

SWORN STATEMENT

I, the undersigned **PAUL O'SULLIVAN**, ID Number [REDACTED] state under oath as follows:

1

I am an adult male Forensic Consultant, employed as such by Paul O'Sullivan and Associates ('POAA'). For security reasons I do not give out my home or work address, but rather use the address of my attorney Darryl Furman, at Illovo Law Chambers, 4 Fricker Road, Illovo, Johannesburg.

2

The purpose of this statement is to open a criminal docket with regards to:

- Corruption,
- Money Laundering, and
- Fraud

3

Definitions

The following shall have the following meanings ascribed to them in this statement:

TENDER:

ISAMS Integrated Security Access Management System as defined by PRASA (PRASA project to secure and monitor all rail stations) [The tender documents are too voluminous to include, but are available for inspection should they be required.]

ENTITIES:

Tilespace	Tilespace Projects (Pty) Ltd, (reg number 2008/002815/07), members Rodrigues, De Canha, Michael Ferreira
Siyangena	Siyangena Technologies (Pty) Ltd, (reg number 2006/012239/07), subsidiary of TMM Holdings and ESS, directors Pragason Reddy and Mario Ferreira
ESS	Engineered Systems Solutions (Pty) Ltd, (reg number 2004/024978/07), directors Mario Ferreira and Reddy
PRASA	Passenger Rail Agency of South Africa, (reg number 1992/004608/08)
Precise Trade	Precise Trade and Invest 02 (Pty) Ltd, (reg number 2013/059374/07), director van der Walt
Triple Trade	Triple Trade and Invest 04 (Pty) Ltd, (reg number 2013/132189/07), directors van der Walt and Mario Ferreira
TMM Holdings	TMM Holdings (Pty) Ltd, (reg number 2004/027098/07), director Mario Ferreira, also owns Siyangena
Redelec	Redelec Electronic and Security Systems (Pty) Ltd, (reg number 1983/001512/07), members Mulholland, Alvin Flaum, Mario Ferreira

SA Fence & Gate	SA Fence & Gate, (reg number 2011/1150011/07), Fencing Contract with PRASA, prospective bidder prejudiced in ISAMS tender
Itakane	Itakane Trading 222 (Pty) Ltd, (reg number 2008/006966/07), director Allen Mulholland (synonymous with ETG Africa)
ETG Africa	Security Technology Group South Africa, trading as Itakane, director Allen Mulholland
Autec	AUTEC is a manufacturer for a range of complete solutions for Access Control, Time Accounting, Building Automation and Security Management.
Dallmeier	Dallmeier is a manufacturer of platform-independent video management solutions.
Vasco De Gama	Vasco DE Gama Football Club, Cape Town, owned by Mario Ferreira, sponsored by TMM Holdings (Pty) Ltd and Dallmeier
Fire Control Systems	Fire Control Systems (Pty) Ltd, (reg number 2002/004652/07) (synonymous with Fire Control Systems CC, Fire and Security Techniques CC and Fire Suppression Technologies), suppliers to SIEMENS (Bank of Tanzania Contract) (directors listed Shiba, Glover, Dodkins, N Hughes, NW Hughes, and Cameron-Gunn)
Penbro Kelnick	Penbro Kelnick (Pty) Ltd, (reg number 1951/000489/07), suppliers to SIEMENS (Bank of Tanzania Contract) (directors Van Aarde, winkler, Souter, Hohls, Jacobs [deceased]).
SIEMENS	Siemens AG is a German multinational conglomerate company headquartered in Berlin and Munich. It is the largest engineering company in Europe. The principal divisions of the company are <i>Industry, Energy, Healthcare, and Infrastructure & Cities</i> , which represent the main activities of the company. Siemens and its subsidiaries employ approximately 362,000 people worldwide and reported global revenue of around €71.9 billion in 2014 according to their annual report. (Mario Ferreira, Divisional Managing Director for SIEMENS (SA) in early and mid-2000's.

ACTS:

Act 89 of 1998	Act 89 of 1998, Competition Act
Act 12 of 2004	Act 12 of 2004, Prevention and Combatting of Corrupt Activities Act
Act 121 of 1998	Act 121 of 1998, Prevention of Organised Crime Act

REPORT:

'Derailed'

A report on an investigation into allegations of maladministration relating to financial mismanagement, tender irregularities and appointment irregularities against the Passenger Rail Agency of South Africa (PRASA). Report No: 3 of 2015/2016. Public Protector of South Africa, Thuli Modonsela.

INDIVIDUALS:

SUSPECTS:

Mario Ferreira	Mario Jose Andrade Ferreira, ID No 6606285067086, TMM Holdings (Pty) Ltd (ESS/Siyangena), Triple Trade and Invest 04 (Pty) Ltd, Redelec (ex-Siemens) (owns soccer team Vasco De Gama)
Montana	Lucky Tshepo Montana, ID No 7004255660081, ex-Group CEO PRASA (dismissed 2015-07-16)
Van Der Walt	Jan Adriaan 'Riaan' Van Der Walt, ID No 7305185010085, attorney at Laubser van Der Walt Inc. (attorney for Siyangena), company Precise Trade and Invest 02 (Pty) Ltd and Triple Trade and Invest 04 (Pty) Ltd with Mario Ferreira (It will become clear herein that van der Walt was principally responsible for assisting Mario Ferreira in concealing the corrupt activities).

PERSONS OF INTEREST:

A Mendes	Antonio Mendes, ID No 5003035035087, AFM Transport (VAT # 4020256279)
TC Mendes	Tony Correia Mendes, son of A Mendes, employed at Tilespace
Rodrigues	Jose Luis Carreira Rodrigues, ID No 6509195201086, Tilespace
Michael Ferreira	Michael Estanislau Ferreira, ID No 6509265167084, Tilespace
De Canha	Manuel Paulo Paiva De Canha, ID No 6206285211089, Tilespace
Reddy	Pragason Reddy, ID No 5507045063087, Siyangena and ESS
Kisten	Reggie Kisten, ID No 7207185037089, PRASA employee, National Telecoms Manager, Facilities Management
Phungula	Josephat Sikhumkani Phungula, ID No 6711135510085, PRASA employee, Acting Group Chief Procurement Officer (alleged fake Doctorate)

POTENTIAL WITNESSES:

Mulholland	Allen Mulholland, ID No 6307035011082, company Redelec with Mario Ferreira and Alvin Flaum, company Itakane
Lebaka	Palello Lebaka, PRASA employee, Executive Manager Depot Modernisation Programme
Els	George Els, General Manager of SA Fence & Gate
Gevisser	Merileon Hedda Gevisser, ID 3610020004084, seller to Montana, 37 Saxon Road, Hurlingham, Johannesburg, home (assistant due to her age is Rosie on 083 564 2644) (value R13 500 000)
Wilson	Antony Edward Wilson, ID 6105295134101, seller to Montana, 335 Main Street, Waterkloof, Pretoria home (value R2 250 000)
Kohler	Nicolas Kohler, ID 7002065084088, seller 64 A Gordon Avenue, Sandhurst, Johannesburg (value R13 900 000)
De Beer	Karen De Beer, ID 6008310132086, seller 225 Rose Avenue, Waterkloof, Pretoria (value R11 000 000)
Madonsela	Thuli Madonsela, Public Protector of South Africa. Author of ' <i>Derailed</i> ' report.
Shiba	Atish Shiba, ID 7105225219088, director Fire Control Systems (Pty) Ltd
Glover	Kevin Glover, ID 6204085042085, director Fire Control Systems (Pty) Ltd
Dodkins	Rodney Dodkins, ID 7406105017083, director Fire Control Systems (Pty) Ltd
N Hughes	Neil Hughes, ID 4506065977185, director Fire and Security Techniques CC
NW Hughes	Neil William Hughes, ID 6903025245084, director Fire and Security Techniques CC
Cameron-Gunn	Vaughan Cameron-Gunn, ID 7207205115086, director Fire and Security Techniques CC
Van Aarde	Herman Van Aarde, ID 3506265123086, director at Penbro Kelnick
Winkler	Margret Winkler, ID 5406160059089, director at Penbro Kelnick
Souter	Norman Souter, ID 4303175070006, director at Penbro Kelnick
Hohls	Ronald Hohls, ID 5411195066083, director at Penbro Kelnick

Findings of Public Protector Thuli Madonsela regarding Siyangena and PRASA: Derailed Report

The '*Derailed*' report was made public on 2015-08-24. The findings made by the Public Protector pertaining to Siyangena are discussed in section 6.1 (page 159) and section 8.1 (page 360) of the said

report (see Annexure POS-01 attached). PRASA, through Intersite, a subsidiary of its predecessor SARCC, awarded a tender for the installation of high speed passenger gates at Nasrec and Doornfontein station to Siyangena in 2009 as per contract number SG/GATES003/2009. PRASA then conceded that the tender was later extended to 7 other stations across the country. Montana justified the increase of scope to cover 7 more stations by stating that the 7 stations, designated as World Cup Stations, had excluded the critical work of installing modern speed gates. Montana submitted that the extension was done to ensure World Cup 2010 readiness, and that the use of the closed tender complied with the SCM Policy requirement of a competitive process that is open, transparent and fair. At the time, PRASA submitted that only two tenderers met the minimum technical requirements for the extension which had been advertised. See Table 1 below.

TABLE 1: Tenders complying (Phase 1 ISAMS)

No.	Supplier	Tender Price (Excl. VAT and contingency)	Tender Price (Incl. VAT and contingency)	Tender delivery completion
1.	Protea Coin	R613 095 371.97	R698 828 724.04	Five Months
2.	Siyangena	R965 304 413.71	R1 100 447 031.56	Five Months

Subsequently it came to light that the roll out took place after the World Cup. There was a closed tender process for 7 stations across the country with a closing date of 2010-11-17, confined to the four companies that had submitted bids for the original project for Nasrec and Doornfontein mentioned above. The four companies were: Omega Fire and Security, Marohi-KgT Consortium, Siyangena and Protea Coin.

Subsequent to this, the PRASA company secretary, Mr T Mohube, submitted an undated PRASA Board of Control Resolution of PRASA Board, which stated that a special PRASA Board of Control meeting was held on 2011-03-28, and that the PRASA Board of Control considered the submission of the FCP Committee and having satisfied itself that the tender process that was followed was in line with the SCM Policy and was fair, transparent and objective, resolved, *inter-alia*, the following:\

'Siyangena Technologies should be appointed as a preferred bidder for the Supply and Installation of a Speed Gates in the total amount of R1 959 642 353.00 including VAT. The price includes Public Address, Electronic Display PRASA Boards, Help Points, CCTV and Monitoring as well as Smoke Detection all integrated as a system through Network.'

Thus the price now deviated from R1 100 447 031.56 to R1 959 642 353.00, a R859 195 321,44 increase, with no procurement process followed.

Madonsela did not accept Montana's submission that the roll out was for meeting the 2010 Soccer World Cup needs. Madonsela also indicated that Montana's changing narrative regarding what happened was a cause for concern regarding honesty. Madonsela concluded, with regards to Siyangena and PRASA, that the extension of the Siyangena contract to more stations that were specified in the tender advertisement accordingly constitutes maladministration and improper conduct. The tender was extended beyond the advertised scope, in violation of PRASA's supply chain management policy.

Current Day

To recap from above, Siyangena, a subsidiary of TMM Holdings and ESS, was paid for the *first phase* of the ISAMS project in the increased amount of R1 959 642 353.00. On 2013-06-25 a letter of invite (attached as Annexure POS-02) was issued by PRASA for the next phase of ISAMS (*Phase 2*) with the registration of interest submission date being 2013-07-16. The complete ISAMS project was valued at R3bn, with the project being split into two phases:

Phase One: R1 959 642 353.00 (awarded to Siyangena)

Phase Two: ±R2.5 billion (awarded to Siyangena)

At the time SA Fence & Gate, another company, already had a depot fencing contract ('fencing contract/project') with PRASA to the value of R209 million (see Annexure POS-03 attached). This contract was, however, unlawfully halted/ended on, 2014-05-26 whilst SA fence & Gate was bidding for Phase 2 of ISAMS. I will show later that this unlawful halting of the project flows from the raising of material concerns by SA Fence & Gate about the bidding process for the phase two ISAMS Project and was therefore 'revenge' on the part of certain PRASA officials.

5.1

The tender/bid document, dated 2013-10-01, see Annexure POS-04 (only a cover sheet is attached, as the bid document is too voluminous), appeared to be deliberately *specific* in its request for detailed products. In other words, the bid requirements specified specific equipment when other equipment would be completely suitable too. However, SA Fence & Gate still tendered for this phase two ISAMS project. On 2013-12-05 Kisten, in an internal PRASA email attached as Annexure POS-05, stated (to a list of 10 people, mostly PRASA staff, including Lebaka) that *'the technology being offered within the fencing project is not compatible with the technology that we are busy with.'* In other words, Kisten was stating that the technology that SA Fence & Gate were offering on the fencing project was not compatible with what was required for the ISAMS project. In hindsight, there can now be no doubt that Kisten's email:-

- Was subjective and made no factual basis for the alleged incompatibility of equipment.
- Was intended to scuttle any chances of SA Fence & Gate, or any other potential bidder, competing for the ISAMS phase two work.
- Was distributed widely within PRASA, thereby poisoning the well for SA Fence & Gate, and any other potential bidders.
- Was an attempt to force bidders to communicate with ESS for product.
- If the above is proven, then the e-mail itself amounts to an act of Fraud.

Lebaka, who had overall responsibility for the depot modernisation programme then, in turn, contacted Els at SA Fence & Gate by forwarding him the Kisten email on 2013-12-05 and asked him what his opinion was on the assertion made by Kisten. Els responded with a detailed email, dated 2013-12-05 (attached as Annexure POS-05) and rebutted the allegations that the equipment being offered was 'incompatible. Els' rebuttal will be summarised below.

