER: Chair I have been informed that as I have already alluded those that it is an email trail with the most recent email being on top and so const...

CHAIRPERSON: That does not explain anything.

ADV VERUSCHKA SEPTEMBER: As it pleases Chair.

10 **CHAIRPERSON:** Okay let us continue.

ADV VERUSCHKA SEPTEMBER: The most recent email then on page 16 is sent from yourself to Eric of EML Energy PTY LTD on which Mr Dave Allenby is copied and the subject title is Jet Fuel to Sun City Airport. Can you please read your email into the record?

MS ESTELLE LOOCK: The email states:

20 "Good day Eric, trust you are well. As per our telephonic discussion this morning kindly note that SA Express will be looking at around 8500 litres of jet A1 fuel per week for Sun City. The current schedule is still running at two flights on Monday and two flights on Friday. Kindly provide us with a quotation that includes the delivery of the fuel to Sun City. Kind Regards, Estelle."

ADV VERUSCHKA SEPTEMBER: And so in light of your earlier evidence Ms Loock your response which was in line with the request for

quotation that you sent Mr Eric Motlhake is to dovetail with any engagements that SA Express Technical was having with EML?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Did you know whether or not SA Express Technical was engaged in a procurement process with EML at the time?

MS ESTELLE LOOCK: I was under the understanding from my instruction from my general manager that Technical was already in discussions with EML at the time.

10 **ADV VERUSCHKA SEPTEMBER:** Did you do any independent investigations on your side to establish whether there was in fact a procurement process in play between SA Express Technical and EML?

MS ESTELLE LOOCK: I can just recall a conversation with Mr Peter Corver stating that they were already discussing things with EML but no I did not check up on whether they were busy with the procurement process.

ADV VERUSCHKA SEPTEMBER: Thank you.

MS ESTELLE LOOCK: Chair.

ADV VERUSCHKA SEPTEMBER: Can I then ask you to turn to the next
20 annexure to our affidavit and that is on page 21 of the bundle. This is an email from Mr Dave Allanby sent Friday May 18, 2017 at 4:43 pm and it is sent to Samuel Vllakazi copied on this email is Maureen Jacobs and Estelle Loock being yourself and the subject is titled "Fuel at Sun City and Denel". What is the relevance of Denel?

MS ESTELLE LOOCK: Denel is where the technical heavy

maintenance took place on our aircraft Chair.

ADV VERUSCHKA SEPTEMBER: And so based on the subject title it really deals with two primary requirements. One being Sun City or rather fuel at Sun City and the other being Denel Technical, is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Just for the record this particular email is one which is sent from Mr Allanby to Mr Vilakazi which informs them about the alternate fuel supply for Pilanesberg that have been
10 “unearthed” is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And is it also correct that Eric Motlhake is identified as the CEO of EML Energy in this email?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And then below contact number can you please read the last two sentences into the record please?

MS ESTELLE LOOCK: Below the contact number?

ADV VERUSCHKA SEPTEMBER: Yes.

MS ESTELLE LOOCK:

20 “He says he can send a fuel bowser to Pilanesberg for us and can also assist in fuelling our aircraft at Denel where he is based. Please follow through with him as fuel at NTY is a major issue necessitating that our NTY Cape Town flight has to route through Johannesburg for a fuel uplift.”

ADV VERUSCHKA SEPTEMBER: And what is NTY?

MS ESTELLE LOOCK: That is the abbreviation for Sun City.

ADV VERUSCHKA SEPTEMBER: So when reference is made to a fuel bowser is it reasonable to assume that it would have included then the supply of jet A1 fuel?

MS ESTELLE LOOCK: I would say so yes Chair.

ADV VERUSCHKA SEPTEMBER: And so that would then accord with your understanding of what the instruction was to obtain a quotation from EML?

10 **MS ESTELLE LOOCK:** That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Paragraph 10 of your affidavit on page 3 talks about economies of scale and in particular on the last sentence you talk to Mr Corver informing you about economies of scale. Can you please explain to the Chair what exactly is meant in that last line of this paragraph?

MS ESTELLE LOOCK: When you refer to economies of scale you refer to the more you order the better price you get if I can put it in short Chair.

ADV VERUSCHKA SEPTEMBER: And so is that to be understood
20 based on the two requirements that were needed such being jet fuel and Pilanesberg and the requirements for refuelling and defueling or sorry defueling and refuelling at Denel ORTIA?

MS ESTELLE LOOCK: That is correct yes Chair.

ADV VERUSCHKA SEPTEMBER: So you request the quotation, you are requested to provide quantities that are needed of fuel in

Pilanesberg what do you do when you receive this request for quantities? Are you in a position to provide such information?

MS ESTELLE LOOCK: Quantities I cannot work out. SA Express at the time had a staff member which is Gavin Fourie which also made an affidavit which was the fuel specialist that worked out the relevant requirements, distance travelled versus fuel to be used Chair. I would approach – I would have approached Gavin to give me the quantities to make sure that it is the correct number Chair.

ADV VERUSCHKA SEPTEMBER: Did you approach Mr Gavin Fourie to
10 do so?

MS ESTELLE LOOCK: Yes I did Chair.

ADV VERUSCHKA SEPTEMBER: Chair according to the affidavit that has been submitted Mr Gavin Fourie has been – he was appointed as the Aircraft Performance Engineer employed by SA Express. How would you explain the working relationship between yourself and Mr Gavin Fourie?

