



Suite No.155 Anderson Str, Cnr Anderson & Duncan Streets, BROOKLYN, 0028

Suite No.29 The Lenchen, Cnr Lenchen & Glover Avenue

Tel: (012) 362-3742, Fax: (012) 362-7234, Cell: 082 511 9954

E-mail: makhubelaattorneys@telkomsa.net

Fax: (011) 530-5111

WEBBER WENTZEL
SANDTON

Our Ref: Mr L Makhubela
Your Ref: D Milo/ G
Palmer 1954891

Dear Sirs;

03 NOVEMBER 2010

RE: Response on behalf of Mr and Mrs Petje in response to questions addressed by Adriaan Basson and Sam Sole of the Mail & Guardian on 25 October 2010

1 We refer to the above matter and hereby enclose our client's response to the questions.

2 **AD QUESTION 1**

2.1 Mrs Petje did receive R100 000 from Mr Gumede through Tulazo Trading CC, one of Gumede's companies.

2.2 The payment was as a result of her company having supplied Aloga Financial Services an NGO ("Aloga"), conference memorabilia for their 2004 Kopano Conference. She was contracted by Aloga to supply the goods. After the conference she was advised to expect payment from Mr Gumede who had donated R100 000 towards Aloga for the conference. She had to take a loss as not all donors paid for the balance of the goods supplied to Aloga.

2.3 Since she was not involved in securing the donation from Mr Gumede she requested the chairman of Aloga, Advocate Moss Mphaga, to respond to your questions as he is the one who sourced the Gumede donation. See attached hereto, Advocate Mphaga's self-explanatory response.

3 **AD QUESTION 2**

Mrs Petje is the only shareholder of her business.

4 **AD QUESTION 3**

4.1 Mr Petje refers to his statement taken under oath during the ACT insolvency inquiry. The information that is being sought by you was addressed at the inquiry and consequently, as a result of the evidence (or more properly put the lack thereof) the investigation did not ultimately go further and the inquiry

was closed. Mr Petje did not meet with or knew Mr Gumede at all prior to 10th June 2002 after the various Telkom evaluation teams had completed their recommendations. Mr Petje was not a member of the evaluation teams.

- 4.2 For the record, Mr Petje was not the Head of Procurement when the contract was signed. Mr Petje did not approve or award tenders but the Telkom Procurement Review Committee made up of various Telkom executives award tenders. Mr Petje was mandated to sign the Guma contract on behalf of Telkom. There are numerous contracts awarded in the 1990's, early 2000's to mainly white companies that still to date are being renewed by Telkom without going out on tender. Therefore Mr Petje is not surprised that the Guma contract is still ongoing long after he has left Telkom (6 years ago).
- 4.3 The award, renewal or extension of contracts at Telkom is a complex and very thorough process. It includes scrutiny by more than 3 committees and the legal team before a tender is approved. It is not unusual for Telkom contracts to be extended between the relevant party and Telkom for as long as Telkom is happy with the product and services, including value for money. There was a short term extension (Sept 2005 to March 2006) granted to Guma in 2005 based on the recommendation made by the various committees within Telkom to extend the contract as Guma did not supply the phone cards (2002 to June 2003) as Gemplus from France was the supplier at that time. There was an oversupply of phone cards and the contract encroached onto Guma's contractual supply period. It is normal practice within Telkom that the various committees in consumer related contracts wherein there is an oversupply of products, may extend a contract for a short period to cover the lost months in slow moving stock. Mr Petje left Telkom's employ in 2005. Almost a year after Petje left, Telkom extended Guma's contract in 2006. There is therefore no link to the extension of the Guma contract with Telkom and Mr Gumede's much appreciated donation to **Aloga**.
- 4.4 The statements attributed by you to Mrs Zongi Ndelela-Gumede (Zongi) must be seen in light of the well reported bitter and acrimonious divorce between her and Mr Gumede. Mr and Mrs Petje did not become house friends with Zongi and Mr Gumede and they did not visit their clients' home for either tea or dinner. Mrs Petje first met your source, Zongi, and Mr Gumede some time in 2003 when they went to her shop to buy leather jackets for Zongi and her 2 daughters from her previous marriage. Mr Gumede paid with his personal cheque then. There is no evidence to either suggest that the payment of R100 000 was linked to any form of bribe. Mr Gumede has and continues to buy travel bags from Mrs Petje's shop transparently to date. It is unfortunate that Mr Gumede's ex-wife Zongi is dragging our clients into her issues with her ex-husband and into the issues between the Mail & Guardian and Mr Gumede relating to the forced and embarrassing apologies that M&G had to publish.
5. We trust the above settles the issues pertaining to questions under-reply. If there are any further queries kindly address same to writer-hereof.
6. Our client's rights are fully reserved.

