



Craig McKune <craigm@amabhungane.org>

Media query: Vrede dairy money laundered through Dubai to pay for Gupta wedding

Craig McKune <craigm@amabhungane.org>

Tue, Jun 27, 2017 at 4:58 PM

To: Martin.madlala@dmr.gov.za

Cc: Stefaans Brümmer <stefaansb@amabhungane.org>, Sam Sole <sams@amabhungane.org>

Dear Mr. Zwane,

I am a journalist with the amaBhungane Centre for Investigative Journalism. We intend to publish a series of reports on how the entire second tranche (R84m) of Free State provincial government's money, which was paid to Estina in 2013 and supposed to be spent on the Vrede dairy project, was instead routed to the Guptas' bank accounts Dubai. Bank records and invoices furthermore show that Free State's cash was then used to reimburse USD3,333,400 (or R30m) of expenses related to the Sun City wedding of the Guptas' niece. Another USD3,100,000 of the Free State government's money was sent to Oakbay.

We intend to report that you were the driving force behind the Vrede dairy project given to Estina without public tender and that you attended the Sun City wedding.

We further intend to report that 1) the Guptas accounted for the wedding as a business expense meaning that beyond using the Free State's cash to pay for the wedding, the Guptas paid no income tax on their windfall courtesy of the Free State and that 2) the mere use of US correspondent banks (the payments in respect of the wedding expenses were made in US dollars) may be sufficient for the United States to claim criminal jurisdiction in respect of its Foreign Corrupt Practices Act and anti-money laundering laws.

Additionally, US conspiracy law may subject non-US companies or individuals who have not committed an act within the United States to US criminal jurisdiction. That is, if the United States can establish jurisdiction over a single conspirator, it may have jurisdiction over all conspirators, whether companies or individuals, wherever they may be found.

We welcome any comments you may have on the foregoing, including on the Guptaleaks or your relationship with the Guptas in general.

In addition, we have the following requests/questions:

- Were you aware that the Free State government's money that was supposed to be used by Estina for the Vrede dairy project was sent to the Guptas' accounts in Dubai?
- Were you aware that the Free State government's money was used to pay for expenses related to the Guptas' Sun City wedding?
- Guest lists and other records indicate that you attended the Sun City wedding. Please confirm.
- Were you aware that the Guptas routinely transacted in US dollars?

- Have you sought legal advice from US counsel concerning potential US criminal jurisdiction in respect of the Vrede dairy deal?

Please send us any comments and/or answers to our questions by no later than noon, Thursday, June 29.

Best

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