MS ESTELLE LOOCK: We had a very good working relationship Chair.

ADV VERUSCHKA SEPTEMBER: And so how did his role and responsibilities inform or collaborate with your role and
20 responsibilities?

MS ESTELLE LOOCK: On certain elements of our works – in our working space we assisted one another. For him I needed assistance with – he would normally work out which countries we would fly over to another destination which then came back to me verifying invoices for certain ATMS's overflight charges and things like that and I assisted

him on the other hand with relevant documentation for procurement if he need sourcing regarding planning or requirements relating to his work Chair.

ADV VERUSCHKA SEPTEMBER: Were you – were you and Mr Gavin Fourie based at the same location?

MS ESTELLE LOOCK: Me and Gavin shared an office Chair.

ADV VERUSCHKA SEPTEMBER: So you had quite a close working relationship?

MS ESTELLE LOOCK: That is correct.

10 **ADV VERUSCHKA SEPTEMBER:** In support of each other's functions?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Is it also correct that after you communicated the litre requirements – the quantity requirements of jet fuel to Mr Motlhake you had also informed Mr Allanby about it. Or rather was Mr Allanby fully aware of exactly what those quantities were?

MS ESTELLE LOOCK: As the norm him being my General Manager I would copy him in on everything that I have done especially if he has instructed me to do something I would copy him in so that he could see
20 that I have done it Chair.

ADV VERUSCHKA SEPTEMBER: And that is certainly evident from the email that you read into the record on the 9 June 2017?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: So once you receive the quantities needed and you communicate that how long do you remain to be part of

the process to solve this operational need?

MS ESTELLE LOOCK: After I notified I copy Dave Allanby in I was basically totally out of this process completely Chair.

ADV VERUSCHKA SEPTEMBER: And so your knowledge as to what happened thereafter is by and large informed by documents that you have been provided by the commission's investigators?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. If I can ask you to turn to page 25. Is it correct that this document is the aviation fuel service
10 agreement between South African Airways and South African Express Airways PTY LTD?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. And this is in fact the agreement which regulates the provi – the pro – the supply of fuel to SA Express Aircrafts at ACSA owned airports?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. And if I can then just ask you quickly to turn to page 46 of the bundle. Is it correct that this agreement was concluded on the 31 August 2011?

20 **MS ESTELLE LOOCK:** That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And is this agreement still in place?

MS ESTELLE LOOCK: It is my understanding that it is Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. Once you were – once you did what you needed to do in obtaining the literage, passing it onto Mr Motlhake who took over the responsibility of dealing with the

Pilanesberg jet fuel requirement?

MS ESTELLE LOOCK: It was handed over to Doctor Samuel Vilakazi which was the CPO, Chief Procurement Officer of SA Express at the time.

ADV VERUSCHKA SEPTEMBER: Based on your knowledge of what had transpired up to this point were proper procurement processes followed?

MS ESTELLE LOOCK: Up to the point of where we are now?

ADV VERUSCHKA SEPTEMBER: Yes.

10 **MS ESTELLE LOOCK:** In my affidavit. I believe no because sourcing should have been done through a procurement process.

ADV VERUSCHKA SEPTEMBER: And that was not done?

MS ESTELLE LOOCK: No that was not done Chair.

ADV VERUSCHKA SEPTEMBER: After you then made the request for the quotation provided the quantities did you ever see a copy of the quotation from EML at any point in time?

MS ESTELLE LOOCK: No I did not Chair.

ADV VERUSCHKA SEPTEMBER: The next part of your affidavit talks to different processes that were followed in the context of this
20 transaction. If I can – we are on page 4 and from paragraphs 15 to 17 you talk about a Whatsapp round robin approval. Are you aware of when a round robin approval is used within SA Express?

MS ESTELLE LOOCK: It is my understanding that it is when there is an emergency situation. Aircraft on ground for example where a service is so urgently required that it cannot take a long process to get

the type of service. That is my understanding of it Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. And now can I ask you to turn to page 48 which is an exchange of Whatsapp communications between members of the bid adjudication committee as you have been informed. Just for the record who is...

CHAIRPERSON: Did you say 48?

ADV VERUSCHKA SEPTEMBER: 48.

CHAIRPERSON: This page at 48 is not very clear.

ADV VERUSCHKA SEPTEMBER: I have asked the investigators to
10 provide a clearer copy and unfortunately we do not have one yet but as soon as one becomes available it will be made available.

CHAIRPERSON: Ja the legal team must always try in advance of the hearing to check all copies that are not clear and try and obtain clearer copies so that once the hearing – the witness starts we do not have to be looking for clearer copies.

ADV VERUSCHKA SEPTEMBER: As it pleases Chair I had hoped to receive a clearer copy or even a bigger copy by now.

CHAIRPERSON: Yes.

ADV VERUSCHKA SEPTEMBER: But unfortunately...

20 **CHAIRPERSON:** Okay.

ADV VERUSCHKA SEPTEMBER: There was nothing forthcoming.

CHAIRPERSON: Alright.

ADV VERUSCHKA SEPTEMBER: Chair I note that it is I am not sure if my watch is right but it is nearly quarter past four.

CHAIRPERSON: Yes.

ADV VERUSCHKA SEPTEMBER: Or it is just after...

CHAIRPERSON: How much more time do we still need to...

ADV VERUSCHKA SEPTEMBER: I will need some time.

