

# Media Statement



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**TO: ALL MEDIA**

**DATE: 20 SEPTEMBER 2019**

**RE: NPA ASSET FORFEITURE UNIT RECOVERS R6.6 MILLION IN THE NELSON MANDELA BAY METRO CORRUPTION CASE**

The Asset Forfeiture Unit (AFU) in PE has recorded a significant success on Tuesday 17 September when the court dismissed an interdict application by Andrea Wessels to stop the auction of a property worth over R3.7m, for which the AFU had attained a preservation order.

This is part of a multi-phased forfeiture process being pursued by the AFU to recover funds that were looted from the Integrated Public Transport System (IPTS), which was granted to the Nelson Mandela Bay Metropolitan Municipality (NMBM) by National Treasury.

The Deloitte and Touche (Deloitte) IPTS forensic investigation focused on ten service providers against which allegations were made. Deloitte concluded that there is sufficient *prima facie* evidence of fraudulent and corrupt relationships between the NMBM officials and suppliers that warrant detailed investigation by the SAPS.

Deloitte further concluded that certain suppliers were irregularly appointed through various deviation processes and the amounts paid to them could be regarded as irregular expenditure in terms of the Municipal Finance Management Act (MFMA) and the NMBM procurement policies.

The extensive criminal investigation against certain individuals and entities was led by Captain Johannes Hendrik Fourie from the Eastern Cape Directorate for Priority Crime Investigations (the Hawks) in East London as part of the Anti-Corruption Task Team.

The persons and entities below have been charged in the Port Elizabeth Specialised Commercial Crime Court (SCCC) with fraud, alternatively theft and money laundering in relation to an amount of R18 million emanating from IPTS funds are Mandisi Charles

Mkasa, Nadia Gerwel, Andrea Joleen Wessels, Stephan Pretorius, Zeranza 299 (Pty) Ltd and Mr Cheeky Watson.

With the assistance of Deloitte and the DPCI, the AFU has taken action to recover the undue benefits to ensure that they are returned to the victim of the crime. In this case it is the National Treasury (NT) and not NMBM because the latter's officials were implicated.

The AFU has used both its criminal and civil forfeiture powers (i.e. where no arrest, prosecution or conviction is required).

The first phase was in relation to a civil forfeiture application against a property in Uitenhage, purchased in 2013 for about R800 000 illicitly acquired utilising IPTS funds. Wessels argued that the Uitenhage house was acquired utilising funds her company, Zeranza received after services rendered in relation to the unsuccessful 2012 festival event.

On 31 July 2018, a forfeiture judgment and order against the Uitenhage house was granted, on the basis that it is indeed proceeds of fraud, theft and money laundering. The appointed curator has auctioned it and deposited proceeds thereof i.e. R800 000 into the National Treasury bank account.

The second phase relates to a restraint application or criminal forfeiture against a benefit of R11 950 049 emanating from IPTS funds. A final restraint order over the assets of the accused in the criminal case mentioned above and Respondents has been granted.

To date, only Wessels' son, Rukshane Abrahams (Abrahams) has paid back the benefit he received, a total of R289 030 plus interest.

The third phase is about a civil forfeiture application against a property in Summerstrand, Port Elizabeth registered in the name of Dankovista (Pty) Ltd. It was illicitly acquired utilising IPTS funds.

This house was on sale (which has been called off on the insistence of the AFU) in January 2018 for R2.9 million. Dankovista opposed, alleging that it sub-contracted to Heerkos in producing an E – Tendering programme and the R7 million it received was allegedly for services rendered and not from the IPTS funds.

The NMBM applied to be joined to contest NT's position that it has interest in the matter and any recovered funds must be paid to it. The joinder application was set down for hearing on 22 May 2018.

On 30 October 2018, a forfeiture of the Dankovista house to the State was granted, by agreement with Abrahams/Dankovista and the proceeds of its auction, less the appointed curator's costs have been deposited into the NT bank account. On 8 January 2019, the NT accepted R2.1 m as the purchase price offered at the December 2018 auction in relation to the Dankovista house. Transfer and registration has been processed and deposit of proceeds thereof has taken place. This would mean that the Dankovista house is no longer available under the restraint mentioned above.

The fourth phase is in relation to civil forfeiture against a property in Uitenhage purchased on 3 May 2014 for R1 300 000, transferred and registered on 12 June 2014, which is not bonded (the Bassey house); (2) a white Toyota Quantum; (3) a white Jeep; (4) a silver BMW 3; (5) and other items of assets of value. Bassey did not oppose the forfeiture application. On 22 May 2018, forfeiture by default was granted and the appointed curator has auctioned and deposited into NT's bank account proceeds thereof.

The fifth phase civil forfeiture relates to the Zeranza house situated in Summestrand, which from the evidence was acquired utilising R3.5 m from the R9m the NMBM paid from the IPTS funds to Fakier of Heerkos. Wessels, as a Director of Zeranza instructed her ex-attorney not to do anything about the preservation order against this house, which her attorney did and agreed to the forfeiture order to be granted. An auction was arranged.

However, Ms Wessels applied for an interdict to stop its sale to enable her to rescind the forfeiture order, which order was opposed by the NDPP. On 5 June 2019, the AFU received an application from Ms Wessels for leave to furnish further evidence to the effect that one Kramer, an Accountant from the NMBM was alleging that the R9 m to Fakier did not emanate from IPTS funds but from the municipal funds. Kramer had been tasked by Mayor Bobani.

The NDPP responded challenging Kramer and Mayor Bobani to refute that the latter received more than R600 000 being proceeds of unlawful activities ex IPTS and therefore conflicted to task Kramer to enter the fray at this stage of the proceedings. On 17 September 2019, Swanepoel AJ dismissed both the rescission and interdict with costs, on the basis that Zeranza and Wessels failed to show good cause for the rescission. This means that the forfeiture order stands. The AFU has instructed the appointed curator to proceed with the auction and deposit proceeds thereof into the NT's bank account.

The AFU will pursue other phases as and when concrete evidence surfaces and believes that looting of the state's funds ought to be swiftly dealt with such vigour.

**Luxolo Tyali**

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