TO: Lungi Mnganga-Gcabashe

The Chairperson

Portfolio Committee on Public Enteprises

AND TO: Ms D.Rantho

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**GORDHAN MUST GO FROM THE PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES**

On 17 October 2017 the Portfolio Committee on Public Enterprises, also refered to as "the Committee" herein, began a process seemingly to inquire into state capture at Eskom. To this end the Committee is said to probe inter alia into allegations of Eskom awarding lucrative contracts amounting to billions of rand to businesses linked to the Gupta family who apparently are friends of President Jacob Zuma; and accusations of impropriety levelled against numerous Eskom managers.

Pravin Gordhan - who is currently a member of Parliament and of the Portfolio Committee on Public Enterprises - as the facts elaborated herein bear testimony to is not a fit and proper person to be a member of the said Committee or to hold any public office whatsoever.

Black First Land First (BLF) had previously alluded to and brought the corrupt activities of Pravin Gordhan to the attention of the Committee and the Speaker of the National Assembly which in turn had done nothing about it. We would like to warn the whole Committee including the Chairperson that they face possible criminal charges including contravening section 34 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004) – which BLF is currently contemplating preferring against them. In the circumstances we do not believe that this Committee should be pursuing any further matters until it has resolved the issue that amongst them is Pravin Gordhan whose sole mission it is to realize the agenda of white settler monopoly capital which is in cahoots with western imperialism to remove President Jacob Zuma from office and replace him with their preferred candidate Cyril Ramaphosa; as well as to push the Gupta family who are seen to be too close to the President out of South Africa (SA).

BLF demands that Pravin Gordhan recuses himself from the Portfolio Committee on Public Enterprises as there is overwhelming evidence of an apprehension of bias on his part which arises from him being conflicted, compromised and captured by white settler monopoly capital. To this end, evidence suggests that Gordhan might not, as a matter of real possibility, bring an impartial mind to bear upon the resolution of any issue(s) and or question(s) that may be identified in the the subject matter constituting the Inquiry before the Committee as he is involved of regime change as indicated above.

Gordhan, during his tenure as Finance Minister has correctly been accused of being a Minister of White Monopoly Capital. To this end the numerous instances catalogued below only serves to corroborate this accusation:

1. Gordhan has business ties to white capital which compromised his ability to serve the nation during his tenure as Minister of Finance and beyond. In this regard the “Register of Members’ Interests, 2015” in the “Joint Committee on Ethics and Members Interests” lists all the businesses that Gordhan has interests in. The said Register of Members’ Interests indicates companies and other entities that are accused of stealing R26 billion from the South African Reserve Bank (SARB) which is under the Ministry of Finance. Quite clearly, Gordhan will not investigate companies that he has shares in and is benefitting from.

2. A criminal case has been opened by the BLF at the South African Police Services (SAPS) against a number of white business persons including Johann Rupert for contravening section 4 of the Prevention and Combating of Corrupt Activities, 2004 (Act No. 12 of 2004). This case is essentially one of corruption involving state capture by white capitalist businesses. This case is currently being investigated by the HAWKS.

3. A complaint has also been lodged by BLF with the Public Protector regarding state capture by the same white business persons mentioned in number 2 including Johann Rupert. BLF further requested the President to institute a Judicial Commission of Inquiry on state capture. In addition BLF has presented the President, SAPS, HAWKS and the Public Protector with evidence that shows that these business persons and Johann Rupert have illegally interfered with the duties of the President to appoint ministers in terms of the Constitution which they claim to uphold.

4. Johann Rupert who is also the chairperson of the Swiss luxury goods conglomerate Richemont acted in a corrupt fashion when he summoned ANC leaders, specifically Cyril Ramaphosa and Trevor Manuel, and instructed them to ensure the firing of Des van Rooyen and the hiring of Pravin Gordhan as Minister of Finance. In this regard, Johann Rupert has interests in the economy, so he wanted Gordhan as Minister of Finance who would take care of his interests.

5. How Gordhan handled the saga of the closure of the Oakbay bank accounts last year further demonstrates that Gordhan is conflicted, compromised and beholden to white monopoly capital. In April 2016 Oakbay publicly announced that the banks had closed its banking accounts and that that its auditors (KPMG) as well as its sponsor on the Johannesburg Stock Exchange, Sasfin, have terminated their services with it. Oakbay indicated that the banks had acted irregularly and unjustifiably in closing its accounts and to this end it had made several approaches to Gordhan, to seek his intervention (on behalf of government) to approach the banks so as to reverse their decision to close its accounts.