CHAIRPERSON: Go in terms of your estimation?

ADV VERUSCHKA SEPTEMBER: I will certainly need some time.

Probably an hour and a half?

CHAIRPERSON: Hm.

ADV VERUSCHKA SEPTEMBER: Probably an hour and a half or so.

CHAIRPERSON: Well try and just focus on the important things. We

10 can go up to five let us see whether we cannot finish by five. If we
have not finished by then we can reassess. Ms Loock is that fine with
you if we continue beyond four o'clock?

MS ESTELLE LOOCK: Yes that is fine with me thank you Chair yes.

CHAIRPERSON: Is that fine? Okay alright.

ADV VERUSCHKA SEPTEMBER: I will certainly do my best.

CHAIRPERSON: Yes.

ADV VERUSCHKA SEPTEMBER: Within that timeframe. Ms Loock are
you aware of this round robin resolution at all?

MS ESTELLE LOOCK: No I am not Chair.

20 **ADV VERUSCHKA SEPTEMBER:** Did you become aware of it at some
later stage if reference is made to paragraph 15 of your affidavit?

MS ESTELLE LOOCK: That is correct that is according to an email
that I read ja.

ADV VERUSCHKA SEPTEMBER: Which was when?

MS ESTELLE LOOCK: On the 18 October 2017.

ADV VERUSCHKA SEPTEMBER: And that was certainly long after the approval was granted on the 1 July 2017?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Chair having studied this in a – as best as possible may I proceed to just read the relevant sections of this Whatsapp record into the – into the record?

CHAIRPERSON: You said 48?

ADV VERUSCHKA SEPTEMBER: Page 48 Chair.

CHAIRPERSON: Ja you can read if you are able to who says what to
10 whom.

ADV VERUSCHKA SEPTEMBER: Chair the first communication is by Mr Sam Vilakazi and that is on the 1 July 2017 at 11.22 which reads BAC members please check your emails and assist with round robin approval needed urgently in respect of or iro NME. Ms Loock NME is that the registration identification code of one of your aircraft?

MS ESTELLE LOOCK: That is correct that is November Mike Echo it is a CRJ 200 aircraft.

ADV VERUSCHKA SEPTEMBER: Thank you. At the time how many aircraft were there as part of the SA Express fleet?

20 **MS ESTELLE LOOCK:** I speak under correction but at the time it was schedule of around fourteen aircraft.

ADV VERUSCHKA SEPTEMBER: Thank you. The next line is by Mr Dave Allanby sent on the same date of 1 July 2017 two minutes after the previous message at 11.24 which reads: It is for both NME and NMN defueling requirement. Two lines down Mr Dave Allanby then

gives his approval in a message at 11.27 on the same date which informs Sam you have my email confirming approval. Below that reference that line is a line from Merriam Mochoele who is that Ms Looock?

MS ESTELLE LOOCK: Merriam was the GM for Legal Chair.

ADV VERUSCHKA SEPTEMBER: And what role did she play in the bid adjudication committee at the time?

MS ESTELLE LOOCK: She was the chairperson of the BAC Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. And her...

10 **CHAIRPERSON:** Just give the spelling for the surname?

ADV VERUSCHKA SEPTEMBER: No problem Chair. It is also referenced at paragraph 16.3 on page 5 of the affidavit and it is spelt slightly different to what is reflected here and Ms Looock you will correct me if it is Merriam and the surname is Mochoele?

MS ESTELLE LOOCK: That is correct the l needs to be replaced by an e. Merriam Mochoele.

ADV VERUSCHKA SEPTEMBER: Mochoele.

MS ESTELLE LOOCK: Mochoele.

ADV VERUSCHKA SEPTEMBER: Thank you. The message from Ms
20 Mochoele at 11.30 on the same date of 1 July 2017 reads: Hi Sam what is EML? The response to that at the same time and second of 11:30 from Sam Vilakazi informs: Fuel supplier based at Denel. In response Ms Mochoele...

MS ESTELLE LOOCK: Mochoele ja.

ADV VERUSCHKA SEPTEMBER: Mochoele apologies informs at 11:32

that this is for the supply of fuel where? Sorry I do not have the background facts. To which Sam Vilakazi responds 1 minute later what appears to be one minute later at ORTIA. On the next page of 49 according to the investigators this particular message is written by Gatele Nkala who is Ms Nkala Ms Loock?

MS ESTELLE LOOCK: She was the general manager of Human Capital.

ADV VERUSCHKA SEPTEMBER: And this message was sent then at 11:41 on the same date of 1 July 2017 which reads: Hi Sam have
10 responded to your mail I did not see the submission but again I did not attend BAC yesterday so approved in principle so as to avoid AOG. What is AOG Ms Loock?

MS ESTELLE LOOCK: That is Aircraft on Ground Chair.

ADV VERUSCHKA SEPTEMBER: And you – is it correct that the supply chain management policy deals specifically with Aircraft on Ground but within the thresholds of R500 unless it was a typographical error and R1.5 million.

MS ESTELLE LOOCK: That is correct. There is reference to that in the policy Chair.

20 **ADV VERUSCHKA SEPTEMBER:** If one looks a bit further down on the same page of 49 there is an – a response from Mr Mark Shelley. Spelt M-A-R-K, Shelley S-H-E-L-L-E-Y. Who is Mr Mark Shelly Ms Loock?

MS ESTELLE LOOCK: He was the Chief Financial Officer at the time.