Els' Rebuttal of false allegations of incompatibility

In his response email (Annexure KM-05) Els stated that the PRASA ISAMS project was a major factor in the selection of products to be utilised. Els said that since the ISAMS project used Autec's XMP-

Babylon Product as its Physical Security Integration Management (**PSIM**) System, SA Fence & Gate needed to make sure that PRASA had the correct and most efficient blend of products to successfully manage its prevailing infrastructure as well as leave room for even greater change. Els said that, using the **Autec** website as a reference (<http://www.autec-gmbh.de/en/software/specialsolutions/spec.html>), the integration of third party systems matches up as follows with the selected products of SA Fence & Gate for ISAMS tender:

Item	XMP-Babylon	PiXYZ	Integration Status
IP Network	TCP/IP,UDP/IP	TCP/IP,UDP/IP, Modbus/IP, BACNET	PASS ✓
Perimeter Intrusion Detection	Moduteq	Moduteq	PASS ✓
CCTV	BOSCH VMS	BOSCH VMS	PASS ✓
Access Control	Autec (SQL Database)	SAFLEC (SQL Database)	PASS ✓

In other words the products selected by SA Fence & Gate were compatible with the technology being used, and this clearly contradicted Kisten's subjective and false allegation that the product offering of SA Fence & Gate was 'incompatible.'

6

The ISAMS Project – Phase Two

On **2013-10-09** a new site meeting was held at PRASA House Auditorium, 1040 Burnett Street, Hatfield, Pretoria, where many prospective bidders for phase two of the ISAMS project voiced their concerns about the exclusivity of products specified in the ISAMS tender documents. It was also announced at this meeting that the potential R3bn ISAMS tender would close in 20 days, (on 2013-10-29). In this meeting, prospective bidders stated that exclusive use of the **Dallmeier** system for the ISAMS project was biased towards particular prospective bidding companies as the Dallmeier system is only distributed by one company in South Africa, which could result in bid-rigging in favour of a 'chosen' contractor.

7

On **2013-10-11** Phungula addressed a letter (see **Annexure POS-06** attached) to the attendees of the site meeting described above, in an attempt to quell the concerns raised by them. Phungula falsely alleged that the Dallmeier system was supplied by four vendors and not just one. This was not, however, correct, as will be explained later in this statement. The tender submission date was also then moved by Phungula from 2013-10-29 until 2013-11-29. I note that knee-jerk changes to Tender Submission dates are a well-known 'Red-Flag' to tender fraud.

8

On **2013-11-28**, a day before tender submission cut-off date and the ISAMS Phase 2 Tender was to be submitted, Phungula released a letter (attached as **Annexure POS-07**) to prospective bidders that outlined a new **5 Step Approach** to the submission of the ISAMS tender due to it being '*superseded by recent developments.*' The 5 Step Approach was to be adopted under the instruction of Montana, the then Group CEO of PRASA. The main objective of this approach was allegedly to '*enhance openness, equity, competitiveness and integrity of the SCM (Supply Chain Management) process.*' The new, to be adopted, 5 Step Approach is summarised below.

Step	Date	Comment
Step 1	2013-12-02	Bidders are requested to do mark-up on the RFP with a view to improve on areas that are frustrating or suboptimal
Step 2	2013-12-22	Closing date for marking up the RFP and all collated information will be analysed for incorporation into the optimised RFP
Step 3	2014-01-20	PRASA will send an optimised RFP which factored inputs from Step 1. The optimised RFP will be sent to all bidders currently participating in the ISAMS tender.
Step 4	±2014-01-24	New briefing session will be held. Date will be stipulated in optimised RFP.
Step 5	2014-02-24	Closing date of the tender hence the submission of completed RFP's with price offers from bidders

Note that the new closing date was now to be 2014-02-24. Another date change 'Red-Flag.'

9

On 2014-01-17 another letter is sent to prospective bidders by Phungula. In this letter the above Steps 3 – 5 of the 5 Step Approach are cancelled (see Annexure POS-08 attached). In addition to this, the new submission date is moved earlier to 2014-01-27. This is clearly a further 'Red- Flag.'

10

On 2014-01-22 SA Fence & Gate, a prospective bidder, (see Annexure POS-09) emailed Phungula. In this email SA Fence & Gate (Danie Jensen) state their case in that in essence the date of 2014-02-24 was set as the submission date (amongst other previous dates), and that since their staff were on leave over the December period they would be ill equipped to have their revised tender ready by 2014-01-27 as suggested. SA Fence & Gate stated that if the submission dates were to be moved earlier then they would be prejudiced in their tender submission. The date change was therefore a deliberate act, intended to favour a particular contractor.

11

On 2014-01-23 (4 days before new earlier submission date) Phungula sent out an email to all prospective bidders. In this letter Phungula stood by the submission date of 2014-01-27. Phungula also went on to state in this letter to all prospective bidders that:-

'No further correspondence or presentations will be further entertained on this matter. Also it is worth mentioning that participation in PRASA procurement processes is totally voluntary, hence unbecoming supplier behaviour is likely to jeopardise future relationships.'

This is clearly a veiled threat to any prospective bidder and is anti-competitive. There can be no doubt, with hindsight, that this amounted to a 'take it or leave it' ultimatum triggered by SA Fence & Gate attempting to protect their rights. Subsequent to this letter SA Fence & Gate submitted their ISAMS bid for Phase 2 on 2014-01-27 with no further questions out of fear of victimisation and prejudice. Their bid was a potentially winning bid at R1.9billion.

12

In the bid document (Annexure POS-04) under section 12, Bidder's Requirements (Page 17 of 41), Item 12.1 Experience and Competency states:

'Bidders are also required to demonstrate their competence in working with the specified technology by providing the following:

- 1. Proof the company has been certified and accredited by Dallmeier and has undergone SeMsys III Enterprise Package Training.*
- 2. Proof the company has been certified and accredited by Autec for Babylon the access control systems*
- 3. Proof the company has been certified and accredited by Cominfo on the Speedgates specified*

Certified copies of all accreditations and training certificates must be included with the RFP; failure to submit the above proof may weaken the bidders proposal and or may render the proposal non responsive.'

12.1

Taking the three 'hurdle' requirements listed above into account, I will demonstrate that these requirements ultimately consolidate into ensuring that only **one** clear supplier, who bid in the capacity (ESS) or alternatively with their BBBEE front company (Siyangena), would clearly win the tender from the outset. There could be no other outcome.

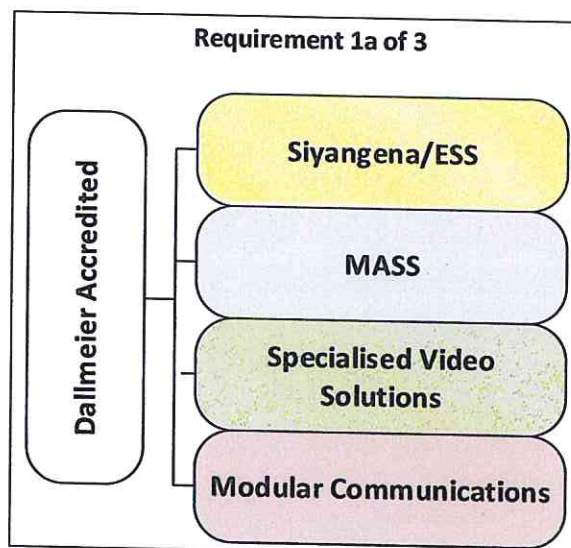
12.1.1

In the flowcharts below, the vertical box to the **left** highlights the **bid requirement** as stipulated above under point 12 (numbers 1 to 3). The horizontal boxes on the **right** identify the **only accredited companies in South Africa**. Under each flowchart I will supply the evidence that supports the above assertion in each flowchart. I will also give the obvious outcome on bid selection as a result.