Yours faithfully

MAKHUBELA ATTORNEYS

Per 

Messrs Sam Sole and Adriaan Basson
Mail & Guardian
Johannesburg

RE: MAIL & GUARDIAN QUESTIONS – MRS NOMZAMO PETJE

1. The questions posed by yourselves to Mrs Nomzamo Petje (“Mrs Petje”) per email dated 25 October 2010 have reference.
2. Mrs. Petje has referred some on the questions emanating from your email to Aloga Financial Services and the relevance thereof shall become apparent from the response set out fully hereunder.
3. I respond to the allegations raised in your email in respect of the alleged payment of R100 000.00, in my capacity as the Chairman of Aloga and have been duly authorized to do so by the Board.

BACKGROUND

4. Before dealing with the allegations raised in your email, I wish to set out the following brief background:
 - 4.1. Aloga was conceived in conjunction with Christian Technical Services (CTS) now known as PEER Servants early in 1998, to provide finance and other
-

services in the SMME sector. It was incorporated as a section 21 company in March 1999.

- 4.2. The target market of Aloga comprises of the poorest of poor particularly, those members of society that are not eligible to secure business loans from banking institutions. I attach herewith a copy of a profile of such clients of Aloga as annexure "A".
 - 4.3. Aloga has survived since 1998 under difficult circumstances which in many cases required the members of the Board to donate monies to sustain the organization. The members of the Board not only donate monies from time to time but also spend their time with a view to alleviate poverty in the outlined townships of Pretoria with more emphasis at Mamelodi Township and the squatter camps.
 - 4.4. Since inception Aloga has relied on its partner, Peer Servants for donations and technical advice. However, Peer Servants have always insisted that Aloga should raise capital internally before it could release most of the donor money. This challenge to unlock funds from Peer Servants by raising funds locally has prompt Aloga from time to time to approach business entities and individuals for assistance.
 - 4.5. In 2004 Aloga was given the privilege of hosting an international conference known as Kopano. This conference hosted overseas partners of Peer Servants from USA, India, Nigeria, Sudan, Angola, Namibia, Moldova, Vietnam, Sri Lanka, Brazil, Thailand, Peru and Haiti.
-

- 4.6. The hosting of the conference was a huge challenge to Aloga as it had to raise funds to meet some of the expenses for the conference. These expenses *included* supply of corporate gifts *inter alia*, T-shirts, fleece jackets, bags, and stationary, etc. ("the merchandise"). which we estimated to cost approximately R250 000.

5. **AD DONATION OF R100 000.00**

- 5.1. At the request of the Board of Aloga, I approached Mrs Petje who was part of the volunteer team of the Kopano Conference' organisers to assist in procuring and supplying the merchandise through her company, LeMonde ("the supplier") which was already into that business. I was advised by Mrs Petje on behalf of the supplier that after having considered the number of delegates for the Kopano Conference, the merchandise would cost approximately R250 000.00.

- 5.2. As chairperson I approached various donors including Mr Robert Gumede ("Mr Gumede"). Mr Gumede undertook to donate an amount of R100 000.00 towards the purchase of the merchandise on condition that the amount be directly deposited to the supplier's account. This according to Mr Gumede would ensure that the money would be utilised for the intended purpose. I communicated Mr Gumede's proposal to pay the supplier directly to members of the Board and to Ms Petje on behalf of the supplier and they were all agreed to same.

