

AFFIDAVIT

I the undersigned,

Ryno De Water

Hereby state under oath as follows:


1
I am an adult male, employed by the Department of National Treasury as a Deputy Director: Forensic Audit Services within the Office of the Accountant General, in such capacity and save where it appears from the context the facts contained herein falls within my personal knowledge and is both true and correct.

2
My duties and responsibilities include to plan, manage and execute where applicable, fraud examinations and investigations in all 3 spheres of government (national, provincial and municipal) in public procurement processes (Supply Chain Management) in accordance with relevant South African law and to ensure that all illegal activities are detected, reported and investigated by the South African Police Service.

3
In terms of Section 3(1), read with the definitions in Section 1 of the Public Finance Management Act 1 of 1989 ("PFMA"), this Act applies to all national and provincial Government departments. Therefore the PFMA will be applicable to all Provincial Departments under investigation by Lieutenant Colonel Luis (the Investigating Officer).

4
In terms of Section 76(4)(c) of the PFMA, the National Treasury may make regulations or issue instructions applicable to all institutions to which this Act applies, concerning the determination of a framework for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. This is to ensure that Government is not exploited in any procurement process.

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in terms of Treasury Regulation 16A.9(e), which also entered into effect on 15 March 2005, the accounting officer must ensure that awards of contracts/men's made subsequent to advertising are published in the Government Tender Bulletin and in the media where the bids were originally advertised. Regulation 16A.9 sets out the ethical standards which must be complied with by all officials and role players in the Supply Chain Management System. Inter alia, the regulation requires that conflicts of interests be disclosed, that all suppliers be treated equally and that official positions are not to be used

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for private gain or to improperly benefit other persons. In addition, in terms of Regulation 16A8.5, any official in the Supply Chain Management Unit, who becomes aware of any irregularity in the Supply Management System, must report the irregularity in writing to the Accounting Officer.

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Practice Note number 2 of 2005 was issued pursuant to Treasury Regulation 16A6.1, laying down the thresholds. This Practice Note was issued and came into effect on 10 May 2005. The Practice Note stated that accounting officers/authorities should apply the following threshold values when procuring goods and services, hiring or letting anything, acquiring or granting any right or disposing of movable state property:

- Up to an estimated value of R2,000 VAT included, Accounting Officers could procure requirements without inviting competitive bids or price quotations by means of petty cash.
- Up to an estimated value of R2,000 but not exceeding R10,000 (VAT included), Accounting Officers had to obtain at least three (3) verbal or written quotation from, where applicable, a list of prospective suppliers. The order, however, had to be placed against written confirmation from the selected supplier if the quotation was submitted verbally.
- Above the value of R10,000 but not exceeding R200,000 (VAT included) Accounting Officers had to invite and accept price quotations for requirement from as many suppliers as possible, that are registered on the list of prospective suppliers.
- In the instances that no suitable suppliers are available from the list of prospective suppliers, quotations could be obtained from other possible suppliers.
- If it is not possible to obtain at least three (3) quotations, the reasons should be recorded and approved by the Accounting Officer or his/her delegate.
- Accounting Officers should apply the prescripts of the Preferential Procurement Policy Framework Act, Act 5 of 2000 and its associated Regulations for all procurement equal to or above R30,000. However, these prescripts could be applied for procurement with a value less than R30,000, if and when appropriate.

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• Above the estimated value of R200 000 (VAT included), Accounting Officers had to invite competitive bids. The bids had to be advertised in the Government Tender Bulletin. Should an Accounting Officer deem it necessary to ensure greater exposure to potential bidders, then in addition use should be made also of other appropriate media. This would justify advertising in the national media in appropriate circumstances.

• Should it be impractical to invite competitive bids for specific procurement, e.g. in urgent or emergency cases or in case of a sole supplier, the Accounting Officer could procure the required goods and service by other means, such as price quotation or negotiations. The reasons for deviating from inviting competitive bids should be recorded and approved by the Accounting Officer or his/her delegate. The obligation to obtain quotations or to conduct negotiations is to ensure that Government is not exploited by virtue of the sole supplier or other emergency situation.