ADV VERUSCHKA SEPTEMBER: Thank you and his message at 11:42 reads:

“Hi, I do not have access to an email. Please use
this message as approval.”

Is it correct that it is to be inferred that he did not – he approved
without seeing the content of an email which was relative to the – to
this approval?

MS ESTELLE LOOCK: Reading it in the contents of the WhatsApp I
would say yes Chair.

ADV VERUSCHKA SEPTEMBER: It is responded to in the next line by
Ms Merriam Mochoele.

10 **MS ESTELLE LOOCK:** Mochoele.

ADV VERUSCHKA SEPTEMBER: Apologies Chair.

CHAIRPERSON: Mochoele.

ADV VERUSCHKA SEPTEMBER: Mochoele.

MS ESTELLE LOOCK: Mochoele yes.

ADV VERUSCHKA SEPTEMBER: For getting the surname wrong -
humble apologies – at 11:42 which says:

20 “This was not discussed at BAC yesterday. Thanks
for the explanation. I will approve an email but will
need to meet to ratify the decision based on a
submitted memorandum.”

At 11:48 or what appears to be 11:48 Sam Vilakazi responds and says:

“Hi Kgatile there was no submission but according
to Captain Allenby they are able to assist us on the
heavy maintenance side and Sun City.”

When reference is made to heavy maintenance side at Sun City what is

the – your understanding or inference of the scope of this approval that is sought?

MS ESTELLE LOOCK: I would – according to what is discussed here the reference is heavy maintenance side and Sun City. Meaning it would be a requirement for Denel which is the defueling and refuelling and also then the fuel Jet A1 Fuel supply to Pilanesberg Sun City.

ADV VERUSCHKA SEPTEMBER: And then if we turn to page 51 at the top there is a message from Mr Dave Allenby on the same date of 1 July 2017 at 11:49 which reads:

10 “EML have fuel tankers based at Denel. We have begun engagement with them as a potential solution to our fuel supply problems at NTY.”

Being Sun City - is that right Ms Loock?

MS ESTELLE LOOCK: That is – that is correct Chair.

ADV VERUSCHKA SEPTEMBER: The messages continues to read:

20 “Their geographical locality to our heavy maintenance facility at Denel makes them ideal to assist with fuelling and defueling on aircraft on that side of the airport. Otherwise we can wait 24 hours for a dedicated defuel bowser from apron side. We currently need two aircraft defueled in order to carry out work to get them back in the sky. Hope this helps with clarification, thank you BAC Members.”

And in response to that is a message from Mr Victor Xaba

which is sent at 11:52 and reads:

“Approved subject to BAC ratification.”

According to this communication exchange Ms Looock it certainly appears that the Bid Adjudication Committee approved by way of a round robin resolution a scope of approval which included the fuel requirement at Pilanesberg Airport and the requirement for defueling and refuelling at – by SA Express Technical based at Denel at ORTIA. Is that right?

MS ESTELLE LOOCK: That is correct according to the WhatsApp
10 round robin. I can see that it is for the Denel side and also for the Pilanesberg side.

ADV VERUSCHKA SEPTEMBER: Does it extend to any other airports?

MS ESTELLE LOOCK: No. We did not have a requirement for other airports Chair.

ADV VERUSCHKA SEPTEMBER: So it is only two locations?

MS ESTELLE LOOCK: That is correct yes. That is my understanding as well. It was only for the two sections Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. Now if we can turn to
page 6 of your affidavit. You now address from paragraph 18 to
20 paragraph 24 a motivation for deviation from the bid process. Do you have any personal knowledge of the motivation to deviate Ms Looock?

MS ESTELLE LOOCK: The deviation done in respect of – of this process was not done by myself. It was done by my General Manager – Dave Allenby - Chair.

ADV VERUSCHKA SEPTEMBER: And is that the ordinary process that

ought to have been followed?

MS ESTELLE LOOCK: What normally happened was that I drew up a document – a deviation document and submit it for signatures. In this instance my General Manager drew up the deviation himself Chair.

ADV VERUSCHKA SEPTEMBER: And how did you find out about this deviation Ms Loock?

MS ESTELLE LOOCK: I normally had meetings with my General Managers to verify and authorise expenses – invoices – and on one occasion he did mention that there is a deviation and I did see it in his
10 office Chair.

ADV VERUSCHKA SEPTEMBER: Can I ask you then to turn to page 53 please? Is this in fact the memorandum which motivates the deviation from bid process in relation to services to be contracted with EML?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: This memorandum is – for the record – dated 5 July 2017 and the purpose of the memorandum is outlined in paragraph 1 which reads one point – rather:

20 “The purpose of this memorandum is 1.1: to request approval to contract with EML Engineers and Construction trading as EML Energy for the supply of fuel at Pilanesberg Airport and periodic fuelling and defueling as the SA Express Heavy Maintenance Facility at Denel OR Tambo International Airport.”

And 1.2:

“To request approval to deviate from the normal bid planning activities relating to the review and approval of EML ...”

And it goes further in – insofar as the processes are concerned. Is it correct that there are two backgrounds which are outlined in this memorandum Ms Looock?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And the first background talks specifically to the fuel supply requirement at Pilanesberg Airport
10 outlined from paragraphs 2.1 to 2.9. Is that correct?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: In particular at paragraph 2.9 on page 54. It reads that:

“EML Energy have submitted a proposal in which they would supply fuel to the SAX Aircraft at NTY via mobile fuel bowser.”

