

## HOPE FOR 2024 AND BEYOND

**1. Sound basis for AMAGP in 2023.** Despite adversity experienced in 2023, AMAGP was able to lodge a PA IA request towards GEPF and the PIC, including the GPAA. The conditions for such a request were painfully prepared.

**2. Protocols instituted by GEPF for Complaints.** Unfortunately, neither the Fraud Hotline nor the Pension Ombud could appropriately address serious complaints from AMAGP during 2023. There appeared to have been obstacles in the way of resolving issues of concern!

**3. My secure / safe Pension.** This project had been formulated concurrently with the PAIA request in 2023, and in so doing aims to muster more members willing to voluntarily donate funds mainly for litigation purposes.

**4. The Strini group.** A group of senior retired former police officers is in the process to develop a dedicated mustering project to acquire many more retired and serving members of SAPS to join AMAGP.

### **5. Bad Improprieties have Persisted.**

**5.1** Despite the Zondo Commission on State Capture and Mpati Judicial Commission on Improprieties at the PIC, the trends of state capture have continued and (in some cases) even intensified.

**5.2** GEPF is abrogating its own "Policy on Conflict of Interests when supporting the new idea of implementing a Government policy of "Transformation" at GEPF. Already, since 1996 a policy of Isibaya unlisted investments had been instituted at the GEPF with objectives of transformation.

**5.3** We are aware by now that up to 43% of Isibaya investments ended up as complete losses for GEPF. GEPF law and rules have determined that all investments "must serve the best interests of its members". The Mpati COI had no good words for "Empowerment Projects" due to misconduct and failures at projects like the "Daybreak" Chicken Farm and Survè transactions inter alia.

**6 Transformation driven by Toxic Projects like Palmietfontein for Umkhonto we Sizwe Veterans.** This project was a predetermined scheme highly articulated to enrich some cadres with our funds. Although we covered the AMAGP investigation in a letter delivered to GEPF dated 7 July 2020 (attached hereby), more factual information appeared later with a retired UWZ Lieutenant-Colonel who sued the PIC for R100M as a "facilitator" to the Palmietfontein project. The latter in so doing, bribed senior managers at the PIC to get his facilitation fee. Mr. Haku, the COO, was suspended in July 2022 through a PIC Board decision. Criminal charges on corrupt actions against Haku have not been done yet.

### **7. Collaboration with PAIA Applications.**

**7.1** In relation to Para 1 supra, AMAGP is in the process to acquire a strategic partner for collaborating in the PAIA applications. Such a partnership could reduce the costs of a lengthy procedure by approximately 50%.

**7.2** Due to the complexity of such a procedure, the project may possibly be extended up to 2030.

**7.3** Considering worst case estimates of expenditure, AMAGP has already "ring-fenced" approximately 20% of costs envisaged.

### **8. Conclusion**

**8.1** With the Governing party supporting the wrong international friends and severely damaging our National Interests, the democratic process to create a new order and hope in South Africa, we can only go from strength to strength forthwith.

**8.2** New collaborations for AMAGP can launch us into a MOONSHOT to secure the sustainability of our pension fund irrevocably.

Albert van Driel

**AMAGP: CHAIRPERSON**

**Annexures:**

1. AMAGP analysis of Palmietfontein project.
2. Summary of Suspension

From: **Albert van Driel** <[drielaav@gmail.com](mailto:drielaav@gmail.com)>

Date: Tue, Jul 7, 2020 at 2:30 PM

Subject: Procurement of Barren Land at Klerksdorp(Matlosana) at Exorbitant high Costs for Dubious Purposes.

To: Frans Le Roux <[Frans.LeRoux@gepf.co.za](mailto:Frans.LeRoux@gepf.co.za)>

Cc: Wouter Wessels <[wouter@vfplus.org.za](mailto:wouter@vfplus.org.za)>, Anton Alberts <[anton.alberts@vfplus.org.za](mailto:anton.alberts@vfplus.org.za)>, Geordin Hill-Lewis Da <[geordinh@gmail.com](mailto:geordinh@gmail.com)>

Good day dr le Roux,

#### RESUME

1. At the Feb. 2020 Standing Committee on Finance (Parliament), MP's asked questions about the GEPF procurement of barren land at Matlosana, as it had appeared in the Jan. 2020 edition in "Landbou-weekblad".

2. A total of R586.5 m was paid for Palmietfontein (403), size 547 ha; as well as for IP 564, size 481 ha (latter also known as Isago Farm). The total land area of 1028 ha was purchased from Iago N12 Developments with dates of Registration, having been on 7 Nov 2018(403), and 21 Jun 2019 (IP 564), respectively.

3. The land in question was originally purchased by Isago @ N12 Developments from Klerksdorp Municipality in 2007 at a total price of R18,75 M. According to available Municipal Valuations, the two properties (Palmietfontein and Farm Isago) were valued at a combined value of R25.52 M at 2018/19 FY.