• A list of prospective suppliers per commodity had to be compiled by the Accounting Officers inviting prospective suppliers to apply for evaluation and listing as prospective supplier. Once the list has been compiled per commodity, price quotations would be invited from that list. The invitation of price quotations from the compiled list of prospective suppliers per commodity should be done on a rotational basis in such a manner that ongoing competition amongst suppliers is promoted.

• Goods, works or services may not deliberately be split into parts or items of lesser value merely for the sake of procuring the goods, works or services otherwise than through the prescribed procurement process. When determining transaction values, a requirement for goods, works or services consisting of different parts or items must as far as possible be treated and dealt with as prescribed.

The Practice Note referred to paragraph 10 above provides that if it is impractical to invite competitive bids for specific procurement, then the required goods or services must be procured by means of price quotations or negotiations in accordance with the above Treasury Regulation. It is important to note that although the Practice Note permits the accounting officer to lower of thresholds, it specifically prohibits the increasing of the thresholds. Finally, it is also crucial to note that Accounting Officers are required to report progress in the implementation of Supply Chain Management on a monthly basis on the

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award of all bids above the value of R100 000 (VAT included). These reports had to be submitted to the Director: Norms & Standards at National Treasury.

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National Treasury Practice Note number 6 of 2007/2008 came into effect from 1 April 2007. This note made specific reference to the fact that provincial departments and Accounting Officers had to comply with its provisions. The Practice Note was issued specifically to regulate the procurement of goods/services other than through the invitation of competitive bids. This was because the Practice Note reflected that although Treasury Regulation 16A6.4 was intended solely for emergency or sole service provider situations, it was being used to circumvent the required competitive bidding process. In this regard, Accounting Officers were required to put in place control measures to deal with foreseeable cases of emergency which would include the arrangement of strategic or specific term contracts with suitable service providers with the aim of ensuring that the required goods or services were immediately available. It was emphasised that Treasury Instruction 15A6.4 was only to be used in specific cases where it was impractical to invite competitive bids. As from 1 April 2007, Accounting Officers were required to report to the relevant Treasury (in the case of national departments, to National Treasury and in the case of provincial departments, to Provincial Treasury) and the Auditor General within ten (10) working days after the award all cases where goods and services above the value of R1 million (VAT included) were procured in terms of Treasury Regulation 16A6.4.

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Practice Note number 8 of 2007/2008 was issued and came into effect from 1 December 2007. This Practice Note replaced Practice Note SCM2 of 2005, issued on 10 May 2005. The new Practice Note also had to be complied with by Provincial Treasury and Accounting Officers of provincial departments. Inter alia the Practice Note laid down certain procedures that were applicable to transactions above the value of R500 000 (VAT included). The salient features of these procedures are:

- Accounting Officers had to invite competitive bids for all such procurements.
- Competitive bids had to be advertised in at least the Government Tender Bulletin and in other appropriate media (if necessary to ensure greater exposure to potential bidders).

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- In the event of emergency or sole provider cases the provisions of Treasury Regulation 18A6.4 applied, requiring quotations or negotiations.
- The reporting obligation in terms of Practice Note number 6 of 2007/2008, as described above, was retained.
- The obligation to compile a list of prospective suppliers (per commodity and type of service) was extended so as to effectively promote black economic empowerment.

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Section 38 of the PFMA places certain obligations on Accounting Officers and emphasises the ones applicable to the above Treasury framework:

- Section 38(1)(a)(ii) requires the implementation of an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
- Section 38(1)(a)(iv) requires the implementation of a system for properly evaluating all major capital projects prior to a final decision on the project.
- Section 38(1)(c)(ii) requires effective and appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct. (Fruitless and wasteful expenditure is defined as expenditure which was made in vain and would have been avoided had reasonable care been exercised. Irregular expenditure is defined as expenditure that is not in accordance with the provisions of the PFMA or provincial procurement procedure legislation. For the purpose of this affidavit, it is unnecessary to deal with the definition of unauthorised expenditure.)