Flowcharts

Requirement: *Proof the company has been certified and accredited by Dallmeier and has undergone SeMsys III Enterprise Package Training (please include copies of certified personnel).*

Flowchart 1

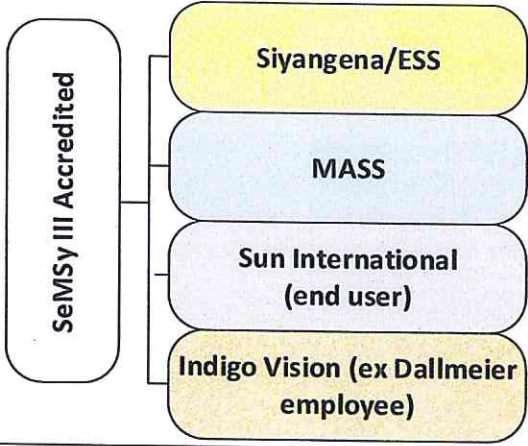
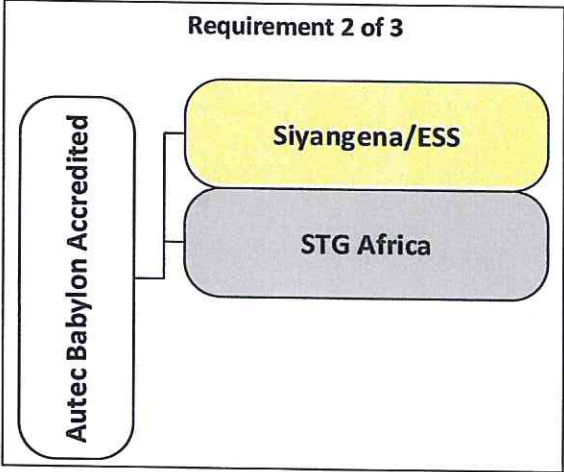


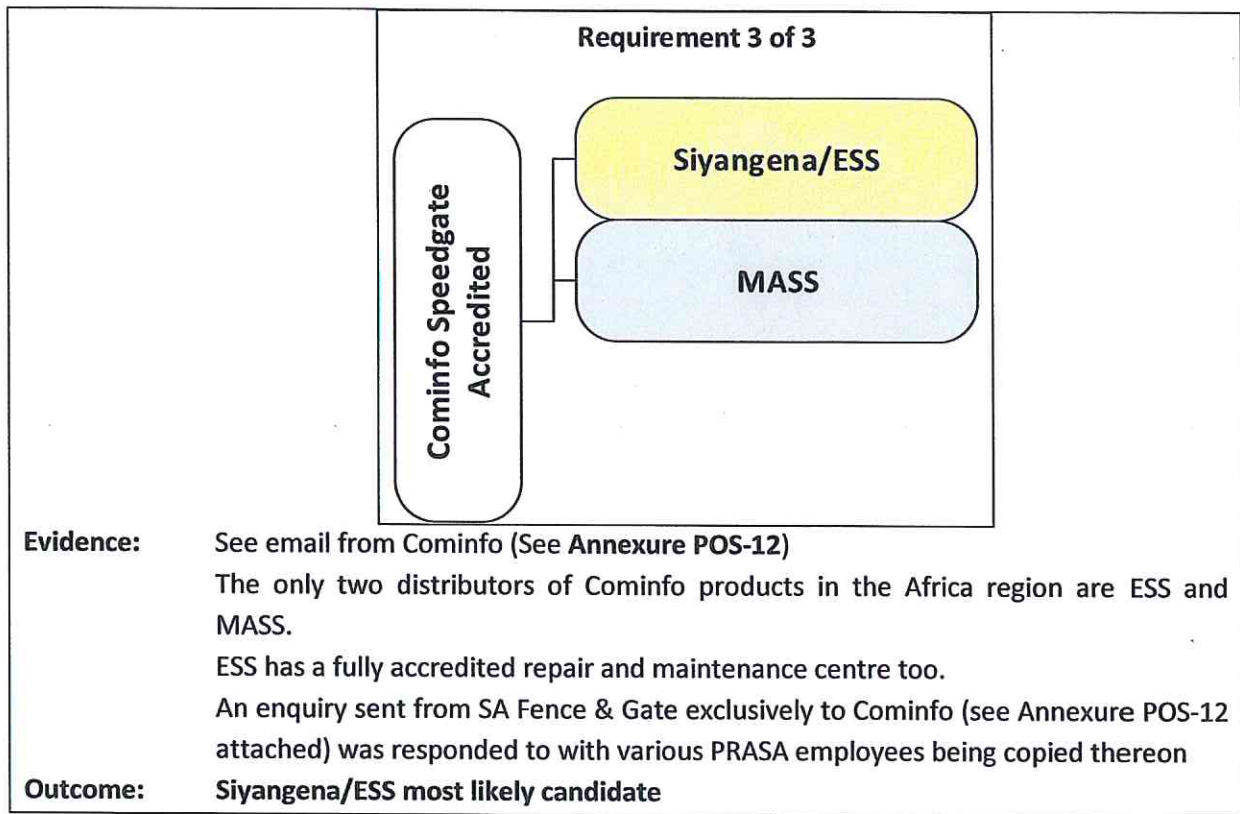
Evidence: Modular Communications declined from bidding due to the size of the project.
ESS and Siyangena did bid.

Outcome: **Choice between Siyangena/ESS, MASS and Specialised Video Solutions**

Requirement: *Proof the company has been certified and accredited by Dallmeier and has undergone SeMsys III Enterprise Package Training (please include copies of certified personnel).*

Flowchart 2

	Requirement 1b of 3  <pre> graph LR A[SeMSy III Accredited] --- B[Siyangena/ESS] A --- C[MASS] A --- D[Sun International (end user)] A --- E[Indigo Vision (ex Dallmeier employee)] </pre> Evidence: ESS is the only contractor in this list as well as a registered distributor MASS is exclusively a distributor Both ESS and MASS have trained personnel (see Annexure POS-10 attached) Outcome: Siyangena/ESS most likely candidate	
Requirement: <i>Proof the company has been certified and accredited by Autec for Babylon the access control systems</i> Flowchart 3  <pre> graph LR A[Autec Babylon Accredited] --- B[Siyangena/ESS] A --- C[STG Africa] </pre> Evidence: See email from Autec (See Annexure POS-11 attached) The only licensed partners trained in the Autec system in South Africa are ESS and Itakane Trading 222/STG Africa. Phungula, in a letter to all prospective bidders (Annexure POS-06) attached), stated that there are three vendors for Autec. This is not the case, as there are only two local vendors for Autec (Annexure POS-11). Outcome: Choice between Siyangena/ESS and STG Africa Requirement: <i>Proof the company has been certified and accredited by Cominfo on the Speedgates specified</i> Flowchart 4		