6. In this regard, Gordhan was unable to execute his tasks which entailed following a process sanctioned by Cabinet. He failed to attend a single Inter Ministerial Committee meeting to deal with the issue. On 14 October 2016 he chose instead, and at state expense, to approach the High Court (Gauteng Provincial Division, Case Number 80978/16) for an order that he is “not by law empowered or obliged to intervene in the relationship” between the four major banks and Oakbay regarding the closure of the Oakbay bank accounts.

7. Evidence in rebuttal has shown that the allegations that Oakbay had shifted funds illegally out of the country, is false. To this end approval from SARB to transfer funds to the Bank of Baroda under a new account was clearly requested by the Business Rescue Practitioners (BRP). Hence the accusations of the so-called tax loss and threat are unfounded.

8. The fact that Oakbay is a primary competitor of the businesses that Gordhan has shares in, further explains why he cannot be impartial.

9. Quite clearly the said High Court application by Gordhan was intended to serve the banks (in which he has shares) which ensured that he be appointment as Minister of Finance. This further demonstrates how he used his position as Minister of Finance to serve his business partners.

10. Pravin Gordhan has shares in ABSA, the same bank which is facing corruption charges for stealing R3.2 billion from SARB which is under his Ministry – the same bank that the Public Protector, Advocate Mkhwabane, has decided must pay back R1.125 billion.

11. Gordhan is a beneficiary of BHP Billion which has consumed 11% of the national energy and is increasing the energy burden through its unethical deal that is tantamount to a subsidy from the state.

12. Gordhan has shares in Remgro, which is owned by Johann Rupert who is, as indicated above, being investigated by the HAWKS for state capture in relation to the hiring of himself (Gordhan) as Minister of Finance. Moreover, Rupert as indicated herein is accused of being one of the white business people who stole R26 billion from SARB.

13. On 16 November 2016 BLF opened a case with the SAPS against Johann Rupert and 16 others for the theft of R26 billion from SARB. BLF has also requested that the case be looked into by the HAWKS. Gordhan benefits directly from many of the businesses implicated in the theft of the R26 billion from SARB which is under the Ministry of Finance that he ran during his tenure as Finance Minister. Gordhan’s conflict of interest situation prevented him from investigating companies that he has business interests in.

14. The war between Treasury and ESKOM is about promoting the interests of white settler monopoly capital. White settler monopoly capital is angry that under Brian Molefe and Dr Ben Ngubane, black business has been transacting more with ESKOM. White capital thus far has targeted the Gupta family who after buying a subsidiary of the Swiss conglomerate, Optimum Coal, has been able to secure a deal to supply about 5% of ESKOM’s coal needs. White capital will not ask who supplies the rest of the coal needs of ESKOM. It is protecting its hegemony and using Treasury to fight its battles.

15. Gordhan was appointed as the then Minister of Finance on the command of the white capitalists who were being served by Treasury. The current crisis over state owned enterprises (SOEs) are part of the ongoing “state capture” by white capital.

16. Companies like Anglo American and Remgro (in which Minister Gordhan has shares) do business with SOEs such as Eskom. Gordhan benefits out of businesses that do business with the State. This is why could not be impartial as Finance Minister.

17. Gordhan has consistently shown that his first priority is to defend white monopoly capital, not the interests of the country. There was accordingly no likelihood that SARB, under Gordhan, would have done anything to assist in the process of recovering the R26 billion that was stolen by apartheid era white capitalists and politicians from SARB.

18. On 15 February 2017 the Competition Commission found that the following 17 banks were guilty of collusion: Bank of America Merrill Lynch International Limited, BNP Paribas, JP Morgan Chase & Co, JP Morgan Chase Bank N.A, Investec Ltd, Standard New York Securities Inc., HSBC Bank Plc, Standard Chartered Bank, Credit Suisse Group; Standard Bank of South Africa Ltd, Commerzbank AG; Australia and New Zealand Banking Group Limited, Nomura International Plc., Macquarie Bank Limited, ABSA Bank Limited (ABSA), Barclays Capital Inc, Barclays Bank plc. This finding by the Competition Commission confirms the conclusion the banks operating in South Africa, including South African banks, are common criminal organizations which were protected by Pravin Gordhan (during his tenure as Finance Minister) and the South African Reserve Bank (SARB).