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Section 76(4)(c) specifically authorises National Treasury to make regulations or issue instructions concerning the determination of a framework for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. The Treasury Regulations and Practice Notes referred to above were all issued in terms of this section and will to appropriate cases constitute obligations imposed on accounting officers in terms of Section 38 of the PFMA. A failure to comply with the provisions of Section 38 by an Accounting Officer constitutes a criminal offence in terms of

Section 86(1). The penalty clause provides for a fine, or to imprisonment for a period not exceeding five years. It is important to note that the section not only criminalises wilful conduct, but also gross negligence.

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Once a bid has been awarded, the supplier must enter into a contract with the department concerned. The contract is required to comply with the general conditions of contract relating to Government procurement. These conditions contain specific clauses which protect the interests of Government. A supplier may not compile his/her own contract in contravention of the general conditions and require that the Government department sign such contract. I refer to the General Conditions of Contract (GCC) and Standardized Bidding Documents (SBDs) set out in Supply Chain Management, Practice Note Number SCM 1 of 2003 which provides that all contracts should be subjected to the GCC and that the standard wording should not be amended.

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Practice Note SCM 4 of 2003 established a Code of conduct for Supply Chain Management officials, which required all officials to comply with relevant legislation and national treasury practice notes and ensured that public resources are administered responsibly. The practice note specifically requires that:

- Practitioners should not afford undue preference to any group or individual,
- Should declare conflicts of interest,
- Should not amend and tamper with any bid after its submission,
- Combative practices are prohibited and these include reference to non-existing competition and lower fictitious quotes.

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In respect of the Northern Cape Province, Provincial Supply Chain Management Policy was issued with effect from 5 April 2006. I have perused the policy and highlight the following features thereof:

- It is issued in terms of the PFMA.

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- It recognises the National Treasury Supply Chain Management Guidelines issued in terms of the PFMA.
- It gives effect to Section 217 of the Constitution.
- It also gives effect to Section 38 of the PFMA.
- It acknowledges that procurement of goods/services must be fair, equitable, transparent, competitive and effective and that the provisions of in Chapter 16A of Treasury Regulations must be complied with.
- Provincial departments are not permitted to deviate from the policy.
- The policy must be continuously updated according to National Treasury's prescripts.
- Details of a successful bidder must be published in the Government Tender Bulletin.
- In respect of bids exceeding R200 000 (VAT included), these must be advertised in the Government Tender Bulletin, DEA, Die Volksblad and where applicable, in Northern Cape regional newspapers. Advertisements must be for a minimum period of 21 days except in urgent cases where they may be advertised for 10 working days.
- Bid documents and general conditions of contract must be in accordance with the instructions of both Provincial and National Treasury.
- In respect of transactions expected to exceed R10 million (VAT included), bidders are required to provide their financial statements for the past three years or since the date of their establishment if less than three years.
- Reasons for deviating from inviting competitive bidders must be recorded.
- Deviation is only allowed in the case of extremely urgent or emergency situations in which case direct negotiations must be utilized.
- In respect of a single supplier, the Accounting Officer must request the profit margin of the supplier to determine the reasonability of the price quoted and compare the retail price of the goods to the quoted price.


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- Accounting Officers must take steps to counter-act non-compliance with procedures which include taking steps against officials and reporting conduct which constitutes criminal offences to SAPS.

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In my view, the Provincial Policy strives not only to comply with Regulation 16A of the Treasury Regulations, but also adds a number of stringent conditions to ensure that the procurement process is not abused. Because the policy was issued in 2006, it could not reflect the Practice Notes 6 and 8 of 2007/2008 referred to above, but by virtue of the provisions of these notes they, upon issue, become automatically binding on all provincial departments and accounting officers.

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The Investigating Officer has provided me with a chart listing 30 leases that had been concluded between various Government entities and a group of companies. The Government entities fall within the Treasury framework outlined above and the PFMA. I have been advised that the various companies which are reflected as the landlords are all inter-related and controlled by the same directors. Treasury Regulation 16A(6) and Practice Note 2 of 2003 are directly applicable to leases 27, 28 and 30. The Northern Cape Policy of 5 April 2006 is directly applicable to leases 1, 12, 15, 17, 18, 26 and 28. The Northern Cape Policy, read with Practice Note 6 of 2007/2008, is directly applicable to leases 3, 5, 7, 10, 22, 23, 24 and 25. The Northern Cape Policy, read with Practice Note 8 of 2007/2008, is directly applicable to leases 2, 4, 8, 9, 13, 14, 19, 20, 21, and 26. The Northern Cape Policy of July 2010 applies to leases 11 and 16.