Flowcharts above in Summary:

Entity	Dallmeier Accredited	SeMSY III Accredited	Autec Babylon Accredited	Cominfo Speedgate Accredited
Siyangena/ESS	✓	✓	✓	✓
MASS	✓	✓		✓
STG Africa/Itakane			✓	
Specialised Video Solutions	✓			
Modular Communications	✓			
Sun International		✓		
Indigo Vision		✓		

12.1.2

As can be deduced from the requirements and flowcharts discussed above ESS/Siyagena is the only company certified in all the mentioned products. Any other potential bidders would have been prejudiced from the outset. Only entities completely supported by ESS/Siyangena bidders would be capable of passing the 70% technical criteria. The bidder requirements (as stipulated in Annexure POS-04) could not possibly be satisfied by any other tenderer unless the accredited agencies have conspired to qualify a specific tenderer. This will be demonstrated and proven under point 13 in this statement. The only logical conclusion is that the tender document was intentionally crafted to favour one contractor and exclude all other contractors. This process is a demonstrated and clear-cut case of bid-rigging, which will now be shown to be the *quid-pro-quo* of corruption.

12.1.3

In April 2014 an ISAMS evaluation committee, consisting of 7 people, was formed. This committee consisted of:

- Yvonne Paige
- Imran Khan
- Palello Lebaka
- Takalane Mokwebu
- Stephen Ngobeni
- Matsidiso Mosholi, and
- A seventh individual whose name is not known to me.

As a result of an interview with one of the members of this second bid evaluation committee, POAA have established:-

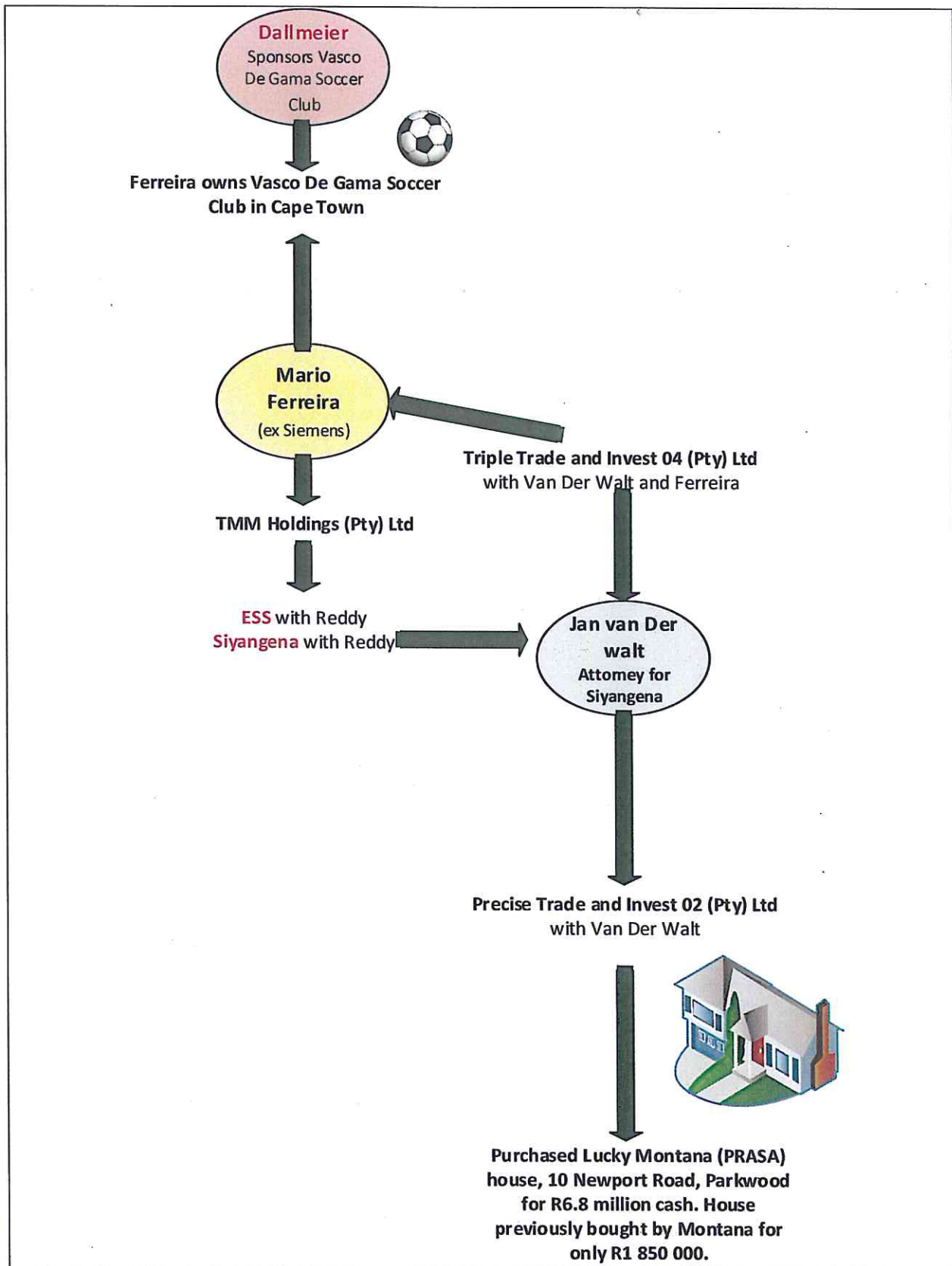
- This was a second evaluation committee, as there had been a first committee headed by Kisten.
- It is not known why a subsequent evaluation committee was needed.
- This second evaluation committee was to evaluate each bidder and note how many certified technicians each bidder had.
- The more certified technicians the more points the relevant bidder would get.
- The Cominfo, Dallmeier cameras and Autec Babylon systems were also to be evaluated.
- The committee was given a one and a half page document to evaluate, which seems ludicrous for a tender running into billions of Rand.
- The committee agreed that the RFP (Request for Proposal) was flawed in that equipment requirements were specifically branded and that only one company (ESS/Siyangena) could supply this branded equipment.
- When the committee questioned this they were then instructed by Phungula to just evaluate the bidders and that the committee was not mandated to change the RFP.
- At the time 2 bidders withdrew from the process and requested their money back. This should have been a noticeable Red Flag.
- The committee commented on the flawed RFP and that it did not cater to all bidders.
- It is not known what happened to the evaluation committee's recommendations as they clearly were not taken into account.

The person interviewed requested anonymity for security reasons.

13

Collusive and Anti-Competitive links in the bidding of the ISAMS Tender

As mentioned above, why would PRASA employees, such as Kisten, for example, be copied in on an private email between SA Fence & Gate and Cominfo (Annexure POS-12)? By virtue of this email alone, PRASA would have then been fully aware that only two entities (ESS/Siyangena and MASS) would qualify for this portion of the work (Cominfo) in the ISAMS project. At this point PRASA would have been fully aware that a ±R2 billion tender had only one possible outcome. Below is a flow chart indicating the links between respective entities and role players. The flow chart shows the collusive and anti-competitive links with regards to the ISAMS tender. I will expand on these links thereafter.



