

**COMMISSION OF INQUIRY INTO STATE CAPTURE**

**HELD AT**

**PARKTOWN, JOHANNESBURG**

10

**18 JANUARY 2019**

**DAY 36**

20

**PROCEEDINGS HELD ON 18 JANUARY 2019**

**CHAIRPERSON:** Good morning Mr Pretorius, good morning everybody.

**ADV PAUL PRETORIUS SC:** Good morning Chair.

**MR ANGELO AGRIZZI:** Good morning Chair.

**CHAIRPERSON:** Mr Pretorius?

**ADV PAUL PRETORIUS SC:** Thank you Chair. Mr Agrizzi we finished yesterday at paragraph 12.6 of your affidavit and that is where there is reference to the video EXHIBIT S1.

**MR ANGELO AGRIZZI:** That is correct Chair.

10 **ADV PAUL PRETORIUS SC:** Right.

**MR ANGELO AGRIZZI:** May I add something? Chair asked me a question yesterday.

**CHAIRPERSON:** Oh yes, there was some homework that was to be done for delivery after lunch, but we did not continue after lunch, yes.

**MR ANGELO AGRIZZI:** That was beyond my control unfortunately.

**CHAIRPERSON:** Yes, no, no I am happy that you are here and I am very happy that you are very determined to make sure that this Commission is assisted and that the nation gets to know what you know.

**MR ANGELO AGRIZZI:** We will my Chair, we will.

**CHAIRPERSON:** Thank you very much.

20 **MR ANGELO AGRIZZI:** Can I respond to you Chair?

**ADV PAUL PRETORIUS SC:** Yes please.

**MR ANGELO AGRIZZI:** With regards to the balances?

**CHAIRPERSON:** Yes, yes, yes.

**MR ANGELO AGRIZZI:** Okay. If you turn to the second file Annexure that is referred to is 584, page 584.

**ADV PAUL PRETORIUS SC:** That is EXHIBIT S2, or ...[intervenes]?

**MR ANGELO AGRIZZI:** Correct.

**CHAIRPERSON:** Is that on the bundle other than the one that we were using yesterday?

**ADV PAUL PRETORIUS SC:** It is the bundle that was handed to you Chair yesterday, it is the second volume of the statement and annexures. We have referred to it as EXHIBIT S2.

**CHAIRPERSON:** Oh yes okay I have got it. Page?

**MR ANGELO AGRIZZI:** Page 584.

10 **CHAIRPERSON:** 584?

**MR ANGELO AGRIZZI:** Yes.

**CHAIRPERSON:** Thank you.

**MR ANGELO AGRIZZI:** If I can just give you a bit of background, this is at page ...[intervenes]

**CHAIRPERSON:** I have got it ja.

**MR ANGELO AGRIZZI:** This is a page out of the black book, one of them that I managed to find. If you look at the first one it says "January to February 2016".

**CHAIRPERSON:** Yes.

**MR ANGELO AGRIZZI:** And the word says "recon", I know my handwriting is very bad.

20 It says recon.

**CHAIRPERSON:** Yes.

**MR ANGELO AGRIZZI:** Transfer, TRF which stands for transfer back to petty-cash.

**CHAIRPERSON:** Yes.

**MR ANGELO AGRIZZI:** J van Zyl and an amount of R107 000 off order.

**ADV PAUL PRETORIUS SC:** Okay.

**MR ANGELO AGRIZZI**: What that basically means is that from the order that came in R107 000 was used out of a separate petty-cash, which is a normal company petty-cash, but there was a shortage, so they used a R107 000 from the delivery for to replace the petty-cash so that it would balance.

**CHAIRPERSON**: Okay.

**MR ANGELO AGRIZZI**: On the 18<sup>th</sup> February 2016 an amount of R3.2 million was received and then a week later on the 25<sup>th</sup> February 2016 an amount of R2.8 million was received.

**CHAIRPERSON**: Yes.

10 **MR ANGELO AGRIZZI**: So the balance in the safe was R6 million.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: Okay. The page next to it just refers to the persons that received it and then if you flip over to page 586.

**CHAIRPERSON**: I am sorry. The page on page 584.

**MR ANGELO AGRIZZI**: Yes sir.

**CHAIRPERSON**: The photocopy page that is next to the one that you have dealt with ...[intervenes]

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: Has got names.

20 **MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Are those names, names of persons to whom payments were made?

**MR ANGELO AGRIZZI**: That is correct.

**CHAIRPERSON**: Okay alright thank you. And I see that it itself does not have a date. Is it for the 18<sup>th</sup> February 2016 as reflected in the first page, or is on there for another date?

**MR ANGELO AGRIZZI**: That would have occurred after the 25<sup>th</sup> February.

**CHAIRPERSON**: Okay, okay thank you.

**MR ANGELO AGRIZZI**: I have another page.

**CHAIRPERSON**: Is that 586?

**MR ANGELO AGRIZZI**: 586.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: That is a loose page that was in the book, but refers to January 2015 and there you will see delivery to GW, which is the initials of Gavin Watson.

10 **CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: Lindsay – just let me see, collect, which meant that Lindsay Watson would have collected it and checked it. AVT stands for Andries van Tonder, which means he would have delivered R5.4 million.

**CHAIRPERSON**: Oh okay. So there might not be an "M" after four but that is, we are talking millions?

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: Thank you.

20 **MR ANGELO AGRIZZI**: Alright. If you look at the bottom you will see, I have calculated it and worked out the balance that was left. Because this would always be verified with somebody there. So the balance that was left was R2.185 million after there had been payments out.

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: Okay. At the bottom of the page next to it you will see that a balance was then R2.6 million. Unfortunately there is a page in-between that is missing, we do not know where it is. I never had ownership of these black books, they

were always in the safe.

**CHAIRPERSON:** Yes okay.

**MR ANGELO AGRIZZI:** Okay.

**ADV PAUL PRETORIUS SC:** And the handwriting on page 586 Mr Agrizzi is that also your handwriting?

**MR ANGELO AGRIZZI:** That is my record-keeping yes.

**CHAIRPERSON:** Is that your writing that appears on these pages from that book?

**MR ANGELO AGRIZZI:** Correct.

**CHAIRPERSON:** Okay alright thank you.

- 10 **MR ANGELO AGRIZZI:** January 2015 you will see there is a reconciliation there that says "received" GLA refers to Greg Lacon-Allin for Gavin. You will see an amount of R5.4 ...[intervenes]

**CHAIRPERSON:** I am sorry, are you still at page 586?

**MR ANGELO AGRIZZI:** I am sorry I flipped already to 588 sorry my mistake.

**CHAIRPERSON:** Ohm 588?

**MR ANGELO AGRIZZI:** Correct.

**CHAIRPERSON:** Okay thank you. January 20?

**MR ANGELO AGRIZZI:** It is actually January 2016 sorry. It looks like a 16 or 15, one of the two I am sorry I did not want to make changes to it.

- 20 **CHAIRPERSON:** Yes okay, okay.

**MR ANGELO AGRIZZI:** I write a Fountain pen Your Honour so sometimes I slip.

**CHAIRPERSON:** Ja you were telling me something about that page.

**MR ANGELO AGRIZZI:** Yes.

**CHAIRPERSON:** Just start afresh.

**MR ANGELO AGRIZZI:** It says on the top there "recon" Chair and I would do that

because the book would be left in Gavin Watson's safe.

**CHAIRPERSON**: Does "recon" stand for?

**MR ANGELO AGRIZZI**: Reconciliation.

**CHAIRPERSON**: Okay. Received GLA?

**MR ANGELO AGRIZZI**: GLA stands for Greg Lacon-Allin for Gavin and ...[intervenes]

**ADV PAUL PRETORIUS SC**: You should spell that name for the record please?

**MR ANGELO AGRIZZI**: GREG LACON-ALLIN [spelt]

**ADV PAUL PRETORIUS SC**: IN or EN?

**CHAIRPERSON**: And how do you pronounce it?

10 **MR ANGELO AGRIZZI**: Greg Lacon-Allin.

**CHAIRPERSON**: Okay.

**MR ANGELO AGRIZZI**: Sorry not a hyphen it is a dash between the Lacon and the Allin.

**ADV PAUL PRETORIUS SC**: And the Allin how is that spelt?

**MR ANGELO AGRIZZI**: ALLIN [spelt] if I recall correctly.

**CHAIRPERSON**: Okay.

**MR ANGELO AGRIZZI**: Okay. Then you will see an amount of R5.4 million and the person that reconed [sic] it with me is Andries van Tonder.

**CHAIRPERSON**: So that is AVT not AUT?

20 **MR ANGELO AGRIZZI**: No AVT.

**CHAIRPERSON**: AVT standing for Andries van Tonder.

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Okay yes.

**MR ANGELO AGRIZZI**: And the split there is not actually an expense. What I did was, I used the word "expense" but it was the safes' number one, two and three.

**CHAIRPERSON**: Okay.

**MR ANGELO AGRIZZI**: Okay. May I move on Chair?

**CHAIRPERSON**: So the total at the bottom of that page is the balance, or what is it?

**MR ANGELO AGRIZZI**: R5 487 500.

**CHAIRPERSON**: Is that the balance?

**MR ANGELO AGRIZZI**: Yes because there would have been some money left in the safe.

**CHAIRPERSON**: Oh okay.

10 **MR ANGELO AGRIZZI**: Alright. So the balance there would be what was currently at that stage in the safe.

**CHAIRPERSON**: Okay.

**MR ANGELO AGRIZZI**: Chair if I could ask you to go to page 600.

**CHAIRPERSON**: Okay.

**ADV PAUL PRETORIUS SC**: If I may just interject. All these documents emanate from the black book?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Or the black books.

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Yes 600?

20 **MR ANGELO AGRIZZI**: 600 if you look at it says – and I cannot read the date properly because I seem to have lost my glasses here. But it say "February recon" it says, "received".

**CHAIRPERSON**: It that the one on the right hand side that you are looking at?

**MR ANGELO AGRIZZI**: The one on the right hand side.

**CHAIRPERSON**: Yes.



**MR ANGELO AGRIZZI:** The one on the left denotes the names.

**CHAIRPERSON:** Oh okay.

**MR ANGELO AGRIZZI:** Alright. The one on the right-hand side says, "received R6 million".

**CHAIRPERSON:** Yes.

**MR ANGELO AGRIZZI:** Then there was a reimbursement back to petty-cash for R107.

**CHAIRPERSON:** Yes.

**MR ANGELO AGRIZZI:** Then there was some payments, just the totals, not the actual individuals.

10 **CHAIRPERSON:** Ja.

**MR ANGELO AGRIZZI:** Then there was an amount of R3 425 500 left in Gavin's safe which was checked by Lindsay Watson.

**CHAIRPERSON:** Ja.

**MR ANGELO AGRIZZI:** We also left a note in the safe that specific time and it was just a note denoting in each safe how much it was in the safe, in the safe. So that is why I just said, "note left".

**ADV PAUL PRETORIUS SC:** Before you go on to another page, in the photograph sheet on the right-hand side.

**MR ANGELO AGRIZZI:** Yes.

20 **ADV PAUL PRETORIUS SC:** On page 600 of EXHIBIT S2, there is next to the number 4 an amount of R110 000 and in brackets after that "PG". Do you know from your own knowledge what that denotes?

**MR ANGELO AGRIZZI:** Yes. That was Patrick Gillingham Chair.

**CHAIRPERSON:** Ja okay.

**ADV PAUL PRETORIUS SC:** Again page 600 is your handwriting, is it?

**MR ANGELO AGRIZZI**: Yes it is Chair.

**CHAIRPERSON**: On some of the pages of this Exhibit, these little pages from the black book, you will find two pages as is the case in page 600 – at page 600?

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: What is the relationship between those two pages when there are two of them? Is the one page for the names of people to money was paid and the other a reconciliation, or what is the relationship, or is it just coincidental?

**MR ANGELO AGRIZZI**: I think Chair it is just coincidental. Because if I recall correctly these pages, these specific pages were separate from the book.

10 **CHAIRPERSON**: Oh okay, okay. Okay thank you. Yes you may continue.

**MR ANGELO AGRIZZI**: Okay. If you go Chair to page 602.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: That just denotes there at the top that there would have been a previous page that said it was checked by three people, Andries van Tonder, Angelo Agrizzi and JVZ stands for Jacques van Zyl.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: Okay.

**CHAIRPERSON**: That is the name that – there is a word that looks like Ishmael there?

**MR ANGELO AGRIZZI**: That is right.

20 **CHAIRPERSON**: Who was that?

**MR ANGELO AGRIZZI**: What that basically means is the list that you see in front of you and the names that you see in front of you there.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: That money was collected by the Director Ishmael.

**CHAIRPERSON**: Oh he was one of the directors?

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: And what is his surname, or is that the surname?

**MR ANGELO AGRIZZI**: He changed his surname, his surname was Mncwabe and it changed it to Dikani.

**CHAIRPERSON**: Oh okay.

**ADV PAUL PRETORIUS SC**: Would you spell both please if you can?

**MR ANGELO AGRIZZI**: Mncwabe, I am going on memory MNCWABE [spelt], Dikani was DIKANI [spelt].

**CHAIRPERSON**: Ja I think it is in your statement here.

10 **MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: Okay so the page that we are looking at, at page 602 the page from the black book, depicts names of persons to whom certain amounts reflected on the page were given to Ishmael to distribute to them?

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Is that correct?

**MR ANGELO AGRIZZI**: Correct Chair.

**CHAIRPERSON**: Okay thank you. And what appears at the bottom is it the total when you add up all of those amounts, or is it the balance in the safe?

**MR ANGELO AGRIZZI**: No that is the total. I need to, I actually did not check that

20 Chair, I must apologise.

**CHAIRPERSON**: Sorry?

**MR ANGELO AGRIZZI**: I did not check that, but I presume it would be the total.

**CHAIRPERSON**: Okay.

**MR ANGELO AGRIZZI**: Because that is how I normally would do it.

**CHAIRPERSON**: Okay alright. Well if it was stacks you would [mic off] amount, just

like that, but this is not in stacks.

**MR ANGELO AGRIZZI**: Yes unfortunately.

**CHAIRPERSON**: Okay alright. Okay you may proceed.

**MR ANGELO AGRIZZI**: I think Chair that is in response to your question that you asked me. And then I would like to clarify a point that seems to have come across.

**CHAIRPERSON**: Yes because you do that, let us just make sure we complete the point to which your evidence in regard to these pages relates. One of the questions was about, how many people were so to speak on the payroll of Bosasa, but now the payroll I am talking about it is not the one for employees. In terms of the monthly bribes

10 that was one of the questions. Does this answer that, these pages or not really?

**MR ANGELO AGRIZZI**: These pages answer about I would say fifty percent.

**CHAIRPERSON**: About fifty percent?

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: Okay. I did not count, I do not know whether you counted, whether fifty percent would be more or less what number? Did you have a chance to count, twenty?

**MR ANGELO AGRIZZI**: No.

**CHAIRPERSON**: Much more?

**MR ANGELO AGRIZZI**: About forty ja.

20 **CHAIRPERSON**: About forty?

**MR ANGELO AGRIZZI**: Ja.

**CHAIRPERSON**: So your estimates, would your estimate be that at least at some stage while you were with Bosasa, people who were paid cash monthly may well have been around eighty or thereabouts?

**MR ANGELO AGRIZZI**: I would say close to that Chair, I would ...[intervenes]

**CHAIRPERSON:** Close ja.

**MR ANGELO AGRIZZI:** I would have to think about that, I did not do anything about it.

**CHAIRPERSON:** Ja, ja. It is an estimate, but you say eighty might just be around the correct figure?

**MR ANGELO AGRIZZI:** That received illegal cash payments yes.

**CHAIRPERSON:** Ja that received cash payments.

**MR ANGELO AGRIZZI:** Unfortunately yes.

**CHAIRPERSON:** Yes. Okay that was the one question, so that qualifies it. The other question, I did not write them down. The other question, do you remember, I am trying  
10 to see which ones we have been able to answer?

**MR ANGELO AGRIZZI:** Chair the other question, I know there was a question regarding vaults and there was a question ...[intervenes]

**CHAIRPERSON:** Oh.

**MR ANGELO AGRIZZI:** I wonder if Advocate Pretorius would just clarify.

**CHAIRPERSON:** I think Mr Pretorius did, at least my questions. Mr Pretorius are you able to remind me what I had asked?

**ADV PAUL PRETORIUS SC:** I am just looking for the note Chair, if you would bear with me.

**CHAIRPERSON:** Oh I the other question may well have been – oh no it was the one  
20 about how much the cash was.

**MR ANGELO AGRIZZI:** It was the minimum balance.

**CHAIRPERSON:** Ja that was answered. What I did not ask which I can ask while Mr Pretorius is looking – oh I did ask. I also asked about other gifts.

**ADV PAUL PRETORIUS SC:** And the irregularity Chair.

**CHAIRPERSON:** Ja the irregular gifts that may have been – I think you clarified that

they may not have been given monthly like cash.

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: But there was a certain amount of irregularity, is that right?

**MR ANGELO AGRIZZI**: Yes correct.

**CHAIRPERSON**: But what I do not know whether I asked was, whether you would have an idea about what those would be in terms of monetary value per month, per two months, per year, apart from the monthly cash payments. Is that – I do not know if I asked that. Is that something that is easy to say, or you would need to check?

**MR ANGELO AGRIZZI**: Chair what I can do is, is draw up a schedule.

10 **CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: If Advocate Pretorius requests that I can do that.

**CHAIRPERSON**: Yes. Okay let us ...[intervenes]

**ADV PAUL PRETORIUS SC**: Chair you mentioned the regularity or otherwise of what we referred to as "other benefits other than cash".

**CHAIRPERSON**: Yes.

**ADV PAUL PRETORIUS SC**: You also at a stage queried the total amount of bribes approximately per day, or per period of time.

**CHAIRPERSON**: For a period ja I think that is what I ...[intervenes]

20 **ADV PAUL PRETORIUS SC**: And then you also asked how regularly the safe was filled at some stage.

**CHAIRPERSON**: Oh yes, yes, yes, yes.

**ADV PAUL PRETORIUS SC**: And then how many people were paid at a time.

**CHAIRPERSON**: Yes.

**ADV PAUL PRETORIUS SC**: But we have dealt more or less with those questions.

**CHAIRPERSON**: Ja, ja. Ja in terms of how regularly Mr Watson's safe was filled, you

did indicate it.

**MR ANGELO AGRIZZI:** Weekly.

**CHAIRPERSON:** You said weekly, sometimes even quicker than that and in terms of the number of people or in terms of cash payments monthly, we now have an idea. And in terms of other benefits, I think that might still have to be checked. But that can come later, it is not urgent.

**ADV PAUL PRETORIUS SC:** Yes. Can I say what the legal team's intention is in this regard?

**CHAIRPERSON:** Yes.

10 **ADV PAUL PRETORIUS SC:** At the evidence – at the end of the evidence we will do a sweep of all outstanding issues ...[intervenes]

**CHAIRPERSON:** Issues okay.

**ADV PAUL PRETORIUS SC:** That might being raised by you, or that might then be logically outstanding and we will deal with them.

**CHAIRPERSON:** Yes. No that is fine that is fine. Okay thank you Mr Agrizzi. Mr Pretorius you may continue.

**ADV PAUL PRETORIUS SC:** Thank you Chair.

**MR ANGELO AGRIZZI:** Sorry Chair, could I raise the ...[intervenes]

**CHAIRPERSON:** Oh you wanted to raise, yes.

20 **MR ANGELO AGRIZZI:** I do not want to interject you.

**CHAIRPERSON:** Please.

**MR ANGELO AGRIZZI:** But I think what is important is that I clear up any misconceptions that might have happened yesterday.

**CHAIRPERSON:** Yes please do so.

**MR ANGELO AGRIZZI:** I will. When you referred to disposal of people, it is a new

term in terms of getting rid of people. I experienced many a time where senior people would have to be dismissed, fired. But they would go through, there would be a rigorous process of discrediting the person in Social Media, in the Media and also with everybody else possible. So that is what I meant by 'disposal'. Because literally you are taking a person's life, their family and you are throwing them in the dustbin. So that is basically what I was trying to clarify.

**CHAIRPERSON**: Yes, yes.

**MR ANGELO AGRIZZI**: And I have seen it over the last years, so many.

**CHAIRPERSON**: Yes. So before they would be disposed of as you say.

10 **MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: Would there be a certain period during which they would be discredited, or the discrediting would happen after?

**MR ANGELO AGRIZZI**: Discrediting would happen during and after.

**CHAIRPERSON**: Okay, okay. Well that may tie in maybe with a term that you used also when you were talking about that. I cannot remember whether you used the term "terminate people". But I remember you used a term and I in response I asked you to explain, because I said, you know under apartheid you know sometimes the term taken out was used.

**MR ANGELO AGRIZZI**: Yes.

20 **CHAIRPERSON**: And it had a certain meaning. In terms of the terminology that you used, you did not mean that people would be killed, or did you?

**MR ANGELO AGRIZZI**: No.

**CHAIRPERSON**: Yes okay.

**MR ANGELO AGRIZZI**: I did not mean that people be killed.

**CHAIRPERSON**: Ja you just meant that they would be got rid of from the company?



**MR ANGELO AGRIZZI:** Yes.

**CHAIRPERSON:** Yes okay thank you. Thank you.

**MR ANGELO AGRIZZI:** Thank you it is clarified.

**ADV PAUL PRETORIUS SC:** Thank you Chair. In the next two paragraphs Mr Agrizzi you deal with matters relating to the handling of cash and who handled it and at what manner. May I refer you to paragraph 12.7 of your statement? What was the case in regard to what may be termed "high profile officials"? We will get to detail later.

**MR ANGELO AGRIZZI:** Those – the case was Gavin Watson would deal with them himself Chair.

10 **ADV PAUL PRETORIUS SC:** And particularly over the months of December and January each year, or December each year?

**MR ANGELO AGRIZZI:** That is correct Chair.

**ADV PAUL PRETORIUS SC:** What would happen then?

**MR ANGELO AGRIZZI:** That is correct. Occasionally, if I say 'occasionally', he would visit the people and do the special payments himself. At one stage writing – I cannot remember the exact date, I went with, with Mr Watson to do Christmas – what I called the 'Christmas run'. And you know, at that stage already I said to him, please can you keep detailed records, because you know anything can happen to you and what then? And he basically made it clear that he just ignored me. And when I asked him again he  
20 basically said, 'I do not use paper, I had being trained to use my memory, I do not write anything down, I have not signed anything and I have not got a secretary.' That is basically what was said.

**ADV PAUL PRETORIUS SC:** Right. Then in paragraph 12.8 you give general evidence as to the method used if someone came to you asking for a favour or any benefit, what was that?

**MR ANGELO AGRIZZI**: Well I had realised after awhile that people would come to me and says 'Gavin said, please can you organise this for me, can you hire me a car, can you fly me down to PE, can you book my kid in a hotel' and eventually I would not do it and I would actually phone up Mr Watson and say to Mr Watson this person is asking for A, B, C and D, what do you want me to do.

**ADV PAUL PRETORIUS SC**: Would he then approve or not approve?

**MR ANGELO AGRIZZI**: He would tell me and confirm the instruction to me.

**ADV PAUL PRETORIUS SC**: Right.

**CHAIRPERSON**: So that was your way of making sure that whatever you did was with  
10 his approval?

**MR ANGELO AGRIZZI**: I would not do anything without his approval, or his instruction.

**CHAIRPERSON**: Yes thank you.

**ADV PAUL PRETORIUS SC**: Alright. From what you knew and during the period that you were responsible for cash transactions and a keeping of records in the sense that it was up to you to reconcile, I mean responsible in that sense. Are you able to say whether Gavin Watson would have known himself of everything in relation to payments and in particular whether he knew of all the payments that left Bosasa for the purpose of bribery?

**MR ANGELO AGRIZZI**: Chair the answer is actually very simple. That I would not do  
20 anything without his instruction, without him knowing about it. Otherwise I could be held responsible and quite simply I would not take risks, you know not doing something without him knowing about it. It is too dangerous to try something like that.

**ADV PAUL PRETORIUS SC**: I am dealing Mr Agrizzi with paragraph 12.9. Do you believe, from your own knowledge that Gavin Watson knew the extent of payments going out that were not recorded?

**MR ANGELO AGRIZZI:** He knew the extent, if you look at my response. I do not think he knew the extent, because there was one specific incident where I – Chair I do not like an untidy office, or an untidy desk and there were papers lying around and I grabbed a refuse bag that was lying there to put the rubbish in. And in the bag I saw R70 000 and I showed him and I said, you know you need to be more careful. So I do not think he actually even knew the extent of what he was paying out.

**CHAIRPERSON:** And is it possible ...[intervenes]

**ADV PAUL PRETORIUS SC:** Sorry the – I am sorry Chair.

**CHAIRPERSON:** Is it possible that he really did not care much in terms of what was  
10 going out obviously to a certain extent? In other words, maybe if my company's money was been paid, I would want to know that all the money that has been paid is money that are intend to be paid that it goes to the people that I intend it to go to. But I do not know, maybe if there is just too money lying around, too much money you might end up, you know – I mean, you told us the other day R6 million per month was just a drop in the ocean.

**MR ANGELO AGRIZZI:** Yes.

**CHAIRPERSON:** So maybe that might have been the reason why he might have been as careful as somebody else might have been in terms of making sure what money goes out and the full extent. Is that something that you think is possible?

20 **MR ANGELO AGRIZZI:** Most definitely he told me on numerous occasions that my job is to make money, his job is to make sure that he spends the money. To him it meant nothing.

**ADV PAUL PRETORIUS SC:** The amount that you just mentioned that you found in the refuse bag, what was that amount again please?