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I wish to immediately point out that lease agreements 3, 11, 12, 13, 14, 16, 18, 20, 21, 22, 23, 24, 25, 26 and 28 were only signed after the commencement date of the leases in question. This is a serious irregularity, as the payment of monthly rentals must be on the basis of a signed lease agreement and in the event of an alleged breach of the lease, it would be difficult to prove such breach in the absence of a signed document. I therefore request that this aspect be properly investigated.

15 leases

1 2 3 4 5 6 7 8 9 10
11 12 13 14 15 16 17 18 19 20
21 22 23 24 25 26 27 28 29 30

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1 lease

8 leases

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Lease II falls below the R200 000 and subsequently R500 000 threshold, set out in the Treasury framework outlined above, but nevertheless three quotations should have been obtained. In respect of leases 3, 6, 15, 17, 22, 23, 24 and 29, the amounts of the rentals for the first year of the lease and the full duration of the lease are not specified on the chart. I am not in a position therefore to comment further on these leases, but recommend that this aspect be further investigated and if the established whether in fact the leases are captured by the applicable thresholds.

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In respect of all the other leases on the chart, both on the value of the leases for the first year thereof as well as the total at the conclusion of the lease, the thresholds in the applicable Treasury framework would apply. Consequently the leases are subject to competitive bidding, advertising in the Government Tender Bulletin and all departures therefrom must be strictly in accordance with the applicable Treasury frameworks and the reporting duties as required by the Regulations. It must at the outset be stated that the fact that 30 leases were all awarded to the same group of companies is suspicious and is indicative of an absence of competitive bidding. I note that no less than 19 leases are for longer than five years' duration. Due to the fact that the landlord in those leases is being given long-term security, the competitive bidding process would have required of the departments to negotiate preferential rates commensurate with the security being given to the landlord.

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The Investigating Officer has shown me an affidavit, filed by Mr Alfons Christo Scholtz in a civil matter and further informed me that Mr Scholtz is the Director who exercises control over all the companies reflected as landlords in the lease agreements set out in the chart. I refer specifically to paragraph 17 of his affidavit, where the following is stated:

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"In broad terms, the manner in which the Tribeca Group conducted its business and expanded its property holdings was to acquire well constructed but run-down commercial buildings which it then refurbished and let at fair market rentals. Money was then raised by creation of the future income stream from

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the lease agreement to a financial institution, against payment of a discounted present value of the future income stream. These funds were then used to make further acquisitions and refurbishments."

I have looked at the portion of the chart which specifies the purchase price of the property specified in the leases and the mortgage bonds in respect of such properties. In several instances the mortgage bonds are significantly higher than the purchase price of the buildings in question. I refer for example to the following examples:

- Purchase price: R456 000 and the mortgage bond: R 70 million
- Purchase price: R28 million and the mortgage bond: R49 800 000
- Purchase price: R3.5 million and the mortgage bond: R15 million
- Purchase price: R1.5 million and the mortgage bond: R22 500 000
- Purchase price: R21 million and the mortgage bond: R42 million
- Purchase price: R1.3 million and the mortgage bond: R22 million
- Purchase price: R1 576 408 and the mortgage bond: R17 500 000.

These figures support Mr Scholtz's claim that the lease agreements were in fact discounted to financial institutions. The fact that this practice is occurring, poses a significant risk to Government in that the duration of the lease agreements (in excess of five years) would not be in the interest of Government, but solely to support the capital raising ventures of Mr Scholtz. The relevant Accounting Officers should not have approved the leases if in fact their terms were not cost effective and equitable.