- 5.3. The supplier duly delivered the merchandise as requested. Some of the Board members of Aloga including myself and our partners Peer Servants raised some of the balance of the R150 000 of the total amount for the merchandise. I was advised by Mrs Petje that an amount of R100 000 was subsequently paid as promised by Mr Gumede into her business account in two instalments. However
-

as we failed to raise the entire R250 000, Le Monde and Mrs Petje took a loss for which Aloga is grateful.

- 5.4. During **October 2006** I was also mandated by the Board to approach Mr Gumede for a further request for donation towards a mission conference which was to be attended by members of Tide Rescue Mission (TRM) in Chicago, USA. TRM is a youth missions wing of Aloga geared towards transforming young peoples' lives by promoting moral regeneration.
- 5.5. Our partners Peer Servants had committed to paying 50% of travelling costs for these young people and we therefore had to raise 50% locally. On having discussed the matter with Mr Gumede he committed to contribute that 50% which was duly paid. I attach hereto copies of emails dated **17 October 2006** and **18 October 2006** as annexures "B" and "C" respectively. I further attach a copy of an email indicating an undertaking by Mr Gumede to donate an amount of R20 000.00 towards the travel costs of TRM representatives and the necessary invoices from Harvey World Travel in support hereof as annexure "D".
- 5.6. The relationship between Aloga and Mr Gumede has over the years not been limited to monetary donations but he is also a patron who has been an inspiration to our clients who run micro enterprise businesses.
- 5.7. At all material times during my engagement with Mr Gumede in respect of Aloga affairs I was mindful of the fact that Mr Petje (who is also the Board member of Aloga) was involved directly or indirectly in approving a tender
-

submitted by a company related to Mr Gumede during 2002. However, at the stage when I held discussions with Mr Gumede in 2004 the alleged tender had already been adjudicated and awarded in 2002.

5.8. The donation of the R100 000 at issue had no direct or indirect nexus with Mr Petje's involvement with the award of the alleged tender to Mr Gumede's company. Aloga was the beneficiary of the said amount and not Mr Petje or his wife as insinuated in the questions posed.

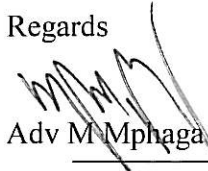
5.9. There was therefore no conflict of interest in dealing with Mr Gumede since 2004 to date, particularly having regard to the fact that the business of Aloga is not for profit making but for poverty alleviation related projects for black people. None of its members or directors benefits anything instead they have to contribute towards fund raising for our noble programmes.

5.10. The allegations that are made that they may have been involved in money laundering or corruption are not only false but injurious and without any factual basis.

5.11. I as a practising Advocate of the High Court of South Africa would never associate myself with any underhand or unlawful dealings.

5.12. I hope that this response will assist and provide an adequate answer to your questions.

Regards


Adv M Mphaga

Who we serve: a wide range of business types.

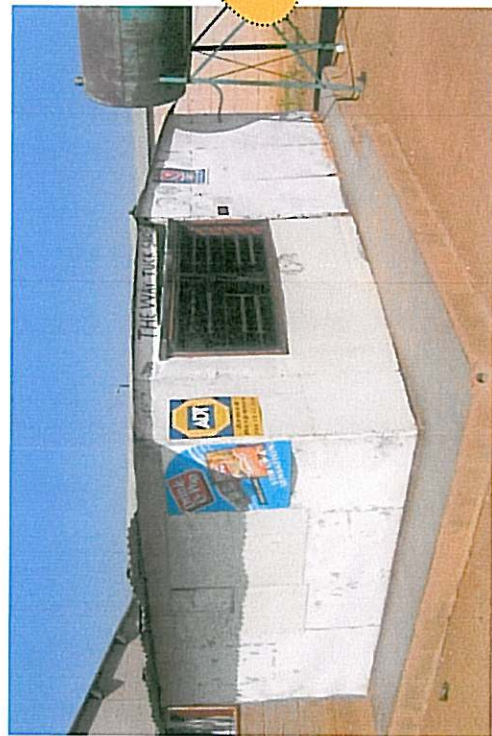


Hair Salons



Less Formal

More Formal



Tuck Shops



"A"

Who we serve: service providers and trade practitioners.