**MR ANGELO AGRIZZI:** R70 000.

**CHAIRPERSON:** Earlier on I thought you said R7, but I think you are saying R70 000.

**MR ANGELO AGRIZZI:** R70 000.

**CHAIRPERSON:** So now it is R70 000 in this statement here. What was the ...[intervenes]

**ADV PAUL PRETORIUS SC:** And then in paragraph ...[intervenes]

**CHAIRPERSON:** I am sorry. Was he shown that there was such a lot of money in a refuge bag?

**MR ANGELO AGRIZZI:** I showed him, it was – well his attitude was, oh well luckily you found it.

10 **CHAIRPERSON:** It was not a big deal?

**MR ANGELO AGRIZZI:** No I was hoping he was going to give it to me Chair.

**CHAIRPERSON:** Ja [laughter] okay alright.

**ADV PAUL PRETORIUS SC:** Alright. In the remainder of paragraph 12.9 Mr Agrizzi you deal with the drop-safe. You have already given that evidence.

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** You do not need to repeat it. And then in paragraph 12.10, you deal with the issue very briefly of shortages under your watch. What was the position?

20 **MR ANGELO AGRIZZI:** There was never any shortages, we made sure. I always made sure, I would never do it alone, I always made sure there was somebody with me, either Jacques van Zyl or Andries van Tonder or Lindsay Watson with me so that my integrity would not be questioned in that situation.

**ADV PAUL PRETORIUS SC:** Is that when money was being physically handled?

**MR ANGELO AGRIZZI:** Yes.

**ADV PAUL PRETORIUS SC:** Then in paragraph 12.11 you deal with the topic that you

have been questioned about from the Chair in relation to favours other than cash payments. Would you describe those briefly for the Chair please?

**MR ANGELO AGRIZZI**: Well Chair there were numerous other favours and there were vehicle repairs being done for people. There were school fees settled. There was travel arrangements that were done and it was merely – what happened there was we paid it through the books and that was eventually picked up by the SIU investigation and thereafter the preferred mechanism was using cash, or using it through an arms length company that would be registered as Mr Watson instructed.

**ADV PAUL PRETORIUS SC**: Vehicle repairs how were they done in an outside garage  
10 or an internal facility to Bosasa?

**MR ANGELO AGRIZZI**: Well there were – there is two stances. The one is an outside garage where they would then invoice Karano or Bosasa the garage and the other one was, we had an onsite workshop at one of our complexes which we had setup to deal with the high volume of vehicles that needed minor services. So people would take their cars there and they would sort it out.

**ADV PAUL PRETORIUS SC**: Your reference to Karano, is that the same entity that you referred to yesterday?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Okay. When you talked about accounting for these  
20 expenses, please provide the Chair with a little detail, how were they accounted for, under what head, or in what category of expense?

**MR ANGELO AGRIZZI**: Well the category that we it under it is either the Operational Expense, or alternatively Marketing Expenses and they would normally be allocated to a company where the person who received the benefit gave benefit to. So if Mr X was from Bosasa security and he was helping Bosasa security, the expense would normally

go through that division.

**ADV PAUL PRETORIUS SC:** Are you personally aware of vehicles being serviced for any particular individual that you recall?

**MR ANGELO AGRIZZI:** Yes. I am aware of some vehicles that had being serviced for specific individuals Chair.

**ADV PAUL PRETORIUS SC:** In paragraph 12.2 you mention a name. Who is that person and what is his connection with the matters you are dealing with?

**MR ANGELO AGRIZZI:** This gentleman was the security, I think liaison I could call him at ACSA his name is Reuben Pillay.

10 **ADV PAUL PRETORIUS SC:** And you say his vehicle was serviced?

**MR ANGELO AGRIZZI:** Amongst others yes.

**ADV PAUL PRETORIUS SC:** And who authorised the servicing of that particular vehicle?

**MR ANGELO AGRIZZI:** Well it would be authorised by Joe Gumede, because Joe Gumede at that stage was in charge of Security.

**ADV PAUL PRETORIUS SC:** Alright. Just look at paragraph 12.12 please the third sentence, you say in your affidavit that you would authorise the servicing, which is correct?

20 **MR ANGELO AGRIZZI:** Both are correct, because he would come to me with it and I would then finalise it and – remember Chair if I can explain. I signed off everything that was the rule.

**CHAIRPERSON:** Ja.

**MR ANGELO AGRIZZI:** I had to signoff everything.

**CHAIRPERSON:** Ja, ja.

**ADV PAUL PRETORIUS SC:** So you say ...[intervenes]

**CHAIRPERSON:** I guess that must have been impart, because Mr Gavin Watson did not sign anything?

**MR ANGELO AGRIZZI:** Correct.

**CHAIRPERSON:** Ja.

**MR ANGELO AGRIZZI:** So to answer the question correctly would be to say that the request to do it was through Joe Gumede. But the authorisation was through me.

**CHAIRPERSON:** Now the person mentioned there, who was he employed by or what was the connection between – what was the relationship between him and Bosasa?

**MR ANGELO AGRIZZI:** It was in the early, early days when Bosasa received the  
10 ACSA contract for the guarding of the multi-storey car level at OR Tambo.

**CHAIRPERSON:** Yes. So was he somebody from the company that awarded that contract?

**MR ANGELO AGRIZZI:** He was involved with it yes, as far as I know.

**CHAIRPERSON:** Ja okay, but he was not an employee of Bosasa?

**MR ANGELO AGRIZZI:** No was employed by ACSA.

**CHAIRPERSON:** Sorry?

**MR ANGELO AGRIZZI:** He was employed by ACSA.

**CHAIRPERSON:** Oh ja okay. Thank you. So did you view the servicing of his motor vehicle as part of Bosasa's bribery to people that would make it easy for Bosasa to get  
20 contracts?

**MR ANGELO AGRIZZI:** Yes I did.

**CHAIRPERSON:** That is how you viewed it?

**MR ANGELO AGRIZZI:** I did.

**CHAIRPERSON:** Yes.

**MR ANGELO AGRIZZI:** I have become blunt to it.

**CHAIRPERSON:** Yes okay thank you.

**ADV PAUL PRETORIUS SC:** Thus far Mr Agrizzi and in general terms, you have testified as to payments made to various people and the methods used to effect those payments. You have also mentioned very briefly receipt of cash ...[intervenes]

**CHAIRPERSON:** I am sorry Mr Pretorius to interrupt you. The name at paragraph 12.2 has not been mentioned. So when you read the transcript you would have to look for this bundle to see what was that name.

**ADV PAUL PRETORIUS SC:** The name.

**CHAIRPERSON:** Is there a particular reason that it is not being mentioned?

10 **ADV PAUL PRETORIUS SC:** It may have been mentioned softly Chair.

**CHAIRPERSON:** Oh okay.

**ADV PAUL PRETORIUS SC:** But it was mentioned.

**CHAIRPERSON:** Okay.

**ADV PAUL PRETORIUS SC:** Is that correct, you have mentioned the name of the person there?

**MR ANGELO AGRIZZI:** Ja the name was Mr Reuben Pillay.

**CHAIRPERSON:** Oh okay thank you, okay.

20 **ADV PAUL PRETORIUS SC:** Just to go back a step Mr Agrizzi you have given evidence thus far amongst other things of the general methods used to make cash payments and what happened in the Bosasa offices in that respect. You will give further detailed evidence in that regard in due course.

**MR ANGELO AGRIZZI:** Most definitely.

**ADV PAUL PRETORIUS SC:** You have also mentioned receipt of cash.

**MR ANGELO AGRIZZI:** Yes.

**ADV PAUL PRETORIUS SC:** In other words, in order to make these payments,



Bosasa had to have in its possession large amounts of cash to the extent that you have already testified.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: The next section of your affidavit then deals with how Bosasa obtained cash.

**MR ANGELO AGRIZZI**: That is correct Chair.

**ADV PAUL PRETORIUS SC**: Alright. In 13.1 you deal with one such method of obtaining cash, or concealing cash transactions. What was that method?

**MR ANGELO AGRIZZI**: One such method Chair was to issue a cash cheque and to  
10 cash the cheque at the bank and a fictitious invoice would be created to justify that cash transaction. The fictitious invoice would be created in the name of a company that was nearing liquidation or in liquidation, or a company that was about to be placed in liquidation.

**ADV PAUL PRETORIUS SC**: Why was that done?

**MR ANGELO AGRIZZI**: Because it would be very little queries or recourse for the cheque.

**CHAIRPERSON**: And would the company that is chosen, would the company know about the fictitious invoice or not really, or sometimes they would know, or sometimes they would not know?

20 **MR ANGELO AGRIZZI**: I do not think they would and I did not do the invoicing so I did not, I found out about the practice and – but I think they would not have known.

**CHAIRPERSON**: Okay, okay.

**ADV PAUL PRETORIUS SC**: Alright. Then you go further in paragraph 13.2 of your affidavit and you relate how in relation to cashing cheques at the bank and the issuing of fake invoices, these were done in the name of other entities. Please tell the Chair

what happened?

**MR ANGELO AGRIZZI:** What they would do is, they would raise fake invoices which would be in a small start-up name and there was no VAT numbers, because the last thing is to mess around with Revenue Services. And companies that had delivered and perhaps a small product or a service, they would just regenerate those invoices. And you know, they were not used more than once or twice. But I recall a company called Kgwetlo Events which was ...[intervenes]

**ADV PAUL PRETORIUS SC:** Spell that please? Is that KGWETLO [spelt]?

**MR ANGELO AGRIZZI:** Correct yes. Kgwetlo Events was a company that belonged to  
10 a Mr and Ms Brian Gwebu who previously used actually work at the Bosasa Group and where they had a hiring of plates and tents and that kind of company. Then the accountant would draw up the invoices and book it to Kgwetlo Events, which was – I got a bit annoyed because I thought you know it is one of our employees that passed away and it was not a very good thing to do. But for this reason they used it, was because they could advert any potential queries from the South African Revenue Services, or from the auditors.

**ADV PAUL PRETORIUS SC:** You spoke in a previous answer now Mr Agrizzi of small or start-up names. Did you mean small or start-up companies?

**MR ANGELO AGRIZZI:** Yes companies Chair.

20 **ADV PAUL PRETORIUS SC:** And you say in paragraph 13.2 'with no VAT numbers', what is the significance of that?

**MR ANGELO AGRIZZI:** Well the significance of that is these are small companies that have no VAT exposure. They do not have to do returns as yet and my understanding is that they would not be queried. When I asked the question, I was told it is because they would not be queried.

**ADV PAUL PRETORIUS SC:** And you refer to the company called Kgwetlo Events and Mr and Ms Gwebu. Did they know, again to your knowledge of the use of their name on false invoices?

**MR ANGELO AGRIZZI:** No.

**ADV PAUL PRETORIUS SC:** Who drew up the invoices?

**MR ANGELO AGRIZZI:** The gentleman that drew up – there were various people that drew up the invoices. The gentleman I know drew up the invoice was Carlos Bonifacio.

**ADV PAUL PRETORIUS SC:** Alright. The system of issuing false invoices in order to conceal the generation of cash through the issuing of cash cheques, did it replace a  
10 previous system?

**MR ANGELO AGRIZZI:** Well basically it replaced a system whereby we would write out cash cheques and draw it as casual wages and we would have a – I mean I – look I did not do it, I was not involved with that aspect of it, but I know what was being done. They would draw up a dummy list of employees and then issue cash cheques accordingly.

**ADV PAUL PRETORIUS SC:** We will deal in a moment, as I recall with the reason for the termination of that practice. But before we go on Mr Agrizzi, Carlos Bonifacio what position did he hold in Bosasa?

**MR ANGELO AGRIZZI:** He was the Chief Accountant and responsible for the finances  
20 of the Group.

**ADV PAUL PRETORIUS SC:** And are his full names Carlos Bonifacio?

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** You refer to him again in paragraph 13.3.

**MR ANGELO AGRIZZI:** Yes.

**ADV PAUL PRETORIUS SC:** Just tell the Commission the circumstances that gave

rise to the events that you refer to in that paragraph?

**MR ANGELO AGRIZZI:** Commission – Chair I would – let me give you a bit of background to it.

**CHAIRPERSON:** Yes.

**MR ANGELO AGRIZZI:** That one stage Carlos Bonifacio had know that I was going to whistle-blow and declare everything for quite some time, as did quite a lot of other people as well. And at one stage he was involved, he would come through to the meeting and write up a statement and would email statements and that type of thing and he was going to cooperate. As a matter of fact, his wife even phoned me and said  
10 thank you for helping us get this clear. He was in the process of preparing an affidavit for this purpose of the Commission and also for law enforcement.

**CHAIRPERSON:** This is after you had left Bosasa?

**MR ANGELO AGRIZZI:** Yes, yes.

**CHAIRPERSON:** Yes.

**MR ANGELO AGRIZZI:** And he was prepared to come clean and draw up everything. He forwarded me portions of the draft affidavit. But then what happened was, he just – he got cold feet and he confessed everything to Gavin Watson who sat with him for three/four hours apparently and he then rattled off exactly who was going to whistle-blow to Gavin Watson and that is what basically happened.

20 **ADV PAUL PRETORIUS SC:** Alright.

**CHAIRPERSON:** Thank you.

**ADV PAUL PRETORIUS SC:** The documents that were forwarded to by Mr Bonifacio, have you kept these documents?

**MR ANGELO AGRIZZI:** Yes I have.

**ADV PAUL PRETORIUS SC:** Have you made them available to the Commission

investigators?

**MR ANGELO AGRIZZI**: I have.

**ADV PAUL PRETORIUS SC**: Chair to the extent that they may become relevant, or may in fact be relevant, we will deal with that issue.

**CHAIRPERSON**: Thank you.

**ADV PAUL PRETORIUS SC**: In paragraph 13.4 you perhaps repeat what you said earlier about the use of companies in order to filter payments. Just tell the Chair what you are saying in paragraph 13.4 regarding the use of companies at an arms length as you say here?

10 **MR ANGELO AGRIZZI**: Chair there would be companies that we eventually would have to start-up on Gavin Watson's instruction and we would register it and then do exactly the same, but with a fictitious companies closing down, liquidate them after the taxes had been paid and that. So I think it is kind of addition to 13.3.

**ADV PAUL PRETORIUS SC**: Alright. You describe another way of generation ...[intervenes]

**CHAIRPERSON**: I am sorry Mr Pretorius.

**ADV PAUL PRETORIUS SC**: Sorry Chair.

**CHAIRPERSON**: So the creation of these companies was really solely to facilitate fictitious invoices, basically the corruption?

20 **MR ANGELO AGRIZZI**: Non VAT ja.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Thank you. And there were a number of them that were created and then liquidated after sometime during your time at Bosasa?

**MR ANGELO AGRIZZI**: They were, the files were at Bosasa. I cannot recall exactly

how many, I did not keep track of that at all. I think ...[intervenes]

**CHAIRPERSON**: But the number?

**MR ANGELO AGRIZZI**: I think I can remember five.

**CHAIRPERSON**: Okay, okay. And are you able to tell whether they would have more or less the same lifespan before they got liquidated, or it really differed from one to another?

**MR ANGELO AGRIZZI**: I must be honest, I cannot recall.

**CHAIRPERSON**: Yes okay alright. But would that be maybe one or two where – in regard to which you are able to say, well maybe after it was created it was around for a  
10 year or two or anything like that?

**MR ANGELO AGRIZZI**: If the Chair allows I will go and check on my laptop and see if I can get some information from them.

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: And I will bring them.

**CHAIRPERSON**: Okay. No, no it is not so important, but it is information that might be helpful just to complete the picture. Ja okay alright thank you.

**MR ANGELO AGRIZZI**: Will do.

**ADV PAUL PRETORIUS SC**: Just for the record and my notes Chair.

**CHAIRPERSON**: Yes. If you do not come back to me with it, it will not be a big deal,  
20 but if you are able to come with it, it is fine.

**ADV PAUL PRETORIUS SC**: And the information being?

**CHAIRPERSON**: Oh, information being, what would be the lifespan on average of those companies that were created for basically corruption purposes that would be liquidated later. Thank you.

**ADV PAUL PRETORIUS SC**: I have to ensure homework is properly done.

**CHAIRPERSON:** [Laughter] thank you.

**ADV PAUL PRETORIUS SC:** You then deal in paragraph 13.5 Mr Agrizzi with another manner in which cash could be generated for the purposes of bribery as you have described in your evidence in the past two days. Would you relate to the Chair how this scheme worked and please take it step-by-step?

**MR ANGELO AGRIZZI:** Yes Chair. There was another way that the cash was withdrawn and that was via a contractor called Fikile Construction, which is owned by a gentleman by the name of Riaan Hoeksema. Hoeksema had a very good relationship with a wholesale liquor outlet in Randfontein that does a lot of cash transactions and  
10 obviously they had a lot of cash and it cost money to deposit cash, so they would rather give it away. Well not give it away, but give it to someone else and receive an EFT it is not so much safer into those times. So what would happen is ...[intervenes]

**ADV PAUL PRETORIUS SC:** An EFT?

**MR ANGELO AGRIZZI:** Electronic Fund Transfer through the bank. Does that clarify that?

**ADV PAUL PRETORIUS SC:** Yes.

**MR ANGELO AGRIZZI:** Okay.

**ADV PAUL PRETORIUS SC:** I am sorry I interrupted you in a train of thought, but take your time.

20 **MR ANGELO AGRIZZI:** No problem. So what would happen is that this company called Jumbo Liquor would hand the funds over to Mr Hoeksema and at the same time also do an invoice to Bosasa for alcohol, alright. So alcohol was not purchased, there was no alcohol whatsoever, not even communion wine Chair. So it was never purchased, it was just cash.

**CHAIRPERSON:** And was never delivered?

**MR ANGELO AGRIZZI**: It was never delivered.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: It was just specified as an invoice and who would check that the invoice would be delivered? Nobody would check. So the cash was transferred and the amount of the invoice was paid and given in cash, instead of the communion wine, or the alcohol or the Coke-Cola or whatever so they specified an invoice.

**ADV PAUL PRETORIUS SC**: So let us take it step-by-step, because the scheme can be quite confusing, unless one follows it step-by-step.

**MR ANGELO AGRIZZI**: Yes. So if I can explain it to you. I would put in an order for –  
10 I am just saying 'I would', I never did the invoice.

**CHAIRPERSON**: Ja, ja, ja.

**MR ANGELO AGRIZZI**: They would put in an order for R4 million. Over a weekend Jumbo Liquor also this, would do R4 million cash.

**CHAIRPERSON**: And then – I am sorry. Do I understand correctly, are you saying that the order, I mean you have told me that there would be no liquor delivered. The order would be for liquor to the amount of R4 million?

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Okay. Yes okay alright continue. So I just wanted to understand that part, because I would imagine it would catch anybody's eye just the mere fact that it is  
20 liquor and it is for so much, but you will continue, you may continue.

**MR ANGELO AGRIZZI**: Well obviously the amount was split over time, so maybe using R4 million is not right, maybe let us use 600 or ...[intervenes]

**CHAIRPERSON**: It is not ...[intervenes]

**MR ANGELO AGRIZZI**: It was not the R4 million, the amount.

**CHAIRPERSON**: Oh okay.



**MR ANGELO AGRIZZI**: I am just giving the amount.

**CHAIRPERSON**: Oh okay.

**MR ANGELO AGRIZZI**: It would be say a million, or R1.2 million at a time.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: But over a week or over two weeks it would come to R4/R5 million.

**CHAIRPERSON**: Oh that is still ...[intervenes]

**MR ANGELO AGRIZZI**: From the same supplier.

**CHAIRPERSON**: That is still quite high I would imagine.

10 **MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: But as long as the invoices were in sequence and there was not – it did not highlight any concerns from anybody. So what would happen is, the order would be sent, they would collect up the cash and when it was ready to be delivered, there would be a phone call and payment of an EFT would transfer. Now the interesting ...[intervenes]

**CHAIRPERSON**: Phone call from who to whom?

**MR ANGELO AGRIZZI**: Well it would be – I cannot recall if it was Jacques van Zyl and Riaan Hoeksema, or if it was Andries van Tonder and Riaan Hoeksema. But they would  
20 normally, the standard practice would be, they phone a week – during the week and say, Gavin Watson needs "X" amount of cash and they would then arrange it.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: So what would happen then is that it would be delivered to the offices and that would be the payment, you know in lieu of the – not the living stock, they would deliver the cash for it. And because of this, the agent, in this case was

Riaan Hoeksema would get between 5 percent and 7.5 percent of the fee.

**CHAIRPERSON**: So just to make sure I understand. You are saying that it would happen that various orders for liquor as it would appear, were made by Bosasa to Jumbo Liquor Wholesalers?

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: And that the amount could be R1 million, it could – for any particular order could be another amount. But over a week it could easily be about R4 million, is that right, more or less?

**MR ANGELO AGRIZZI**: Ja.

10 **CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: Maybe a week or two weeks Chair.

**CHAIRPERSON**: Maybe a week or two weeks yes. And then you say that one; no liquor would be delivered?

**MR ANGELO AGRIZZI**: No.

**CHAIRPERSON**: Two; cash would then be made available at a certain stage that would correspond with the invoice?

**MR ANGELO AGRIZZI**: Correct.

20 **CHAIRPERSON**: And that cash would be paid to somebody from Jumbo Liquor Wholesalers, or to Mr Watson. Who would it be given to in terms of the procedure?

**MR ANGELO AGRIZZI**: So what would happen is, well the cash would be delivered and it would follow exactly the same process of going into the first vault and then being transferred to Mr Watson's vault.

**CHAIRPERSON**: Oh it never – the cash never physically left Bosasa to go to Jumbo Liquor Wholesalers?

**MR ANGELO AGRIZZI**: What would happen is, they would transfer via an electronic fee.

**CHAIRPERSON**: Oh.

**MR ANGELO AGRIZZI**: They paid for the invoice.

**CHAIRPERSON**: Yes, yes.

**MR ANGELO AGRIZZI**: And then the invoice would be delivered in cash to Bosasa.

**CHAIRPERSON**: Oh okay alright.

**MR ANGELO AGRIZZI**: Does it clarify?

**CHAIRPERSON**: Ja. And then you say, there would be a person from Jumbo Liquor

10 Wholesalers who would then get in effect some commission?

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: Ja and the commission would be about 5 percent of 7.5 percent according to your statement, is that right?

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Okay thank you.

**MR ANGELO AGRIZZI**: I just want to clarify.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: The commission went to Riaan Hoeksema, because he was the agent for Jumbo Liquor.

20 **CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: So he would get the five to seven percent.

**CHAIRPERSON**: Okay, okay, no thank you.

**ADV PAUL PRETORIUS SC**: Let us just summarise.

**MR ANGELO AGRIZZI**: Yes.

**ADV PAUL PRETORIUS SC**: Of the consumption in another way. Because this

scheme is difficult to follow. Bosasa orders liquor for a million rand by way of example from the wholesaler?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: The wholesaler then invoices Bosasa?

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: In the sum of a million rand and by EFT transfer R1 million in actual money is paid to the Liquor Wholesaler?

**MR ANGELO AGRIZZI**: That is correct Chair.

**ADV PAUL PRETORIUS SC**: That is one box of transactions?

10 **MR ANGELO AGRIZZI**: That is correct. I just ...[intervenes]

**ADV PAUL PRETORIUS SC**: Now the Liquor Wholesaler has not delivered any liquor pursuant to that order.

**MR ANGELO AGRIZZI**: That is right.

**ADV PAUL PRETORIUS SC**: But it is now sitting with R1 million by EFT transfer?

**MR ANGELO AGRIZZI**: That is correct Chair.

**ADV PAUL PRETORIUS SC**: It has cash and so it provides this cash to the agent?

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: The agent takes his cut and delivers the balance to Bosasa?

20 **MR ANGELO AGRIZZI**: That is correct Chair.

**ADV PAUL PRETORIUS SC**: And so what one has on the one hand is a series of orders, invoices and EFT payments for the records, and on the other hand one has cash movement on the other?

**MR ANGELO AGRIZZI**: That is correct Chair.

**CHAIRPERSON**: Thank you.

**MR ANGELO AGRIZZI**: I just need to add Chair, there is one missing link.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: The link is, the invoice is put through as "operational expenses" and expensed.

**CHAIRPERSON**: Oh yes.

**MR ANGELO AGRIZZI**: So it becomes tax deductible.

**CHAIRPERSON**: Oh okay.

**ADV PAUL PRETORIUS SC**: Alright. In paragraph 13.6 Mr Agrizzi you talk about cash drawings for cash cheques and how these are reflected on the bank statements. What  
10 was the position initially, or when these schemes first started being implemented?

**MR ANGELO AGRIZZI**: The problem when the initial cash cheques were drawn up is that these were reflected on the bank statements as cash drawings. Because a cash cheque is cash drawings. So it looked it very suspicious. A concern was raised by the auditors and the explanation was given tot he auditors that the payments were made – that were being made were too small and these will start-up companies that Bosasa had to accommodate. So they would make cash payments to them.

**ADV PAUL PRETORIUS SC**: You say that the payments that were being made were too small. You mean they were being made to small and start-up companies?

**MR ANGELO AGRIZZI**: Correct.

20 **CHAIRPERSON**: The scheme means that in the case of Jumbo Liquor Wholesalers, in terms of their books they would be shown to have received certain amounts of money for liquor.

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: That they sold when in fact there was no liquor that they sold.

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: Yes thank you.

**ADV PAUL PRETORIUS SC**: Then in paragraph 13.7, at the bottom of page 26 you refer to another method utilised by Bosasa to generate cash. Again step-by-step if you will, would you tell the Chair what happened here?