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The Investigating Officer has also drawn my attention to columns in the same chart compiled by a quantity surveyor/property valuer. The Column of the Quantity Surveyor relates to 20 of the lease agreements where the expert determined the current market value of the property at the time when the relevant lease was concluded and in addition, determined whether the actual rentable area corresponded with that specified in the lease

in question. In respect of 17 of the leases, the rental price per square metre is in excess of the market value for an equivalent building. This refutes Mr Scholtz's claim that the properties were leased at fair market rentals. It also confirms that competitive bidding did not take place, because the leases should have been at market-related values or lower. This further indicates that the accounting officers responsible for those leases acted in breach of their obligations in terms of Section 38 of the PFMA. The chart further reflects that, in respect of 19 of the lease agreements, the rentable area was less than that specified in the lease agreement. Due to the fact that the rental is calculated per square metre, the discrepancy actually establishes a reasonable suspicion that the crime of fraud has been committed in respect of that aspect.

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In paragraph 31.5 of his affidavit, Mr Scholtz further states that Mr Sarel Breda, a Director of the Group of Companies, who was killed in an air crash in 2009, died in 2005 undertaking a transfer of a 10% shareholding in respect of the Shosholova Trust to a nominee of Yolanda Botha, who was a close friend of Mr Breda and influential in political circles. The Shosholova Trust is reflected as the landlord in Lease 21 and I have been advised that it is also a shareholder in a number of Trifecta companies. The chart reflecting the 30 leases shows that 23 were signed by Mr Sarel Breda and the remaining seven were by Mr Scholtz. Seven of the leases in question were signed on behalf of Government by Yolanda Botha. In respect of these leases, six of these leases were co-signed by Mr Sarel Breda and the seventh one by Mr Scholtz. All these leases were signed after 2005 and after Mr Breda had given her a 10% shareholding in the Shosholova Trust. Ms Botha therefore had a direct, personal gain in the award of the leases in question and was therefore acting in breach of her obligations as an accounting officer in terms of the Treasury framework outlined above. In respect of several of these leases, they are either long-term or the bonds are substantially in excess of the purchase price of the buildings in question. In the light thereof, I am of the view that there is a reasonable suspicion that the shareholding was given to Ms Botha so as to ensure that the Trifecta companies would be awarded the leases on terms beneficial to them and to circumvent the competitive bidding process. This would not only be in conflict with the Treasury framework outlined above, but would also constitute contraventions of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.

gives the lie to Scholtz's assertion to us that the RB matter was between her & the late Breda

The Investigating Officer has also drawn my attention to a report, entitled "Report of the Joint Committee on Ethics and Members Interests on the Complaint against Ms Y Botia filed at V227, Old Assembly Building Parliament" which was tabled in Parliament on 16 November 2011. This report not only confirms that she received the benefit referred to in paragraph 26 above, but that she in addition had renovations done to her house in the amount of approximately R1.5 million, paid for by Tifecta. The report also confirmed that she had signed leases with the various companies in the Tifecta Group to a total value of R39 389 206.00 from 1 December 2008 to 1 August 2008. This report confirms my suspicion that in fact offences under the Prevention and Combating of Corruption Activities Act, No 12 of 2004 have in fact been committed.

The Investigating Officer has shown me documentation relating to three of the lease agreements involving Ms Yolanda Botia:

27.1 **Springbok:** (Lease 15 relating to a property in Springbok with the Department of Social Services and Population Development)

27.1.1 Mr Sarel Greda put in a bid on behalf of Tifecta Trading 434 (Pty) Ltd for a building of 1 350 m² to be rented at R85 per m² for a minimum period of 120 months.

27.1.2 The Shosholosa Trust held a 75% share in this company, the remaining 25% being held by the Casee Trust, where Mr Scholtz is a trustee

27.1.3 The Adjudication and Evaluation Committees recommended that a lease be awarded to the Tifecta Company, but for five years, with an option to renew for a further five years.

27.1.4 Ms Yolanda Botia, in her capacity as the Head of Department and hence the accounting officer, amended the recommendation to award a lease for 120 months with an option to renew for a further 120 months. This is directly in line with Mr Breda's proposal and in direct conflict with the recommendations of the two committees. The bid documentation also reflects that no advertisement was placed in the Government Tender Bulletin and in fact, only in three local newspapers. A shortened period, namely one

week, was approved for the submission of bids. The chart compiled by the quantity surveyor/property valuer shows that the rentable area is 102m² less than that specified in the lease agreement and that the rental is not market-related. In my view, these facts confirm my suspicion that contraventions of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004 and fraud have been committed and that Ms Botha in addition acted in breach of her duties as an Accounting Officer as stipulated in Section 38 of the PFMA.