So if there was any query about whether or not EML ought to have provided fuel was that – was that doubt resolved in this paragraph?

20 **MS ESTELLE LOOCK:** Yes because the paragraph refers to already a proposal Chair.

ADV VERUSCHKA SEPTEMBER: Thank you and so the scenario two which is outlined from paragraphs 3.1 to 3.3 deals with the technical requirement of defueling and refuelling?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Paragraph 4 which talks to financial implications says:

“*Ad hoc* as per negotiated contract.”

What was your observations on that being a motivation in relation to financial implications?

MS ESTELLE LOOCK: If – if a deviation would have been done for example by myself I would understand that there should have been a better financial summary indicating expenses to be incurred by SA Express. Here it just states *ad hoc* as per negotiated contract which I
10 feel is not sufficient for this process ...

ADV VERUSCHKA SEPTEMBER: Can you have ...?

MS ESTELLE LOOCK: Chair.

ADV VERUSCHKA SEPTEMBER: Can you have a contract before an approval?

MS ESTELLE LOOCK: My understanding is that when you implement a deviation the deviation must be fully authorised and goes – it goes through a process. Once it is fully authorised then only can the Legal Department actually start negotiating an agreement Chair.

ADV VERUSCHKA SEPTEMBER: And then on page 55 paragraph 5
20 which talks to the rationale for deviation from bid process. Once again in paragraph 3 limited to two airports. It is paragraph 5.3.

MS ESTELLE LOOCK: 5.3.

ADV VERUSCHKA SEPTEMBER: On page 55. Which two airports are those?

MS ESTELLE LOOCK: NTY which is Pilanesberg Sun City and JNB

which is Johannesburg OR Tambo on the Denel premises – it states here ...

ADV VERUSCHKA SEPTEMBER: Thank you.

MS ESTELLE LOOCK: Chair.

ADV VERUSCHKA SEPTEMBER: And then paragraph 7 outlines the approval that is requested and having studied the document it certainly aligns with the purpose of the document. When one talks – when one looks at page 56 is it correct that all those persons who had been included in the WhatsApp communication been Dave Allenby, Sam
10 Vilakazi, Mark Shelly, Merriam Mochoele and Victor Xaba in fact signed in approval of the motivation to deviate?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: The only additional person there is Mpho Selepe?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: But as the DM of Finance recorded on this page similarly Mpho Selepe approved this – this memorandum?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: If one can then turn to page 8 of your
20 – of the bundle. At paragraph ...

CHAIRPERSON: I am sorry. Page 56 is that where you were talking about approval and the signatures?

ADV VERUSCHKA SEPTEMBER: Excuse me Chair - apologies.

CHAIRPERSON: Were you at page 56?

ADV VERUSCHKA SEPTEMBER: Yes.

CHAIRPERSON: Where you were talking about approvals?

ADV VERUSCHKA SEPTEMBER: Yes, yes Chair.

CHAIRPERSON: Which – which signatures – where you referring to on page 56? There is one, two, three, four, five, six - the names are given on the left hand side. Is that right?

ADV VERUSCHKA SEPTEMBER: Yes Chair.

CHAIRPERSON: But I see that in regard to Merriam Mochoele there is no indication if she was approving or declining. Says approved/declined and she did not cross out any. Same with
10 Mark Shelley and Mpho Selepe's was simply – said proposed acquisition is budgeted.

So that is what he or she was signing for I guess. So the one who appears to have approved is Mr Victor Xaba - the CEO. Was – was he the only one was supposed to approve? Ms Loock was – was Mr Xaba the only one who was supposed to approve? Was his approval sufficient - as far as you know?

MS ESTELLE LOOCK: Sir on a deviation yes but with my experience with doing deviations each section has provision to say approved or and they normally mark the section if they do approve it or disapprove
20 it.

CHAIRPERSON: Yes.

MS ESTELLE LOOCK: In this instance I – I would believe that the Acting CEO would have override it or but I would expect every single person to accept or decline yes. That is the normal process.

CHAIRPERSON: Did you – do you see what I am talking about

Ms September?

ADV VERUSCHKA SEPTEMBER: Yes Chair. I am indebted to you for that clarity.

CHAIRPERSON: I just want us to – to be sure who approved who did not approve. From what I see here it looks like only Mr Xaba approved. The other persons namely Ms Merriam Mochoele and Mr Mark Shelley were expected to either approve or disapprove or approve or decline and although they signed but they did not indicate whether they were approving or disapproving.

10 **ADV VERUSCHKA SEPTEMBER:** Yes Chair.

CHAIRPERSON: Yes.

ADV VERUSCHKA SEPTEMBER: Certainly that appears on the face of the document. All but one being Mpho Selepe were involved in the round robin approval who had approved that particular approval at the time notwithstanding the fact that I certainly take your point Chair that it is unclear from here other than Victor Xaba who expressed he approves it.

CHAIRPERSON: Yes. It may well be that – may well be that if they approved by way of the round robin that is – that might be good enough
20 but it is just important to make sure that we do not say the document shows that they approved if it does not show that they approved. Definitely Mr Xaba it shows him to have approved.

ADV VERUSCHKA SEPTEMBER: Yes Chair. I am indebted to you for that.

CHAIRPERSON: Okay.

ADV VERUSCHKA SEPTEMBER: Correction and clarity.