**MR ANGELO AGRIZZI**: This is actually a very sad story Chair because at one stage the employees, I am not going to read it off my statement, I know it so well, at one stage the employees were having major problems because they were losing family members through death, natural death, and we then decided that we needed to help the employees and we bought what was called a Metropolitan Death Benefit Fund, 10 which basically covers employees in the event of death with, I think it was R20 000 or R10 000 if the main member died, if a child died it was maybe a little bit less and if a mother or a father died it would be a little bit less. So it was a scheme that I implemented to try and assist. But then what happened was the death certificates are always delayed, so we would then issue an advance to the person instead of the – instead of waiting for Metropolitan to ...[intervenes].

**CHAIRPERSON**: To pay the benefits.

**MR ANGELO AGRIZZI**: To actually issue a cheque and verify that the person has got a legitimate death certificate and all that. So what happened was then a second request was made, so if a family member died they would get two cheques, so that 20 we get the Metropolitan cheque and then they would get a cash cheque, but they never actually received the cash cheque. The cash cheque was used to draw cash out the bank for bribed and corruption. So the second cheque that was written out was not ever given to the family but it was used to pay bribes and to raise cash to be able to do that. So if anybody was questioned then it would be clearly said to them that no the company contributed because it had all the supporting documentation, so

we decided to contribute a double cheque to the person and that is how it would be passed off.

**CHAIRPERSON**: So but those two cheques remained cheques from Bosasa as opposed from Metropolitan?

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: So when the Metropolitan one came it would just refund Bosasa is that right?

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Yes but the point of what was happening is that two cheques were  
10 made and the books would reflect that they all went to the employee or his family but actually only one went there is that right.

**MR ANGELO AGRIZZI**: You have hit the nail on the head Chair.

**CHAIRPERSON**: Thank you, and the other one was used for briberies?

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Okay thank you.

**ADV PAUL PRETORIUS SC**: Were records of these transactions kept?

**MR ANGELO AGRIZZI**: Look the records of the transactions are all kept because these are normal, they appear as normal transactions, and at one stage the estimated monthly total was about R300 000. I mean we were having a lot of  
20 deaths. We had people in security and ill people so it was quite high one month I remember specifically.

**CHAIRPERSON**: What was Bosasa's total number of employees at any one stage or maybe towards the end of your time there, more or less?

**MR ANGELO AGRIZZI**: Look I am not too sure what it is now but at one stage at the peak, especially with all the security contracts with the Department of Justice and

Constitutional Development, with the Post Office and that, it was up to about 6 000 people.

**CHAIRPERSON**: Oh okay.

**MR ANGELO AGRIZZI**: I do not have a clue of what it is at now.

**CHAIRPERSON**: Ja okay.

**MR ANGELO AGRIZZI**: But it is considerably lower I believe.

**CHAIRPERSON**: Okay.

**ADV PAUL PRETORIUS SC**: Thank you, just to summarise once again Mr Agrizzi, in relation to the death benefits issue, there were two really separate transactions, one when a family member died the company Bosasa would give an advance of the amount covered by the death benefit and later recover this money from Metropolitan?

**MR ANGELO AGRIZZI**: That is correct Chair.

**ADV PAUL PRETORIUS SC**: Okay, the other transaction was to say to the – well not to say to the employee but was to record in your books a cash donation to the family arising out of the circumstances of the death of the family member but not to give that cash when that cash was drawn, to the family member or to the family but rather keep it for the purposes of generating cash for bribes.

**MR ANGELO AGRIZZI**: That is correct Chair.

**CHAIRPERSON**: By the time you left Bosasa was that still happening or had that terminated?

**MR ANGELO AGRIZZI**: I cannot recall Chair, I did not want to even know about this. I did not even want to sign off these death requests, these death benefits at one stage, so I think people averted from coming to me. So the last time I recall signing them was in June 2016, so I cannot say.



**CHAIRPERSON**: So it was still – it was still happening at that time.

**MR ANGELO AGRIZZI**: In June 2016 ja.

**CHAIRPERSON**: Yes okay, alright thank you.

**ADV PAUL PRETORIUS SC**: I do not want you to deal at this stage with 13.8 of your statement Mr Agrizzi, we will deal with it later when and if appropriate but can we go then to paragraph 13.9. Before we do so this death benefit scheme, and particularly the second transaction where a donation would be made for which ostensibly but not in reality cash was withdrawn from your accounts and given, or Bosasa accounts and given to the employee's family, did the employees know about this?

**CHAIRPERSON**: No they did not. Probably not.

**ADV PAUL PRETORIUS SC**: Then let us go to paragraph 13.9. You say in that paragraph that you were able to estimate the amount of cash that was drawn or generated over a period of time, and you refer to a monthly period here. Would you relate these calculations and their implications for income tax, to the Chair please, and you deal with that in paragraph 13.9 and 13.10 of your affidavit.

**MR ANGELO AGRIZZI**: Chair, I would like to clarify I am not an accountant.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: Okay, and ...[intervenes].

20 **CHAIRPERSON**: You just do the best you can.

**MR ANGELO AGRIZZI**: I can just give information.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: And this is where it gets concerning, is that when you look at this done by a simple calculation it is quite frightening.

**ADV PAUL PRETORIUS SC**: Sorry Chair it is, I am told, past 11:15, perhaps before

we venture into this accounting sphere, be it on an abbreviated basis, perhaps the short adjournment should be taken.

**CHAIRPERSON**: Okay we will take the short adjournment, tea break, and we will resume at 11:30. We adjourn.

**REGISTRAR**: All rise.

**HEARING ADJOURNS**

**HEARING RESUMES**

**CHAIRPERSON**: Yes Mr Pretorius?

**ADV PAUL PRETORIUS SC**: Thank you Chair. We were, Mr Agrizzi, at paragraph  
10 13.9 of your statement and you were about to relate to the Chair the calculations of monies, cash monies referred to in paragraph 13.9 and 13.10.

**MR ANGELO AGRIZZI**: Correct. Chair if I can take you through a very rough calculation.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: Because what you have got to consider as I said you know I am under oath and I do not want to be quoted and give the wrong figures, so what I would like to just explain is that because these costs went through as operational expenses they would dilute your profit margins when you reconcile your books at the end of the day, and obviously company tax would be affected. So in effect it was  
20 defrauding the Revenue Services.

**CHAIRPERSON**: SARS ja.

**MR ANGELO AGRIZZI**: So if you just calculate, if you take R4 million in cash over 12 months, and I just took nine years, it comes to about R432 million. Of that R432 million, which was absorbed into cost of sales, in effect company tax at 28% gives you R120 960 000 tax evasion. Now at this stage I cannot give a final figure, they

would need to do a full audit on this.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: And I would gladly assist.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: In the audit process of SARS or the HAWKS or the SAPS or whoever it might be.

**CHAIRPERSON**: Ja okay.

**ADV PAUL PRETORIUS SC**: But for present purposes and simply put in large amount the payment of cash bribes was accounted for as company expenses to the

10 Receiver of Revenue?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: In paragraph 13.12 Mr Agrizzi, you deal with another method used to generate cash. Would you relate that please to the Chair?

**MR ANGELO AGRIZZI**: What happened Chair, if I may explain it in detail and give you the background, we were very involved, when we had bought a company call F & R Phakisa, and it was a repair shop type company, and they had a fuel station in Belfast in Witbank area. Bosasa would basically collect all the cash that was in the forecourt that motorists would use to pay fuel, for fuel, and Bosasa would then reimburse the fuel station and basically run an account. So run an account for the

20 cash that was taken, and replace that with an EFT, and this was reflected in the expenses as well, of Bosasa.

**ADV PAUL PRETORIUS SC**: Alright so far as the fuel station is concerned it would receive money in cash?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: From the motorists.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: It would give that cash to Bosasa.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: It would not be out of pocket because it would be reimbursed.

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: By Bosasa by way of EFT transfer.

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: So instead of having cash it had money accounted for  
10 through an EFT transfer.

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: But for its troubles Bosasa then had cash?

**MR ANGELO AGRIZZI**: Correct, I just recall the name of the person that was responsible on a daily basis to go and fetch it.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: And I will make a note of it and give it to the Commission.

**CHAIRPERSON**: Okay thank you, thank you.

**ADV PAUL PRETORIUS SC**: Now you have told the Chair that the details of these transactions, the calculation or the calculation of the value of these transactions, the  
20 people involved is a matter of detail and in relation to any investigation that might arise you are willing to cooperate.

**MR ANGELO AGRIZZI**: Most definitely Chair.

**ADV PAUL PRETORIUS SC**: But from your own knowledge, from your writing out of your duties at Bosasa and giving your position in Bosasa when these transactions were effected you have personal knowledge of these transactions having taken

place.

**MR ANGELO AGRIZZI**: I do most definitely.

**ADV PAUL PRETORIUS SC**: Alright.

**MR ANGELO AGRIZZI**: If I can add Chair?

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: I think that there is a lot of – because of time, we did not have time to put everything in you know.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: There is a hell of a lot more that will come out as time goes  
10 on.

**CHAIRPERSON**: Ja well I must just say that I have seen in parts of your statement, your affidavit that is before me, where you have indicated that you can give more details and more information. I have no doubt that the legal team and investigators of the Commission will pursue that to see what can be made out of that information. So all information that you may have that is relevant to what we are doing, we want to know, thank you.

**ADV PAUL PRETORIUS SC**: As I understand it, I am sorry did I interrupt an answer Mr Agrizzi? As I understand it Mr Agrizzi, you have a large amount of documentation.

20 **MR ANGELO AGRIZZI**: I have given the documentation that is correct, it is in safekeeping. It was subpoenaed and it is with the Commission at the moment.

**ADV PAUL PRETORIUS SC**: In fact boxes of documents.

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: As well as electronic information?

**MR ANGELO AGRIZZI**: With all the hard drives, yes.

**CHAIRPERSON**: Thank you very much. Thank you.

**ADV PAUL PRETORIUS SC**: Alright paragraph 13.4 Mr Agrizzi, contains another method used by Bosasa to generate cash. Again you talk about it at a general level, would you describe to the Chair the method referred to here?

**CHAIRPERSON**: Chair one of the mechanisms used was to – if a client approached, especially with the youth centres, if they approached for assistance as they put it, with elections or with electioneering, they would approach us and normally the youth centre management would come to me and say look X, person X has approached us and they would like – they need X amount and they are prepared to pay for software  
10 or a fence or whatever that needs to be provided. So basically we would supply software programmes. Now these software programmes actually did not cost anything because they had been done already. So it would be invoiced as a software programme and let us just say for example the programme would be  
20 invoiced out properly as the relevant documentation.

**ADV PAUL PRETORIUS SC**: To the Youth Centre?

**MR ANGELO AGRIZZI**: From the Youth Centre to the client. The client would arrange to sign it off and the client, whoever signed it off and the person that requested the money, the part of the monies would be retained by Bosasa and the youth centre, the other part would be paid in cash to the official. Now a prime  
20 example of this is in the North West Province, and I do, if I recall correctly I do know that there was an investigation at one time but I was not privy to it at all.

**ADV PAUL PRETORIUS SC**: Can you say when this would have occurred?

**MR ANGELO AGRIZZI**: This occurred about five years ago.

**CHAIRPERSON**: You talk about – you refer to electioneering did I hear correctly?

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Ja, are you talking about certain elections in certain parties, political parties? Are you talking about elections, county elections like we are going to have and like we had in 2014 or what are you talking about?

**MR ANGELO AGRIZZI**: I think these are more regional elections so that ...[intervenes].

**CHAIRPERSON**: That would relate to a particular party or ...[intervenes]?

**MR ANGELO AGRIZZI**: Unfortunately yes.

**CHAIRPERSON**: Okay, and would this happen with a particular political party or would it happen with different political parties?

10 **MR ANGELO AGRIZZI**: No it was one specific political party Chair.

**CHAIRPERSON**: And it happened on a particular occasion not, it happened over time?

**MR ANGELO AGRIZZI**: I think it happened quite often over time.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: And I am sure it is no secret that there was a reason for that, to support that specific funding of elections and that type of thing.

**CHAIRPERSON**: Well is that something that is still coming up or is that ...[intervenes].

20 **ADV PAUL PRETORIUS SC**: No, perhaps what we should do Chair is test the extent of the witness's knowledge.

**CHAIRPERSON**: Ja okay, do you ...[intervenes].

**ADV PAUL PRETORIUS SC**: The remoteness or directness of the knowledge.

**CHAIRPERSON**: Ja, do you want to do that?

**ADV PAUL PRETORIUS SC**: Yes I will.

**CHAIRPERSON**: Okay.

**ADV PAUL PRETORIUS SC:** But if I may just precede that with understanding the scheme and where the various ...[intervenes].

**CHAIRPERSON:** Ja, yes.

**ADV PAUL PRETORIUS SC:** Spheres of influence would lie. To describe the process of cash generation first, and we will come to this issue afterwards, a Youth Development Centre.

**MR ANGELO AGRIZZI:** Yes.

**ADV PAUL PRETORIUS SC:** Being administered and run by Bosasa?

**MR ANGELO AGRIZZI:** Yes.

10 **ADV PAUL PRETORIUS SC:** In fact owned by Bosasa?

**MR ANGELO AGRIZZI:** In one instance it is owned, the facility, and that is the Mogale Youth Centre Chair.

**ADV PAUL PRETORIUS SC:** Alright, okay. They say to Bosasa, and this is all arranged of course, we need a software programme?

**MR ANGELO AGRIZZI:** Correct Chair.

**ADV PAUL PRETORIUS SC:** And Bosasa then supplies the software programme?

**MR ANGELO AGRIZZI:** correct.

**ADV PAUL PRETORIUS SC:** This has either been costed in the expenses already or it is provided at no cost to Bosasa?

20 **MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** The youth development centre, do I understand it, then pays Bosasa for the provision of that service?

**MR ANGELO AGRIZZI:** That is not correct. What happens is the Department of Social Services and the relevant person responsible there would pay Bosasa for the software.



**ADV PAUL PRETORIUS SC:** Yes, and it is the – yes I understand, it is the department responsible for the provision of that service ultimately through Bosasa?

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** Alright, and would then pay the amount to Bosasa?

**MR ANGELO AGRIZZI:** That is correct, it would be paid.

**CHAIRPERSON:** And the department, I think you said of social services you are talking about is it a Government – the Government Department of Social Services or is it some unit or department in a company?

**MR ANGELO AGRIZZI:** It is the South African or the North West or the Cape Town

10 Department of Social Services and Development.

**CHAIRPERSON:** Okay thank you.

**ADV PAUL PRETORIUS SC:** So this money is paid and received by Bosasa?

**MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** Ultimately for no value?

**MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** Part of the money, I understand, would be retained by Bosasa?

**MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** And part would be paid to whom?

20 **MR ANGELO AGRIZZI:** Would be paid to the individual that had requested the funding.

**ADV PAUL PRETORIUS SC:** So this whole scheme or arrangement is in order to provide cash to someone else?

**MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** An official who requested cash?

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: Now you have said that the reason or the underlying motive for the whole arrangement of the provision of cash was, as you described it, for elections.

**MR ANGELO AGRIZZI**: That was the excuse given to me Chair, by the people who worked at Bosasa Youth Development Centres.

**ADV PAUL PRETORIUS SC**: So someone, either the official at the youth development centre or someone else initiates this transaction through a request to Bosasa?

10 **MR ANGELO AGRIZZI**: That is correct Chair.

**ADV PAUL PRETORIUS SC**: And you say that the motive or the reason therefore you know and that is what we are going to test now, is the funding for elections. How do you know that? Is there something that you know? Is it something that you can reliably testify to or is it conjecture on your part?

**MR ANGELO AGRIZZI**: It is definitely not ...[intervenes].

**ADV PAUL PRETORIUS SC**: We do not want to hear conjecture.

**MR ANGELO AGRIZZI**: It is definitely not conjecture. I think Chair, I have made it very clear that I will be totally frank, honest and open. I will not conjure up anything, and I think that the important part with regards to the – what I was told and what was  
20 requested, I can confirm it, that it was Syvion Dlamini from Bosasa that requested that I attend a meeting at the – I am giving you one example of the North West.

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: I would attend a meeting at the stadium that was built in Rustenburg, I cannot recall the name right now but I attended a meeting there and the MEC was present with me. I cannot recall the name. At that meeting I was told

it is for electioneering and that is why I have made mention of it.

**CHAIRPERSON**: Would the MEC that you are talking about, that was present, would it have been a MEC responsible to the extent that Provincial Government might have this, I am not sure, for social services, as you understood?

**MR ANGELO AGRIZZI**: Chair, I do not have the best memory. My understanding was it was a lady and she was responsible for social development in the North West.

**CHAIRPERSON**: Okay thank you.

**ADV PAUL PRETORIUS SC**: Alright now before you tell the Chair of the final destination of this money for elections, just tell the Chair on what you base such  
10 knowledge. You say there was a meeting.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: What did this meeting have to do with these monies generated at paragraph 13.14 of your statement?

**MR ANGELO AGRIZZI**: That specific meeting that I attended I was asked to attend. At that meeting the request was made.

**ADV PAUL PRETORIUS SC**: The request of cash?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: And it was made by whom?

**MR ANGELO AGRIZZI**: I cannot recall the lady MEC's name but what I can tell you  
20 is that Syvion Dlamini was present and he will recall the persons name because he ultimately handled the delivery as well.

**ADV PAUL PRETORIUS SC**: So involved in this transaction was the person who requested it, an MEC and Syvion Dlamini?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Alright, let us take ...[intervenes].

**CHAIRPERSON**: Was Mr Dlamini from the Youth Centre of Bosasa or not?

**MR ANGELO AGRIZZI**: He is, I believe a director of Bosasa Youth Development Centres.

**CHAIRPERSON**: Oh okay, okay thank you.

**ADV PAUL PRETORIUS SC**: Alright well perhaps it is safe to ask the following question Chair, and I would be guided by you because ultimately you are in charge of the leading of evidence. I am not passing the buck Chair but do you know whether Mr Dlamini and the MEC that you have referred to, had connections with any particular political party?

10 **MR ANGELO AGRIZZI**: Yes I do.

**CHAIRPERSON**: Yes, and what is the political party?

**MR ANGELO AGRIZZI**: I would not, do I have to say it Chair?

**CHAIRPERSON**: What is your answer to my question?

**MR ANGELO AGRIZZI**: My answer to your question is it is the ruling party.

**CHAIRPERSON**: Thank you.

**ADV PAUL PRETORIUS SC**: Alright let us go to paragraph 13.15 please.

**CHAIRPERSON**: I do not know whether you have finished on this, have you or have you not?

20 **ADV PAUL PRETORIUS SC**: Well there is more detail in relation to the allegations in 13.14, in paragraph 13.15 but I ...[intervenes].

**CHAIRPERSON**: Okay.

**ADV PAUL PRETORIUS SC**: But I have completed 13.14 Chair.

**CHAIRPERSON**: Okay let me ask, now this transaction that you have just given evidence about.

**MR ANGELO AGRIZZI**: Yes Chair.

**CHAIRPERSON**: Did you say it took place about five years ago or are you not able to remember the year?

**MR ANGELO AGRIZZI**: Chair, I am sure the investigators can actually perhaps check.

**CHAIRPERSON**: Get the information yes.

**MR ANGELO AGRIZZI**: That information with the hotel.

**CHAIRPERSON**: Yes okay.

**MR ANGELO AGRIZZI**: Because I used my credit card there, my company credit card.

10 **CHAIRPERSON**: Yes, yes.

**MR ANGELO AGRIZZI**: And they – please if they can pull my company credit card history.

**CHAIRPERSON**: Yes, yes.

**MR ANGELO AGRIZZI**: They will see the hotel.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: And where I actually was.

20 **CHAIRPERSON**: Yes okay. Now the election as I understand you, and you must just tell me if I misunderstood you, the election in connection with which this money was requested was to be in the North West and your understanding was that it was a regional election but when you say regional I do not know whether you mean provincial or you mean something of less than the province or local Government or you are not sure?

**MR ANGELO AGRIZZI**: I am going to try and jog my memory.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: And try and remember.

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: It seems to be coming back to me now, there is a couple of stories around it.

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: That I will jot down and then ask the investigators to look into.

**CHAIRPERSON**: Yes but in effect was, as you understood the purpose of this money, was it to help somebody or a political party in their election campaign or in his or her election campaign. Is that, was that your understanding?

10 **MR ANGELO AGRIZZI**: That was my understanding.

**CHAIRPERSON**: Yes okay, alright, thank you.

**ADV PAUL PRETORIUS SC**: Alright in paragraph 13.15 Mr Agrizzi you deal with the North West youth development facilities and you refer to transactions happening on numerous occasions, would you just describe what you are referring to in that paragraph, for the Chair please.

**MR ANGELO AGRIZZI**: Chair one of the ways that there were – it started becoming very prevalent in the North West, was that special pre-opening expenses were levied on youth centres. Now normally ...[intervenes].

20 **ADV PAUL PRETORIUS SC**: [Indistinct] opening expense, would you just describe it please?

**MR ANGELO AGRIZZI**: Well a pre-opening expense is normally when you get handed over a facility and you need to buy equipment, S and T, that type of thing. So you levy an opening expense to be able to afford that. Now in certain cases the costs of the fencing and security systems that we implemented were highly inflated, so the department paid much more and the agreement was that the person

negotiating these payments, Mr Syvion Dlamini, who was a director of the Bosasa Youth Development Centres would actually sort out or pay the people.

**ADV PAUL PRETORIUS SC:** When you say pay the people, would you be a bit more specific please?

**MR ANGELO AGRIZZI:** Well I do not know who the actual people were but Syvion Dlamini would pay the responsible officials in the department of youth development centres in Government, in social services. So I would, my – what my level, what I did was I just waited until I saw that what they were telling me was true, that the company was not being defrauded and if they prepared an invoice for R2  
10 million pre-opening expenses I expected it to be paid before they paid anything out.

**ADV PAUL PRETORIUS SC:** So once you had been reassured that Bosasa had not been defrauded, cash was paid out, someone else was defrauded is that right?

**MR ANGELO AGRIZZI:** Yes, the department and Government.

**ADV PAUL PRETORIUS SC:** And that was the Government department that had paid for non-existent expenditure or inflated costs for services provided?

**MR ANGELO AGRIZZI:** Correct, we the taxpayers paid.

**ADV PAUL PRETORIUS SC:** Alright. You receive the money and then you pay out cash, and by you I mean Bosasa?

**MR ANGELO AGRIZZI:** correct.

20 **ADV PAUL PRETORIUS SC:** And is that the cash that you refer to in paragraph 13.16 and about which you have now testified money required by, as you say here individuals for elections?

**MR ANGELO AGRIZZI:** That is correct.

**CHAIRPERSON:** So somebody within the relevant Government department would have known the true nature of this transaction is that correct?

**MR ANGELO AGRIZZI**: That is correct.

**CHAIRPERSON**: So somebody within the relevant Government department would be party to the payment of taxpayers' money to Bosasa for non-existent programmes so that Bosasa could then pay the money or part of the money to somebody or a political party to support their election campaign, that is the bottom – that is what happened, what is happening?

**MR ANGELO AGRIZZI**: Well that is what we were told.

**CHAIRPERSON**: That is what – yes.

**MR ANGELO AGRIZZI**: That it was the political party.

10 **CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: I just want to clarify one issue is that you must remember that there was a software system that was developed. It was really, it was developed, it is as good as if I go to your car and I take out your navigation disk and I sell it back to you, that is basically what it was. The car comes with navigation, why on earth would you now charge for a navigation disk. So when I mean something was not delivered because there was no additional expense to getting that delivered there. You were sold a product and you were overcharged for the product in effect.

**CHAIRPERSON**: Well what I want to try and understand is whether the person or persons from the relevant Government department who would authorise the payment  
20 of money to Bosasa for this transaction, whether they are – they knew or are likely to have known that really there is no, there is nothing to pay for, it is just to facilitate a certain transaction. You might not be able to answer that.

**MR ANGELO AGRIZZI**: I cannot answer.

**CHAIRPERSON**: Yes, ja.

**MR ANGELO AGRIZZI**: I do not know what they were thinking.



**CHAIRPERSON**: Ja okay, thank you.

**ADV PAUL PRETORIUS SC**: Alright let us digress for a moment to deal with the issues in paragraph 13 ...[intervenes].

**CHAIRPERSON**: I am sorry, of course if you did what you just said you – if you were to do in my car, take out a navigator and later put it back, if I paid you I would know that I am not getting any value.

**MR ANGELO AGRIZZI**: Sorry to use that kind of example.

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: But that is the truth.

10 **CHAIRPERSON**: Ja okay, thank you.

**ADV PAUL PRETORIUS SC**: Well except that the youth development centre might report to the official concerned that value had been received because there was a disguised transaction, a request for software or a ...[intervenes].

**MR ANGELO AGRIZZI**: And the software would be there if you wanted to see it. So Chair, it was there. So if anybody, if the auditors came to check on it, software is something that you cannot quantify the value of.

**CHAIRPERSON**: So there is a room that somebody's explanation might be I thought we got value, I thought we were paying for something that is of value but maybe it turns out I was mistaken or something?

20 **MR ANGELO AGRIZZI**: correct.

**CHAIRPERSON**: Okay.

**ADV PAUL PRETORIUS SC**: Can we deal Mr Agrizzi, with the issues you raise in paragraph 13.17 and 13.18, and in essence what you deal with here is why it would be difficult for any audit or anyone looking at the books of the company to recognise that there was something amiss, and you talk here about the cash drawings in the

books of the company related to the turnover or the amounts in the books of Bosasa as a whole. So would you just deal please with the issues raised in paragraph 13.17 and 13.18.