27.2 Upington: (lease 12 relating to the Orange Hotel in Upington with the South African Social Security Agency)

27.2.1 On 28 March 2006, Ms Yolanda Botha proposed that the Orange Hotel, owned by Trifecta Holdings (Pty) Ltd be granted a lease at a monthly rental of 2 600m² at R49 per m² for a period of five years with an option to renew for a further five years.

27.2.2 Mr Sarel Breda submitted the above proposal. Both he and Mr Scholtz were rejected as Directors of this company.

27.2.3 On 30 March 2006, the Chief Executive Officer of the South African Social Security Agency informed Ms Botha in writing that the lease may be entered into for a period of five years.

27.2.4 The signed lease agreement, however, was for a period of 10 years with a further option to renew for an additional 10 years. The rentable area was 2 065 m² at R89,80 per m². The proposal upon which authority was granted to enter into the lease agreement was for 2 600 m² at R49 per m² for a period of five years. The actual lease is in direct conflict with all those terms.

27.2.5 The quantity surveyor confirmed that the rentable area is in fact only 2 187m² and that the correct market value was R40 per m².

27.2.6 In my view, these facts confirm my suspicion that contraventions of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004 and fraud have been committed and that the appropriate Accounting Officer acted in breach of his/her duties as stipulated in Section 38 of the PFMA.

27.3 Kuruman: (lease 17 relating to Summerdown Place in Kuruman with Department of Social Services and Population Development)

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27.3.1A bid was submitted by Trifecta Trading 434 Property 7 (Pty) Ltd. It was reflected that Trifecta Holdings had a 75% shareholding in this company and that in turn, Trifecta Holdings comprised the Shosholozu Trust and Cassee Trust.

27.3.2 The bid document on behalf of the Trifecta Company was for R75.10 per m² free parking and a lease period of 10 years at an annual escalation of 8%.

27.3.3 On 4 October 2008, Rand Merchant Bank wrote to Mr Scholtz and Mr Breda, requiring proof that the correct tender process had been followed in respect of a minimum rentable space of 3 000 m² with an initial gross monthly rental of R142 800 at a minimum rental escalation of 8% and a minimum lease period of 10 years. This amounts to approximately R47 60 per m². In addition, confirmation was required that the correct tender process was followed and in that regard, a certificate was required from the Head of the Department. In my view, this letter confirms the statement by Mr Scholtz in his affidavit that in fact lease agreements were discounted to financial institutions. It would appear from this letter that representations had been made to the bank that in fact the company did have such a lease in place.

27.3.4 The Evaluation and Adjudication Committees however only met on 30 October 2008, 28 days after the letter from Rand Merchant Bank. These two committees however only recommended a five year lease with an option to renew for a further five years in respect of the bid by Trifecta. The annual escalation was at 8%.

27.3.5 On the same date however, Ms Yolanda Botha approved the lease, but with the proviso that the lease period be extended to 10 years with an option to renew for another 10 years and the annual escalation rate was increased from 8% to 9.5%. The increase of the period of the lease is exactly in line with the Rand Merchant Bank of 4 October 2008, but the rate of R75.10 m² is substantially more than the rental required by the bank as is the escalation rate. In these circumstances, I can only conclude that these additional charges were purely for the benefit of Trifecta Trading 434 Property 7 (Pty) Ltd. The discrepancy between the amounts specified by the bank and the

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terms of the lease as approved by Ms Botha also proved that the lease was not market-related according to the bank's own assessment.

27.3.6 The quantity surveyor/property valuer has confirmed that although there is no significant difference in the floor space, the true market value of the rental is only R40 per m². The lease agreement which was concluded, reflects that extra charges were levied for the parking bays, whereas the bid was approved on the basis that parking would be at no charge to the tenant.

