



01 February 2019

**STATEMENT BY PRESIDENT CYRIL RAMAPHOSA
TO THE PUBLIC PROTECTOR**

**INVESTIGATION INTO ALLEGATIONS OF VIOLATION OF THE EXECUTIVE
ETHICS CODE THROUGH AN IMPROPER RELATIONSHIP BETWEEN THE
PRESIDENT AND AFRICAN GLOBAL OPERATIONS, FORMERLY KNOWN AS
BOSASA**

Dear Adv. Mkhwebane,

- 1 Your letter to my office dated 14 December 2018 refers.
- 2 This letter has been prepared at your request, in response to allegations made in a letter of complaint lodged by Mr Mmusi Maimane, leader of the Democratic Alliance.
- 3 From the letter received by your office, I understand the allegations by Mr Maimane to be as follows:
 - 3.1 On 6 November 2018, during a question session in Parliament, I violated the Executive Ethics Code by deliberately misleading the National Assembly in my reply to a question by Mr Maimane.
 - 3.2 The available set of facts reveal that there is possibly an improper relationship existing between me and my family on the one side, and the company, African Global Operations on the other side.

- 4 Both above allegations are untrue, as will be made clear from the facts set out below.
- 5 Since the allegations rely to a large extent on what I knew and when I knew it, I have structured this statement in a manner that establishes the facts and the chronology of events as they relate to the information available to me.

RELATIONSHIP BETWEEN MR ANDILE RAMAPHOSA AND AFRICAN GLOBAL OPERATIONS

- 6 With regard to what Mr Maimane refers to as "an improper relationship existing between me and my family on the one side, and the company, African Global Operations on the other side", I would like to state as follows:
 - 7 On or about 5 September 2018, I was informed by one of my advisers, Mr Bejani Chauke, about a rumour that my son, Mr Andile Ramaphosa had received a payment of R500,000 from African Global Operations (AGO).
 - 8 On enquiring about this from my son, he informed me that:
 - 8.1 In December 2017, his company, Blue Crane Capital (Pty) Ltd, had signed an Advisory Mandate with African Global Operations for possible business entry and activities in some East African countries.
 - 8.2 In January 2018, his company had signed an Anti-Bribery and Corruption Policy with AGO. The signing of an Anti-Bribery and Corruption policy was a practice that my son had instituted with all his clients as a precautionary measure following my election as President of the African National Congress (ANC) in December 2017.
 - 9 My son showed me copies of both the Advisory Mandate and the Anti-Bribery and Corruption Policy.

- 10 It was on this occasion, in September 2018, that I first became aware that my son's company had a business relationship with AGO.
- 11 From the way it was explained to me, and based on the Advisory Mandate and Anti-Bribery and Corruption Policy, I had no reason to believe that there was anything untoward about the relationship.

PARLIAMENTARY REPLY ON 6 NOVEMBER 2018

- 12 On 6 November 2018, I appeared in the National Assembly to respond to Questions for Oral Reply.
- 13 According to the rules of the National Assembly, the President is expected to appear in the National Assembly once a quarter to reply to six questions submitted by MPs. The six questions are received in advance and replies are prepared. Once the President has responded on a question, the MP that asked the question has an opportunity for a follow-up question.
- 14 On this occasion, the first question was from Mr Maimane about VBS Mutual Bank. In his follow-up question, Mr Maimane referred to a payment that had allegedly been made by AGO to my son, Mr Andile Ramaphosa.
- 15 According to the Hansard record, Mr Maimane said the following:

Speaker, through you to the President: I think I agree with you that what took place at VBS was a complete disgrace. In this particular instance, these are politically connected people who stole money from poor South Africans and stole their life savings, where the rich are protected and they steal from the poor and the unemployed. This culture is pervasive for those who are on the inside, connected to the ANC ... [Interjections.] ... and those who are on the outside, the poor people.

Mr President, here I hold a proof of payment that was transferred to say that R500 000 had to be transferred to a trust account called EFG2 on 18

October 2017. This was allegedly put for your son, Andile Ramaphosa. [Interjections.] Following on that, I have a sworn affidavit from Peet Venter, stating that he was asked by the chief executive officer of Bosasa to make this transfer for Andile Ramaphosa.

Mr President, we can't have family members benefiting. [Interjections.] I would want to ask you, right here today, that you bring our nation into confidence and please set the record straight on this matter. Thank you very much.

- 16 Based on what I had been told of my son's business relationship with AGO just two months earlier, I naturally assumed that the payment to which Mr Maimane was referring related to the Advisory Mandate that had been signed between my son's company and AGO.

- 17 As recorded in Hansard, I therefore responded as follows:

Speaker and the hon Maimane, this matter was brought to my attention. It was brought to my attention some time ago. I proceeded to ask my son what this was all about. He runs a financial consultancy business, and he consults for a number of companies, and one of those companies is Bosasa ... [Interjections.] ... where he provides services on entrepreneurship, particularly on the procurement process. He advises both local and international companies.

Regarding this payment, I can assure you, Mr Maimane, that I asked him at close range whether this was money obtained illegally, unlawfully - and he said this was a service that was provided. To this end, he actually even showed me a contract that he signed with Bosasa. [Interjections.] The contract also deals with issues of integrity, issues of anticorruption, and all that.

The SPEAKER: Order! Order, hon members! Let's listen to the President's answer. [Interjections.]

The PRESIDENT OF THE REPUBLIC: On this one, I have made sure that I get as much information as I can.

An HON MEMBER: Really?