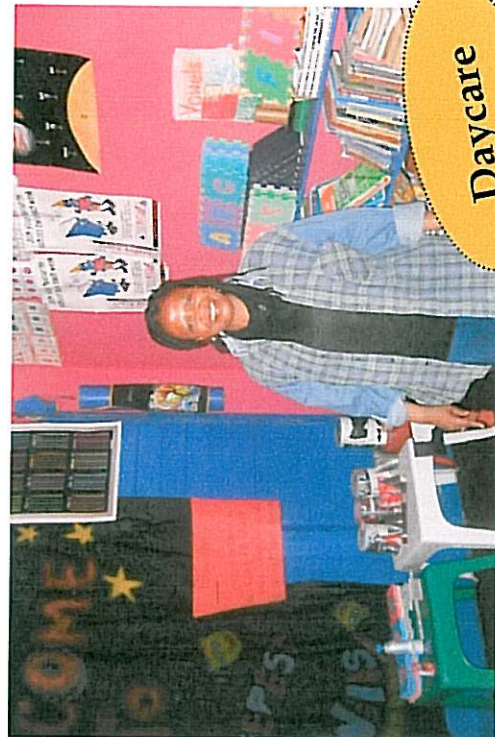
Laundry

Paula



Sewing

Winnie's Creations



Daycare

Lilly



Leatherwork

Isaiah

Who we serve: our client criteria and a typical profile.

TARGET MARKET



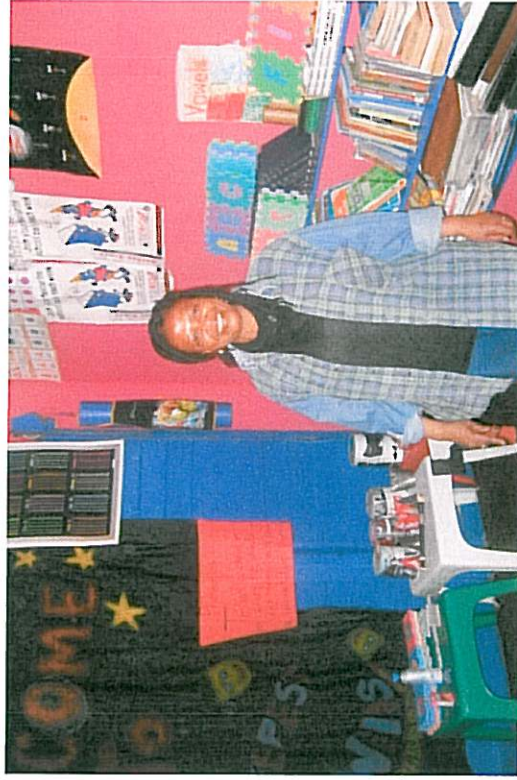
- Both Christian and non-Christian.
- In need of financial assistance.
- Has an existing business or economic activity.
- Has relevant skills and practical experience in the business
(*Aloga can provide business training, but does not provide technical industry training.*)
- Able to take on debt after business, personal, and other expenses considered.
- History of responsibility and/or repayment.
- Trustworthy, hard-working, motivated, and eager to learn.
- Capable of saving.
- Could be potential repeat borrower.

CLIENT PROFILE



- Most often female.
- Runs micro business from home.
- Current revenue barely covers living expenses; no savings.
- Earns less than R 5,000 per year (US\$ 833).

Case Study: Lilly Storom Kidies Deepest Wells Preschool



Loan Details.

- Feb 2004. Received R2,000 loan to purchase additional furniture and supplies from a preschool going out of business.
- Nov 2004. Received R2,000 loan to expand her daycare business further.

Impact.