19. On 17 February 2017 BLF called for SARB to start criminal proceedings against the above 17 banks for collusion which in turn resulted in a loss of R500 billion. Gordhan has shares in many of these banks and benefits directly from the proceeds of the criminal activities of the banks. Gordhan was compromised and conflicted as the then Minister of Finance by having shares in these banks. Hence SARB under Gordhan did not proceed against these banks by way of criminal prosecutions.

20. On 22 Feb 2017 BLF laid a charge against Pravin Gordhan for contravening section 34 of the Prevention and Combating of Corrupt Activities Act, 2004 regarding his failure to report criminal activity that was reported to him by Deputy Finance Minister, Mcebisi Jonas as indicated in the “State of Capture” report of the Public Protector. To this end Mr Jonas has claimed that he was offered the position of Minister of Finance and money in exchange for certainy favours by a Gupta family member and that he rejected the offer “out of hand”. The fact that the alleged offence was reported to Pravin Gordhan who in turn did not report it to the appropriate authority, is in itself an offence committed by him.

21. A leaked HAWKS memorandum dated 17 March 2017 revealed conclusive evidence of corruption and theft of R11 million by Pravin Gordhan from the Special Pension Fund at the Department of Defence and Military Veterans.

22. The Special Pension Fund excludes public officials from benefitting from it and Gordhan, who was a public official at the time of the coming into effect of the fund, illegally benefited millions from it. Gordhan received the said millions from the then Head of the Pensions Fund, Marion Mbina Mthembu, who subsequently corroborated this allegation in a meeting with the HAWKS on 15 December 2016. In this regards the HAWKS were referred by Mthembu to Kabelo Jonathan of the Government Pension Administration Agency (GPAA). The evidence against Gordhan in this regard suggests that he is criminally liable and to this end should be prosecuted to the full extent of the law.

23. Gordhan is also accused of serious contraventions of the law which occurred during his tenure as Commissioner of the South African Revenue Services (SARS). To this end, under his watch, a “Rogue Unit” was set up which engaged in serious violations of people’s rights.

24. There is strong evidence to this effect that SARS under Gordhan unlawfully used over R106 million to run the secret “Rogue Unit” in the interests of white monopoly capital while infringing upon citizens rights. To this end SARS consistently lied about the existence of the “Rogue Unit” to the public.

25. Three credible investigations have found that the “Rogue Unit” was formed and that it did in fact exist illegally. To this end damning evidence was presented before the Sikhakhane Commission.

26. The white media including the Mail and Guardian and the Rapport are amongst those implicated in working closely with the “Rogue Unit” at SARS in service of white monopoly capital. The white media has staunchly defended Gordhan in this respect.

27. Evidently, Gordhan’s strategy, which he has been consistently applying, is to employ the media to launch a defence so as to discredit the investigation into the Rogue Unit and the criminal prosecutions that’s likely to follow against him.

28. In all of the above circumstances there is accordingly overwhelming evidence suggesting unethical and criminal conduct on the part of Gordhan which, amongst other things, links him to white capitalists who insisted that he be appointed the Minister of Finance.

29. It is clear therefore that Gordhan ought to have recused himself from that position of Minister of Finance as soon at it became public that his business associates had insisted that he be appointed. To this end President Zuma correctly removed Gordhan as Minister of Finance as he was evidently conflicted, compromised and captured by white capital and by extension was unfit to be a Minister of Finance.

30. On 16 June 2017, BLF laid criminal charge(s) the against the former Ministers of Finance, Pravin Gordhan and Nhlanhla Nene at the Hillbrow Police Station. The charges include that of fraud and corruption involving the amount of R4.3 billion to enrich white monopoly capital - many entities of which are business partners of Gordhan. The reference number is, CAS 492/6/2017.

The charges against Gordhan and Nhlanhla Nene include:

a. Failure to report irregular, wastefull, fruitless, and unauthorized expenditure as legislated in the Public Finance Management Act No 1 of 1999 as amended (PFMA)

b. Failure to safeguard public funds,and state assets

c. Financial misconduct with regards to the following:

i. Contravention of section 86 (1) PFMA for willful or gross negligence on the part of an accounting officer, in that s/he failed to comply with a provision of section 38, 39 or 40.

ii. Contravention of section 86 (2) PFMA for willful or gross negligence on the part of an accounting authority in that s/he failed to comply with a provision of section 50, 51 or 55; and

iii. Contravention of section 86 (3) PFMA for unauthorized loans or entering into a binding financial contract without permission on behalf of a department, public entity or constitutional institution.

