

ECONOMIC DISTRESS



THE Zululand Chamber of Commerce and Industry said road closures in Richards Bay from Monday had affected the local economy with the N2 freeway near Nseleni township blockaded by trucks. | LEON LESTRADE  
African News Agency (ANA)  
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SCANDAL

# Arms deal comes under scrutiny

*Seriti commission allegedly did not consider valuable evidence in investigation*

BALDWIN NDABA

THE R60 billion “corrupt arms deal” scandal opened the floodgates for corruption and state capture in South Africa.

This is the view of Public Works Minister and Good party leader Patricia de Lille – who blew the whistle on the web of corruption that surrounded the deal which dates back to 20 years ago.

Yesterday, the North Gauteng High Court set aside the findings of the Seriti commission report that was released in 2015.

During the commission, Judge Willie Seriti, who was tasked to probe corruption and malfeasance in the R60bn arms deal, had made scathing findings against De Lille, businessman Terry Crawford-Browne, Dr Richard Young, academic Raenette Taljaard, and other witnesses who had testified before him.

Seriti and his team had found that there were no substantive allegations of corruption against politicians and other officials, especially former SANDF arms acquisition head Mo Shaik and businessman Fana Hlongwane, who were said to have been instrumental in the deal.

“Various critics, including Mrs De Lille, Mr Crawford-Browne, Dr Woods, Mrs Taljaard and Dr Young, testified before the commission and could not provide any credible evidence to substantiate any allegations of fraud and corruption against any person or entity.

“They have been disseminating baseless hearsay, which they could not substantiate during the commission’s hearings,” Seriti said at the time.

However, the full bench of the High Court, led by Judge Dunstan Mlambo, yesterday, set aside his ruling following an application by civil society organisations Corruption Watch and Right2Know Campaign.

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All South Africans have responsibilities to stand against corruption

Patricia de Lille  
PUBLIC WORKS MINISTER/ GOOD PARTY LEADER

The organisations maintained the Seriti commission had failed to probe material evidence which was brought to its attention.

The court agreed with them, adding that the commission erred as it had neglected to investigate reports that Chippy Shaik – head of arms acquisition for the Department of Defence at the time – had solicited a \$3 million (about R45.5m) bribe for his personal use, from the German Frigate Consortium.

The court also agreed that Shaik had instructed a German company, Bell Helicopters, to conduct business with Futuristic Business Solutions – a company owned by relatives of former Defence Minister Joe Modise, as a pre-condition to access business in the arms deal.

It maintained that Seriti and his team failed to probe evidence that Shaik instructed a French company, Thomson-CSF, to give his brother Schabir Shaik business through his company, Nkobi Holdings.

The court also accepted evidence that the commission failed to investigate claims that Schabir Shaik solicited a bribe of R500 000 from Thomson-CSF for the benefit of former president Jacob Zuma, allegedly in exchange

for providing the French company protection against criminal prosecution.

It also pointed out that the Seriti commission had turned a blind eye to investigating allegations that Hlongwane benefited by more than R1.5bn “for unexplained consultancy work” with some of the British companies who were bidding during the arms deal.

The commission was also lambasted for ignoring the then-Auditor-General Terence Nombembe’s final report, which confirmed acts of corruption and fraud in the arms deal.

Mlambo, in his ruling, said: “In the present case, even on the basis of the limited set of examples contained in this judgment, it is clear that the commission failed to enquire fully and comprehensively into issues it was required to investigate”.

He further said the commission failed to interrogate Chippy Shaik and Hlongwane on the nature of serious allegations against them.

It was a unanimous ruling, and as a result, set aside the Seriti commission report.

De Lille was elated by the ruling, saying: “In the 20 years that have passed since I blew the whistle on the corrupt arms deal, South Africa’s integrity has taken a beating. We have slipped in the perception of many from the high table of global ethics and morality, to occupy a much lower position beset by allegations of malfeasance and maladministration, on the one hand, and continuing inequity and grinding poverty on the other.”

De Lille added the High Court’s judgment demonstrated that although the wheels of justice had been turning almost imperceptibly slowly, they were not entirely broken.

“The rule of law prevails. All South Africans have responsibilities to stand against corruption...” she said.

The DA also welcomed the ruling.