4. The GEPF transaction was apparently triggered by the difficulties encountered by the Municipal Councillors Pension Fund (MCPF), which had been placed under Curatorship by the Registrar of Pension Funds during the latter half of 2018. A court order was sought to liquidate Isago @ N12 Developments, having owed MCPF circa R120M for sites purchased at Matlosana (non-delivery of Deeds). Please see para 5 infra for more detail relating to the intended Court case by the MCPF Curators.

#### A BRIEF HISTORY.

5. High Court Case No 21968/18 in the Western Cape gave the SA National Military Veterans Association Trust (SANMVAT) the opportunity, to be heard as an Intervening party in the Case between MCPF and Isago @N12 Developments, at Case No 10175/18. This case was subsequently postponed to 9 may 2019.

6. Meanwhile the PIC (on behalf of GEPF), and Isago@N12 Development Proprietary Ltd, were heard on 13 Dec 2018 (Case No LM184Sept180 at the Competition Tribunal iro Procurement of Palmietfontein (403), and IP 564 (Farm Isago), Northwest Province. The application was approved with an order on 13 Dec 2018. PIC had been identified as the "Primary Acquiring Firm", and Isago@N12 Development as "Primary Target Firm". Reasons for approval of the application were issued on 10 Jan 2019 by the Tribunal. Isago motivated that it would develop the land for office, industrial, housing and health care in favour of the South African Military Veterans Association (MVA).

7. It would appear that the late Oliver Tambo's daughter (a former Ambassador to Italy), and PEP official, did influence the approval of the GEPF procurement (vide par 6 supra), at both the PIC and at GEPF. If it is true then following laws were trespassed:

- Govt Procurement Regulations.
- GEPF Pension Law and Rules.
- Act 13/2006, Law on Older Persons (Section 30)

8. Unconfirmed reports also indicate that the Crouse-family have relocated to Australia (Isago Property Holdings Pty Ltd); to make matters worse, Dr Martin Khunou (Moedi Boselo Investors), the developer is nowhere to be found. These two enterprises were the major beneficiaries of the R586.5M.

9. It has become evident that the Palmietfontein/Isago transaction had been treated underhandedly, and confidentially. There is no evidence that the following stakeholders were either consulted, or advised of the transaction in question:

- SCOF (Parliament)
- PSA
- Solidarity
- AMAGP

#### ASSESSMENT OF GEPF PROCUREMENT

10. The price of R586.5M for 1028 ha works out at R554.985 per ha, which does not tally with Matlosana's 2018/9 FY property valuations, of R25,52 M for both properties.

11. According to advice from a Specialist Development Consultant, the cost of land, for development would normally equal only 20% of total development expenditure. This equation do suggest that R117.3M of the purchase price should have paid for land alone; that R469.2M was intended for services infrastructure and other developments as indicated in para 6 supra.

12. If the property purchase-price was based upon an alleged transaction by Isago with MCPF, then erroneous evaluations clearly followed in the determination of Palmietfontein and Isago farm (contrary to Municipal evaluations vide the 2018/19 FY - see para 3 supra).

13. In the documents below quoted as "Sources" various contradictory and questionable statements are included,

- There is no clear evidence that Matlosana Municipality approved town planning and design specifications ifo. Isago@N12 Developments Proprietary (registered as Isago Property Holdings Pty Ltd, subsequently).
- Serious doubts exist whether geo-technical investigations, and an Environmental Impact study had been executed.
- Considering the scope of the intended Programme/Projects to be undertaken, it is vitally important to know whether adequate "Bulk Services" would be available and at what scale of costs.
- The purpose of the Isago project had been described as "multi-disciplinary developments (sic)" for the SA National Military veterans Association Trust. The size

and scope of veterans involved were defined as 170.000 families, adding up to a total of 850.000 people; figures which are highly questionable. It has been clear, right from the start that ANC-linked veterans, would be the major beneficiaries.

- In court documents for the "Intervening case" dd 27 Nov 2018 para 11.10 it is stated that "obtain from parliament the required financial, logistic support and resources to enable it..." This statement unequivocally confirms ANC political interference at PIC and GEPPF.

14. In line with a number of previous correspondence items with GEPPF, we have continuously stressed that some projects ("investments"), done by GEPPF, belongs to other state Departments or SOE development role players. The Isago project would first and foremost have been better placed at either Dept of Military Veterans or at Social Development Dept, with DFI's support b.m.o DBSA, IDC or NEF. It was uncalled for to squander hard earned savings of Govt Officials, pensioners, and beneficiaries on a questionable socio-economic project of this nature! It is no surprise that the shrinking Long Term (LT) Reserves of GEPPF have severely compromised the Fund's LT sustainability.