The PRESIDENT OF THE REPUBLIC: He is running a clear and honest business as an advisory service, as he has been trained as a consultant with his business science qualification. I have had no idea or inkling whatsoever at what he has informed me, that this money was obtained illegally. If it turns out – Mr Maimane, I can assure you if it turns out that there is any illegality and corruption in the way that he has dealt with this matter, I will be the first, the absolute first, to make sure that he becomes accountable ... [Interjections.] ... even if it means ... [Applause.] ... I can assure you, even if it means that I am the one to take him to the police station. That I will be able to do. [Interjections.]

I am clear about that, and I can let you in on something else. I have told my children that you do not do any business with a state-owned enterprise. You do not do any business with government. That is what I have told them. [Interjections.] Yes, they listen to me, but I do know from time to time some of these errors and some of these activities can surface. The filter that I want you to know I apply, as their father, is that if there is any illegality, if there is any corruption, I am going to be the first one to take them to jail myself, if need be. That I will do. [Interjections.] I will not allow that. That is what I want you to know.

It is important to note that this was a follow-up question on a matter that was unrelated to the original question. I therefore did not have an opportunity to reflect on the question in its totality, to examine what was being averred in the affidavit that Mr Maimane said he had in his possession. I felt the need to respond to what I perceived as Mr Maimane's attack on my and my son's integrity on the basis of what I knew was incorrect, particularly when he said "the rich are protected and they steal from the poor and the unemployed."

- 18 In the main my reply to Mr Maimane's supplementary question in the National Assembly was based on the information I had at the time, and it is against this background that I reasonably made the assumption that the alleged payment was related to the Advisory Mandate that my son's company had signed with AGO.
- 19 On returning to my office in Tuynhuys following the questions session, I was informed by one of my advisers, Ms Donn  Nicol, that the account that Mr Maimane had referred to, EFG2, was an attorney's trust account that had been used by the 'CR17' campaign to raise funds for the campaign to advocate for my election as President of the ANC at the organisation's 54th National Conference in December 2017.
- 20 A deliberate decision had been taken by myself and by those leading the campaign that I would not be involved in fundraising even as I would address meetings and have a few dinners with potential funders. These meetings and dinners with potential funders were used as occasions where I would have outlined my vision for the ANC and the country.
- 21 We had also decided that I would not be provided with the identity of donors or the amounts pledged, as I did not want to feel under obligation to them in any shape or form at any time in the future.
- 22 I was therefore not aware at the time that I appeared in the National Assembly on 6 November 2018 that Mr Gavin Watson had made a donation to the 'CR17' campaign.
- 23 My immediate response was that this information should be disclosed and that my reply in the National Assembly should be corrected.
- 24 At a meeting held on 8 November 2018, my advisers confirmed that a payment of R500,000 had been made on behalf of Mr Gavin Watson into the CR17 attorney's trust account on 18 October 2017, and that this donation was distinct

from, and unrelated to, the business relationship between my son's company and AGO.

- 25 Upon hearing all this information I decided to write to the Speaker of the National Assembly informing her that I had inadvertently provided incorrect information to the House on 6 November 2018. I directed my staff to make public my explanation to the Speaker of the National Assembly in a media release. I further requested that the former managers of the CR17 campaign, Mr Bejani Chauke and Mr James Motlatsi, also prepare a statement in which they clarify the nature of, and circumstance in which, the payment was made.
- 26 The letter to the Speaker of the National Assembly is attached as **Annexure A**.
- 27 The media release from the Presidency is attached as **Annexure B**.
- 28 The media release from the former CR17 campaign managers is attached as **Annexure C**.
- 29 I have subsequently been informed by the CR17 campaign managers that after an unsuccessful attempt to meet Mr Gavin Watson in order to arrange for the return of the donation, an amount of R500,000 has been transferred into an attorney's trust account until such time as these matters surrounding Global African Operations are clarified following various concerning disclosures before the Zondo commission of enquiry into State Capture. Thereafter, a decision will be made as to whether these monies should be returned to the account from where they came, passed on to appropriate government authorities, or donated to a charity.

CONCLUSION

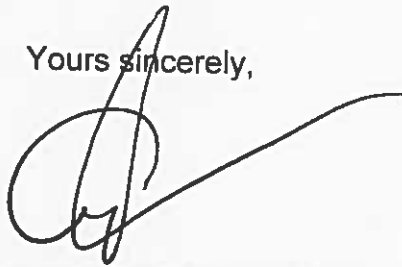
- 30 As is evident from the above:

30.1 I did not deliberately mislead Parliament. At the time that I replied to Mr Maimane in the National Assembly on 6 November 2018, I was not

aware that a payment had been made on behalf of Mr Gavin Watson to the CR17 campaign. I assumed, understandably, that the payment to which Mr Maimane referred related to the agreement between my son's company and AGO.

- 30.2 Once I became aware that the payment was in fact a donation by Mr Watson to the CR17 campaign, I informed the Speaker of the National Assembly and made a public statement on the matter.
- 30.3 There is no improper relationship between me and my family on the one side, and AGO on the other side. I was neither aware of, nor involved in, the conclusion of an Advisory Mandate between Blue Crane (Pty) Ltd and AGO.
- 31 I wish to reiterate the message that I conveyed in the National Assembly on 6 November 2018 that I have discouraged my children from conducting business with government or with any state-owned entity. I have told them that if I become aware of any illegality or corruption in their business activities, I will be the first to report them to the authorities.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'C. Ramaphosa', with a long horizontal stroke extending to the right.

Mr Matamela Cyril Ramaphosa
President of the Republic of South Africa

Adv. B. Mkhwebane
Public Protector of the Republic of South Africa
Hillcrest Office Park,
175 Lunnon Road
Hillcrest
Pretoria
0002