**MR ANGELO AGRIZZI**: Well Chair, I have alluded to some of the most prevalent mechanisms of handling cash.

**ADV PAUL PRETORIUS SC**: We will do more.

**MR ANGELO AGRIZZI**: There are some more coming through but the most important thing was these were always reflected as run of the mill costs. So if you look at the percentage in relation to turnover it is really a drop in the ocean.

10 Because what happens is if you take for instance the R4.5 million that is required out of one contract, let us take the average purchases and salaries of Bosasa and amounted to let us say, this is excluding, sorry it should be excluding salaries and wages, it would amount to R88 million per month. Now if you take R4.5 million and divide that just into R88 million, it is a minuscule amount, it is 5.5%.

Now bearing in mind that the profit margins at Bosasa are exceptionally high industry related, if you comparative to industry it is unique, we are always able to make exceptionally good profits as a company. And so if you look at it in the profit terms, your profits would still reflect 28 to 35% nett profit before tax even after you have paid out R4.5 million through the books, why would an auditor query that, it is a  
20 well run business. So in actual fact if I can just go back there, the profit should have reflected say 32 or 33 or 34% but they were reflecting 28 to 23%.

So the auditors were amazed, they were happy and anybody would be happy, as a shareholder as well, with that kind of return on investment. So it did not raise eyebrows at all. The main reason for this is because of the good pricing we were able to negotiate with for instance correctional services, the extensions we

were able to get, so that facilitated that to a large degree. And then November, December when it was Christmas shopping time, and obviously you would use more cash because more cash would be requested by Gavin Watson, the 2 or 3% fluctuation there would really be explained as a public holiday or expenses over a public holiday.

So the whole idea was to show the auditors and the submission of tenders, the bid adjudication committees, if they looked at our numbers and they did an analysis, was to show a smooth graph. You see if you had – it you had it – if it was consistent every month it was fine but as soon as you have a spike that is when it attracted attention. Now the way we managed it, it would be very, very difficult for an auditor, even a forensic auditor to actually pick it up unless you knew the system itself.

**ADV PAUL PRETORIUS SC:** You referred to public holiday costs over the December period, what is a public holiday cost?

**MR ANGELO AGRIZZI:** Public holiday costs would be your overtime costs really but what people forget as well is that over public holidays you have certain savings, so people do not do as many visits and all that so it actually really balances out Chair. What happens is that if you have a query on why did your costs go up over December by 3% so your margins and your profit drop down to 25% where they should be 28, the argument would quite simply be given well it was public holidays, we spoilt the people, we gave them braai's, braai packs, that type of thing, it could be easily explained.

**ADV PAUL PRETORIUS SC:** Alright and just formally Mr Agrizzi, you say the word, in the first line of paragraph 13.18 including should read excluding?

**MR ANGELO AGRIZZI:** I would like to verify that because you know I have not been

there for so many years but my recollection is that that is excluding.

**ADV PAUL PRETORIUS SC:** Alright well we will have a look at that during an adjournment and correct if necessary.

**MR ANGELO AGRIZZI:** Correct.

**CHAIRPERSON:** Mr Pretorius did we cover, when Mr Agrizzi was dealing with this transaction that entailed him going to a stadium in North West, did we cover the question of what amount was involved? I do not seem to have picked that up. If we have not maybe he can assist us in that transaction.

**ADV PAUL PRETORIUS SC:** Yes, I will deal with it, thank you Chair. In paragraph  
10 13.14 and 13.15 as well as 13.16 you describe a general method of generating cash.

**MR ANGELO AGRIZZI:** Yes.

**ADV PAUL PRETORIUS SC:** And as you say we will deal with specific examples in due course but for the present you spoke of one transaction that was discussed at a meeting in the North West to which you referred, and you have given detail to the Chair. Can you estimate the value of that particular transaction?

**MR ANGELO AGRIZZI:** Chair the transaction, if I recall or try and recall correctly, was about R3.4 million.

**CHAIRPERSON:** Okay.

**MR ANGELO AGRIZZI:** Okay.

20 **CHAIRPERSON:** Okay thank you.

**MR ANGELO AGRIZZI:** If I can clarify as well.

**CHAIRPERSON:** Ja.

**MR ANGELO AGRIZZI:** Of the R3.4 million I think the cash paid out to the individual was about 1.8 million.

**CHAIRPERSON:** Okay thank you.

**MR ANGELO AGRIZZI**: I cannot recall the exact number.

**CHAIRPERSON**: Thank you.

**ADV PAUL PRETORIUS SC**: Let us move on then to paragraph 14 of your statement and affidavit. The Chair will recall reference to the Lindela Repatriation Facility, this appears to be from your statement, another method of cash generation. Would you describe that please to the Chair?

**MR ANGELO AGRIZZI**: Chair, we at one stage had a very closed community at Lindela so nobody could really go out and buy out and that, and one thing about undocumented migrants is they retain their money and they keep their money so at  
10 any one stage you would have up to 800 to R1 million in safekeeping for them. But the one thing that they do want to do is to buy additional foods and groceries at the canteens, which we managed and ran as well. So they would like to spend cash for that. Now these were very well priced comparatively and that, but the average takings would be about 300 000 and it went up, it sometimes ...[intervenes].

**ADV PAUL PRETORIUS SC**: Over what period?

**MR ANGELO AGRIZZI**: Sorry I did not hear that?

**ADV PAUL PRETORIUS SC**: Sorry, you say the average takings were R300 000?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: For what period?

20 **MR ANGELO AGRIZZI**: Well over, 300, 350, sometimes even R400 000.

**ADV PAUL PRETORIUS SC**: Per day, month, year, per month?

**MR ANGELO AGRIZZI**: Per month yes.

**ADV PAUL PRETORIUS SC**: Yes.

**MR ANGELO AGRIZZI**: Alright, but this could not all be reflected as revenue so what would happen is the grocery items would be expensed, the cost of sales, in the

cost of sales and the cash would be taken over to Gavin Watson's safe with a small amount being declared as revenue, maybe 10 or 15% of the actual. So that was one way of generating cash. It was not a big way, this was – this only happened in early 2000 and then the cash requirements became much greater with the correctional services contracts and all the other contracts.

The other method was the use of these prepaid cell phones. So detainees were purposefully not allowed to take their cell phones into the facility and they would have to use cell phones that were fixed lines that were in a store kind of pay as you go type environment where they could then phone from there.

10 **ADV PAUL PRETORIUS SC**: Again I am sorry Chair.

**CHAIRPERSON**: Ja, no, you may continue thank you.

**ADV PAUL PRETORIUS SC**: Again just to summarise, at the Lindela Repatriation Facility administered by Bosasa?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: There would at any one time be several thousand people resident there or detained there. They would make cash payments to tuck shops and canteens or to Bosasa for the use of cell phones at the facility, that cash would be retained and delivered to Bosasa for its use?

**MR ANGELO AGRIZZI**: Correct Chair.

20 **ADV PAUL PRETORIUS SC**: The cost of those sales, for example the cell phone costs and the canteen costs, the food and groceries there was nevertheless expensed in the books of Bosasa as an operational expense?

**MR ANGELO AGRIZZI**: That is correct Chair.

**ADV PAUL PRETORIUS SC**: Alright can we move on then to cash bars and canteens, a similar method of cash generation as described here, would you tell the

Chair about it please?

**MR ANGELO AGRIZZI**: Chair if I may just give you the history, we used to manage numerous mining hostel, in the mining hostel days, and we would have bars and canteens there, which were actually very lucrative, and only a certain amount of those cash takings would actually be declared for revenue purposes. Exactly the same as Lindela, this would be expensed through the company and the money would be collected. As a matter of fact we had a special CIT team, they were called cash in transit team that would go and collect the monies from the various facilities and then bring it back to Gavin's vault, and there was one person allocated to count it  
10 and to put it in the safe and administrate it.

**ADV PAUL PRETORIUS SC**: Alright, and that cash was used for the purposes you say here, that you have described to the Chair previously in your evidence is that correct?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Then for how long did this practice in relation to the hostels, continue or did it at a time cease and why?

**MR ANGELO AGRIZZI**: Well Chair this practice dwindled in 2003, 2004 I think it was, when Bosasa sold off the mining contracts. It might have been 2002, 2003, I am not 100% sure but we sold off the mining contracts at that stage, to a gentleman  
20 by the name of Gregg Lacon-Allin, and that was with Equality Foods. So they sold it off and needed to go with those contracts. It happened up until then.

**ADV PAUL PRETORIUS SC**: Alright, you say in paragraph 16.1, under the head cash drawings, that during the period 2003 to 2004.

**MR ANGELO AGRIZZI**: Yes.

**ADV PAUL PRETORIUS SC**: And as a result of the fact that the bars and canteens

used to generate cash, had been sold as part of the sale of the mining contract, as you have just now referred to, other arrangements had to be made to sustain cash income. And then you describe in paragraph 16.2 and following that further method. Will you tell the Chair about that please?

**MR ANGELO AGRIZZI**: Well as a result of the cash bars and the canteens and that being sold off as part of the mining contract, so special arrangements were then made to sustain the cash income to be able to use to pay out. And that is when – and we mentioned it earlier, we actually resorted to writing out casual wages because at that time there as also a lot of building work taking place. I was in the  
10 process of renovating the offices and extending and doing quite a lot of building work. So the people in the accounts took advantage of that and processed casual wage through there, and issues out cash cheques. And obviously you know, no work was done for the – there were ten people working, 100 people would be invoiced out as casual workers.

**ADV PAUL PRETORIUS SC**: So were these ghost workers?

**MR ANGELO AGRIZZI**: Yes.

**ADV PAUL PRETORIUS SC**: And in paragraph 16.3 you say that one method of disguising, I presume you mean here the expense, was to allocate them to certain facilities under construction. Would you tell the Chair about that please?

20 **MR ANGELO AGRIZZI**: Well there were two facilities at the time and one of them was being redeveloped for a halfway house for trial awaiting children, the other one was being redeveloped for a reintegration facility and basically there was a lot of work that took place there. So we would invoice out, or not invoiced out but we would pay casual wages to ghost workers out there, for those facilities And at that stage it could be attributed to the work was actually being done there by the builders



as well. So the chances are that it would be picked up by the revenue services was very, very slim. Does that answer your question?

**ADV PAUL PRETORIUS SC:** Yes thank you Mr Agrizzi. In paragraph 16.4 then you go on to talk of risks, and please tell the Chair about what occurred here that you are relating to, the Chair.

**MR ANGELO AGRIZZI:** Chair, I was a bit concerned about the practice because it was extremely risky. I knew what they were doing, I knew how they were doing it and I was concerned. So specifically [indistinct] why I was concerned was because there was a junior lady that would go and do it, with one of the gentlemen. And why  
10 I was concerned was because people are killed for much less money. So how do you on earth allow a lady to transport or carry this amount of money around, so I went with them to see now how do they do it so I could understand it for myself. And so they would make up three cheques and they would go to the bank, phone the bank first and say look we are coming. They go to the bulk teller and so I wanted to understand the process that was being followed to draw the cash as well.

**ADV PAUL PRETORIUS SC:** Sorry if I may just interrupt you, these three cheques ostensibly were for wages?

**MR ANGELO AGRIZZI:** Correct. Correct. So the total, I went with them, was R720 000, which they would have to pack in a bag and they would actually carry out  
20 the bag out of the bank. I thought it was ridiculous, and eventually I asked them to stop it because it was just too dangerous.

**ADV PAUL PRETORIUS SC:** The practice of generating cash through the ostensible payment of wages to workers who did not actually exist, ghost workers, was that stopped at some stage?

**MR ANGELO AGRIZZI:** I think it was [indistinct] 2003 Chair, that the Department of

Labour brought in a ruling that Workman's Compensation and UIF would be paid even for casual labour. I cannot remember the exact date but I do remember that, and because of that we stopped it immediately because it would – you would have to pay the UIF on top of the salary and wages as well, and you were paying to a fictitious person.

**ADV PAUL PRETORIUS SC:** Alright so because the law required the keeping of records even where casual labour had to be paid in cash.

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** Would expose Bosasa to risk.

10 **MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** Right I just want to check something with you please, you say in paragraph 15.2 that the practice of taking cash from hostels, canteens and bars dwindled in 2003 and 2004, do you see that? You say that in paragraph 15.2.

**MR ANGELO AGRIZZI:** Correct. Correct, I do.

**ADV PAUL PRETORIUS SC:** You say then that special arrangements had to be made, presumably you mean after that, for a new scheme to generate cash.

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** And you then talk about this ghost worker scheme.

20 **MR ANGELO AGRIZZI:** That is right.

**ADV PAUL PRETORIUS SC:** But then you say that, in paragraph 17.1, the Department of Labour made the payment of casual wages subject to all types of scrutiny in 2003. So I am just not sure of the casual wages system replacing the other system. What is the time sequence of these schemes and if you could just try and tell the Chair when each scheme more or less was prevalent?

**MR ANGELO AGRIZZI**: Okay so up until 2002 we would have the occasional ghost workers, yes we would. I mean that we had but most importantly was we had sold off the bars and canteens and the only other way to get cash was through casual wages. But then what happened was UIF clicked in, and we decided then we cannot continue with that, and that is why it was stopped, with regards to casual. And also bear in mind that now we were talking getting up 2004 when correctional services would need cash, and that was a hungry animal to feed every month. So – and that is why we then changed systems and brought in new systems.

**ADV PAUL PRETORIUS SC**: Alright so this casual wage scheme for the generation  
10 of cash, the ghost worker casual wage scheme, for how long did that last?

**MR ANGELO AGRIZZI**: I cannot remember exactly.

**ADV PAUL PRETORIUS SC**: We may look at the dates finally, at the end of your evidence.

**MR ANGELO AGRIZZI**: Okay.

**CHAIRPERSON**: But would you be able to say whether it was there for most of your time at Bosasa or for less than half the time you were there?

**MR ANGELO AGRIZZI**: No, less than half the time. Are you talking about – sorry I am not understanding what Adv Pretorius is wanting to say?

**CHAIRPERSON**: I think he is still on casual wages, is that right?

20 **ADV PAUL PRETORIUS SC**: Yes, no, you see if one looks at page 31 and 32, and I will try and be brief on this because it possibly could be cleared up later, you say that the ghost worker scheme was generated after 2003 and 2004?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: But you say it was stopped as a result of what the Department of Labour did in 2003?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: So if it started after 2003 and 2004, but ended when the Department of Labour issued its directions or regulations in 2003, the times do not really make sense.

**MR ANGELO AGRIZZI**: I must be very frank with you Chair, is that it is a long time ago, it is 15 years, 16 years ago, I cannot remember exactly and I did not write my affidavit in terms of making sure that these dates ...[intervenes].

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: So I did not want to collude anything.

10 **CHAIRPERSON**: Yes, ja.

**MR ANGELO AGRIZZI**: I had limited time, I wrote the affidavit.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: So there will be errors with dates.

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: But ...[intervenes].

**CHAIRPERSON**: No, no that is fine.

**MR ANGELO AGRIZZI**: The point is this is who it happened.

20 **ADV PAUL PRETORIUS SC**: But insofar as the dates are indicative at least of general periods, the casual wages ghost worker scheme cannot have lasted for very long as I understand your evidence.

**MR ANGELO AGRIZZI**: No.

**CHAIRPERSON**: No, for a short time is it not?

**MR ANGELO AGRIZZI**: No , it was ...[intervenes].

**CHAIRPERSON**: 2003, 2004.

**MR ANGELO AGRIZZI**: I think it was about six months or a year, I cannot

remember exactly.

**ADV PAUL PRETORIUS SC**: Alright that makes more sense.

**MR ANGELO AGRIZZI**: The person – you see Chair, I did not actually do this.

**CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: I am reporting on it because I know about it.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: But I did not actually physically do it.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: So the person that is going to report on it ...[intervenes].

10 **CHAIRPERSON**: Ja.

**MR ANGELO AGRIZZI**: And I am sure you will call him as a witness, will be able to give the detail on that.

**CHAIRPERSON**: Yes, but maybe it would suffice if you are able to say something like I am not sure but it may have gone on for about six months or a year or two years or five years.

**MR ANGELO AGRIZZI**: Yes.

**CHAIRPERSON**: So what would be your estimate in terms of that?

**MR ANGELO AGRIZZI**: Six months.

**CHAIRPERSON**: About six months?

20 **MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Early in the 2000s, mid 2000s?

**MR ANGELO AGRIZZI**: Early in 2000.

**CHAIRPERSON**: There about, ja okay, alright.

**ADV PAUL PRETORIUS SC**: To be fair to you Mr Agrizzi, in paragraph 16.1 you do say in relation to this particular ghost worker issue, that it occurred, I assume it is

what you mean here in paragraph 16.1, during the period 2003 and 2004.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Can we move then to the heading equal trade in paragraph 18 of your statement? You refer back in paragraph 18.1, to the method of generating cash through the purchase of liquor from Jumbo Wholesalers, and the Chair questioned you about the quantities of liquor involved. Do you recall that exchange?

**MR ANGELO AGRIZZI**: I do recall it.

**ADV PAUL PRETORIUS SC**: Alright, would you just tell the Chair then of the  
10 scheme developed in paragraph 18.1 and why it was developed.

**MR ANGELO AGRIZZI**: Eventually Chair, if I may respond, the large amounts of cash via Jumbo just were becoming somewhat obvious to the accounting principles and the accounting general staff because the general staff themselves would say well, we know that is one person that enjoys expensive whisky in the company, but there is no ways he can drink this amount of whisky, so anybody with a little bit of experience would see that it is impossible. This is not true, so further than the fact that we did not actually use liquor, apart from the occasional grape juice for communion and we did not need a relationship with Jumbo, because this was now starting to become a concern, so hence Jacques van Zyl then approached me about changing the  
20 methodology and they thought through it as a team as from the accounts team and they approached me and the fact – matter of the fact is, I actually did not want to get involved at first. I kind of shunned the idea because I just felt that you know it was getting at the stage where I was getting a bit fed up of all of this and he then – I told him. I said to him, 'look I do not really want to know. You approach Gavin Watson with the idea of utilising an existing supplier that was supplying chicken. Frozen chicken

portions to the relevant catering operations on a national basis.

**ADV PAUL PRETORIUS SC:** What [indistinct] ...[intervenes].

**MR ANGELO AGRIZZI:** The whole idea in the concept was that he could trade. He also had other businesses, which were cash generating. I believe some of them on the cigarette trade. Some of them on the alcohol trade and some in the betting industry, so they then approached and they said well, they want to run with it. They want to coordinate it, because if they do it, then they know it is safe and it will stand up to scrutiny, so I just – I left it, because I thought well, you know what, if you guys are controlling it, you are accountants, you are the clever people, you will be able to  
10 manager it. So I let them go ahead and do it and also Gavin just, you know, let them hand it completely. So, one thing that Gavin Watson did say was that I would have to remunerate them in cash as a bonus to all of them and we all know why, because he needed to raise the living standing so that these people continued to be subservient and just continue to do the work and so, I would have to give them R10 000 a month and those were Jacques van Zyl, Karin Dobert, Rieka Hundermart and the Chief Accountant Carlos Bonifacio.

**ADV PAUL PRETORIUS SC:** If you would just pause there a moment please.

**MR ANGELO AGRIZZI:** Okay.

**ADV PAUL PRETORIUS SC:** How many catering operations approximately, did  
20 Bosasa have nationally at that time? Can you say?

**MR ANGELO AGRIZZI:** If I remember correctly, it was I think, 37.

**ADV PAUL PRETORIUS SC:** And does that mean that the volume of poultry that would be dealt with by Bosasa was substantial?

**MR ANGELO AGRIZZI:** It would be and I stand to correction, but I think I am pretty accurate. They were probably in region of about 210 tons of poultry a month.

**ADV PAUL PRETORIUS SC:** And you say in paragraph 18.2 that you made certain payments on the instruction of Gavin Watson. You do say and you have just said to the Chair that you were not too enthusiastic to put it at its lowest about this particular transaction.

**MR ANGELO AGRIZZI:** Yes I was.

**ADV PAUL PRETORIUS SC:** But it seems clear from your evidence that on the instruction of Gavin Watson, you did pay the persons who implemented the scheme, money in order to buy their loyalty to Bosasa and the scheme.

**MR ANGELO AGRIZZI:** That is correct. If I can clarify, I was not happy about it.

10 **ADV PAUL PRETORIUS SC:** Yeah.

**MR ANGELO AGRIZZI:** I allowed it, because myself and Greg Lacon-Allin had worked previously together and I found him to be, you know a little bit untrustworthy and I just was not comfortable. That is why I said they have to control it.

**CHAIRPERSON:** Ja. Okay.

**ADV PAUL PRETORIUS SC:** But despite your discomfort, you did make the payments to facilitate the scheme.

**MR ANGELO AGRIZZI:** Yes.

**ADV PAUL PRETORIUS SC:** And to reward those implementing the scheme.

**MR ANGELO AGRIZZI:** Correct.

20 **ADV PAUL PRETORIUS SC:** In paragraph 18.3 you refer to another payment. What payment is that?

**MR ANGELO AGRIZZI:** In 18.3 there was one person who would have to manipulate the system which is a Microsoft accounting system called Great Plains and he would get R20 000 because he would have to manipulate the stockholdings and things like that behind the scenes so that it would not be obvious to the auditors.



**ADV PAUL PRETORIUS SC:** He received R20 000 per month in relation to the executing [indistinct].

**MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** The extent of your personal knowledge in this regard, did you actually take part in the execution of this process and if not, where does your knowledge come from?

**MR ANGELO AGRIZZI:** My knowledge comes from running the business and I would make sure that I knew every aspect of that business and I was integrally involved. I am a committed operations person and I like to be on the floor, involved with the people so  
10 that is where I got a lot of my information from and though I did not order or arrange the cash, I was well aware of the process used and the payments made.

**ADV PAUL PRETORIUS SC:** Paragraph – I am sorry.

**MR ANGELO AGRIZZI:** Sorry, I had made it a point of every aspect of the business I would know.

**ADV PAUL PRETORIUS SC:** Paragraph 19 Mr Agrizzi, you say briefly how the scheme worked and you compared the standard process, the correct lawful proper process with the system – Fraudulent system that was actually implemented to generate this cash. In paragraph 19.1, you described a standard process, the correct process or the lawful process. Would you tell the chair what that is briefly?

20 **MR ANGELO AGRIZZI:** Chair, the correct process would be there would be a normal delivery of goods to a sight. Let us use Westville Medium A as an example. So Westville Medium A, the supervisor there is Jonas and the storeman there is Caiphas, so Jonas and Caiphas would work out what the requirements would be for the new system. Is this what you wanting me to explain?

**ADV PAUL PRETORIUS SC:** Well you do not have to go into so much detail.

**MR ANGELO AGRIZZI**: Okay.

**ADV PAUL PRETORIUS SC**: And those names are fictitious names I presume.

**MR ANGELO AGRIZZI**: They actually are the names.

**ADV PAUL PRETORIUS SC**: Do you know the surnames?

**MR ANGELO AGRIZZI**: I cannot recall the surnames sir.

**ADV PAUL PRETORIUS SC**: In any event ...[intervenes].

**MR ANGELO AGRIZZI**: It was a few years ago.

**ADV PAUL PRETORIUS SC**: There is a correctional facility which is ordered.

**MR ANGELO AGRIZZI**: Yes. Yes, so they would write out a purchase order. They  
10 would send the purchase order to the supplier via fax or email and it is a proper  
purchase order and on the purchase order, they would specify the price according to  
the buying manual which had been issued to them. So there are two comparative  
things. It is the price and the buying manual and both of those have to be looked at  
before they place an order. They will also have to do their planning for the week and  
say well, we know we are going to use X amount of chicken and how they would  
calculate that is by taking the specification on the spread sheets, which will say 200  
gram of chicken x by 1 000 people, so they knew that they would have to order 200  
kilograms of chicken to feed 1 000 people 200 gram portions. That would be placed  
with the supplier. The supplier would then deliver it. So let us say the supplier  
20 delivered on 1 December, supplier would deliver then we go into store. The stock – the  
storeroom manager would basically sign and stamp the order coming in and the  
storeman would be countersigned by the unit leader who would also sign and stamp  
that the units were delivered and that they were placed on the bin cards. The system  
would then be that they would capture the invoice and that invoice would then be sent  
through to head office a week or two later for payment by the end of the month with the

statement, if the agreement was 30 days from statement, by the end of next month.

**ADV PAUL PRETORIUS SC:** By Bosasa. Payment by Bosasa.

**MR ANGELO AGRIZZI:** By Bosasa.

**ADV PAUL PRETORIUS SC:** If I may just summarise then. Goods would be ordered by Correctional Services Facility.

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** Those goods would be delivered and received.

**MR ANGELO AGRIZZI:** Correct.

10 **ADV PAUL PRETORIUS SC:** A comprehensive recordal system would record quantities.

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** An invoice would then be generated, issued to Bosasa and payment would be made.

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** That is the proper system, how it should work.

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** What does the fraudulent system involve?

**MR ANGELO AGRIZZI:** The fraudulent system Chair was that an invoice would be sent to Bosasa. No purchase order. The invoice would be sent to Bosasa head office.

20 **ADV PAUL PRETORIUS SC:** Just the invoice.