### PROGRAMME AND PROJECT MANAGEMENT

15. In this letter hitherto, AMAGP have determined beyond reasonable doubt that serious shortcomings related to "due diligent procedures" occurred at GEPPF and/or the PIC. Such incomplete modalities could not have been very helpful to have formulated various business- and Project-plans, to launch Project Implementation.

16. A couple of Agreements (bi-lateral and multi- lateral) were essential; to have determined the functions of each stakeholder and relevant role-players within the Programme, as well as with the implementation of various individual projects. Market research appears to have been non-existent, to have determined the "End-State". Was financial modelling done to have determined a ROI?

17. Notwithstanding the fact that the first piece of land (Palmietfontein), was already transferred to Isago on 7Nov 2018, no evidence of actual Project Implementation has manifested at Matlosana. Despite the transfer of farm Isago on 21 June 2019 (a year ago), visible impetus with project Implementation have neither taken place. Meanwhile the massive amount of R586.5M, had been paid to Isago Property Holdings. It is common knowledge that Business Plans for projects should be comprehensive to include inter alia, milestones with target dates, as well as a financial resource and expenditure schedule, including "Key Performance Indicators" (KPI's), which will facilitate monitoring and evaluation(M+E)

18. As a 60% shareholder, both GEPPF and PIC have fiduciary duties to M+E project implementation as co-directors of the entire Programme. KPI's of all subsidiary projects need to be evaluated on a continuous basis, as part of a "Standard Work Procedure"; a critical modality to guard over the success of high investments within an insecure environment. **As part of "Responsible Investment", GEPPF should have a fiduciary duty to report Programme/Project progress to Parliament, SCOF and/or SCOPA, on a regular basis.**

### CONCLUSION

19. Research by AMAGP including the viewing of Title Deeds, have caused some confusion as both Title Deeds (Palmietfontein and Farm Isago) had indicated payments of R586.5M

respectively **without notes that it was only one payment for both farms.** As no confirmation of payments could be found in either GEPF or PIC 2018/19 Annual Reports (AR), regarding this matter, clarification from GEPF would be appreciated.

20. This entire transaction which may have probably commenced in middle 2018 (with negotiations), does appear to have been another "impropriety" in the face of a Mpati Judicial Commission of Inquiry appointment in Oct. 2018. It, (the transaction) unfortunately created the impression of "cold-blooded" impurity in the face of the impending Judicial Commission of Inquiry (latter which commenced with hearings on 25Jan 2019).

21. The apparent lack of oversight by GEPF and/or PIC b.m.o M+E, does not testify that fiduciary responsibilities were taken seriously, and in so doing damages the professional reputations of both Institutions.

22. We stand to be corrected if certain assumptions may be erroneous.

23. For the attention of the BOT's attention please

Kind regards,

A van Driel  
pp AMAGP National Executive.

#### LIST OF SOURCES

1. Research by Mr W. Odendaal (internal doc.)
2. Seventh Report to the Registrar of pension Funds: Municipal Councillors Pension Fund(Under Curatorship). dd 31 Jan 2019.
3. Western Cape High Court Case No 21968/18. SA National Military Veterans Association Trust. Application for leave to Intervene dd 28 Nov 2018.
4. Competition Tribunal of South Africa (case No: LM 184 Sept 2018 GEPF and Isago@N12 Development Proprietary dd 10 Jan 2019.
5. Court papers, Western Cape High Court Division. SANMVAT in MCPF and Isago@N12 Development proprietary Limited.

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Zirk Gous

Tue, 19 Dec  
2023, 09:27

to Albert, me, Adamus, Louw, Johan, Hennie, Carl, As, Tony, Johannes, Genl

Vriende

Sien die waarde van ondersoekende joernalistiek. Ek haal aan uit die berig:

1. Paragraaf onder die hoof Isago: Die PIC oudit komitee het 'n fornesiewe ondersoek aangevra na die Palmietfontein (Isago) transaksies. **Dawerende stilte oor die uitslag daarvan** - sien gemerk in pers

The audit committee resolved to appoint a forensic firm to look into the allegations regarding both the renovations at The Wedge and the **Isago transactions**, according to the documents.

2. Paragraaf onder die hoof Suspension: die oudit komitee het 'n aanbeveling gemaak dat Hlako geskors word. **Opmerklik is Sitole se omwilligheid** om daaraan gehoor te gee,

Hlako is slegs geskors op aandrang van die oudit komitee - sien paragraaf gemerk in blou

Unimpressed with Sithole's response, the committee requested that the matter be discussed with the board. A few days later, Hako was suspended.

Komplimente aan die PIC oudit komitee!!

Groete

Zirk

amaBhungane | Suspended PIC exec's R4.5m 'suspicious transactions' <https://www.news24.com/fin24/companies/amabhungane-suspended-pic-execs-r45m-suspicious-transactions-20231219>

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Tebogo Tshwane