CHAIRPERSON: If you – it – it maybe – it maybe that it is not particular significant. I just wanted to make sure that we are on the same page as to who approved in terms of that document and who did not.

ADV VERUSCHKA SEPTEMBER: I certainly agree that on the face of it – it is exactly as you say Chair.

CHAIRPERSON: *Ja.*

ADV VERUSCHKA SEPTEMBER: Do you have any further clarity in
10 relation to that Ms Looock outside of what you have already informed the Chair about?

MS ESTELLE LOOCK: When I look at the deviation like this and the signatures are placed on it and especially with these people authorising the WhatsApp's I would believe that they approved it because they signed the document irrespective of marking it approved or disapproved but that would be my personal opinion on this document Chair.

ADV VERUSCHKA SEPTEMBER: Thank you.

CHAIRPERSON: So you – you would say they approved but not because of this document?

20 **MS ESTELLE LOOCK:** Not because of ...

CHAIRPERSON: Because of the round robin?

MS ESTELLE LOOCK: Yes.

CHAIRPERSON: *Ja.*

MS ESTELLE LOOCK: In relation to the round robin that everyone approved and putting down their signatures on the document ...

CHAIRPERSON: *Ja.*

MS ESTELLE LOOCK: My personal opinion sir would be that they have approved.

CHAIRPERSON: *Ja*, well the document made provision for each one of them to indicate whether they approve ...

MS ESTELLE LOOCK: Yes.

CHAIRPERSON: Or not approve and they did not make any indication except for Mr Xaba.

MS ESTELLE LOOCK: I agree Chair.

10 **CHAIRPERSON:** Mr Xaba crossed out disapproved or declined. So approved remained. That is clear.

MS ESTELLE LOOCK: That is ...

CHAIRPERSON: They did not make that election and therefore it becomes unclear where they stood until you read it together with the round robin if you want to read it with that. Okay, alright. Let us take a short break for 10 minutes.

ADV VERUSCHKA SEPTEMBER: As it pleases.

CHAIRPERSON: We will resumes at 20 to five. We adjourn.

REGISTRAR: All rise.

20 **INQUIRY ADJOURNS**

INQUIRY RESUMES

CHAIRPERSON: Okay, let's see how far we are able to go.

ADV VERUSCHKA SEPTEMBER: Thank you Chair. Page 8 Ms Loock of the bundle addresses two letters, the first letter is an appointment letter to EML Energy and the second letter is a "to whom it may

concern” letter. If you can quickly first deal with the appointment letter to EML Energy, do you have, is it correct that this letter was given to you by the Commission’s investigators?

MS ESTELLE LOOCK: That is correct (microphone off).

ADV VERUSCHKA SEPTEMBER: Is it correct that the second letter was similarly given to you by the Commission’s investigators?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And so do you have any personal knowledge of these letters?

10 **MS ESTELLE LOOCK:** No I don’t Chair.

ADV VERUSCHKA SEPTEMBER: If I can ask you to turn to page 93 please. Chair for the record this letter is a letter on an S A Express letterhead, it is sent by Mr Samuel Vilikazi, the Chief Procurement Officer, dated 5 July 2017 and it’s titled “Award for supply of fuel to S A Express”. It is for the address of EML Energy based in Kempton Park and it’s address specifically to Eric. It reads:

“This letter serves as a formal confirmation that EML Energy has been appointed for the above service. This award is subject to the following condition:

20 1. Successful negotiation and conclusion of a contract between S A Express and EML Energy;

And then a little bit further down it reads that:

“This letter of award is effective from 1 July 2017. We trust that this award shall be beneficial and fruitful to both parties.
Your sincerely”

Ms Looch in your understanding based on what had transpired such being that there was the Whatsapp Round Robin approval on the 1st of July 2017 and then the deviation on the 1st of August 2018 sorry, what's problematic with the issuance of this letter.

MS ESTELLE LOOCK: This letter is very broad, and it's got no specification on the Pilanesberg or the fuelling requirements at Technical. It states award for supply of fuel to S A Express, which is extremely broad Chair.

ADV VERUSCHKA SEPTEMBER: Thank you. Two days

10 ...(intervention)

CHAIRPERSON: Do you have any understanding of what the significance was at a practical level of the statement in the letter that the appointment was with effect from 1 July 2017 in circumstances where the letter itself was signed on the 5th of July 2017? Ms Looch?

MS ESTELLE LOOCK: No sir I have no knowledge, this took place without my knowledge of it Chair.

CHAIRPERSON: Why the appointment would have to be backdated?

MS ESTELLE LOOCK: I would understand so yes sir Chair.

20 **CHAIRPERSON:** No, what I'm asking is whether you have any understanding of why it was necessary to do that, to backdate it as such seeing that it was saying that the appointment was subject to the conclusion of a contract, I take it that until the contract was concluded there was nothing at a practical level that the entity was going to be obliged to do

MS ESTELLE LOOCK: So then they would obviously ensure that the

services that was taking place already then runs from the 1st of July that is line with then the contract that they signed Chair.

CHAIRPERSON: No what I'm saying is, is my understanding correct that the mere fact that this entity who would receive this letter would not mean that they should begin to provide any service until the contract has been conclude.

MS ESTELLE LOOCK: That is correct Chair yes.