**MR ANGELO AGRIZZI:** Just the invoice and the head office would get the invoice and make payment. Is that not nice.

**ADV PAUL PRETORIUS SC:** Where any goods delivered or received?

**MR ANGELO AGRIZZI:** None. No goods are delivered yet.

**ADV PAUL PRETORIUS SC:** Either before or after.

**MR ANGELO AGRIZZI**: No. Not at all. What happened was. The invoice was sent and this is where the investigators need to look, because normally you would wait 30 days from statement. Here you were prepaying invoices. The other thing is the investigators need to understand that there were certain items that were on that invoice and you talking 6 million a month, so you can imagine for yourself there were certain items that reflect zero rated, items that are never ever used in a prison, which were rice, beans and there were various other non-zero rated items that are not used in a prison. We do not feed beans. We definitely do not feed rice in correctional centres, but because those were non VAT items, they were utilises.

- 10 **ADV PAUL PRETORIUS SC**: You just left out one sentence. If I may then take it step by step. The fraudulent system, as I understand it, involves the generation and delivery of an invoice to Bosasa.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Bosasa then pays this invoice by means of an electronic transfer.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: No goods are delivered and obviously no goods are received at the facility.

**MR ANGELO AGRIZZI**: That is true.

- 20 **ADV PAUL PRETORIUS SC**: It is an entirely fictitious transaction.

**MR ANGELO AGRIZZI**: Totally fictitious.

**ADV PAUL PRETORIUS SC**: After payment is made by way of EFT, does Bosasa receive any monies and how does this happen?

**MR ANGELO AGRIZZI**: Normally what we negotiated with all suppliers, including the same supplier is that payment is 30 days ex-statement. So remember, you receive

goods on 1 December. Payment is only on 30 February – Oh sorry 25 or 26 February, because it is January to get the invoices together and then February and then we make payment. So in the instance of these fraudulent invoices, they are not stamped and they are pre-paid, which is very strange.

**ADV PAUL PRETORIUS SC:** Alright, so you pay by means of EFT. Bosasa pays this fictitious invoice by the [Intervenes].

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** Does not receive anything in return.

**MR ANGELO AGRIZZI:** Cash.

10 **ADV PAUL PRETORIUS SC:** From whom?

**MR ANGELO AGRIZZI:** From Equality Foods. They would deliver the cash.

**ADV PAUL PRETORIUS SC:** Alright, was there any deduction from the amount of the invoice?

**MR ANGELO AGRIZZI:** There was deduction. I cannot remember if it was 12 or if it 15 percent as a commission that they would take as well.

**ADV PAUL PRETORIUS SC:** And what particular company was involved in the example that you giving to the Chair?

**MR ANGELO AGRIZZI:** Well Equal Trade would get the cash from various sources. Some of them would include Tattersall's for horse racing, but I believe most was from  
20 cross-border liquor transactions and Forex transaction and the benefit for them as well was that they did not have to bank the cash and they could then move the EFT into company.

**CHAIRPERSON:** Was the principle used here basically the same principle that was used for transactions with Jumbo Wholesalers. Liquor wholesalers.

**MR ANGELO AGRIZZI:** Correct.

**CHAIRPERSON**: It was the same principle. Just a change of entities involved in terms of the supplier. The supplier in quotes..

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Okay.

**ADV PAUL PRETORIUS SC**: So to summarise from the point of view of equal trade, they would receive and order, they would invoice fictitiously. They would invoice Bosasa, Bosasa would pay by EFT and the Equal Trade would take its own cash and give it to EFT minus its commission.

**MR ANGELO AGRIZZI**: That is correct.

- 10 **ADV PAUL PRETORIUS SC**: Right. Do you have the full name of Equal Trade. Is it a (Pty) Limited company? Is it a business name? What is it?

**MR ANGELO AGRIZZI**: It is Equal Trade (Pty) Ltd as far as I can recall.

**ADV PAUL PRETORIUS SC**: Alright and then you say these transactions require to avoid scrutiny by the revenue services and one method used to avoid scrutiny was to include on these fictitious items, items that would be zero-rated for VAT purposes.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: So there would be no necessity to pay VAT in respect of sales where beans, maize meal, oil and rice are concerned for example.

**MR ANGELO AGRIZZI**: That is correct.

- 20 **ADV PAUL PRETORIUS SC**: That was your earlier evidence.

**MR ANGELO AGRIZZI**: That is correct.

**CHAIRPERSON**: Were the amounts more or less the same as the amounts that you were talking about in regard to Jumbo Liquor Wholesalers?

**MR ANGELO AGRIZZI**: That is correct.

**CHAIRPERSON**: Thank you.

**ADV PAUL PRETORIUS SC:** And you say that one anomaly in the scheme in so far as it involved VAT is that the standard or the items reflected on the fictitious invoices were often, if not all standard stock items in Correctional Services Facilities or on their menu plan.

**MR ANGELO AGRIZZI:** Well a lot of these were not standard stock items, but that is where one of the errors were later on. So in terms to avoid SARS scrutiny, those are the items that you can use that are non Vatable, so SARS when they see a non Vatable invoice, they do not even bother. They just pass it on.

**CHAIRPERSON:** Yes.

- 10 **ADV PAUL PRETORIUS SC:** But the transaction could be traced, because our investigators for example, because for example if a prison did not use beans and yet was paying for beans, there would be an anomaly there that would raise suspicion.

**MR ANGELO AGRIZZI:** Correct. I would assist them in finding the errors and showing them where it is picked up.

**ADV PAUL PRETORIUS SC:** You say in paragraph 19.4 however, comparing the standard process to the fraudulent process and looking at the detail of each and every transaction, is a detailed and complex task.

**MR ANGELO AGRIZZI:** Most definitely, if you do not know what you looking for.

**ADV PAUL PRETORIUS SC:** And you say in paragraph 19.4, but I can be done.

- 20 **MR ANGELO AGRIZZI:** It can be done quite easily.

**ADV PAUL PRETORIUS SC:** Yes. And you also say here that you are willing to assist in that investigation process in regard to the detail of the investigation.

**MR ANGELO AGRIZZI:** Yes I would.

**ADV PAUL PRETORIUS SC:** We are going to move onto paragraph 20, but I, for the present do not want you to mention any name of any entity. You can talk about a

wholesaler and Mr Venter, but no one else. Okay? Until we feel it appropriate to do so.

**MR ANGELO AGRIZZI**: Will do.

**ADV PAUL PRETORIUS SC**: Would you then with that word of caution please describe the scheme referred to under this head.

**MR ANGELO AGRIZZI**: Yes. I will do as I am told.

**CHAIRPERSON**: Yes.

**ADV PAUL PRETORIUS SC**: As I have suggested.

**CHAIRPERSON**: There will be a time when the names can be – You can deal with the names. Ja. Okay.

10 **MR ANGELO AGRIZZI**: Alright. The original introduction to A; A Wholesalers was with Piet Venter who was an accountant ...[intervenes].

**ADV PAUL PRETORIUS SC**: Do no mention the name of the firm please.

**MR ANGELO AGRIZZI**: No I will not. I said I would do as I am told.

**CHAIRPERSON**: Yes Mr Agrizzi.

**MR ANGELO AGRIZZI**: Yes and basically the introduction with Piet Venter was with Andries van Tonder. We had a second meeting where Gavin Watson was present and Andries van Tonder and we actually met at the facility in Lenasia. It is a lovely facility that has got a lot of fridges and mattresses and massive, massive facility and they do a lot of exporting of goods. At that stage we wanted to buy a company that would  
20 produce a lot of cash, so we it would have to be in the retail space and preferably EFMC and we looked at this facility and it was decided that we could work with them but to do an acquisition on that side of the facility was just really not viable and because there was a major culture difference between the two.

So the only potential work that we could work with, with them was we could work out how much cash they collected on a weekly basis which Mr Venter knew and



we could then offer them a cheque for goods purchased. These goods would be invoiced exactly the same as all the others as mattresses, because they manufactured them, plastic chairs, for Lindela, dishes for Lindela, that time of thing. So that is what the relationship were then was.

Certain of the transactions were actually legitimate and others were just inflated to ensure that the overpayments could come through to us as balances and could come to us at Bosasa as cash. So in all these schemes, one thing I must mention is that Gavin did not want the directors to initially know that we were embarking on these schemes and then later on they found out. So we would embark on it, do it  
10 and then the directors would be told, but not before. Does that cover your ...[intervenes].

**ADV PAUL PRETORIUS SC:** Yes. Well if I can just summarise, because we are going to move on to a new topic now. This particular scheme in paragraph 20.4 A, A Wholesalers would provide goods to Bosasa. Goods which were used by Bosasa in its business.

**MR ANGELO AGRIZZI:** They were very little.

**ADV PAUL PRETORIUS SC:** Right. They would however over invoice.

**MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** Charge you more than they actually provided.

20 **MR ANGELO AGRIZZI:** So Chair if they ...[intervenes].

**ADV PAUL PRETORIUS SC:** To the value of which they provided.

**MR ANGELO AGRIZZI:** If they charged us for one mattress R2 000, they would deliver on the invoice 40 mattresses of which we only received one.

**ADV PAUL PRETORIUS SC:** So there would be over invoicing and falsification of the documentation relevant to the transaction.

**MR ANGELO AGRIZZI**: Exactly. Like all the other transactions.

**ADV PAUL PRETORIUS SC**: And the amount of the over invoicing and ultimately the overpayment, would be returned to Bosasa in cash.

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: So the difference between this method and the other ones we have had is that in this case, Bosasa would get a little bit of something, but would pay much more.

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: *Ja.* Okay.

- 10 **ADV PAUL PRETORIUS SC**: Now, I would like to deal please with Mr Venter and circumstances relevant to Mr Venter's involvement with yourself during 2017.

**MR ANGELO AGRIZZI**: Yes.

**ADV PAUL PRETORIUS SC**: During 2017, what was Mr Venter doing with you or in relation to yourself and what you were doing at the time?

**MR ANGELO AGRIZZI**: Well he was auditing us at that stage and he was working with taxes and that type of thing and then what happened was, we had not a close relationship, but a business relationship and he specifically – Sorry. Are you specifically referring to November?

- ADV PAUL PRETORIUS SC**: I am referring to 2017 and I think it is November. Yes.  
20 November and December.

**MR ANGELO AGRIZZI**: So in November, he was aware that there was disruption within the group Bosasa and he wanted to follow suit with the other whistle blowers and report what he had done wrong in the whole process. What then ensued was a meeting with myself and the other whistle blowers. At one stage we were up to about 22 of them that had all contacted me to come and whistle blow. He had the meeting

with me and he commenced working on his statement, so he was allowed to use a facility that I had provided and he was working on his statement and he wrote up a full statement, however midway during 2017 in November, I cannot remember the exact date, he had completed his statement but he had decided he is no longer going to whistle blow because he had been offered a substantial amount of money by Gavin Watson to – Not to whistle blow and there was a meeting and there was something about putting his hand on the Bible and swearing before the Almighty that he would not whistle-blow and he has not signed his statement. So we left him. We had given him the opportunity to join a larger group which made it more effective.

- 10 1. in terms of being attacked and being threatened; and
2. it was an opportunity to come clean.

So he wrote his statement and he just never came back. What then happened was – And he then got cornered, put in a corner by Mr Watson and Mr Watson convinced him over a period of four hours that that was not the way to go and he then called Mr van Tonder and said that he is not whistle-blowing anymore, purely because he is being – He does not know where the money is going to come from and where he is going to live from.

- 20 Mr Watson then had him on his side and then during December, Mr van Tonder and myself received a call, 'please guys, can I meet with you before I got away on holiday.' So I said to him, you are more than welcome. I have nothing to hide, but you definitely not meeting me alone. You are going to meet me with somebody else and at that meeting which was – I think it was about the 10<sup>th</sup> or the 7<sup>th</sup> December, we actually – He then turned around and said that he would like to re-join us and my words to him were very clear. I said to him – I said you do not appear to understand what your issue is, but I cannot guarantee you finances, because I had been looking after

like 20 families already. I had been supporting them. I had been feeding them. I cannot come and give you money, but if you want to come clean and you believe in your heart that it is the right thing to do, then you will do your statement and I left it at that.

**ADV PAUL PRETORIUS SC:** Who was at that meeting?

**MR ANGELO AGRIZZI:** Andries van Tonder was at that meeting. The meeting was held at a – because I was on my way to go buy some chicken pies. At the Chicken Pie on the way to Lanseria and it was in the afternoon at about 14:00 and I made that very clear to him and I said, if you are going to come clean and you want to get this off your  
10 chest, then you have to do it your way. I definitely am not going to support you. I am supporting enough people already. I cannot take you under my wing as well. I am sorry and that is what happened. I then received a call from him to say that he had decided, he had spoken to whoever – His wife and that and he was going to send us the statement signed. I cannot remember exactly what day he signed the statement or who attested to the statement, but he had it commissioned and he had it signed.

So I said enjoy your holiday and when you get back, let us just sit and let us just go through your statement and make sure that you have crossed all the t's and dotted all the i's. He actually even used the format that I developed, because I was asked to develop a formatted structure of the actual document or Andries van Tonder's  
20 statement, so he actually had borrowed that one as well and the he came back and he sent us the statement which was – He had the Annexures and everything to it and then he came back and he said to us that no, he had met with Gavin again and this was mid-January and he had had a life changing Damascus experience and he did not realise we were dealing with dangerous people. I did not take the call, so I do not want to comment on that and that one of the other witnesses will comment on.

What did perturb me was that I was told that he had been shown pictures of one of the other witnesses nieces that are very close to Andries van Tonder and that concerned me and I then told Andries, we cut all contact with him because quite simply he is bad news and I cut contact with him, because he was not doing it for the right reasons. He was doing it for ulterior motive and when kids start coming into play, when threats are made and photos are taken of little girls, I have a major problem. I do not add it in my statement but I can mention to you that I confronted the person that did that, but I will not go there.

**ADV PAUL PRETORIUS SC:** Alright.

- 10 **MR ANGELO AGRIZZI:** And that is what happened and that is how we got Andries van Tonder's statement – Sorry Piet Venter's statement.

**CHAIRPERSON:** Piet Venter's statement *ja*. Okay thank you.

**ADV PAUL PRETORIUS SC:** I understand the sequence then very broadly to be and there may be more detail in due course, Piet Venter was part of a group of contemplated whistle blowers working with you.

**MR ANGELO AGRIZZI:** That is correct Chair.

**ADV PAUL PRETORIUS SC:** Pursuant to that, he was preparing a statement recording matters relevant to the whistle blowing exercise.

**MR ANGELO AGRIZZI:** That is correct Chair.

- 20 **ADV PAUL PRETORIUS SC:** He met with you and one other in December – Before that he stated his intention to withdraw from the whistle blowing exercise.

**MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** However he came to you early December and one other and said he wish to re-join the whistle blowing exercise in collaboration with the rest of the group.

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: You told him then, well if that is so, please turn your statement into a sworn affidavit.

**MR ANGELO AGRIZZI**: That is correct Chair.

**ADV PAUL PRETORIUS SC**: That happened during the December period.

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: On his return in January, he came back to you and said no, he no longer wish to be part of the group.

**MR ANGELO AGRIZZI**: That is correct Chair and I would like to add there [Intervenes].

10 **CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: At that time as well, there were rumours going around that I had forced him to make a statement.

**CHAIRPERSON**: Yes.

**MR ANGELO AGRIZZI**: At that stage he was in Mossel Bay on holiday. I was in Dainfern.

**CHAIRPERSON**: Okay.

20 **ADV PAUL PRETORIUS SC**: We will come to that detail in a moment. If you look at ANNEXURE F on page 252, that is in Exhibit S1. Chair the status of this affidavit, the information contained in this affidavit will – I am informed by the investigators be a matter of some controversy. In order to deal with that controversy, it is necessary to go through the contents of the affidavit and in particular to deal with the references to Mr Agrizzi, if there is such a reference to him in the affidavit. Nevertheless, I would like to deal with this affidavit on the basis of establishing from the witness the circumstances which to his knowledge surrounded its delivery to him, its signing, what happened before, what happened afterwards in relation to the whistle blowers and what

he knows of the correctness of the facts contained here, so we do not necessarily rely on this affidavit to prove the facts in the affidavit certainly at this stage. That may happen later, but at this stage, it is merely to say Mr Agrizzi, what do you say about the fact referred to here. Is it true and correct?

**CHAIRPERSON**: That is fine.

**ADV PAUL PRETORIUS SC**: Thank you. So if we can go to page 252 please. Do you recognise this document?

**MR ANGELO AGRIZZI**: I do.

**ADV PAUL PRETORIUS SC**: Is this the affidavit of what you had spoken?

10 **MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: Please go for a moment to page 266.

**CHAIRPERSON**: You say he should go to – I am sorry.

**ADV PAUL PRETORIUS SC**: 266.

**CHAIRPERSON**: 266.

**MR ANGELO AGRIZZI**: Correct. I am there.

**ADV PAUL PRETORIUS SC**: You see a signature there.

**MR ANGELO AGRIZZI**: Yes I do.

**ADV PAUL PRETORIUS SC**: Under the name Petrus Stephanus Venter.

**MR ANGELO AGRIZZI**: That is his signature.

20 **ADV PAUL PRETORIUS SC**: Do you know the signature?

**MR ANGELO AGRIZZI**: It is his signature.

**ADV PAUL PRETORIUS SC**: And underneath the signature are the words 19<sup>th</sup> day of December 2017 at George, Western Cape, South Africa.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: To your knowledge, at that time 19 December 2017,

where was Mr Venter holidaying?

**MR ANGELO AGRIZZI**: He was in Mossel Bay I think he mentioned or George. Close by.

**ADV PAUL PRETORIUS SC**: And if you look at the bottom of the page 266, you will see the affirmation on oath, signed and sworn/affirmed to me at – and I cannot read those words. I do not know if you can, but there is a date there 18 December 2017.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: And at the bottom of the page is a signature of a Commissioner of Oaths and at the bottom of the – further down at the bottom of the  
10 page, full names, status. I think it is Warrant Officer and a street address in Mossel Bay.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: I think it is Mossel Street and that is repeated over the page on page 267.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Do you see that?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: So on the face of it, at least this affidavit was attested to in December 2017 in the Western Cape or Eastern Cape. I am not sure Mossel Bay  
20 and George are on the Western Cape, but they are in the Cape.

**MR ANGELO AGRIZZI**: Yes.

**ADV PAUL PRETORIUS SC**: Far from Gauteng.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: At this time, where were you?

**MR ANGELO AGRIZZI**: I was in Dainfern.



**ADV PAUL PRETORIUS SC:** Okay, let us go back to ...[intervenes].

**MR ANGELO AGRIZZI:** Sorry. Can I clarify.

**CHAIRPERSON:** Ja.

**MR ANGELO AGRIZZI:** Dainfern in Four Ways and on that specific day on 18 December, I was actually – I can actually get witnesses that witness that I was actually alongside the pool with – having a braai with my brother.

**CHAIRPERSON:** In Gauteng.

**MR ANGELO AGRIZZI:** In Gauteng.

**CHAIRPERSON:** Ja.

10 **ADV PAUL PRETORIUS SC:** There is also the 19<sup>th</sup>, but for the moment, you were in Dainfern on both 18<sup>th</sup> and the 19<sup>th</sup>.

**MR ANGELO AGRIZZI:** Unfortunately yes.

**ADV PAUL PRETORIUS SC:** Mr Agrizzi, we now need to deal with the contents of the affidavit on the basis that I have spoken to the Chair about. Chair, would this be a convenient time. It is 13:00.

**CHAIRPERSON:** Yes it is. We will take the lunch adjournment and we will resume at 14:00. We adjourn.

**REGISTRAR:** All rise.

**HEARING ADJOURNS**

20 **HEARING RESUMES**

**CHAIRPERSON:** Before we proceed, Mr Pretorius, I just want to announce that I have just issued a media statement that is being sent out right now in regard to the position of the Secretary of the Commission. Thank you. Let us proceed.

**ADV PAUL PRETORIUS SC:** Thank you Chair. Mr Watson [should be Mr Agrizzi] we were dealing with the affidavit of Mr Venter and the attestation which appears at page

266.

**MR ANGELO AGRIZZI**: Yes Chair.

**ADV PAUL PRETORIUS SC**: When did you receive a copy of this affidavit, signed and sworn?

**MR ANGELO AGRIZZI**: Chair, if I can add, I think I only received it early January. I was not interest. Actually I got missed calls from the gentleman, but I cannot remember exactly when I received it.

**ADV PAUL PRETORIUS SC**: Alright. So as far as I understand your evidence after the meeting in December, he left, he then went on holiday and in January you received a  
10 statement. I gather from that that you would know nothing about the particular dates upon which the affidavit was prepared and actually signed and sworn.

**MR ANGELO AGRIZZI**: I only see the dates – I had an unsigned copy, but I see the dates in front of me now.

**ADV PAUL PRETORIUS SC**: Right.

**CHAIRPERSON**: Mr Pretorius, just remind me of the page where that affidavit is.

**ADV PAUL PRETORIUS SC**: 266 Chair of the Bundle S2.

**CHAIRPERSON**: Yes. Thank you.

**ADV PAUL PRETORIUS SC**: The only point I raise in this regard Mr Agrizzi that seems not to be matters within your knowledge, but perhaps the investigators can follow it up  
20 is that the statement appears to have been signed on the 19 December 2017 at George and attested to on 18 December 2017 at Mossel Bay, but I am not sure that you can assist the Commission there.

**MR ANGELO AGRIZZI**: I cannot offer any comment on that.

**ADV PAUL PRETORIUS SC**: Can we go back ...[intervenes].

**CHAIRPERSON**: Wait Mr Pretorius. Just to make sure. The affidavit you talking

about, starts at page 252. Is that right?

**ADV PAUL PRETORIUS SC**: Yes Chair.

**CHAIRPERSON**: 263 is where it ends.

**ADV PAUL PRETORIUS SC**: Yes Chair.

**CHAIRPERSON**: Okay.

**ADV PAUL PRETORIUS SC**: And at page 252 is a document which we now know is the affidavit. It is headed: Stephanus Venter – Highly Confidential. G Watson tax fraud. It reads affidavit of Petrus Stephanus Venter. There is an identity number of Noordheuwel Krugersdorp, Gauteng. Do you know where Mr Venter lived?

10 **MR ANGELO AGRIZZI**: I have no clue where he lives. I know from the affidavit, that it is in Noordheuwel.

**ADV PAUL PRETORIUS SC**: Okay, but you do not know whether that is true or not from your personal knowledge.

**MR ANGELO AGRIZZI**: No, I would not know.

**ADV PAUL PRETORIUS SC**: Then there is another heading. Context of Tax Fraud and Racketeering by Gavin Watson and then it goes on to say:

20 “My full names are Petrus Stephanus Venter. A white male, aged 46. Resident of Noordheuwel, Krugersdorp, hereby declare that the attached affidavit and the Annexures labelled files 1 to 2 are a true reflection of the occurrences at Bosasa Group of Companies / African Global Operations and the dealing of Mr Gavin Joseph Watson”

Before we go on, reference is made to files 1 to 2 as Annexures to the affidavit. Did you also receive those at the time you received this affidavit?

**MR ANGELO AGRIZZI**: I did Chair.

**ADV PAUL PRETORIUS SC:** Where are those files now?

**MR ANGELO AGRIZZI:** Those files were initially all submitted to the attorney who dealt with the matter in the beginning and are still with him at the moment.

**ADV PAUL PRETORIUS SC:** The attorney that represented you and others.

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** It goes on to read on the next paragraph on page 252:

10                   “The statements made are in my opinion factual, substantiated  
by records and copies of invoices and receipts. The intention  
hereof is not to receive monetary gain but to clear mine and  
related parties names after being coerced and forced to  
conduct what we realise what instructions from Gavin Joseph  
Watson.”

The sentence appears to be incomplete.

“This matter has affected my health and relationships”

And then the last paragraph reads:

“This affidavit is done without any duress or pressure and is  
done subsequent to the meetings held with Gavin Watson as  
detailed.”

20                   And there is a footer at the bottom of the page. In relation to this first cover  
page of the affidavit of Mr Venter, do you recognise its structure?

**MR ANGELO AGRIZZI:** Yes I do.

**ADV PAUL PRETORIUS SC:** Tell the Chair what you know.

**MR ANGELO AGRIZZI:** Chair, he requested that I send him a copy – email him a copy  
of the structure of the way that the affidavit were done by Andries van Tonder.

**ADV PAUL PRETORIUS SC:** And did you do so?

**MR ANGELO AGRIZZI**: I did so.

**ADV PAUL PRETORIUS SC**: And is the cover page of the affidavit you sent him, similar to the cover page of this affidavit.

**MR ANGELO AGRIZZI**: It is similar, but there are some difference, I cannot recall exactly what the difference are.

**ADV PAUL PRETORIUS SC**: Where did you two – what address did you send this model affidavit to which you refer?

**MR ANGELO AGRIZZI**: It was an email address. If I recall correctly, it was petv1972@gmail.com.

10 **ADV PAUL PRETORIUS SC**: You know where Mr Venter was at the time you sent the affidavit?

**MR ANGELO AGRIZZI**: No, this affidavit, he was in Krugersdorp at the time. This was done in November that he asked me to do this. Send it to him. It was early November. Probably around 6 November 2017.

**ADV PAUL PRETORIUS SC**: Mr Agrizzi, I am going to take you through the contents of this affidavit. The purpose of doing so as intimated to the Chair is to see what facts in this affidavit you agree with and of what facts you have no knowledge and what facts you disagree with so that all we are looking for at this stage is what knowledge you personally have in relation to the facts set out here.

20 **MR ANGELO AGRIZZI**: I will do so.

**ADV PAUL PRETORIUS SC**: The first paragraph reads:

“I was employed as an auditor with the South African Revenue  
Services from December 1991 to August 2004.”

Do you know if those facts are true and correct?

**MR ANGELO AGRIZZI**: I cannot comment on that.

**ADV PAUL PRETORIUS SC:** Right. He then says in paragraph 2:

“During my last year with SARS, I met Andries van Tonder and Tony Perry from the Bosasa Group. Do you know whether that is correct?”