13.1

- **Mario Ferreira owns TMM Holdings.**

- TMM Holdings is the umbrella company for a number of specialised entities that offer a variety of industry specific business solutions. See the TMM Holdings website on http://www.tmm.co.za/about_tmm.html.
- The specialised entities include **ESS** and **Siyangena**, and TMM Rentals (not relevant here).
- Ferreira and Reddy are the directors of both ESS and Siyangena.

13.1.1

There are provable links between **Van Der Walt** and **Mario Ferreira** which I have adduced through forensic research:-

- Van der Walt is the attorney and spokesperson for **Siyangena** (see **Annexure POS-13** attached). See highlighted area on page 2, direct translation to English is '*Riaan van der Walt, TMM Capital and Siyangena's legal counsel,*'
- Van Der Walt and Mario Ferreira are co-directors of a company called **Triple Trade and Invest 04 (Pty) Ltd**.
- Van Der Walt, through another company owned by him, **Precise Trade and Invest 02 (Pty) Ltd**, purchased a property at 10 Newport Road, Parkwood from **Lucky Montana**, on 2014-05-05 for the sum of **R6,800,000** which was approximately R3,000,000 above market value of the property (see **Annexure POS-14** attached). It is common cause, Montana was Group CEO of PRASA, which awarded Phase 1 of ISAMS and Phase 2 of ISAMS to Siyangena, a company controlled by Mario Ferreira. I record that Montana bought the property on 2008-07-04 for **R1,850,000**.
- The two companies mentioned above were both formed in 2013, have the same auditors and the same registered physical and postal addresses.
- The dates given above for the purchase of this property are conspicuously close and within the period of the ISAMS tender dates.
- Van der Walt, the purchaser, is in business with and the attorney for, Mario Ferreira.
- Mario Ferreira indirectly tenders for the ISAMS tender through ESS and Siyangena.
- Lucky Montana, as the Group CEO of PRASA, had the final say on bid selection for the ISAMS tender.
- Van der Walt bought lucky Montana's house, at the time of the ISAMS tender, at a largely inflated price and for cash/bond free.

13.1.2

A further link that warrants mentioning is the link between **Mario Ferreira** and **Dallmeier** (see **Annexure POS-15** attached).

- It is first important to note that, as mentioned previously, Dallmeier certification and accreditation is a specified tender requirement for the ISAMS tender.
- In other words Dallmeier certification and accreditation was a tender-hurdle and any bidder without it, could not proceed further in the bidding process.
- **Siyangena** and **ESS** could meet this requirement for the ISAMS tender, together with the **SeMsy III** requirement, which essentially eliminated other tender bidders.
- In or about June 2014 Mario Ferreira purchased a soccer team in Cape Town called **Vasco De Gama**.
- **TMM Holdings**, Mario Ferreira's company, became a sponsor of this soccer team.
- **Dallmeier**, a nominated supplier of equipment to PRASA, also became a 'sponsor' of this team.

- Since Siyangena/ESS were purchasing Dallmeier equipment, further investigation is required to establish the value of this so-called 'sponsorship.'

14

Fraud - Dr Josephat Phungula

Phungula, throughout his correspondence on the ISAMS tender, used the title 'Doctor' (see Annexes POS-06 to POS-09). An investigation is underway at PRASA to ascertain if this qualification is factual (see Annexure POS-16 attached). Phungula has subsequently resigned from PRASA. Phungula, using the title Doctor, would have added more 'weight' to his correspondence and bidders would be duped into taking his instructions and correspondence more seriously.

15

Properties under the spotlight that require further investigation

As mentioned earlier, there was already the questionable sale of Montana's Parkwood home, bond free, to the attorney (van der Walt) (Annexure POS-14). The only rationale for Siyangena's attorney to buy Montana's house at an inflated price is same amounts to 'gratification' as defined in Act 12 of 2004 and that same was done in this fashion to conceal a corrupt payment. This not only amounts to the offence of corruption, but also to the offence of money-laundering. The two offences together with the involvement of Van Der Walt, Montana and Mario Ferreira, amounts to Racketeering as defined in POCA, Act 121 of 1998. Further investigation is required of Van Der Walt's trust accounts to establish the source of the cash. An underlying cause can only be that a generally corrupt relationship exists between Mario Ferreira and Montana. This sale of the above-mentioned property could be construed as money laundering as the benefit obtained through van der Walt 'buying' the house of Montana at a price in excess of R3m more than market value was done to conceal a possible payment of a bribe, as Van Der Walt is linked to Siyangena (their attorney) and Siyangena has won the first and second phase of the PRASA ISAMS tender.

15.1

I will now discuss, what appear to be questionable transactions, on other properties in Van Der Walt's name. These transactions will need further investigation by the South African Police through subpoenas. Thereafter, I will discuss what appear to be questionable transactions, on other properties (among many) in Montana's name. These transactions will need further investigation by the South African Police through subpoenas.

15.1.1

Van Der Walt Properties of Interest – value totalling R37 230 000

Property 1: 10 Newport Road, Parkwood, Johannesburg (Title Deed T5267/2015) Erf 359

Purchase Date	Registration Date	Buyer	Seller	Purchase Price	Bond Amount
2014-05-05	2015-02-20	*VDW	Montana	R6 800 000.00	NIL

Property 2: 64 A Gordon Avenue, Sandhurst, Johannesburg (Title Deed T15043/2015) Ptn 18 Erf 1

Purchase Date	Registration Date	Buyer	Seller	Purchase Price	Bond Amount
2014-11-27	2015-03-06	*VDW	Kohler	R13 900 000.00	NIL

Property 3: 225 Rose Avenue, Waterkloof, Pretoria (Title Deed T23385/2015) Ptn 18 Erf 1

Purchase Date	Registration Date	Buyer	Seller	Purchase Price	Bond Amount
2015-02-20	2015-04-08	*VDW	De Beer	R11 000 000.00	NIL

Property 4: 315 Nicolson Street, Brooklyn, Pretoria (Title Deed T23385/2015) Ptn 1 Erf 621

Purchase Date	Registration Date	Buyer	Seller	Purchase Price	Bond Amount
2013-04-23	2013-07-04	*VDW	Mogajane	R2 750 000.00	NIL

Property 5: 315 Nicolson Street, Brooklyn, Pretoria (Title Deed T23385/2015) Erf 621

Purchase Date	Registration Date	Buyer	Seller	Purchase Price	Bond Amount
2013-04-23	2013-07-23	*VDW	Harris & Brenner	R2 780 000.00	NIL

*VDW = Van Der Walt/Precise Trade & Invest 02

Further investigation is required to establish the source of the R37,230,000 as money-laundering looks evident. The starting point would be to obtain the details from the transferring attorney.