27.3.7 In my view, these facts confirm my suspicion that contraventions of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004 and fraud have been committed and that Ms Botha in addition acted in breach of her duties as an accounting officer as stipulated in Section 38 of the PFMA.

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In respect of all 30 leases specified in the chart, I verified with the Government Printing Works that no advertisements have been placed in the Government Tender Bulletin. I can only conclude that this was not done so as to prevent competitive bidding and to ensure that the leases in question would be awarded to the Trilecta Group of Companies. I have also established that no reporting of deviation from the competitive bidding process was ever reported to the authorities specified in the applicable Treasury framework. These facts, combined with the serious irregularities reflected in the documentation relating to the Springbok, Kuruman and Uptington leases, provide a reasonable suspicion for believing that all 30 leases were obtained by colluding the Prevention and Combating of Corrupt Activities Act, No 12 of 2004 and in addition, with the Accounting Officers acting in breach of their duties in terms Section 38 of the PFMA. Where the rentable areas are less than the ones specified in the lease agreements, this should be in addition investigated as a charge of fraud. In this regard, it is recommended that the quantity surveyor/property valuer inspect all the relevant properties.

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On behalf of the Department of National Treasury, I request that SAPS conduct a full investigation into all 30 leases in order to confirm that the offences described above have in fact been committed.

PPM
2012-11-19

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I know and understand the contents of this statement.
I have no objection to taking the prescribed oath.
I consider the oath to be binding on my conscience.



Signed by Ryno De Water

Date: 2012-07-04

Time: 16:00

Place: PRETORIA

I certify that the deponent has acknowledged that she knows and understand the contents of this declaration, which was sworn to before me, and the deponent's signature was placed thereon in my presence at PRETORIA on the 04 day of JULY 2012



Signature of Commissioner of Oaths

Full Names: Fernanda Simoes Luis

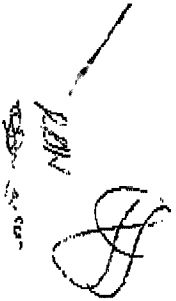
Business Address: Northern Cape Anti-Corruption Task Team Kimberley

De Beers Consolidated Building, Cnr Stockdale and

Chesapside

Street, Kimberley 8301.

Appointment: DL LT-COT



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IN THE HIGH COURT OF SOUTH AFRICA
(NORTHERN CAPE HIGH COURT, KIMBERLEY)

In the ex parte application of: CASE NO: /2012

The National Director of Public Prosecutions APPLICANT

And

Yolanda Rachel Botha FIRST RESPONDENT

Angelique Botha N.O. SECOND RESPONDENT
(in her capacity as a trustee for the time being
of the Jyda BeleggingsTrust)

In re: Erf 34632 also known as 12 Jansen Street, Kimberley

CONFIRMATORY AFFIDAVIT

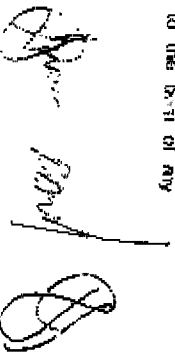
I, the undersigned,

RYNO DE WATER,

do hereby make oath and say the following:

INTRODUCTION

- 1 The facts are within my personal knowledge unless the contrary is stated in the context; indicators otherwise. These facts are, to the best of my knowledge and belief, both true and correct.



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- 2 I am an adult male as more fully set out in JS B to these papers in paragraph 19 of which I refer to a chart
- 3 I have read and understand the contents of the affidavit by Jacobus Smit and confirm the contents thereof in so far as they relate to me in this matter. The chart is attached to JS 10 to these papers.

[Signature]

RYNO DE WATER

I hereby certify that the Deponent has acknowledged that he knows and understands the contents of this affidavit that was sworn to and signed before me at ~~Reestburg~~ on this 22 day of October 2012 and the Deponent having declared that he has no objection to lifting the prescribed oath, which he consents to be binding on his conscience.

[Signature]
RYNO DE WATER
C. E. ABRAMS

Commissioner of Oaths

Full Name: OSAIL BANSING ABRAMS

Designation: SEBASTIAN

Area: RSA

Address: 31 PHAKAMUS MABISA STR
KIMBERLEY

[Signature]

[Signature]