**MR ANGELO AGRIZZI:** I cannot comment on that?

**ADV PAUL PRETORIUS SC:** Can you comment on any of the contents in paragraph 2?

**MR ANGELO AGRIZZI:** I cannot comment on paragraph 2’s comments at all.

**ADV PAUL PRETORIUS SC:** And what is the position in relation to the contents of paragraph 3 and 4? Can you comment on the correctness or otherwise of any of the allegations there?

**MR ANGELO AGRIZZI:** I cannot comment on paragraph 2. In terms of paragraph 4, I cannot comment.

**ADV PAUL PRETORIUS SC:** Let us look at paragraph 5. Do you know whether it is correct that over the years Mr Venter built up a good relationship with Tony Perry, Andries van Tonder, Gavin Watson, Jacques van Zyl, Carlos Bonifacio. All the directors and other employees of the Bosasa Group.

**MR ANGELO AGRIZZI:** I can comment on that. That is correct. I saw them numerous times at the diner together, having lunch and they seem to get on pretty well.

**ADV PAUL PRETORIUS SC:** The next paragraph reads, Gavin Watson realised this and wanted me to get more involved in the business in the form of a consultant from an external point of view. I was there for not just a tax consultant for the Bosasa Group. Do you know whether that is from your own knowledge true.

**MR ANGELO AGRIZZI:** I do not know if that is true.

**ADV PAUL PRETORIUS SC:** Do you know what role he played for the Bosasa Group?

**MR ANGELO AGRIZZI**: Yes, he was a tax consultant. He did our taxes. My personal tax that he did as well, because Gavin Watson insisted on that and I know that he also consulted to various other people in the group.

**ADV PAUL PRETORIUS SC**: At least you do know that it is true that he was not just a tax consultant for the Bosasa Group, but he performed other functions.

**MR ANGELO AGRIZZI**: Yes. Gavin Watson trusted him.

**ADV PAUL PRETORIUS SC**: Alright, let us move on then. He says in paragraph 7:

“Although I had to attend to the normal duties of a tax consultant, Gavin Watson wanted more from me.”

10 **MR ANGELO AGRIZZI**: That is true.

**ADV PAUL PRETORIUS SC**: And then he says again, the first bullet:

“Gavin Watson informed all the directors that I will be handling their annual personal tax returns and the company will pay for this service.”

Is that a true statement?

**MR ANGELO AGRIZZI**: That is true.

**ADV PAUL PRETORIUS SC**: He then says against the second bullet:

“I was also instructed to do the annual tax return of Patrick Gillingham.”

20 You know that to be true from your own knowledge.

**MR ANGELO AGRIZZI**: Yes.

**ADV PAUL PRETORIUS SC**: At what time was this? A valid statement. In other words, to what period did the actions and dealing with a tax return relate?

**MR ANGELO AGRIZZI**: Probably relating to or from 2011 or around there 2010. I cannot recall exact dates.

**ADV PAUL PRETORIUS SC:** And what was Patrick Gillingham's position at that time?

**MR ANGELO AGRIZZI:** Well Patrick Gillingham was not employed at Correctional Services, but he was employed at BEE Foods which is owned by Gavin's brother in law.

**ADV PAUL PRETORIUS SC:** Alright, when you say Patrick Gillingham was not employed at Correctional Services, perhaps we should be accurate and say when he was not employed and when he was employed at Correctional Services, to the extent that you can remember.

**MR ANGELO AGRIZZI:** It think the date was 2009.

**ADV PAUL PRETORIUS SC:** So, is your evidence that Gillingham would have left  
10 Correctional Services by 2009.

**MR ANGELO AGRIZZI:** If I recall.

**ADV PAUL PRETORIUS SC:** And then after that received employment within the Bosasa Group.

**MR ANGELO AGRIZZI:** Well not – No that would not be correct. It is not within the Bosasa Group, it was within BEE Foods, but it was not with Gavin Watson, with Gavin Watson's brother in law.

**ADV PAUL PRETORIUS SC:** And then reference is made to Mr Venter, dealing with the annual tax return of L \$ T MTI [sic].

**MR ANGELO AGRIZZI:** That is correct.

20 **ADV PAUL PRETORIUS SC:** Do you know that to be a correct fact?

**MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** And do you know to which period that would relate?

**MR ANGELO AGRIZZI:** If I am not mistaken, I also cannot recall exactly but it would have been the same time as Gillingham which, if I recall correctly, it was 2009 Chair.

**ADV PAUL PRETORIUS SC:** Then in paragraph 8, the following statement is made:



"At the beginning of 2016, Gavin Watson approached me to take over Consilium Business Consultants (Pty) Ltd. A company which belonged to Dr Jurgen Smit. Dr Smit was diagnosed with cancer and wanted to exist the company as soon as he could. Consilium as a labour broker company, who employs people for the Bosasa Group of Companies."

And I am quoting directly from the affidavit.

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: Are all the facts in paragraph 8 correct?

10 **MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Paragraph 9 reads:

"All Gavin Watson's family members" and again I read exactly what I see. "Who renders no service to the Bosasa Group are also on the payroll. Gavin Watson instructed me to keep this very confidential and I was not allowed to discuss this with anybody else other than him."

What do you know of those facts?

**MR ANGELO AGRIZZI**: That is correct. It has been a practice for many years.

**ADV PAUL PRETORIUS SC**: If we can then go on please to paragraph 10 on page

20 255. Paragraph 10 reads:

"During the middle of August 2017, Gavin Watson approached me to assist me to pay the legal costs of Mr Hlaude Motsoeneng. On 17 August 2017, I received an invoice from Walter Jele from Majavu Attorneys – proof attached."

Before we go into the detail, do you know anything about those facts?

**MR ANGELO AGRIZZI**: I do not know the details, but I have seen the proof and the payments made.

**ADV PAUL PRETORIUS SC**: You have seen proof of the payments. Are those the payments referred to in the subsequent lines of paragraph 10?

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: Do you have those available?

**MR ANGELO AGRIZZI**: I have submitted everything to the Commission in digital format, but the printed copies are with my erstwhile Attorneys.

**ADV PAUL PRETORIUS SC**: So the paragraphs regarding payment read:

10                    “I paid the total invoice amount of R1 187 660.82 in two instalments. First payment of R600 000 on 20 August 2017. Proof attached, second payment of R587 656,82 on 21 August 2017. Proof attached.”

                      You say you have seen those documents?

**MR ANGELO AGRIZZI**: Yes I have.

**ADV PAUL PRETORIUS SC**: And are they documents which reflect those amounts and dates?

**MR ANGELO AGRIZZI**: I just want to clarify for the Chair that I would not have attached this affidavit if there was any untruths or anything not clear in this affidavit  
20                    backed up by proof. Everything was there.

**CHAIRPERSON**: Yes and these are payments of legal costs paid by Bosasa in favour of Mr Hlaudi Motsoeneng. Is that – The documentation you have attached, reflects that.

**MR ANGELO AGRIZZI**: It does reflect that.

**CHAIRPERSON**: Okay. Thank you.

**ADV PAUL PRETORIUS SC:** Paragraph 11 then reads:

“During September 2017, Gavin Watson approached me to assist him and Syvion Dlamini to make three payments to Moroko Consultants Training and (Pty) Ltd.”

Let us pause there. Firstly, do you know who Syvion Dlamini is? I think you have mentioned him in your evidence, but please just remind the Chair who he is?

**MR ANGELO AGRIZZI:** Chair, he used to work for me. He was previously a social worker that worked for with the youth centres. He then got promoted to a Director of Bosasa Youth Development Centres.

10 **ADV PAUL PRETORIUS SC:** Do you know anything about the transaction described here?

**MR ANGELO AGRIZZI:** All I know is, I saw the transaction and I was told by Mr Venter that it was not anything else but money laundering to get money to somebody. No services were provided.

**ADV PAUL PRETORIUS SC:** When you say you saw the transaction, do you mean to say that you actually saw a physical manifestation of the transaction or you saw a record of the transaction.

**MR ANGELO AGRIZZI:** I saw a record of the transaction in terms of an agreement that was drawn up for consultancy services to Moroko and then the payments to Moroko.

20 **ADV PAUL PRETORIUS SC:** So you saw – did you see the agreement?

**MR ANGELO AGRIZZI:** Yes I did.

**ADV PAUL PRETORIUS SC:** Did you know the agreement to be a genuine agreement or not?

**MR ANGELO AGRIZZI:** It was not a genuine agreement. It was just a smoke screen.

**ADV PAUL PRETORIUS SC:** And then you say further records. Did these records

relate to payment?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: The paragraph continues on 255 paragraph 11 to read:

“Lindsay Watson prepared a consulting agreement between Miotto Trading and Advisory Holdings (Pty) Ltd and Moroko Consultants Training and Development (Pty) Ltd – Attached – No services had been provided as this is merely a front for other intentions.”

Do you know the entity Miotto Trading and Advisory Holdings (Pty) Ltd?

10 **MR ANGELO AGRIZZI**: I do.

**ADV PAUL PRETORIUS SC**: Please tell the Chair, what that entity is?

**MR ANGELO AGRIZZI**: Chair, Miotto is just a shelf company owned by Mr Venter and I think his sister Ms Longworth who is also the owner or the shareholder in Consilium.

**ADV PAUL PRETORIUS SC**: Is that the agreement that you say you have seen?

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: And do you know whether services were provided or whether this was a front for other intentions?

**MR ANGELO AGRIZZI**: Chair, it would be very difficult to provide training services for 1. whatever million rand to two people.

20 **ADV PAUL PRETORIUS SC**: Alright.

**CHAIRPERSON**: Thank you.

**ADV PAUL PRETORIUS SC**: It continues to read:

“I had to make three payments of R450 000 each to Moroko Consultants. The first payment was made on 30 September 2017. Proof attached. The second payment was made on 28

October 2017 – Proof of payment attached. The final payment is only due by the end of November 2017.”

Before you go on – Before we go on Mr Agrizzi, the proof of payments attached, have you seen those?

**MR ANGELO AGRIZZI:** I have seen the proof of payments attached, except the proof of payment for the end of November 2017, because obviously this agreement or this affidavit was written before the end of November 2017

**ADV PAUL PRETORIUS SC:** Okay, the first two payments and proof of these payments, when did you see them? At the time they were made or at the time the affidavit was sent back to you with Annexures or both?

**MR ANGELO AGRIZZI:** I saw the payments at the time that Mr Venter submitted his Annexures with his affidavit.

**ADV PAUL PRETORIUS SC:** Thank you.

**MR ANGELO AGRIZZI:** The affidavit goes further to – Sorry I must take a step back. The proof of payments – that documentation – has it suffered the same fate as the other documentation you referred to, it is with your erstwhile Attorneys.

**MR ANGELO AGRIZZI:** Unfortunately.

**ADV PAUL PRETORIUS SC:** The affidavit concludes on page 255 at least. The agreement mentions that Moroko Consultants will:

20                   “Provide and render consulting services to Miotto for a turnaround business strategy and to provide the necessary training and development to implement such”

Do you recall that being in the agreement?

**MR ANGELO AGRIZZI:** I recall seeing it and being explained that it was nothing but a farce.

**ADV PAUL PRETORIUS SC:** Let us move then to page 256 at paragraph 12.

Paragraph 12 reads:

“In its first paragraph, Gavin Watson approached me once again on 17 October 2017. He wanted me to assist him with a payment towards the purchase of a residential property for Ms Lindie Gouws.”

Do you know anything about that transaction or that allegation or whether that is true or not?

**MR ANGELO AGRIZZI:** That is true Chair. It was a regular occurrence. It will not be  
10 the first house that we purchased for Ms Lindie Gouws.

**ADV PAUL PRETORIUS SC:** Who is Ms Lindie Gouws?

**MR ANGELO AGRIZZI:** Ms Lindie Gouws used to work at Bosasa and then had to leave and started a ministry of sorts called My World Ministries and is a very close, close associate of Mr Watson.

**ADV PAUL PRETORIUS SC:** Alright. Paragraph 2 reads ...[intervenes].

**CHAIRPERSON:** I am sorry Mr Pretorius.

**ADV PAUL PRETORIUS SC:** Yes Chair.

**CHAIRPERSON:** Mr Agrizzi, you say it was a regular occurrence. Is that the purchasing of property for Ms Lindie Gouws. Is that would you say that was a regular  
20 occurrence or is it something else?

**MR ANGELO AGRIZZI:** Yes it was.

**CHAIRPERSON:** Okay. Thank you.

**ADV PAUL PRETORIUS SC:** The second part of paragraph 12 then goes onto read:

“The amount was for R2.5 million and I had to consider the amount to be a loan (Ms Gouws insisted that a loan agreement

be drawn up).”

Do you know anything about those facts?

**MR ANGELO AGRIZZI**: I do. We would normally draw up a loan agreement to avert donations tax.

**ADV PAUL PRETORIUS SC**: And in relation to the amount R2.5 million, do you know anything about that?

**MR ANGELO AGRIZZI**: Probably a deposit.

**ADV PAUL PRETORIUS SC**: I am sorry, probably a deposit you say?

10 **MR ANGELO AGRIZZI**: Yes I am aware of the property that she purchased. That was probably a deposit.

**ADV PAUL PRETORIUS SC**: Do you know that a property was purchased at around this time?

**MR ANGELO AGRIZZI**: Mr Venter showed me the documentation and it was a property in – look I do not like to give out addresses and that.

**CHAIRPERSON**: Ja that is fine ja.

**MR ANGELO AGRIZZI**: I do not want to do that. But it was a property on the Hilltop overlooking Roodepoort.

**ADV PAUL PRETORIUS SC**: And did the value of the property exceed R2.5 million?

**MR ANGELO AGRIZZI**: Oh yes.

20 **ADV PAUL PRETORIUS SC**: Right.

**CHAIRPERSON**: What would be – would you be able to make your own layperson's estimate of what it is true, the value might have been at the time you were shown?

**MR ANGELO AGRIZZI**: If I recall correctly and I stand to correction, she had a property previously in the same complex and I think she mentioned to me once that she sold it for, I think R5.5 million.

**CHAIRPERSON:** Yes and you think this one might have been ...[intervenes]

**MR ANGELO AGRIZZI:** But it was in the same complex.

**CHAIRPERSON:** Ja.

**MR ANGELO AGRIZZI:** So I do not know. Look I do not have the details of what that transaction were.

**CHAIRPERSON:** No that is fine.

**MR ANGELO AGRIZZI:** So I do not want to really assume anything.

**CHAIRPERSON:** Ja. No that is fine.

**ADV PAUL PRETORIUS SC:** If you go on then to the third part of paragraph 12, it

10 reads:

"Gavin Watson took me to Natasha Olivier and instructed her to pay R3 million from his personal account into Miotto Trading and Advisory Holdings (Pty) Limited bank account."

Do you know anything about that payment?

**MR ANGELO AGRIZZI:** I have not seen any documentation that Gavin Watson told him to that, but knowing Gavin Watson that is probably correct and he did show me there is proof the transfer into Miotto's bank account from Gavin Watson.

**ADV PAUL PRETORIUS SC:** Right. The next portion of paragraph 12 reads and these are Mr Venter's words of course:

20 "It must be noted that I could not question Gavin Watson as he would get upset with me, so I made the payments even though I knew that this was not correct."

Now I do not want you to comment on the state of mind of Mr Venter, that is for him to say. But the sentiment that he expresses there, in relation to following Gavin Watson's order, does that come as a surprise to you from your own experience?



**MR ANGELO AGRIZZI**: Most definitely not.

**CHAIRPERSON**: Do you want to elaborate?

**MR ANGELO AGRIZZI**: One did not challenge Gavin Watson, you just do not challenge him.

**CHAIRPERSON**: Ja, ja.

**MR ANGELO AGRIZZI**: He will destroy you.

**CHAIRPERSON**: Ja okay.

**ADV PAUL PRETORIUS SC**: Then in relation to the payment of R3 million, Mr Venter says in the next portion of paragraph 12:

10                    "R2.5 million was for the purchase of Ms Gouws residential property and R500 000 to EFG2 [the figure 2] with an Absa Bank account. I was merely told it was for a foundation Trust of Andile Ramaphosa, the son of the Deputy President of the Republic of South Africa. I found it strange, but I would not dare to question Gavin Watson."

Do you see that?

**MR ANGELO AGRIZZI**: I do.

**ADV PAUL PRETORIUS SC**: Now let us just pause there please. Do you know anything about the second payment referred to, from your own knowledge?

20    **MR ANGELO AGRIZZI**: Personally I did not want to get involved in it because I, number one did not believe it. I thought, you know it just cannot happen, this type of transaction. But he showed me a transfer into that account and that I saw, that is all I saw.

**ADV PAUL PRETORIUS SC**: Alright. Now just let us just pause there please. The affidavit that we are dealing with now is, I understand in the public domain, do you

know of that?

**MR ANGELO AGRIZZI**: I was made aware of it that if you Google Petrus Stephanus Venter, apparently it is him, or someone else put in the public domain.

**ADV PAUL PRETORIUS SC**: Right. So this whole affidavit is not being released here for the first time, it is public knowledge?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: The allegation here in relation to the R500 000, did you ever release that allegation to the Press?

10 **MR ANGELO AGRIZZI**: No I did not.

**ADV PAUL PRETORIUS SC**: Right. And then if we may revert to paragraph 12 it continues, the last part of paragraph 12 reads:

"The R3 million was paid on 17<sup>th</sup> October 2017 into Miotto's bank account."

Do I understand your evidence correctly, you have seen proof of payment of that?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Let us move on then to paragraph 13, it says that:

20 "On the morning of 6 November 2017, Ms Gouws called and informed me, that she is not going ahead with the transaction and I should repay Gavin Watson's money immediately."

Do you know anything about that?

**MR ANGELO AGRIZZI**: I know that she realised that this came to the attention of other people.

**ADV PAUL PRETORIUS SC:** And do you know what was done subsequent to that realisation?

**MR ANGELO AGRIZZI:** I have not got a clue, I was not following up. It was not something that really interested me.

**ADV PAUL PRETORIUS SC:** Alright. So I presume then, you would not be able to comment on the meeting between Ms Gouws and her attorney that gave rise to that decision?

**MR ANGELO AGRIZZI:** I did not show any interest.

**ADV PAUL PRETORIUS SC:** And nor would you have any knowledge of the attorneys  
10 who handled the property transaction, or its cancellation?

**MR ANGELO AGRIZZI:** All I can say is, the only truth thing that I know about is that she is paranoid and he mentions she was paranoid about, that is all I can mention.

**ADV PAUL PRETORIUS SC:** Alright. So you say that as far as you are aware is correct?

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** Yes alright. Then on page 257 further reference is made and you have made reference to the statement in paragraph 14 regarding payment of R500 000 to EFP2 into an Absa account. And then it follows:

20 "Gavin Watson mentioned that the payment is towards  
Andile Ramaphosa Foundation, proof of payment attached."

Apart from seeing proof of that payment you have no knowledge of that transaction?

**MR ANGELO AGRIZZI:** Chair I was not interested in that, I was shocked with it and I did not want to actually get involved with it.

**ADV PAUL PRETORIUS SC:** Alright and you ...[intervenes]

**MR ANGELO AGRIZZI:** That is why I averted my attention from it. The main reason I attached Peet Venter's affidavit in my statement is not to go at the President or the President's son, but to refer to the tax evasion that concerned me.

**ADV PAUL PRETORIUS SC:** Alright we will come to that. But it is necessary to deal with it fully. You have already told the Chair that you do not know whether that allegation is true and correct and you have also told the Chair that you are unable, or you are in fact able to say that you never released any such information to anyone, including the Media?

**MR ANGELO AGRIZZI:** That was public knowledge on the internet.

10 **ADV PAUL PRETORIUS SC:** Yes. Paragraph 15 reads:

"Gavin Watson asked me to assist Lindie Gouws on many occasions from calming her down, to getting her to focus. One of the tasks she instructed me to do was register a company called The Exchange Space (Pty) Limited. The purpose of the company is to do the marketing and branding of the Bosasa African Global Group."

Do you know anything about – let us leave aside the personal matters, but do you know anything about the establishment and registration of that company The Exchange Space (Pty) Limited?

20 **MR ANGELO AGRIZZI:** I have not got a clue.

**ADV PAUL PRETORIUS SC:** Alright. Then in the second part of paragraph 15:

"There is an allegation that over and above her monthly salary I had to now pay Lindie Gouws a gross salary of R42 000 per month, in order to clear her nett amount of R24 000. This amount had to go towards Ms Gouws' bond

repayment R1 million bond repayable over 10 years just  
estimated. Proof of the payslip is attached."

Do you know anything about those facts?

**MR ANGELO AGRIZZI**: I have seen this, but I did not pay much attention to it, I was  
not interested.

**ADV PAUL PRETORIUS SC**: And then it goes on to say:

"I want to emphasise the fact that the salary from The  
Exchange Space (Pty) Limited was purely for the bond  
repayment, as Ms Gouws got paid, or gets paid from  
10 Consilium Business Consultants for her services. Her  
monthly cost to the company is R137 717."

Do you anything about those facts?

**MR ANGELO AGRIZZI**: It is just very expensive, but no I do not.

**ADV PAUL PRETORIUS SC**: Alright.

**MR ANGELO AGRIZZI**: I know what I had being told.

**ADV PAUL PRETORIUS SC**: Now if it is alleged in evidence, as we have learnt might  
be alleged, that this affidavit and its contents came about as a result of you compelling  
Venter to attest to this affidavit. Is there any likelihood that you would have forced  
Venter, for example to put the facts contained in paragraph 14 and 15 on record and  
20 attest to it? Would you have caused this, let alone by compulsion?

**MR ANGELO AGRIZZI**: Well number one is; the proof I have seen I can attest to that.  
I can attest that where it refers to a payment, where it refers to a transaction, a bond  
transaction, the discussion for a refund with the transferring attorneys I can attest to the  
fact that those documentations are in his file. But I cannot attest – I cannot agree to the  
statement that I would have forced him to make an affidavit. He did the affidavit of his

own, six or seven other people were there to see him write the affidavit himself and attach whichever Annexures he felt suitable in the venue which I had offered up to all the whistle-blowers to use. So he was seen by numerous people doing his own affidavit. And specifically for that reason I would not involved, I would stay away from him and I was probably dealing with somebody else just as them. So I take exception to the fact that they would say that that I would coerce him to do this. I would not even know this information.

**ADV PAUL PRETORIUS SC:** Well that is the point I am making, it is hardly logical that you compel him to make an affidavit attesting to facts of which you are not aware.

10 **MR ANGELO AGRIZZI:** Exactly.

**ADV PAUL PRETORIUS SC:** Paragraph 16 reads:

"I would complain that this practice was incorrect and morally disturbing that Gavin Watson threatened that my services and those of my company will be terminated. I had to do what was asked from me, or else what happened to so many would happen to me."

Now once again Mr Agrizzi I do not ask you to testify as to what was in the mind of Mr Venter when he made this affidavit. But the circumstance that he refers to here, in relation to the conduct of Gavin Watson, what do you say about that? Is it  
20 common place, is it rare, has it come to you as a surprise?

**MR ANGELO AGRIZZI:** We had a dustbin with the name on it.

**ADV PAUL PRETORIUS SC:** Who did Mr Venter?

**MR ANGELO AGRIZZI:** He did not do what he was told to do, he would – Venter would have a dustbin with the name of it.

**ADV PAUL PRETORIUS SC:** Right.

**MR ANGELO AGRIZZI:** As I mentioned earlier.

**ADV PAUL PRETORIUS SC:** Are you saying that the practice referred to here is a practice that in your own experience and knowledge is known to you?

**MR ANGELO AGRIZZI:** Honourable Chair I can tell you now that there are probably about hundreds such examples out there.

**CHAIRPERSON:** Thank you.

**ADV PAUL PRETORIUS SC:** Alright. Then in paragraph 17 is a reference to yourself and the following is said:

10                    "Gavin Watson always wants someone else to blame for his  
                         actions. An example of this was when I had to ask  
                         Mr Angelo Agrizzi what kind of Christian he is. When  
                         Mr Agrizzi took Mr Watson on about this, I had to take the  
                         blame for the attack on Mr Agrizzi's character. It is a  
                         constant and disturbing pattern that Gavin Watson would  
                         instruct people to act illegally and then discard them, or get  
                         rid of them as he felt it got rid of the evidence."

                         Do you have any comment on the accuracy of that statement, or those  
statements?

**MR ANGELO AGRIZZI:** I prefer not to comment on that if the Chair agrees.

20                    **CHAIRPERSON:** Thank you.

**ADV PAUL PRETORIUS SC:** Well perhaps if you could just say, is it true or false?

**CHAIRPERSON:** Well if he says he does not want to comment, I think he does not want to say whether true or false.

**MR ANGELO AGRIZZI:** Thank you Chair.

**ADV PAUL PRETORIUS SC:** Alright. Then over the page, page 258 in the same

paragraph 17 the affidavit continues:

"Interestingly Gavin Watson would never sign anything, so as to exonerate himself from any wrongdoing. This was evident and the fact that his intention with Graham Richards was to implicate Agrizzi and van Tonder, whereas they never benefited."

Now let us deal firstly with the first sentence of that paragraph, "interestingly Gavin Watson would never sign anything." That is consistent with your evidence thus far, is that correct?

10 **MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: As to the remainder of that portion of the paragraph, what is your evidence?

**MR ANGELO AGRIZZI**: I attended a meeting at one stage with Brian Biebuyck and I think Advocate Manny Fitz or Attorney Daniel Fitz was present where we were told that Gavin Watson had made a statement and we spoke out. He had already made his statement, so a two page statement with Graham Richards. I do not know what was in the statement, I never read it, but he was going to use that to implicate us.