15.1.2

Montana Properties of Interest

Property 1: 333 Main Street, Waterkloof, Pretoria (Title Deed T33490/2005) Erf 161

Purchase Date	Registration Date	Buyer	Seller	Purchase Price	Bond Amount
2004-11-09	2005-03-22	Montana	Dullington House	R1 750 000.00	R1 750 000.00

Property 2: 335 Main Street, Waterkloof, Pretoria (Title Deed T45810/2014) Ptn 1 Erf 161

Purchase Date	Registration Date	Buyer	Seller	Purchase Price	Bond Amount
2013-11-17	2014-06-20	Montana	Wilson	R2 250 000.00	NIL

Property 3: 37 Saxon Road, Hurlingham, Johannesburg (Title Deed T66314/2015) Erf 70

Purchase Date	Registration Date	Buyer	Seller	Purchase Price	Bond Amount
2015-05-14	2015-07-28	Montana	Gevisser	R13 500 000.00	NIL

Further investigation is required to establish the source of the R15,750,000 as money-laundering looks evident. The starting point would be to obtain the details from the transferring attorney.

15.1.2.1

With regard to **Property 1** (333 Main Street) and **Property 2** (335 Main Street) mentioned above under 'Montana Properties of Interest,' it is important to mention the various contractors seen working on these two properties. This is important as these contractors are possibly related/linked to Mario Ferreira, and the police would have to investigate further to verify these links. I will explain why I say this next.

15.1.2.1a

A picture of a Transport Order for Tilespace was taken at the site of 333 Main Street in Waterkloof Pretoria (see Annexure POS-17 attached).

- Tilespace is a company owned by Rodrigues, DE Cahna and Michael Ferreira.

- TC Mendes is a sales employee at Tilespace. See Facebook page attached below.



- TC Mendes is the son of A Mendes.
- The **AFM Transport** company (with VAT number 4020256279) is the company of A Mendes.
- As one can see from the transport order that the delivery address is clearly **333 Main Street, Waterkloof, Pretoria**.
- In the absence of any other explanation, one can only assume that the 'LM' cited after Sincindi Projects stands for 'Lucky Montana.'

It would have to be determined through further investigation by the SAP if Mario Ferreira is linked to Michael Ferreira or any of the mentioned individuals. It also needs to be established the source of funds for the improvements on this property which are estimated at R3 million.

16

SIEMENS and Mario Ferreira – a history of suspect dealings

Mario Ferreira was a Divisional Managing Director at SIEMENS in the early 2000's. SIEMENS won the tender to refurbish the security systems of the Bank of Tanzania. Numerous dubious subcontractor agreements have surfaced with regards to this tender (see **Annexure POS-18** to **Annexure POS-22** attached). I will put these subcontractor agreements in a summarised table form below.

Row	No.	Date	Subcontractor	Address	Fee (USD)
1	POS-18	2002-09-12	International Services & Management Contracting Ltd (Vimal Mehta)	International Trust Building PO Box 659, Road Town, Tortola, British Virgin Islands	800 000
2	POS-19	2003-07-09	International Services & Management Contracting Ltd (Vimal Mehta)	International Trust Building PO Box 659, Road Town, Tortola, British Virgin Islands	1 000 000
3	POS-20	2003-07-09	International Services & Management Contracting Ltd (Vimal Mehta)	International Trust Building PO Box 659, Road Town, Tortola, British Virgin Islands	480 000
4	POS-21	2003-07-25	Telward Ltd (Harbinder Singh Sethi)	Sandhills, Outwood Lane, Bletchingley, Surrey RH14LS,	700 000

				UK	
5	POS-22	2004-01-16	MJ Access & CCTV Installations (Manuel Jose)	PO Box 19698, Pretoria West, Industria, Pretoria	80 000
				Total (USD)	3 060 000

I state that they are dubious as the subcontractor companies stipulated in rows 1 to 4 are fake and so are the business addresses given in the British Virgin Islands and an unknown address in Surrey, United Kingdom. On the dubious agreements (1 to 5), no name is given for the signatory, he or she is merely stipulated as 'managing director' and just a signature of an unknown individual is evident. I also note that there are no telephone numbers given. I have subsequently obtained the names of the said subcontractors (see above).

- **Manuel Jose** is supposedly a close family connection to Mario Ferreira, and was a godfather at a christening.
- **Vimal Mehta** appears to be a known criminal in Tanzania with numerous corrupt relationships. See write up obtained from the internet about the 'Mafia in Tanzania,' and specifically on Mehta below

<https://groups.google.com/forum/#!topic/wanabidii/vxnX83jCdw8>

Vimal Mehta Capo Crimine

Originally known as the Stella Container King in the 1990s, Vimal Mehta has always been a hard core criminal. Lives in a mansion next to the Slipway in Dar es Salaam and known to share 5000USD bottle of wine with the Governor regularly, this man can equal likes of Don Corleone in the fraud and crime committed in Tanzania. Enjoys chauffeur driven Rolls Royce in Dubai with apartments worth USD5 Million with the Governor Balali and Jeetu Patel, with similar styles, as his neighbours in Burj Area of Dubai. This capo is wanted for VAT evasion on criminal charges in Tanzania since 1994. He ran away when criminal charges were brought against him in 1994 and remained a fugitive in London till 2000 when his file "disappeared" in Tanzania allowing him to return. Works closely with Jeetu Patel and Daudi Balali.

His achievements include the following:

1. His criminal tax evasion charges in 1994 resulted from importation of Stella Artois beer and not paying any taxes. He has now bought respectability with investing in Serengeti Breweries, donations to Tanzania Football Federation and inviting the President to his factory.
2. His investment in Tanzania is mostly funds stolen from the Bank of Tanzania Twin Towers project and Foreign Debt Service Accounts. The Governor and Vimal named some companies after themselves in the Foreign Debt Service Scandal (calling them V & B associates (Vimal and Balali) and B.V.Holdings (Balali/Vimal)) and have allowed Jeetu Patel to hold the shares in their names. Please see section on Don Balali for more detail.
3. Married to the daughter of Sukhi Shah, the infamous Architect and middleman of Bank of Tanzania controversial twin towers project. Mr. Mehta operated an Architects firm for his late father in law upon his return to Tanzania in 2000. The firm had not a single Architect and Mr. Mehta is an uneducated fellow. However, using the influence of Don Andy, Mr. Mehta won the tender to become lead Architect for the BOT towers. Buildings that should cost USD 75 Million even if built in New York are still being finished at cost of more than USD 350 million. No tender documents were made public, though these are public funds being

stolen. Estimated theft in BOT Towers is USD 225 Million USD.

4. Balali and his wife Anna Muganda, maintain foreign bank accounts, houses and property along side Vimal Mehta, Jeetu Patel and Don Andy in Switzerland, London, Dubai, and Mauritius.