- **In her own words:** Lilly offers better service than her competitors "by educating and filling the learners with the words of God, and remediating their disabilities at an early stage.
- **Giving back:** Lilly adopted the young girl in the red dress, whose parents both died from AIDS.

Case Study: Winnie Malebo Winnie's Creations



Loan Details.

- Xxx 2000. Purchased a sewing machine.
- ADD DETAILS ...

Impact.

- Her new 3-room workshop employs 5 people and turns out thousands of sweaters, jackets, shirts, and bags.
- Orphaned at 2 years old, Winnie is finally completing her high school education and has plans to expand her business even more!
- Winnie began as a domestic worker: from her 1st savings, she purchased a grave marker for her mother; from her 2nd savings, she purchased a sewing machine.

Case Study: Flydah Mdhhluli Kulani Tuck Shop Management, Catering, & Beadwork



Loan Details: Career Total R47,470 or \$7,900

- Apr 2000. R2,000 loan to increase stock at Blessings Tuck Shop.
- Oct 2000. R3,500 loan to purchase fryer.
- May 2001. R5,000 to expand stock at Tuck Shop and begin catering business.
- July 2001. R6,000 to expand stock at Tuck shop and catering equipment.
- Apr 2002. R2,000 for bead work materials.
- Dec 2002. R8,970 to finance catering contracts and purchase equipment.
- Jun 2003. R10,000 to purchase office equipment and finance catering contract.
- Nov 2003. R4,000 to purchase stock for catering contract.
- Dec 2003. R6,000 to finance catering contract.

Case Study: Flydah Mdhuli Kulani Tuck Shop Management, Catering, & Beadwork



Impact.

- This incredible woman has built 4 successful businesses from scratch with the help of Aloga.
- She has persevered through 2 robberies (even paying her loan on time!).
- Flydah intentionally hires and trains the disabled and unemployed at her tuck shop. Thanks to Flydah, David and Moses can now make delicious cakes!
- She works harder than anyone on her payroll! Flydah arrives before her employees *every* morning at to peel *all* the potatoes for the day's chips.
- Flydah is also contracted to train male maximum-security prisoners in catering and beadwork. She leads them in devotions as part of her training.

Case Study: Flydah Mdhuli Kulani Tuck Shop Management, Catering, & Beadwork



In Her Own Words.

Where does she go from here?

- "My next goal is to establish a catering school. I want to train the unemployed, the disabled, and even the street kids. I want to equip them so that they can escape poverty and have hope. I want to create jobs for everyone that I can."

What has made her so successful?

- "Every morning when I place the key in the door to unlock my business, I invite Jesus Christ to come in with me."

Words from the Wise.

- "Be patient. Be determined. Be humble. Respect your employees and customers and treat them well. Believe in God and thank Him for all that he's done for you."

A PROFILE OF FLYDAH MDHLULI, July 27, 2004



FLYDAH'S TUCKSHOP WAS BUZZING WITH ACTIVITY.

Employees were busy deep-frying the day's supply of chips (french fries), dicing vegetables, and

mixing cake batter as Flydah welcomed us into the flurry. "Meet David and Moses. They are disabled, but I trained them to clean, prepare food and even bake!" she proudly told us. Flydah beamed, "They make delicious cakes." Moses and David shyly smiled, not missing a beat in their work.

DISABLED BUT NOT IN DESPAIR. Unlike most youth in their position, Moses and David (below) are not isolated in the house all day. Thanks to Flydah they not only feel useful but also have an opportunity to earn money. While Moses has a family, David is an orphan. The date of his birth is unknown, thus he cannot obtain an ID card or government assistance. Flydah's employment is truly his only resort.



ENABLING FAMILIES TO SURVIVE. Flydah also trains the mothers of disabled children to do beadwork free of charge. She provides an official certificate at the end of each course. These women can now sell beadwork to help cover the costs of their special needs children.