**ADV PAUL PRETORIUS SC**: Alright. So you know something of the facts there?

**MR ANGELO AGRIZZI**: Some of it.

20 **ADV PAUL PRETORIUS SC**: Alright. Paragraph 18:

"Mr Gavin Watson just kept on making illegal demands and I just could not take it anymore. The last nail in the coffin was when he told me to meet with Mr Patrick Gillingham and to hand him a parcel containing cash. I knew it was cash, because it was wrapped in a bank secure bag."



Alright. Mr Venter here refers to a specific incident when, according to Mr Venter's affidavit Mr Patrick Gillingham was handed cash in a bank secure bag as he describes it. Do you know anything about that particular transaction?

**MR ANGELO AGRIZZI**: I do not know this actual transaction, other than what I have read and what I had been told, and that is what I was told.

**ADV PAUL PRETORIUS SC**: Generally speaking, do you know from your own knowledge whether Mr Patrick Gillingham received cash?

**MR ANGELO AGRIZZI**: Yes every month.

**ADV PAUL PRETORIUS SC**: Were you ever present when such a delivery was made?

10 **MR ANGELO AGRIZZI**: Yes Chair I made deliveries sometimes myself.

**ADV PAUL PRETORIUS SC**: So we will come to that in due course.

**CHAIRPERSON**: Did you earlier on, or yesterday say his was R110 000 per month, or you cannot remember?

**MR ANGELO AGRIZZI**: Yes that is correct it is 110 000.

**CHAIRPERSON**: Thank you.

**ADV PAUL PRETORIUS SC**: And does that appear in your black book in fact?

**MR ANGELO AGRIZZI**: It actually does.

**ADV PAUL PRETORIUS SC**: Yes. Let us go on the second part of paragraph 18 reads:

20 "This happened on Friday 27 October 2017, I had to go to  
the office of Bosasa African Global where Lindsay Watson,  
the daughter of Gavin Watson handed me a parcel."

You would not have known of that I presume?

**MR ANGELO AGRIZZI**: No I would not.

**ADV PAUL PRETORIUS SC**: But is it in accordance with the practice that you knew?

**MR ANGELO AGRIZZI:** Chair that – yes it was pretty much the practice.

**ADV PAUL PRETORIUS SC:** He then says:

"I reluctantly called Mr Gillingham who met me at my office at 269 Voortrekker Road, Monument, Krugersdorp and an hour later, I handed him the parcel and he left. I decided that this will never happen again."

You do not know, I understand from your evidence of that particular incident?

**MR ANGELO AGRIZZI:** I recall him phoning me about it and telling me how upset he was and that he had been brought into this whole thing. That is all Chair.

10 **ADV PAUL PRETORIUS SC:** Paragraph 19 reads:

"Mr Gavin Watson promoted Louis Pasanno and Colleen Pasanno to handle the company and Group Finances."

I will read the whole paragraph:

"Louis Pasanno approached me during October 2017 to make changes to his payslip. He is an employee from Consilium Business Consultants (Pty) Limited. He instructed me on behalf of Gavin Watson to reduce his salary from R137 000 cost to company per month to  
20 R90 000 cost to company per month."

Do you know anything about the allegations in that paragraph?

**MR ANGELO AGRIZZI:** I do not know anything about it, other than I see and I was told, but I can believe it.

**ADV PAUL PRETORIUS SC:** Right. But you do have no direct knowledge of that?

**MR ANGELO AGRIZZI:** No.

**ADV PAUL PRETORIUS SC:** You could never have told – I then conclude Mr Venter to put that in an affidavit, let alone coercion?

**MR ANGELO AGRIZZI:** No Chair, but I can believe the credibility of that.

**ADV PAUL PRETORIUS SC:** Paragraph 20 reads:

"When I confronted him about this ..."

And in parentheses it is Venter confronting Watson that is being referred to here. I repeat:

10                    "When in confronted him about this, he was very vague about this, but that he mentioned something about his estate. It was then when I realised that he was sequestrated and should not be in the position of running a company's finances. The second thing is that he wants to show his Curator that he earns less than he does. By doing this, he will pay a lower amount to his creditors."

It continues:

20                    "I have attached the before and after payslips. Louis Pasanno also mentioned that Mr Gavin Watson will pay the balance in cash. By doing this, he defrauds the South African Revenue Services as well as Curator. Their actions could eventually impact on Consilium as (it reads) amounts to a fraudulent transaction. Besides, Louis Pasanno already has a five-year suspended sentence."

Do you know anything about the facts in this paragraph?

**MR ANGELO AGRIZZI:** I am aware of the facts, I am aware of the youngster. I tried to

rehabilitate him at one stage, I took him under my wing. But I was not aware that he had the criminal convictions that he had. But I can believe it.

**ADV PAUL PRETORIUS SC:** Do you know anything about the circumstances of the sequestration, as fraud referred to here?

**MR ANGELO AGRIZZI:** No I cannot comment on that. I was not present. I only see what I was told.

**ADV PAUL PRETORIUS SC:** Alright.

**CHAIRPERSON:** Mr Pretorius.

**ADV PAUL PRETORIUS SC:** Yes Chair.

10 **CHAIRPERSON:** I think if I heard you correctly, in relation to the first line of paragraph 20 you said that the person that was being confronted was Mr Gavin Watson. It seems to me that the context of that paragraph it probably was not him. Is it not the person whose estate is said to have been sequestered that they are talking about that was being confronted?

**ADV PAUL PRETORIUS SC:** Yes you are correct Chair. The confrontation in the full context may well have taken place between Mr Watson. Now Mr Venter on the one hand and Mr Pasanno on the other.

**CHAIRPERSON:** Yes you said Mr Watson.

**ADV PAUL PRETORIUS SC:** Because it was Mr Pasanno's estate that was involved.

20 Yes I apologise.

**CHAIRPERSON:** Ja.

**ADV PAUL PRETORIUS SC:**

"The point being that neither the witness Mr Agrizzi nor I know anything about the contents of this paragraph."

Then paragraph 21 Mr Agrizzi reads:

"Pursuant to the closure of SeaArk, Gavin Watson in a meeting clearly stipulated that he did not want to lose the assessed loss of R138 498 378 as at the 2012 tax year and Gavin Watson insisted, rather more instructed that both Andries van Tonder and I do everything possible to maximise the use of the loss by filtering the tax exposure of profits in other operations via the entity."

**MR ANGELO AGRIZZI**: That is correct.

10 **ADV PAUL PRETORIUS SC**: Right you say that is correct. Do you know what SeaArk was?

**MR ANGELO AGRIZZI**: Ja. Chair I do, SeaArk was an agricultural project that Gavin Watson embarked on, it was a Maverick project. It would cost the company dearly. I think the cost was about R400 million and never was it successful.

**ADV PAUL PRETORIUS SC**: Right. And it had, it is apparent an assessed loss of over R138 million. Are you aware of that as a fact?

**MR ANGELO AGRIZZI**: That is a fact.

**ADV PAUL PRETORIUS SC**: Right. And that occurred, according to the affidavit as at the 2012 tax year?

**MR ANGELO AGRIZZI**: Correct.

20 **ADV PAUL PRETORIUS SC**: Are you ...[intervenes]

**CHAIRPERSON**: Was it not one of those that you told me about earlier which were specially created only to be liquidated later?

**MR ANGELO AGRIZZI**: No.

**CHAIRPERSON**: Oh this was different?

**MR ANGELO AGRIZZI**: This one was a project that was – we were approached by an

American to-do, to grow prawns in the Coega Eastern Cape Development Zone.

**CHAIRPERSON**: Okay thank you.

**ADV PAUL PRETORIUS SC**: So it was a costly investment?

**MR ANGELO AGRIZZI**: Most definitely.

**ADV PAUL PRETORIUS SC**: You say you know of the facts in the first three lines of that paragraph. Do you know anything about the use of that loss by filtering the tax exposure of profits into other operations via that entity SeaArk? In other words, attributing the loss to other companies?

**MR ANGELO AGRIZZI**: Yes I am aware of it.

10 **ADV PAUL PRETORIUS SC**: Right. From your own knowledge?

**MR ANGELO AGRIZZI**: Yes.

**ADV PAUL PRETORIUS SC**: Right. Paragraph 22 reads:

20 "Andries van Tonder was instructed to change the main business of the company, to incorporate provision for the company, to utilise the assessed loss by inflating the purchase price of the raw material to other contracts, thereby utilising the company SeaArk as the newly changed Bosasa Supply Chain, which would handle all major purchases for the Group, reselling the goods at a mark-up, thereby effectively reducing the profits of the other entities and averting having to pay tax on the profits."

That is a long sentence. It may not be immediately apparent to people who are not tax experts like myself. But what do you say about the contents? Firstly, are they accurate? And if they are accurate, can you just explain to the Chair what happened?

**MR ANGELO AGRIZZI:** Well I am definitely not a tax expert let alone an accountant.

But basically Chair what was being done was that the – if you changed the structure and the purpose the intent of a business, you are able then to change the name and utilise it for something else. So with that tax loss for instance, what they would do was they would use that tax loss and have a company called Pasanno Supply Chain Management, which was SeaArk trading as Pasanno's Supply Chain Management. Then Bosasa Supply Chain Management would buy from suppliers and on sell those goods at a much higher price than market related to the operational company Bosasa. So the profits would reside in Bosasa Supply Chain Management. Now if the profits

10 reside in Bosasa Supply Chain Management, you will show losses in the other companies. Because now what you have done is you hike the prices up in Bosasa Supply Chain Management and you are making good profits. So you make-up to 50, 60, 70 percent profits now all of a sudden in Bosasa Supply Chain Management, which suits the situation that you have a tax loss in there. So eventually you will use up your tax loss and then you would have to start paying tax. But that is basically the way it was structured, how I understood it at least.

**ADV PAUL PRETORIUS SC:** Thank you. I am not sure that you made clear to the Chair whether you know of this particular set of facts set out in paragraph 22, as opposed to the practice?

20 **MR ANGELO AGRIZZI:** Well I asked Peet Venter on the phone once upon a time when he phoned me about this and I asked him, is it actually fraudulent and he said to me, yes it is and he then said, but we have to create invoices and manufacture fraudulent invoices to win the SARS investigation over. Now you will remember that he was from SARS and there was other people there from SARS as well that assisted in the process. But he would – he knew what to do to make it acceptable to SARS to be able

to grant the assessed tax loss for the future tax years. So that is how I understood it. I must confess I am not a tax specialist and I did not get involved with the nitty-gritty at all.

**ADV PAUL PRETORIUS SC:** So your knowledge of this transaction and its implications emanates from your discussions with Peet Venter?

**MR ANGELO AGRIZZI:** Chair yes with Peet Venter, but also with other colleagues and people. I would always check up on people and ask what the situation was.

**ADV PAUL PRETORIUS SC:** Alright. Let us go then to paragraph 23. Perhaps I pre-empted your evidence. Paragraph 23 reads:

10                    "The value of this created an opportunity to evade tax on an amount of R38 779 546. I was told that documents and processes were fraudulently manufactured in order to win the SARS investigation by satisfying them that SeaArk did trade for tax purposes which allowed the company to carry forward the assessed loss to future tax years."

**MR ANGELO AGRIZZI:** That is correct, I checked out on that.

**ADV PAUL PRETORIUS SC:** You know of that again on the same basis that you know of the facts in the previous paragraph?

**MR ANGELO AGRIZZI:** Correct.

20                    **ADV PAUL PRETORIUS SC:** Paragraph 24 reads:

"SARS stipulated that proof had to be admitted to substantiate the claims and the argument of trade, such proof was then fraudulently drawn up. As a result of the changes made and the submissions made, SARS granted the allowance of the assessed loss."



**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: Again on the same basis as you referred to before.

**MR ANGELO AGRIZZI**: I saw the affidavits that were attached to his – not affidavits, the statements that were made to SARS attached to some of the whistle-blowers' statements.

**ADV PAUL PRETORIUS SC**: So you have seen, in writing, the representations made to SARS.

10 **MR ANGELO AGRIZZI**: Correct they were signed by the company's secretary – I am not sure it was the company's secretary or the Commissioner of Oaths within the company.

**ADV PAUL PRETORIUS SC**: So you have seen independent documentation or documentation which independently verifies the allegations at least in paragraph 24.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: And the documents you have seen, are they consistent with the contents in paragraph 24?

**MR ANGELO AGRIZZI**: Most definitely. It looks like they were drawn up by one of the Charter Accountants.

20 **ADV PAUL PRETORIUS SC**: And then let us go onto paragraph 25. We not got into any detail there, but there is a calculation of the assessed loss and the tax that would have been payable in respect thereof and the fact that there was a right off allowed by SARS, pursuant to their investigation.

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: Would it have been possible for you, given the facts you knew yourself as opposed to the facts you have learned to have told Mr Venter to – Let alone compelled Mr Venter to make the allegations that he did in paragraph 21 to 25.

**MR ANGELO AGRIZZI**: Chair, I was not concerned with the tax matters of the company. My responsibility was to make sure that we have a well run organisation in terms of operations. I had to make sure that there would never ever be a complaint or for the services we offered. That was my job. In terms of the tax matters and that, that was handled by people like Colleen Pasanno, Louis Pasanno and Andries van Tonder, Carlos Bonifacio. I had nothing to do with the tax matters.

**ADV PAUL PRETORIUS SC**: Let us move on then to paragraph 26 and paragraph 27.

Paragraph 26 reads:

10                   “During the period 2015 to 2017 Gavin Watson decided to build  
residential homes for his new married son Roth Watson and his  
daughter Lindsay Watson in Morningside Sandton.”

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: You know of that fact.

**MR ANGELO AGRIZZI**: I do.

**ADV PAUL PRETORIUS SC**: The houses were to be registered on Gavin Watson’s name to the best of my knowledge. Do you know anything about that?

**MR ANGELO AGRIZZI**: That would be standard practice.

**ADV PAUL PRETORIUS SC**: Paragraph 27 reads:

20                   “Gavin Watson instructed Andries van Tonder, the Chief  
Financial Officer of the Group to oversee the payments to  
suppliers via the company financial process and allocate the  
costs thereof to the various property companies such as  
Luipaardsvlei Property, Leading Prospect Trading Lindela,  
*etcetera* where large revamps were underway.”

Let us just stop there. Do you know from your own knowledge whether those

facts are in their detail, true and correct?

**MR ANGELO AGRIZZI**: There are.

**ADV PAUL PRETORIUS SC**: Just remind the Chair. Luipaardsvlei Property - I do not know if you have mentioned that company before? What company is that?

**MR ANGELO AGRIZZI**: It is not a company. It is just the name of a facility. It is old mining hostels that were transformed into businesses at first. It was for a prawn farm and then it was transformed again to a copper plant.

**ADV PAUL PRETORIUS SC**: Luipaardsvlei Property, is that entity or that property owned by any company in the Bosasa Group?

10 **MR ANGELO AGRIZZI**: It is owned by Bosasa Properties (Pty) Ltd. All the properties are in Bosasa Properties (Pty) Ltd.

**ADV PAUL PRETORIUS SC**: And Leading Prospect Trading Lindela *etcetera*, you have already told the Chair that the Lindela Repatriation Centre was managed or administered by the Bosasa Company, Leading Prospect Trading. Correct?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: It is Leading Prospect Trading 111 (Pty) Ltd.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: And is it correct that at the time, large revamps were underway in respect of these properties?

20 **MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: And the affidavit continues to say, these costs were either capitalised or expensed within the existing property companies that held properties within the group of companies. I presume there reference there, it is common sense, it is the Bosasa Group of Companies?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC:** Do you know that that actually occurred, either specifically in this case? If not, generally?

**MR ANGELO AGRIZZI:** Generally it would occur Chair, but you have not seen any books in relation to the capitalisation or deduction in operating expenses in relation to this particular transaction.

**MR ANGELO AGRIZZI:** In terms of this transaction Chair, the only thing I know is that at one stage there was a debate on the over expenditure at Lindela and that is when I personally knew that a lot of these costs had been through the company. That is the first really - That is when I really got involved.

10 **ADV PAUL PRETORIUS SC:** And then it continues to say:

“From order to invoice and payment, the invoices would have had to look authentic. The invoices were made out to the various entities and Peter Reicher was tasked to attend to the paperwork. I am aware that Peter Reicher was instructed to make these fraudulent entries as he mentioned the matter to me during consultation. I am also aware that he has kept records due to the fact that Joe Gumede, a Director, actually enquired to the rising costs at the Lindela Repatriation Centre. Carlos Bonifacio also queried the rising costs. I was later  
20 tasked to retrench Peter Reicher.”

What do you have to say about those allegations that we have just read onto the record?

**MR ANGELO AGRIZZI:** It is true and Peter Reicher had a dustbin with his name on it.

**ADV PAUL PRETORIUS SC:** He was in fact retrenched.

**MR ANGELO AGRIZZI:** Chair, he was dismissed and I believe he is now staying in

Australia.

**ADV PAUL PRETORIUS SC:** Then on the top of page 261, the first part of paragraph 27, the affidavit reads:

“This resulted in the costs being absorbed by the company as cost of sales and therefore having been expensed, reduced the tax liability on the company, allowing Gavin Watson the benefit of not paying for the houses personally, but also allowing for the benefit to be passed onto the children.”

That comment relates to the implications of the transactions we have just  
10 described. Do you have any comment?

**MR ANGELO AGRIZZI:** I cannot really comment on that Chair. I do not understand the transferring of the houses or the costs for the houses and what the impact would be on the tax. I am not too sure. So I cannot – I know about it, but I cannot comment on it. I know about it.

**ADV PAUL PRETORIUS SC:** So you say, you know generally about the facts being attested to here, but your knowledge of tax matters is not sophisticated enough to allow you to construct such a paragraph with its conclusions.

**MR ANGELO AGRIZZI:** No. I could not do that. No.

**ADV PAUL PRETORIUS SC:** And then the paragraph concludes by saying:

20 “Christo Viljoen, an employee of the company is used to oversee the construction.”

**MR ANGELO AGRIZZI:** Now, that is fact. I was aware of that Chair.

**ADV PAUL PRETORIUS SC:** That Christo Viljoen firstly as an employee of Bosasa and he oversaw the construction of those houses.

**MR ANGELO AGRIZZI:** Yes.

**ADV PAUL PRETORIUS SC:** Alright. Paragraph 28 reads:

“Mark Tavenier, brother in law to Gavin Watson, retained Patrick Gillingham on the payroll on BEE Foods on a salary of R65 000 per month and a company car Mercedes GLA 200. The full costs are then added to the invoicing of BEE Foods.”

Do you know anything of those allegations?

**MR ANGELO AGRIZZI:** I am aware of that.

**ADV PAUL PRETORIUS SC:** What in particular in its detail. They are quite serious allegations, potentially in the context of all the facts which we will come to.

10 **MR ANGELO AGRIZZI:** Chair it is true. Over and above the R110 000 per month, Gillingham needed to show some sort of income that was not cash and there was a R65 000 per month and he received a company car, GLA 200. The full costs of that was added to the BEE invoicing as – and just deducted again.

**ADV PAUL PRETORIUS SC:** So you say you know about those facts. They are correct, but just to place those facts in a context in case there is any confusion. You have told the Chair that until 2009 I think, Mr Gillingham was employed by the Department of Correctional Services. Is that correct?

**MR ANGELO AGRIZZI:** Correct.

20 **ADV PAUL PRETORIUS SC:** During the period of his employment with the Department of Correction Services, was Mr Gillingham receiving payments from Bosasa?

**MR ANGELO AGRIZZI:** Yes he was.

**ADV PAUL PRETORIUS SC:** In what amount?

**MR ANGELO AGRIZZI:** While he was in the employ, it was R47 000 per month as far as I remember and when he was not in the employ, he would get R110 000 per month.

**ADV PAUL PRETORIUS SC:** So when Patrick Gillingham left and we may talk about

those circumstances later in your evidence, the Department of Correctional Services and after that date, he continued to be paid monies by the Bosasa. Is that correct?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Let us go on then to paragraph 29. The paragraph reads and for the sake of time I am going to read the whole paragraph:

10                   “During 2015, Gavin Watson, Lindsay Watson and Roth Watson, instructed me to assist them with the restructuring of the Watson Family entities in order to gain financially from the Bosasa companies. They had identified the software license agreements, also known as the Trustmaster Fleet and Trustmaster Youth Centres to be sold to a newly formed entity called Lamozeest (Pty) Ltd. Agreements were prepared and the intellectual property (IP) was sold via a Phezulu Fencing to Lamozeest (Pty).

I am reading it as it appears.

20                   "Lamozeest invoices Bosasa Youth Development Centres from August 2015 on average between R348 000 and R371 000 per month and Lamozeest started off by invoicing Kgwerano Financial Services from August 2015 and amount of R437 000 per month. This amount came down as the number of vehicles on the contract came down. I do not think the Directors or the Shareholders of the Bosasa Group are aware of the profits which are effectively extracted from the Bosasa entities and only the Watson family is gaining from this.”

Before I ask you to comment on the contents of this paragraph Mr Agrizzi,

Kgwerano Financial Services is the same company you have mentioned earlier in our evidence. Is that correct?

**MR ANGELO AGRIZZI**: That is right. It is a fleet management company.

**ADV PAUL PRETORIUS SC**: What do you say, what are you able to say to the Chair about firstly the correctness of the allegations here and secondly any explanation of the scheme underlying these facts or allegations?

**MR ANGELO AGRIZZI**: Chair, I cannot make allegations here. At the end of the day, it was Watson's money alone and he could do with it what he wanted I suppose, but these are the transactions that happened. I have seen them. I have verified them. I  
10 checked up myself before I even looked at this statement in its entirety.

**ADV PAUL PRETORIUS SC**: So you know these facts to be true. Do you know how the scheme worked or how the benefit was derived, apart from what is contained here, because I am not sure I understand?

**MR ANGELO AGRIZZI**: What happened was, you had agreements between Anewco for Lamocest which was an arms-length company. It was not owned by any of the Bosasa companies and what would happen is, that company would have agreements for software development with the various other entities within the Bosasa Group and what that does is, there is no costs involved there for Lamocest. It just strips all the profits out of all the other entities. So even if you had *boni fide* shareholders, they  
20 would never see the dividends because all the profits would be stripped off by Lamocest through agreements for software and provision of software and that type of thing, so it was all a bit of – Part a bit of fronting. At the end of the day, the Shareholders in any other group would not have gotten money anyway, because it was all being moved out into Lamocest.

**ADV PAUL PRETORIUS SC**: Thank you. Let us then move to paragraph 30 on page



261. It reads the:

“Watson family also wanted me to assist them to move a company called Phezulu Fencing (Pty) Ltd away from the Shareholders who were Bopa and Phafoga into the Watson family structure. We managed to achieve that and by doing that they got their hands on a R63 000 000 loan account which Bosasa operations owe to Phezulu Fencing. The loan carries an interest which means that the loan account just increase on an annual basis. As far as I know, the Directors nor the  
10 Shareholders of the Bosasa Group are aware of the financial gain which the Watson family is getting from this transaction.”

Firstly then the facts that are set out here, do you know whether they are correct or not?

**MR ANGELO AGRIZZI**: They are correct.

**ADV PAUL PRETORIUS SC**: And do you know that from your personal knowledge?

**MR ANGELO AGRIZZI**: I checked up on it and it is correct?

**ADV PAUL PRETORIUS SC**: And you will give evidence at another stage of those two trusts.

**MR ANGELO AGRIZZI**: *Ja*.

20 **ADV PAUL PRETORIUS SC**: The second part of paragraph 30 on page 262 reads:

“Secondly Phezulu Fencing was involved in a transaction with a company called Dealstream. 3 payments of approximately R10 000 000, R10 000 000 and R17 000 000 have been paid from Dealstream to Phezulu Fencing (Pty) Ltd. Gavin Watson did not want to pay tax on these receipts because the company

found themselves under cash flow pressure at the time. He insisted that we hide the receipts under contingent liability in the balance sheet instead of income, avoiding paying tax of R10.3 million.”

The facts alluded to in that section of paragraph 30 that I have just read to, do you know of them? Are they correct?

**MR ANGELO AGRIZZI**: The facts are correct, but I cannot really comment on the – I am not geared to understand these type of balance sheet transactions.

**ADV PAUL PRETORIUS SC**: Let us just take a step back at this stage because it  
10 seems to me that your personal knowledge is insufficient to construct allegations like this, relating to tax. Am I correct?

**MR ANGELO AGRIZZI**: You are hundred percent correct.

**ADV PAUL PRETORIUS SC**: Although this affidavit was sent to you in January 2018, it was drafted during November 2017.

**MR ANGELO AGRIZZI**: That is correct.

**ADV PAUL PRETORIUS SC**: The allegation might be that you did not compel Venter to attest to this affidavit in December 2017 but you were involved in the drafting of the statement at that stage during November and you forced him to say what he says here. What do you say to that?

20 **MR ANGELO AGRIZZI**: Then why would he have signed it Chair. Why would he have signed it if I had forced him to write it.

**ADV PAUL PRETORIUS SC**: I presume we can infer that you did not.

**MR ANGELO AGRIZZI**: I most definitely did not.

**ADV PAUL PRETORIUS SC**: Let us then go to paragraph 31 ...[intervenes].

**CHAIRPERSON**: I am not sure Mr Pretorius whether that deals adequately with the

purpose of your question.

**ADV PAUL PRETORIUS SC:** Alright. Let us – perhaps I am in the interest of time trying to bundle too much into a question. I apologise. I will take my time.