- **Harbinder Singh Sethi** also has a trail of criminal allegations levelled at him. Simply Google the name and note the allegations made and money involved. Some notable links are supplied below:

<http://www.businessdailyafrica.com/The-mystery-tycoon-who-shook-up-Tanzania/-/539546/2563498/-/y8dtn7/-/index.html>

[http://www.africa-confidential.com/article-preview/id/5790/Power fraud unravels](http://www.africa-confidential.com/article-preview/id/5790/Power%20fraud%20unravels)

<http://www.thecitizen.co.tz/News/How-Kenyan-tycoon-sealed-IPTL-deal-in-Dar/-/1840392/2230896/-/4lttri/-/index.html>

17

Mario Ferreira and Lucky Montana – the Thales/PRASA link

I found a document on the *O Século de Joanesburgo* (a Portuguese Johannesburg based newsletter) on the webpage (see **Annexure POS-23a** and **Annexure POS-23b** attached):

http://www.oseculoonline.com/index.php?option=com_content&task=view&id=5057&Itemid

Annexure POS-23a is the original Portuguese article, and Annexure POS-23b is the same article loosely translated from Portuguese into English using Google Translate. It is apparent from this article that Montana and Ferreira already had a business relationship in 2012, with regards to the €160 million Thales-Portugal/Thales-South Africa/PRASA deal. This article also shows that Ferreira is the chairman/leader of the *Associação Da Comunidade Portuguesa De Pretória* (Portuguese Association, **ACPP**). This is important when you take **Annexes POS-24a to POS-24f** (attached) into account. 'Donations' are made by Fire Control Systems CC and then (Pty) Ltd/Fire and Security Techniques CC (Previously known as Fire Suppression Technologies), a supplier to SIEMENS, to the *Associação Da Comunidade Portuguesa De Pretória* and *Lusiadas Welfare Association* (*Associação De Bem Fazer Welfare Association*). As mentioned earlier, Mario Ferreira is the confirmed chairman/leader of the ACPP. I will tabulate the above annexes below for clarity purposes:

Annexure	Date	Amount (R)	Paid by	Paid to	Comment
POS-24a	2004-05-05	30 000.00	Fire Control Systems CC	<i>Associação Da Comunidade Portuguesa De Pretória</i> (ACPP)	Mario Ferreira is the chairman/leader of this association, at the time Mario Ferreira was a Divisional Managing Director at SIEMENS, Fire Control Systems CC was a supplier to SIEMENS on Bank of Tanzania deal (mentioned under point 17 above)

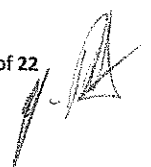
POS-24b	2004-07-20	30 000.00	Penbro Kelnick (Pty) Ltd	<i>Associação Da Comunidade Portuguesa De Pretória (ACPP)</i>	Mario Ferreira is the chairman/leader of this association, at the time Mario Ferreira was a Divisional Managing Director at SIEMENS, Penbro Kelnick (Pty) Ltd was a supplier to SIEMENS on Bank of Tanzania deal (mentioned under point 17 above)
POS-24c	2004-07-20	20 000.00	Penbro Kelnick (Pty) Ltd	<i>Lusiadas Welfare Association</i>	Lusiadas is a NPO in Pretoria. It is also located at 190 Quagga Road, Proclamation Hill, Pretoria where the <i>Associação Da Comunidade Portuguesa De Pretória</i> . This again links Mario Ferreira.
POS-24d	2004-11-13	20 000.00	Penbro Kelnick (Pty) Ltd	<i>Associação Da Comunidade Portuguesa De Pretória (ACPP)</i>	Mario Ferreira is the chairman/leader of this association, at the time Mario Ferreira was a Divisional Managing Director at SIEMENS, Penbro Kelnick (Pty) Ltd was a supplier to SIEMENS on Bank of Tanzania deal (mentioned under point 17 above)
POS-24e	2005-02-21	Unknown	Fire Control Systems CC	Unknown	The fax cover is to SIEMENS. Mario Ferreira was a Divisional Managing Director at SIEMENS at the time, Fire Control Systems CC was a supplier to SIEMENS on Bank of Tanzania deal (mentioned under point 17 above)
POS-24d	2005-02-21	Unknown	Fire Control Systems (Pty) Ltd	Unknown	The fax cover is to SIEMENS. Mario Ferreira was a Divisional Managing Director at SIEMENS at the time, Fire Control Systems CC was a supplier to SIEMENS on Bank of Tanzania deal (mentioned under point 17 above)

So at least R100 000.00 was made in 'donations' by suppliers to SIEMENS, to various entities linked to Mario Ferreira, a then Divisional Manager at SIEMENS. What is also important to note is that:

- **AV Guiomar**, who signs as Treasurer and President on Annexure 24b and Annexure 24 c, is in all likelihood related to Anacleto Guiomar (see Annexure 25 attached).
- Anacleto Guiomar, is friends with Mario Ferreira's son (also named Mario Ferreira).
- Anacleto Guiomar currently works at Siyangena Technologies/ESS (see Annexure 25) and this, in turn, again links Mario Ferreira.

17.1

Such donations can only be construed as gratification on the part of Mario Ferreira-linked- 'charities' and this fall under the ambit of money laundering and corruption. The South African Police would need to investigate further in this regard.



CHARGES

Multiple Counts of Corruption

Both Mario Ferreira and Lucky Montana should be charged with Corruption, as defined in Act 12 of 2004, in that on or about or between 2012 and 2015 the two of them were engaged in a generally corrupt relationship which prejudiced PRASA (public funds) to the tune of:

- R1,260,813,000 on Phase 1 of ISAMS project
- R 600,000,000 on Phase 2 of ISAMS project
- The total prejudice therefore R1,860,813,000.

Multiple Counts of Money Laundering

Mario Ferreira, Lucky Montana and Jan Adriaan van Der Walt should be charged with multiple counts of money laundering in that they clearly acted with common purpose to conceal the flow of funds arising out of the generally corrupt relationship between Mario Ferreira and Lucky Montana.

Racketeering

All three of the suspects, namely Mario Ferreira, Lucky Montana and Jan Adriaan van der Walt should be charged with the offence of Racketeering, as it is clear that they have been engaged in corrupt practices for a long time and have conspired with each other to conceal the gratification through the unlawful process of money-laundering and tax-evasion.

I view of the fact that the prejudice to the public purse is in the order of R1,86 Billion then I request:-

- A special task-team be formed.
- The asset forfeiture unit be engaged to locate and seize assets.
- The contract payments to ESS/Siyangena be suspended with immediate effect.

In the above regard I also request that the passports of all suspects be immediately seized and note that Mario Ferreira also has a Portuguese passport.

19

Attached as Annexure 26 is a theoretical document on the 'Red Flags' in Contract and Procurement Fraud written by me and published by me over ten years ago. One just has to read through this document to see how many 'Red Flags' were glaringly evident in the ISAMS tender process, from solicitation, negotiation, submission and awarding.

Prior to me signing this statement, I have carefully read through it and am satisfied that the facts are correctly and accurately recorded. The following questions were put to me in person by the commissioner of oaths and I entered the answers thereto in my own handwriting:

'Do you know and understand the contents of this statement?'

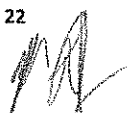
'Do you have any objection to taking the prescribed oath?'

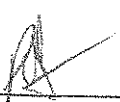
'Do you consider the prescribed oath binding on your conscience?'

Statement Paul O'Sullivan

yes
no
yes

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Paul O'Sullivan

I certify that the deponent has acknowledged that he knows and understands the contents of this statement which was sworn to before me and the deponents signature was placed thereon in my presence at Johannesburg on 10th day of September 2015.