d. Failure to perform fiduciary duties as vested in terms of the PFMA and other applicable legislation

e. Failure to comply with the Procurement Act

f. Dereliction of duties

g. Willfully allowing fraudulent activities and transactions to be conducted within the National Treasury

h. Participating and benefitting in fraudulent accounting,and financial transactions

i. Irregular expenditure

j. Unauthorised transactions and expenditure

k. Fruitless expenditure

l. Wasteful expenditure

m. Fraud and corruption

n. Looting State coffers

o. Failure to take appropriate action against officials and companies engaged/involved in conducting fraudulent activities, financial mismanagement, corruption, illegal siphoning of funds as highlighted in the IFMS Internal Audit Report.

p. Failure to disclose irregularities and Financial Misconduct within the National Treasury Department.

q. Gross violation of the PFMA with specific emphasis to the sections dealing with:

i. Procurement and provisioning

ii. Internal controls

iii. Safeguarding of assets and liabilities of the State

iv. Good governance

v. Financial management

vi.. Financial reporting

vii.. Financial planning, financial accounting,

r. Irregularly awarding contract to work friends, business associates, relatives without following proper tender procedures

s. Failure to disclose gross financial misconduct to the Auditor General, Parliamentary Committee, Parliament - as prescribed in the IFRS (International Financial Reporting Standards) and required by Generally Accepted Accounting Principles (GAAP) which the PFMA and Treasury Regulations have prescribed to be an accounting Standard that in turn must be followed by National Treasury as a Government Department and an Accounting Institution.

t. Covering up the financial misconduct, fraud,corruption and all other irregularities as cited on the Internal Audit Report.

u. Contravention of Section 34 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004) regarding his failure to report criminal activity and irregularities that were reported to Treasury.

It must be pointed out that those elements of white monopoly capital that stole R26 billion from the South African Reserve Bank (SARB), are the same elements who forced the ANC to appoint Pravin Gordhan as Minister of Finance. Also SARB falls under the same Ministry of Finance that Gordhan headed during his two tenures and did nothing to recover the stolen money and bring the perpetrators to book. This shows that white monopoly capital wanted a Minister of Finance who will defend its interests.

A new international war is currently being raged to consolidate white imperialist power.

The West has targeted the BRICS countries (Brazil, Russia, India, China, and South Africa) whose agenda poses a serious threat to western dominance over the world.

In this context Gordhan continues to be the public face of the "Zuma must go" and the "Guptas must go" interrelated campaigns to destabilize the BRICS process. The fact that he is currently sitting as a member of the Portfolio Committee of Public Enterprises, yet again locates him in a conflict of interest situation because he is beholden to white monopoly capital which in turn wants President Zuma removed from his office and replaced by Cyril Ramaphosa who in turn is the preferred presidential candidate of the West. Gordhan supports this agenda of regime change by white settler monopoly capital in cahoots with western imperialism.

This suggests that the Portfolio Committee on Public Enterprises is itself compromised and conflicted by having as its member Gordhan who is conflicted and compromised by virtue of being beholden to the agenda of white monopoly capital to remove President Zuma from office and push the Guptas out of the country.

Apart from the fact that the Judicial Commission of Inquiry should take precedence over the Portfolio Committee on Public Enterprises as the appropriate forum to deal with the Inquiry on the issue of state capture at Eskom in question, there is also - for the reasons already outlined - an apprehension of bias on the part of the Committee that requires that it recuses itself from this matter. Furthermore going forward Pravin Gordhan must be removed from the Committee.

Right now the country cannot afford to have a member of the Portfolio Committee on Public Enterprises – being Pravin Gordhan – who is not impartial and is beholden to white monopoly capital.

In all of the above circumstances, there is clearly a strong apprehension of bias on the part of Pravin Gordhan. He is to this end conflicted, compromised and captured by white settler monopoly capital and consequently not a fit and proper person to be part of or sitting on the Portfolio Committee on Public Enterprises and considering issues and questions arising out of the evidence in the Inquiry. He must in the first place recuse himself from this matter for the reasons indicated above and secondly he must be removed as a member of the Portfolio Committee on Public Enterprises. Gordhan must go!

The Committee is urged to do the necessary to ensure that the subject matter of this letter is appropriately addressed.

Should Gordhan not be removed as aforesaid, BLF shall follow up with the necessary action, including legal proceedings, against him.

**Yours in the revolution**

**Andile Mngxitama**

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