"I WILL GIVE ANYONE A CHANCE."

declares Flydah, whose heart for the unemployed and disabled is evident. "I'm not



greedy, I pay people fairly, even during training when most employers require free labor. I expect my employees to show up on time, work hard and treat customers well. My standards are high, but I lead by example. I arrive at the shop before anyone else and peel all of the potatoes for the day. My employees don't complain, because they say, 'she peels the potatoes for us every morning.'"

WHERE SHE'S AT NOW.

Between managing two tuck shops, running a catering business, fulfilling beadwork orders, and training others, Flydah is a busy and happy woman. She now earns over R80,000 (US\$13,300) per year versus less than R5,000 (US\$800) before her path crossed with Aloga in 1999. Her husband of 30 years and her 4 children are proud of her. Tintswalo, her youngest daughter (above), is studying to become a chartered accountant and will one day take over Flydah's businesses!



THE WAY IT USED TO BE.

In 1999, like many in Mamelodi, Flydah Mdhluli helped support her family by selling soft drinks from home. As a member of Charity Faith Mission, Flydah heard about Aloga's micro business ministry. Flydah seized this opportunity to grow her small business and income.

ALOGA ENTERS THE SCENE.

In early 2000, Aloga extended Flydah her first loan for R2,000 (US\$300). With the proceeds, she purchased additional stock for her small "spaza" shop. Flydah not only repaid her



first loan on-time, but managed to build a one-room store complete with stove from her savings. Flydah could now provide home-cooked food to hungry customers. In October of 2000, Aloga extended Flydah a second loan to wire electricity into her small store. Two subsequent loans enabled Flydah to expand her stock and even include fresh groceries.



HEY, I CAN DO THAT. In 2000, Flydah noticed beadwork advertised in a local newspaper. She had learned beadwork from her grandmother as a young girl. Flydah cut

out the pictures, counted the beads, and began to create beautiful beadwork to sell. Flydah soon recognized that beadwork could provide a marketable skill for the unemployed, so she began training members of the community for free.

CATERING IS ADDED TO THE BUSINESS PORTFOLIO. In December of 2000, Aloga funded Flydah as she opened her own catering business. She now caters and decorates for numerous meetings, conferences, and parties. In typical style Flydah provides catering service to churches at cost.

THINGS WERE NOT ALWAYS EASY. Flydah has been robbed twice. In 2000, everything from her small shop was stolen including the deep fryer. She persevered, buying new stock from her meager savings.



Flydah repaid her Aloga loan on time, rebuilt her business, invested in iron gates and a steel door. Over one year passed before Flydah could replace the deep fryer.

Despite added security, her tuck shop was robbed again in 2003. While financially and emotionally devastating, Flydah once again persevered, rebuilding her business and adding even more security measures.

FROM WEAPONS TO TRADES.

In 2002, Aloga gave Flydah a loan to purchase beadwork supplies when she received



a government contract to train prisoners in the trade. To Flydah's surprise, she was assigned to a male maximum security prison! God often has a sense of humor. However, these men relished the opportunity to learn a marketable skill. Many have since created their own designs, which family members sell for them. Flydah has received a second training contract for the same prison. She now teaches catering as well (pictured above). Flydah's goals transcend mere skill development, she introduces these prisoners to Jesus Christ. Her training sessions open with devotions, and she never fails to pray with the prisoners. The prisoners adore her and even threw her a surprise birthday party.

IN HER OWN WORDS.

WHERE DOES SHE GO FROM HERE? "My next goal is to establish a catering school. I want to train the unemployed, the disabled, and even the street kids. I want to equip them so that they can escape poverty and have hope. I want to create jobs for everyone that I can."

WHAT HAS MADE HER SO SUCCESSFUL? "Every morning when I place the key in the door to unlock my business, I invite Jesus Christ to come in with me."

WORDS FROM THE WISE. "Be patient. Be determined. Be humble. Respect your employees and customers and treat them well. Believe in God and thank Him for all that he's done for you."

PRAYER REQUESTS. "Please pray that my businesses will be successful and grow and that everything I do will touch the lives of others." And on a more personal note, "Please pray for my husband and two sons, who are not yet born again."