



PO Box 33
Noordhoek 7979
Cape Town

Minister of Finance
Mr Tito Mboweni
By Email

12 October 2018

Dear Minister Mboweni,

RE: Matters in need of urgent attention in your new capacity.

1. We join in congratulating you on your appointment as Finance Minister and wish you well in your new role. May you be “the new broom which sweeps clean”. Without any Zuma cabinet baggage, you are well-placed to do so.
2. While we appreciate that there will be a great deal of work involved in the taking over of the ministry from your predecessor, there are some matters which we wish to draw to your attention as they require your urgent intervention.
3. In March former Minister Nene announced at a SAFTU conference that within 100 days an anti-corruption strategy would be announced by government.
4. The 100 days have elapsed, but no announcement of the strategy has taken place. Please ascertain and let us know what the current status of this initiative is.
5. Shortly after his appointment as Minister of Finance, we wrote to Minister Nene in regard to pending litigation in the Pretoria High Court between the Cape Town Peace Centre (formerly the Quaker Peace Centre) and the government concerning the validity of the arms deal with British Aerospace. Our letter is attached for your information. The particulars of claim to which we refer in the letter can be found here:
accountabilitynow.org.za/?s=particulars+of+claim&submit=Search.

*Patron: Archbishop Emeritus Desmond Tutu
Trustees: G Galant; D Scott; W Thring
Directors: P Hoffman, SC.; Adv G Lloyd-Roberts; Adv C Shone, B Malherbe
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6. The second claim in the particulars of claim is the claim that is of relevance to you in your new capacity. Briefly put, CTPC contends that the then Minister of Finance, Trevor Manuel, had no legal authority and could not be empowered to borrow money offshore from Barclays PLC in order to pay for the procurement of aircraft from BAe.

7. According to the advice of the doyen of the Cape Bar, Milton Seligson SC, the second claim is well founded in law.

8. We invite you to tell us why this advice is wrong. If you are advised that it is not wrong by your counsel, Adv Nazier Cassim SC, then the opportunity to recover many billions from BAe and other arms dealers exists and ought to be exploited without any need to go into the bribery and corruption allegations that swirl around the arms deals. Former Minister Nene did not respond to our letter attached. We sincerely hope that you will.

9. The activities of the People's Tribunal on Economic Crime are respectfully drawn to your attention. In short, the final report by the Peoples' Tribunal, which was released in mid-September 2018, suggests that apartheid-era crimes committed by the state and civilians must be investigated by the United Nations. However, the UN does not really have the machinery to investigate economic crimes.

10. Led by retired Constitutional Court Justice, Zak Yacoob, the Tribunal noted:

'We stress that the events pertaining to state capture [in the Zuma era] are integrally related to the acquisition of arms by the South African democratic government during the 1990s and the early 2000s and the sanctions-busting shenanigans during apartheid. It would be a mistake to examine state capture in isolation. Apartheid economic crimes, the arms deal and state capture are all part of one system, never tackled or resolved (although the Zondo Commission of Inquiry into State Capture is trying), and until we understand and confront apartheid grand corruption – the root of the cause – we won't be able to prevent mass looting in the democratic era.'

11. You will be aware of the Ciex Report, which has been the subject of an investigation by the Public Protector. It records details of various alleged shenanigans at the end of the apartheid era. You may want to revisit the prospects of recovery of public money on the basis of that report.

12. One of the aspects of state capture which needs urgent prioritisation by your ministry is the recovery of public funds and assets misappropriated and taken off-shore by the perpetrators of state capture. There appears to have been a lack of political will, or perhaps the necessary expertise, to effect recovery of public wealth squirreled away by miscreants. If necessary, engage outside expertise, readily available in SA, to follow the money and recover it wherever it may be found. Huge recoveries can and should be effected to swell general revenue. The SWIFT banking system and the Reserve Bank's IT make it possible to track funds if the political will to do so can be mustered. The longer this task is left unattended, the harder it will be to track down and recover funds.

13. Finally we draw your attention to the need for a new Chapter Nine Institution to prevent, combat, investigate and prosecute grand corruption – an Integrity Commission. We ask you, as a new broom sweeping clean, to champion the idea of establishing such a body. It would neatly sidestep the captured status of the Hawks and the NPA and give teeth to those wishing to stand against the kleptocrats in our midst. The Hawks have plenty of other priority crimes to investigate and the NPA can continue to prosecute in matters not involving grand corruption. The idea has the support of Archbishop Emeritus Desmond Tutu and Professor Thuli Madonsela. The NA Constitutional Review Committee is mulling it. We are obviously willing to engage with you should you require further details. In the interests of openness and accountability, we are copying this email to the media.

Yours in accountability,

A handwritten signature in black ink, appearing to read 'Paul Hoffman', is centered within a light gray rectangular box.

Paul Hoffman SC
Director