**CHAIRPERSON:** Okay. Maybe I should just allow you to ...[intervenes].

**ADV PAUL PRETORIUS SC:** Insofar as I ...[intervenes]

**CHAIRPERSON:** I thought that you were giving Mr Agrizzi the opportunity to say why it is improbable maybe why he would – why it would be wrong to say he had compelled Mr Venter and I thought maybe the answer that he gave might not really cover everything.

10 **ADV PAUL PRETORIUS SC:** Yes

**CHAIRPERSON:** Maybe just repeat the question and I listen his answer again carefully and then maybe I can articulate myself better as well.

**ADV PAUL PRETORIUS SC:** Yes. My apologies Chair. 16:00 will not come any sooner even if I try to hurry matters up in evidence. Let us take it step by step. We do not know Mr Agrizzi precisely what Mr Venter and others might say about why this affidavit was ultimately attested to in December.

**MR ANGELO AGRIZZI:** I will not know what they would say.

**ADV PAUL PRETORIUS SC:** We have some information from the investigators that it would be said that you compelled Mr Venter to attest to this affidavit.

20 **MR ANGELO AGRIZZI:** I can believe that.

**ADV PAUL PRETORIUS SC:** You have said in relation to that allegation, well of course you could not have because he was in the Cape and you were in Dainfern at the time the affidavit was attested to.

**MR ANGELO AGRIZZI:** That is right Chair.

**ADV PAUL PRETORIUS SC:** But the allegation against you may be something

different. It may be that the allegation that you forced Mr Venter to write up these facts and to ultimately attest to them on affidavit did not occur in December, but occurred earlier in November when the statement which formed the basis of this affidavit was drafted, because you have said that you saw a statement in this form early in December. Correct?

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: So I am saying to you that if it was or is in future put to you, well Mr Agrizzi we are not talking about December when you might have been in Dainfern and Mr Venter was in the Cape, we are talking about November and it is in  
10 November that you forced him to put these facts on paper. What do you say to that? I know that there is a logical answer which you have alluded to, but what do you say to that?

**MR ANGELO AGRIZZI**: Well we have gotten into a four chair, I believe sir.

1. Is Mr Venter wrote his own statement in a facility that I allowed him to use. He wrote on his own computer and there are 5/6, maybe even 7 people that can attest to it that he sat on his own and did it by himself. Nobody assisted him at all.
2. The second thing I would like to raise is, it is amazing how Mr Venter first  
20 wanted to whistle-blow and then did not want to whistle-blow and then came back and asked to whistle-blow and that is when we said to him, look if you want to whistle-blow then you need to put skin on the table and you need to sign your affidavit and we will help you. I will help you as far as I can to support you with legal costs and all that type of thing where we can, so that we can clear this thing up and he made use of that opportunity and then in January he turns again. It just does not make sense to me.

Does that answer the question Mr Chair.

**ADV PAUL PRETORIUS SC:** Yes. Thank you.

**CHAIRPERSON:** As far as you know to the extent that it may be alleged that you compelled him, do you know what it is that you have feared would happen to him from you if he did not comply?

**MR ANGELO AGRIZZI:** Chair I have – I cannot even answer that because I do not know what he realises. I mean ...[intervenes]

**CHAIRPERSON:** You are not aware of anything that he might have feared from you.

**MR ANGELO AGRIZZI:** He might have been scared of the dog in my house would bite  
10 him maybe, but definitely not – there was nothing that I could use and by the way the dog is aground, so she does not have many teeth left either, but what I am saying is Mr Chair is that there is no ways I could have forced him into doing anything. He did not even work with me or for me. He came to us and he said look, he cannot continue like this anymore, but he quickly changed his tune when he was offered a couple a hundred thousand rand because he came to me and he asked me the first time round, he says, can you afford to pay me R300 000 a month and I said I do not even do that myself. So, one needs to look at his motives.

**ADV PAUL PRETORIUS SC:** And that then gives rise to the second question alluded to by the Chair now. You have told the Chair that the purpose of annexing this affidavit  
20 to your disclosures is to show amongst other things, tax fraud.

**MR ANGELO AGRIZZI:** That is correct.

**ADV PAUL PRETORIUS SC:** Your knowledge of tax, we are learning and have learned is not the most detailed or sophisticate.

**MR ANGELO AGRIZZI:** Very shaky Chair.

**ADV PAUL PRETORIUS SC:** Right. Is it possible for you to have either compelled Mr

Venter to put the allegations that he did put in this affidavit into the affidavit or to draft these allegations on his behalf – You know with him to make them up.

**MR ANGELO AGRIZZI**: Honourable Chair, for me to make them up, would be ludicrous. I would not know where to start.

**CHAIRPERSON**: Is my recollection correct that this is the same person who had approached you earlier on and indicated that he wanted to join the group that was going to blow the whistle and did write a statement but change his mind at some stage or was there somebody else.

**MR ANGELO AGRIZZI**: This is the same person Chair.

10 **CHAIRPERSON**: And did you say that – did you deal with where that statement was maybe – maybe I should say incomplete statement, was that taken away by him or is it under the control of somebody that you know?

**MR ANGELO AGRIZZI**: Chair, as far as I know, he had the statement with him and he – Even if I look at the date that he apparently signed it on where it is dated in typo 19 July. Even if I try to do the statement, how on earth, would I have predicted he would have signed off on 18 July, 18<sup>th</sup> of – I cannot remember ...[intervenes]

**ADV PAUL PRETORIUS SC**: December.

**MR ANGELO AGRIZZI**: 18 December, where he signed – where he puts there 19 December. I mean, I would not have known these things. I would not have known  
20 where he is on holiday. I would not have known which police station to meet him at. You can look at my travel records. I was nowhere near Mossel Bay or George.

**CHAIRPERSON**: Well I am talking about the one that was not completed.

**MR ANGELO AGRIZZI**: Oh.

**CHAIRPERSON**: That is the one I am talking about. You say you do not know where that one is.

**MR ANGELO AGRIZZI**: No,

**CHAIRPERSON**: That one. Did you ever have a chance to read it before he stopped with writing it?

**MR ANGELO AGRIZZI**: The one ...[intervenes]

**CHAIRPERSON**: The one that we do not have here.

**MR ANGELO AGRIZZI**: Okay. That one belongs to Carlos Bonifacio. I did read it. I did go through some of it and it is ...[intervenes]

**CHAIRPERSON**: Well the question I want to ask you if you did read it is whether there is any features of this one which are the same as that one, if you are able to remember.

10 **MR ANGELO AGRIZZI**: Yes there is collaboration between the two.

**CHAIRPERSON**: And as far as you know, has he ever alleged that you compelled him to write that incomplete one?

**MR ANGELO AGRIZZI**: Nope. I have not had any allegations like that Chair.

**CHAIRPERSON**: Okay. Thank you.

**ADV PAUL PRETORIUS SC**: Right. If we may move on then Mr Agrizzi on page 262 to paragraph 31. It reads:

20 "During January and February 2016, Gavin Watson and his daughter Lindsay Watson approached me to review the top shareholding structure of the Bosasa Group. I had to involve top professionals to assist us with this task. I approached Antonie van Wyk, consultant to TRM Daniel Erasmus Tax Corporate Practitioners and 22 of the Shareholders agreement Annexure \_ Clause 16 of the Shareholders Agreement refers to a call option and extract of Clause 16."

And then in the next two pages, the call option extract is included in the

document.

**MR ANGELO AGRIZZI**: If I can respond to you Chair that on paragraph 31, I am aware of it because I have read, but I do not understand the intention behind, but what I fail to understand is that why, if you reviewing Shareholders structures, you would normally involve all the Shareholders. Why only three were involved – two were involved.

**ADV PAUL PRETORIUS SC**: Alright. So apart from your question as to the logic of the allegations here or what happened here, you do not know of these transactions?

**MR ANGELO AGRIZZI**: Not at all.

10 **ADV PAUL PRETORIUS SC**: Alright. Did you have the extract quoted here on this page and the following page in your possession at any time?

**MR ANGELO AGRIZZI**: Chair, I did have this in my possession at one time, because this was part of the agreement that was drawn up and they wanted to front. I had this in my possession – sorry.

**ADV PAUL PRETORIUS SC**: Did you give this extract that you had to Mr Venter for the purposes of compiling this affidavit?

**MR ANGELO AGRIZZI**: Most definitely not.

**ADV PAUL PRETORIUS SC**: Let us go to paragraph 33 then. Well, let us first deal with paragraph 32:

20                    “It is important to me to reveal the truth and allow a new start,  
as I have not unduly benefitted from the corruption and  
dishonesty created by Gavin Watson.”

Insofar as you do have personal knowledge, do you know whether Mr Venter benefited or not from the practices within the Bosasa Group of Companies that were corrupt and dishonest?

**MR ANGELO AGRIZZI**: Well he is still keeping it under wraps, so he is benefitting.



**ADV PAUL PRETORIUS SC:** Now, one significant difference. It appears – and please correct me if I am wrong. Between the approach and this affidavit and your approach and perhaps of the other whistle blowers, we will learn in due course, is that, I take that you admit that you benefitted from the corruption and dishonesty created by Gavin Watson?

**MR ANGELO AGRIZZI:** Well, yes. Even if it was a holiday somewhere, one benefitted from it. You did.

**ADV PAUL PRETORIUS SC:** Yes and you have actually set that out in your affidavit.

**MR ANGELO AGRIZZI:** I think one must be blunt about it. If you benefit, you benefit.

10 **ADV PAUL PRETORIUS SC:** Right, but the difference in approach and a factor that is different from your approach and that of Mr Venter's. Mr Venter said he did not benefit. So again that goes to whether you would have compelled Venter to say what he said in paragraph 32. I know you said generally you did not.

**MR ANGELO AGRIZZI:** Not at all.

**ADV PAUL PRETORIUS SC:** Then let us go to paragraph 33. An important note, says:

20 "Mr Venter is that on a previous occasion, the service at Bosasa crashed, resulting in a massive data loss pursuant to years dealing with Mr Gavin Watson, I learned that he had arranged that they previously ensured the crash so that the SIU could not gather information. Mr Andries Tonder and Mr Angelo Agrizzi were aware of this."

Let us stop there. What do you know about those allegations?

**CHAIRPERSON:** That is Andries van Tonder? You said Andries Tonder.

**ADV PAUL PRETORIUS SC:** Andries van Tonder.

**CHAIRPERSON:** Ja, it is van Tonder. You said Andries Tonder.

**ADV PAUL PRETORIUS SC:** Did I. Swallowed the 'van'. I am sorry. What do you know about those facts?

**MR ANGELO AGRIZZI:** That is a fact. That is what happened. It was before the SIU wanted to come and get information and there was a suspicious data crash.

**ADV PAUL PRETORIUS SC:** Alright. It is an important allegation and we will deal with it again when we deal with the SIU report, because there appears to be corroborating information, but for the moment, when the 'crash' occur.

**MR ANGELO AGRIZZI:** Chief ...[intervenes]

**ADV PAUL PRETORIUS SC:** Related to the SIU investigation.

10 **MR ANGELO AGRIZZI:** Well in relation to the SIU investigation, it would have then been 2008/2009 maybe 2007. I need to – probably it was around the 2009 period, if I remember correctly.

**ADV PAUL PRETORIUS SC:** We will learn more when we deal with later evidence.

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** But in your own words, would you tell the Chair please what occurred in relation to the crash.

**MR ANGELO AGRIZZI:** Well basically Chair, what we did was, we tendered our assistance to the SIU. We then called for a meeting with SIU which was conducted in Maisels' Chambers on the 7<sup>th</sup> floor. It was just opposite Advocate Laurence Hode's  
20 offices who was handling the matter and basically there they gave us a list of items that they want to mirror on the server and luckily the list was not that great, so we could say to them, it was not problem, they could come in the following couple days to mirror the images.

**ADV PAUL PRETORIUS SC:** These are dot images on computers.

**MR ANGELO AGRIZZI:** Correct. It would be an orchestrated – a month or two months

before, was a full data crash of the server thinking that the SIU would not pick up anything. I think the SIU was a bit brighter than our IT guys and although they crashed the system, they were able to get information off the system.

**ADV PAUL PRETORIUS SC:** Alright. What was the purpose of the crash? It may seem obvious, but perhaps you should place it on record.

**MR ANGELO AGRIZZI:** The purpose of the crash would be to get rid of any potentially harmful or hazardous information that was on the system that we might not have picked up. That was the reason.

**ADV PAUL PRETORIUS SC:** And again it may seem fairly obvious to those in the  
10 know, what actually is a crash and how does it work or how does it not work?

**MR ANGELO AGRIZZI:** Now you asking once more Chair, I am not a computer expert. All I know is a crash and then we have a computer expert next to us, but a crash is when the system does not work anymore and you stuck.

**ADV PAUL PRETORIUS SC:** And what happens to the data on the system in a crash.

**MR ANGELO AGRIZZI:** Well it is erased, but is not actually erased I believe, because it is kept in some folders, hidden away somewhere and there are means to recover it.

**ADV PAUL PRETORIUS SC:** So subject to recovery means a crash is designed to destroy electronically stored information or digitally stored information.

**MR ANGELO AGRIZZI:** Correct.

20 **ADV PAUL PRETORIUS SC:** The affidavit continues to read in paragraph 33:

“Concerning is during October, I had a meeting with Mr Gavin Watson in the office adjourning Mr Andries van Tonder’s. Mr Watson then called Ms Elize Eland to schedule another computer crash. This was discussed in my presence that he then mentioned that a further circular had to go out notifying

the employees that they were supposedly experiencing server issues, so that they would be aware that there was” – And I read what I see – “issues. This would ensure that the staff would be under the impression that the failure or crash could not be avoided. That way no one would be suspicious and they could get rid of potentially hazardous data files that could incriminate the company and its directors.”

Firstly in regard to that information, it appears to tell of a second crash. Do you know of that?

10 **MR ANGELO AGRIZZI**: I know of what is being put before me by Peet Venter in this affidavit when he did deliver it to me. My understanding is that the second crash is planned in November 2017 when they heard that people were going to whistle blow. That is my understanding.

**ADV PAUL PRETORIUS SC**: Do you know whether it had occurred?

**MR ANGELO AGRIZZI**: I really would not know. I am sorry.

**ADV PAUL PRETORIUS SC**: Do you know of any circular sent out to employees of Bosasa at around the time you are referring to. November 2017?

**MR ANGELO AGRIZZI**: Yes. I was aware of it. Somebody had taken a screen shot. One of the potential whistle-blowers had taken a screen shot of the computer screen  
20 where this memo came up on because they were too scared to send it on normal email or anything like that, so I was aware of that

**ADV PAUL PRETORIUS SC**: So insofar as that is corroborating evidence, it is available.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: Screenshot of crash.

**MR ANGELO AGRIZZI:** I think the screenshot might actually annexed here somewhere.

**CHAIRPERSON:** Well if you – if it might be easy to find, you can have a look, but if it will not be easy, finding it might be homework for Monday. Just depends if it can be found quickly

**ADV PAUL PRETORIUS SC:** Yes, but you will mark on Monday.

**CHAIRPERSON:** *Ja*, okay.

**ADV PAUL PRETORIUS SC:** So can we go on and what is described in these words that we have just read onto the record is the purpose of the crash or alleged crash that  
10 one could get rid of potentially hazardous data files that could incriminate the company and its directors. Is that consistent with your understanding of at least the first computer crash?

**MR ANGELO AGRIZZI:** Correct.

**ADV PAUL PRETORIUS SC:** Let us move on then to paragraph 34 on page 264. It reads:

“It reads on 13 November 2017 after Carlos Bonifacio had  
been confronted by Gavin Watson, Gavin Watson contacted  
me and insisted to see me. I agreed to this and he came to  
see me at my office on this Friday afternoon. He wanted to  
20 meet at his office, but I said no. Carlos told Gavin Watson  
about my affidavit as well as the affidavits of Andries van  
Tonder, Frans Vorster and Leon van Tonder. Carlos also  
informed Gavin about the meeting we had at Angelo Agrizzi’s  
home the previous evening.”

Do you know anything about these facts and we will relate your recollection

of facts to that date in a moment.

**MR ANGELO AGRIZZI**: Chair, are we talking about the meeting at my house or [Intervenes].

**ADV PAUL PRETORIUS SC**: Well let us take it step by step.

**MR ANGELO AGRIZZI**: Yes, because I cannot comment on the meeting with Watson and the office [Intervenes].

**CHAIRPERSON**: Yes, yes.

**MR ANGELO AGRIZZI**: I do not know about that. [Intervenes].

**CHAIRPERSON**: I think Mr Pretorius will just break it down for you.

10 **ADV PAUL PRETORIUS SC**: Yes, I will. Let us first start. Do you know – well, let us start one step back. By 13 November 2017, had the draft statement that you have attested to prepared by Mr Venter indeed been prepared.

**MR ANGELO AGRIZZI**: I believe they were.

**ADV PAUL PRETORIUS SC**: So by 13 November, Peet Venter has his draft statement.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: He then talks about a meeting that he had with amongst others Gavin Watson. Do you know anything about that meeting?

**MR ANGELO AGRIZZI**: I believe that there was a meeting where Gavin tried to convince him and got him to swear on the Bible that he had not signed the statement.

20 **ADV PAUL PRETORIUS SC**: Tried to convince of what?

**MR ANGELO AGRIZZI**: Not to sign the statement. Not to turn whistle-blower.

**ADV PAUL PRETORIUS SC**: Okay, so from your knowledge, however derived, you say that by 13 November Venter has prepared a statement, not yet signed.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: There then is a meeting and at the hands of Gavin

Watson, attempt is made to persuade him not to sign the statement.

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: But you did not attend that meeting yourself. You are basing your response on what you were subsequently told. Is that right?

**MR ANGELO AGRIZZI**: That is right. I am basing it only on what was told to me.

**ADV PAUL PRETORIUS SC**: Then the last sentence of that paragraph, reads:

“Carlos also informed Gavin about the meeting we had at  
Angelo Agrizzi’s home the previous evening.”

Now I know the dates might be hard to remember, but do you recall such a  
10 meeting at your home on 12 November 2017?

**MR ANGELO AGRIZZI**: I recall the meeting vividly.

**ADV PAUL PRETORIUS SC**: Right, so in fact it is correct that there was such a meeting at your home on 12 November 2017. You recall it. What happened at that meeting?

**MR ANGELO AGRIZZI**: Well at that meeting we basically just discussed the way forward in terms of contacting - At that stage we wanted to contact Billy Hofmeyr. We wanted to contact the Hawks, SARS and that was basically what we discussed at that meeting, apart from you know, discussing as well the issues with regards to where the stumbling blocks would be and what avenues to use to go for the corruption matter and  
20 to clear that up and to clear up every bodies names.

**CHAIRPERSON**: Were the other members of the group to which you referred as whistle-blowers, were all of the members of the group, people who were previously worked for Bosasa but were no longer working for Bosasa or were there some people who were still within Bosasa?

**MR ANGELO AGRIZZI**: Chair at that stage, it was only people that were with Bosasa

and the majority of them were whistle-blowers. I think there was maybe two or three people including myself that we not part of Bosasa.

**CHAIRPERSON**: Okay. Okay, no I am not sure if I understand that. Are you saying that most of them were still within Bosasa.

**MR ANGELO AGRIZZI**: Correct.

**CHAIRPERSON**: Oh okay.

**ADV PAUL PRETORIUS SC**: Right, once again Mr Agrizzi, we do not know what anyone else will allege about this affidavit and its contents, but I have just glanced over the contents of paragraph 34 on this page and the following page. Nowhere is it said,  
10 here in this paragraph 34 that Mr Venter told Mr Gavin, yes I have signed an affidavit or I have not signed an affidavit. I have prepared a statement and I was forced to do so, compelled to do so against my will by Mr Agrizzi. It is not said here and you know that.

**MR ANGELO AGRIZZI**: No, definitely not.

**ADV PAUL PRETORIUS SC**: Right, but what is interesting at this stage you say from your knowledge, the statement had already been prepared.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: All that remained according to your evidence is that that statement had to be attested to.

**MR ANGELO AGRIZZI**: Correct Chair.

20 **ADV PAUL PRETORIUS SC**: So at the stage the evidence had been prepared, there appears to be no allegation when might have expected it here that you had compelled its drafting and preparation.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: And you have already testified that the statement was discussed in December, by early December, but you had no contact with Mr Venter in



relation to its actual attestation on 18 or 19 December 2017. 2017 is it?

**MR ANGELO AGRIZZI**: Yes. That is correct?

**ADV PAUL PRETORIUS SC**: Alright. Let us go on then. It reads at the bottom of page 264:

“Gavin wanted to know whether I have signed my affidavit. He was very relieved when I told him that I have not signed the document.”

Was that fact ever related to you by Mr Venter?

**MR ANGELO AGRIZZI**: Yes.

10 **ADV PAUL PRETORIUS SC**: It goes on, on the next page:

“He asked me whether I am prepared to put my hand on the Bible that I have not signed the affidavit. I told him that I have not signed the document and that I am prepared to put my hand on the Bible.”

It seems from your evidence that that too was related to you by Mr Venter.

**MR ANGELO AGRIZZI**: Correct.

**ADV PAUL PRETORIUS SC**: It goes on, on page 265, paragraph 34 to read:

“We had a two hour meeting. During this meeting I have explained to him that the evidence against him will destroy him.

20 He asked me to believe in him and he assured me that he will get through all of this. He kept on saying the Angelo Agrizzi and Andries van Tonder signed off all the documents in the company and they are also implicated.”

Was that told you by Mr Venter?

**MR ANGELO AGRIZZI**: That was told to me by Mr Venter.

**ADV PAUL PRETORIUS SC:** Was it told to you by Mr Venter that Mr Watson's attitude was that in addition to himself, Agrizzi and van Tonder were implicated?

**MR ANGELO AGRIZZI:** It was a threat. It was always used.

**ADV PAUL PRETORIUS SC:** Right and by an addition to himself, I mean in addition to him, Gavin Watson.

**MR ANGELO AGRIZZI:** That is correct Chair.

**ADV PAUL PRETORIUS SC:** The next paragraph reads:

10 Over the past few weeks, he kept on saying that he is not going to deny the fact that there were cash transactions in the business. As a matter of fact, he is going to acknowledge this and testify that Angelo Agrizzi and Andries van Tonder were the creators of the systems and procedures involving these transactions. He knew about this and if the three of them must go to jail, then so be it."

Did Mr Venter tell you that this occurred at that particular meeting?

**MR ANGELO AGRIZZI:** That is correct.

20 **ADV PAUL PRETORIUS SC:** Alright and it appears that what Mr Watson was saying according to Mr Venter at least was that you, Angelo Agrizzi and Andries van Tonder were the creators of the systems and the procedures involving these transactions. Is that correct?

**MR ANGELO AGRIZZI:** That is correct. That is how it looks.

**ADV PAUL PRETORIUS SC:** Did you create the systems and the procedures?

**MR ANGELO AGRIZZI:** I did not create the systems and procedures to corrupt people and bribe people.

**ADV PAUL PRETORIUS SC:** Would you speak up a little please. I know it is late on a

Friday.

**MR ANGELO AGRIZZI**: I think you need to repeat your question Chair if you could please ...[intervenes]

**CHAIRPERSON**: Maybe before he does, are you feeling exhausted now?

**MR ANGELO AGRIZZI**: I am tired Chair and the air-conditioning does not seem to be working in the venue.

**CHAIRPERSON**: Yes. Well I did not feel that the air-conditioner is not working.

**MR ANGELO AGRIZZI**: It is hot enough in this heat.

**CHAIRPERSON**: But that will be looked into, but you are tired.

10 **MR ANGELO AGRIZZI**: I am exhausted.

**CHAIRPERSON**: You would prefer that we adjourn.

**MR ANGELO AGRIZZI**: As it please Mr Chair.

**CHAIRPERSON**: Well anyway, we are seven minutes before we adjourn. Maybe we should adjourn or do you want to – is there one question you wanted to complete?

**ADV PAUL PRETORIUS SC**: Far be it for me to persuade you to continue Chair.

**CHAIRPERSON**: No, I am quite happy to continue, but I think it has been a long day for the witness ...[intervenes]

**ADV PAUL PRETORIUS SC**: It has been a long few weeks.

**CHAIRPERSON**: *Ja* and if he is tired, we should allow him to - we should stop.

20 **MR ANGELO AGRIZZI**: I appreciate that Chair. We can start early tomorrow morning. If that pleases you.

**CHAIRPERSON**: Yes. Yes. No. Thank you. We are going to adjourn and we will resume on Monday at 10:00. I take it you are still available Mr Agrizzi.

**MR ANGELO AGRIZZI**: I put in a request Chair to Advocate ...[intervenes]

**CHAIRPERSON**: To the legal team.

**MR ANGELO AGRIZZI**: To – if we could start a little bit later, because I do have an urgent appointment to attend to, but I do not want to disrupt the Commission. I will postpone my appointment if I have to.

**CHAIRPERSON**: Okay, shall we say that we will adjourn until 10:00 but Mr Pretorius will let me know about your request and if we are going to start later than 10. We will try and make sure that as early as possible on Monday we announce the later time for starting. So talk to Mr Pretorius. He will let me know about the request and I will evaluate it and then you will be informed of whether we start at 10:00 or later and if later, what time.

10 **MR ANGELO AGRIZZI**: I appreciate your consideration.

**CHAIRPERSON**: Yes. Thank you.

**ADV PAUL PRETORIUS SC**: Thank you Chair.

**CHAIRPERSON**: We therefore adjourn until 10:00 on Monday unless notice is given for another time for starting on Monday. We adjourn.

**REGISTRAR**: All rise.

**COMMISSION ADJOURNED UNTIL 21 JANUARY 2018**