CHAIRPERSON: Therefore to the extent that this letter said their appointment, or if appointed the appointment of this entity was with
10 effect from 1 July 2017 and was subject to the conclusion of a contract really at a practical level didn't mean anything, there was nothing they were supposed to do or there was no obligation for them to perform any service until the conclusion of the contract.

MS ESTELLE LOOCK: I would agree to that yes Chair.

CHAIRPERSON: Yes so therefore as far as you are concerned the appointment may have been with effect from the date of the letter?

MS ESTELLE LOOCK: That is correct Chair.

CHAIRPERSON: Because I take that the appointment itself doesn't mean anything other than that, that is the appointment before the
20 conclusion of the contract, the appointment without the contract means nothing more than that as a bidder or as an entity you then know that you must enter into negotiations with a view to concluding a contract with S A Express, you must avail yourself for meetings for that purpose and the signing of the contract once agreement has been reached and t that you must kind of prepare yourself for performing in terms of the

contract in case it is successfully concluded, is that correct?

MS ESTELLE LOOCK: That is correct Chair.

CHAIRPERSON: Yes, so you must ready yourself so that when the contract has been signed and goes into operation you are ready to perform, but other than that really that you have been appointed doesn't mean anything else. Okay.

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Thank you Chair. This letter is dated the 5th of July 2017, can I ask you to turn to back to page 56 please.

10 **ADV VERUSCHKA SEPTEMBER:** This is the signature page of the motivation for deviation, on what date does Mr Dave Allenby, the General Manager of Operations submit this document?

CHAIRPERSON: Did you say 63?

ADV VERUSCHKA SEPTEMBER: 56.

CHAIRPERSON: Five Six?

ADV VERUSCHKA SEPTEMBER: Five Six.

CHAIRPERSON: Okay proceed.

ADV VERUSCHKA SEPTEMBER: On what date does Mr Dave Allenby sign this document which appears to be the date on which he submits?

20 **MS ESTELLE LOOCK:** The 1st of the 7th 2017.

ADV VERUSCHKA SEPTEMBER: And that's the same date of the date of the letter of award, signed off by Mr Samuel Vilikazi?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Can I now ask you to turn to Annexure 10 which appears at page 96. This letter is dated about two

days later, on the 7th of July 2017, is that correct?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And this letter for the record reads:

“To whom it may concern

10 This letter serves to confirm that EML Engineers and Construction trading as EML Energy with the registration number indicated has been appointed by South African Express as the fuel supplier for a period of three years. The fuel requirements will initially be confined to the two stations, that is OR Tambo International Airport (25million litres) and Pilanesberg Airport (8million litres) per annum respectively. The volumes will be adjusted and increased over the contract period as part of developing EML Energy as the Emerging Black Owned Supplier in line with the transformation imperatives outlining the procurement policy of South African Express. I trust that you will find the above in order.

Your sincerely

Dr Sam Vilikazi

Chief Procurement Officer”

20 What are your observations or any concerns that you may have with this letter Ms Loock?

CHAIRPERSON: If any.

MS ESTELLE LOOCK: I first observed the period of three years I also observe the litres, 25million litres and also 8million litres per annum which is a bit exorbitant in my view chair.

ADV VERUSCHKA SEPTEMBER: At paragraph 28 on page 8 of your affidavit you remind of the quantities that were required specifically to Pilanesberg Airport. For the record can you just remind exactly of what those litres were per week required and how it translates into a per annum requirement.

MS ESTELLE LOOCK: The requirement, I just want to refer back to my paragraph, which was 8 500 litres per week which resulted in a total of approximately 442 litres per annum if we use a 52 week Chair.

ADV VERUSCHKA SEPTEMBER: So you had or rather did your
10 requirement at all include any airport other than Pilanesberg?

MS ESTELLE LOOCK: No it didn't Chair.

ADV VERUSCHKA SEPTEMBER: So to summarise your concerns the one was the duration of the appointment purported in the letter at page 96, the other was the number of litres of jet fuel to be provided on a weekly basis when even translated into a per annum quantity still far exceeded that which is indicated in the letter and the third is that it's not specific to only Pilanesberg Airport, is that right?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: Chair just for the record
20 ...(intervention)

CHAIRPERSON: I'm sorry, what was the last point about not specific?

MS ESTELLE LOOCK: It's not only confined to Pilanesberg Airport.

CHAIRPERSON: It includes OR Tambo?

MS ESTELLE LOOCK: Yes Chair.

CHAIRPERSON: Is that a concern because the Round Robin resolution

did not include OR Tambo Ms Looock?

MS ESTELLE LOOCK: Apologies Chair, just repeat?

CHAIRPERSON: Are you concerned that the letter also talks about OR Tambo and not just Pilanesberg, because the resolution, Round Robin resolution, did not include OR Tambo and was confined to Pilanesberg, what's the basis of your concern?

MS ESTELLE LOOCK: The specifications should have been Denel, because that's where the heavy maintenance took place, so that would be Denel at OR Tambo, it is based at OR Tambo International, but if
10 you place OR Tambo International it can mean anywhere at OR Tambo International, so a specification like Denel or for heavy maintenance at Denel Technical Denel and Pilanesberg Operations would have been in my view better.

CHAIRPERSON: Yes but is your concern that if you say OR Tambo as opposed to saying Denel OR Tambo whatever, if you simply say at OR Tambo the same service could be provided by somebody else other than the one at Denel OR Tambo or is the position that no there wouldn't be anyone else to provide such a service, only the one at Denel would be able to, it's just that it's not a proper or accurate
20 description?

MS ESTELLE LOOCK: We had an ongoing contract with SAA to supply, to assist with the fuel at OR Tambo for our normal operations.

CHAIRPERSON: Yes.

MS ESTELLE LOOCK: That is the concern.

CHAIRPERSON: So your point is not just a technical one, it's a

substantive one in the space that the letter makes it open for what should be obtained from Denel to be obtained from elsewhere?

MS ESTELLE LOOCK: That is correct Chair.

CHAIRPERSON: And that's part of your concern.

MS ESTELLE LOOCK: That is correct Chair.

CHAIRPERSON: The second one is the amount of litres of fuel per year.

MS ESTELLE LOOCK: That is correct Chair yes.

CHAIRPERSON: And from what you say at paragraph 8 you say that if
10 you bear in mind that the flights would be like two times a week, is that correct?

MS ESTELLE LOOCK: Two times a week, that would be four flights, that would be two on a Monday and two on a Friday.

CHAIRPERSON: Yes, four flights, and you say in a year you have got 52 weeks based on that you say the amount of litres would be 442 000 litres per year, is that correct?

MS ESTELLE LOOCK: That is correct Chair.

CHAIRPERSON: And your concern is that the letter from Dr Vilikazi says that the amount of litres and in regard to OR Tambo is 25million
20 litres per year and in regard to Pilanesberg it says 8million per year, that's your concern?

MS ESTELLE LOOCK: That is correct Chair.

CHAIRPERSON: And in so far as Pilanesberg is concerned is the position that the correct amount of litres would have been 153 000 – no, no 8 500 litres – no that's per week, what would have been the total

per year for Pilanesberg?

MS ESTELLE LOOCK: 442 000 litres per annum.

CHAIRPERSON: Oh that is inclusive of everything?

MS ESTELLE LOOCK: That's per annum for Pilanesberg only Chair.

CHAIRPERSON: Okay and for OR Tambo?

MS ESTELLE LOOCK: I cannot comment on OR Tambo because I do not ...(intervention)

CHAIRPERSON: You don't know where that came from.

MS ESTELLE LOOCK: I don't know the requirements of technical how
10 many litres they actually negotiated yes Chair.

CHAIRPERSON: Yes, but for Pilanesberg you say it's 442 000?

MS ESTELLE LOOCK: Yes that's correct.

CHAIRPERSON: Way below the 8million litres that the letter talks about?

MS ESTELLE LOOCK: That is correct Chair.

CHAIRPERSON: Yes, okay, thank you.

ADV VERUSCHKA SEPTEMBER: Thank you Chair. Is it then correct
Ms Loock that up and until this stage the only operational requirements
that Pilanesberg was one for the supply of fuel and the transportation
20 of such fuel from Johannesburg to Pilanesberg twice a week.

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And the quantities that were
required was 8 500 litres per week, which translated to 442 000 litres
per annum on a 52 week basis?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: That was the total sum of requirement for Pilanesberg Airport.

MS ESTELLE LOOCK: That is correct, from an operational point yes.

ADV VERUSCHKA SEPTEMBER: And then from an operational point as well up and until this stage the only operational need at OR Tambo International Airport related to defueling and refuelling on an *ad hoc* basis of aircraft through S A Express Technical?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: And so it did not include the supply
10 of fuel generally as was needed in Pilanesberg Airport?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: But now we have letters which talks to a different scope of service, is that correct?

MS ESTELLE LOOCK: That is correct Chair.

ADV VERUSCHKA SEPTEMBER: If I can ask you now to
...(intervention)

CHAIRPERSON: Well we are at five.

ADV VERUSCHKA SEPTEMBER: Yes Chair.

CHAIRPERSON: I said we would look at the situation at five o'clock. I
20 understand that if we finish with Ms Loock this afternoon tomorrow we might not use the whole day.

ADV VERUSCHKA SEPTEMBER: Yes Chair.

CHAIRPERSON: Now the – except if Ms Loock would have some difficulty with coming back tomorrow it might – there might not be much need for us to go on to much later today if tomorrow we will end up not

being able to use the whole time. Ms Loock what is your situation about the possibility of coming back tomorrow morning and we finish your evidence tomorrow before we start with the next witness, how is your situation?

MS ESTELLE LOOCK: My situation is fine Chair.

CHAIRPERSON: You would be fine with that?

MS ESTELLE LOOCK: I will be fine, I'm also okay with going on, it's not a problem Chair.

CHAIRPERSON: Yes, yes, no that's fine, it's just that I wouldn't want
10 to cause any inconvenience to any witness, but I think that if Ms Loock hasn't got any problem as she says then we probably should stop now and and ask her to come back tomorrow morning because it's not like tomorrow we are likely to run into any problems in terms of finishing the witness. I take it that you might be left with maybe 30 minutes or 45 minutes to finish?

ADV VERUSCHKA SEPTEMBER: Yes Chair, another 30 minutes.

CHAIRPERSON: No let's fine, let's do that tomorrow. We will stop at this stage Ms Loock and tomorrow we start at ten o'clock, please come back tomorrow at ten o'clock. Is that alright?

20 **MS ESTELLE LOOCK:** That's correct, thank you Chair, that's fine.

CHAIRPERSON: Okay thank you. We will then adjourn for today and tomorrow we start at ten.

We adjourn.

INQUIRY ADJOURNS TO 25 JUNE 2019