







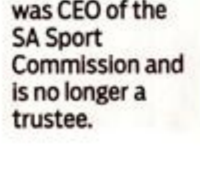
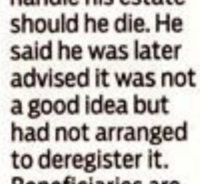










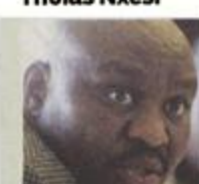





Ministers: In trusts we trust

An unwritten agreement holds that if a trustee benefits financially from a trust, that benefit should be declared

SA top officials trust funds

Trust not declared Trust declared to parliament Trust declared

<p>Ebrahim Patel</p>  <p>Economic Development Southern Labour Research Institute No response from office.</p>	<p>Enoch Godongwana</p>  <p>Deputy Minister of Economic Development Hlala Family Trust Godongwana's office declined to comment.</p>	<p>Joe Phaahla</p>  <p>Deputy Minister of Arts and Culture Ingwe Family Trust The minister's office said the trust was established to look after family assets and currently owned a house in Polokwane. It was also a shareholder in Siyaya Mining which is currently in liquidation. The beneficiaries are his wife and their two children.</p>	<p>Joe Phaahla</p>  <p>Sport South Africa Foundation This related to the Sports Trust involved in promoting sport in poor communities. He was a trustee when he was CEO of the SA Sport Commission and is no longer a trustee.</p>	<p>Aaron Motsoaledi</p>  <p>Health ITS016/2001 (no trust name available) Motsoaledi said he formed the trust on advice in 2001 to be used as a vehicle to handle his estate should he die. He said he was later advised it was not a good idea but had not arranged to deregister it. Beneficiaries are his family.</p>
<p>Obed Bapela</p>  <p>Deputy Minister of Communications Bakgethiwa Trust Bapela's spokesperson said the trust was never registered but was declared anticipating that it would be.</p>	<p>Elizabeth Thabethe</p>  <p>Deputy Minister of Trade and Industry Zonke Trust and KwaThema Project No response from office.</p>	<p>Hlengiwe Mkhize</p>  <p>Deputy Minister of Higher Education Pamodzi Trust No response from office.</p>	<p>Galema Motlanthe</p>  <p>Deputy President African National Congress Trust Motlanthe's office said the trust was set up by the ANC and Motlanthe was appointed as a trustee when he was ANC secretary general. The ANC is the sole beneficiary of the trust. Motlanthe derives no benefit from it and therefore did not declare it.</p>	<p>Max Sisulu</p>  <p>Speaker of Parliament Max Sisulu Trust Beneficiaries are the Sisulu family and children and it owns a property.</p>
<p>Ben Martins</p>  <p>Deputy Minister of Public Enterprises V Zulu Family Trust Martins' office said the trust was established to assist the widow of a poor sculptor and artist and his children.</p>	<p>Marius Fransman</p>  <p>Deputy Minister of International Relations MFT Family Trust No response from office.</p>	<p>Gert Oosthuizen</p>  <p>Deputy Minister of Sport and Recreation Sediba Trust No comment received.</p>	<p>Paul Mashatile</p>  <p>Arts and Culture Khesani Family Trust No response from his office on this trust, which appears to have him as a trustee.</p>	<p>Jeremy Cronin</p>  <p>Deputy Minister of Transport Masinczelane Trust Cronin's office said he had not declared it as he did not receive any remuneration from the trust.</p>
<p>Sbu Ndebele</p>  <p>Transport Nosizwe Family Trust Ndebele's office said the trust was "for the minister's personal financial and/or estate planning", with family members as fellow-trustees. It is dormant.</p>	<p>Fikile Mbalula</p>  <p>Minister of Sport Fikile Mbalula Family Trust "The trust is intended to benefit Mbalula and his descendants. The members are Abathote Thomas Rasethaba, Fikile Mbalula and Nozuko Mbalula."</p>	<p>Lindiwe Sisulu</p>  <p>Defence and Military Veterans Sadet, Albertina & Walter Sisulu Trust The minister said this was a family trust, of which all the Sisulu children are trustees and funders.</p>	<p>Tokyo Sexwale</p>  <p>Human Settlements Gold Fields Limited 2005 Share No response from office.</p>	<p>Siyabonga Cwele</p>  <p>Minister of State Security MI Scott Family Trust Cwele office acknowledged the trust and said that he was not a beneficiary but could not give details as they related to a third party.</p>
<p>Thulas Nxesi</p>  <p>Deputy Minister, Rural Development and Land Reform Sadtu Investment Trust The trust dates from his involvement with the South African Democratic Teachers Union, has no benefit to trustees and is funded from Sadtu investments.</p>	<p>TJ S Houghton</p>  <p>No response from office. Makana Trust (resigned) No response from office. Tokyo Sexwale Empowerment Trust (resigned) No response from office.</p>	<p>Tokyo Sexwale</p>  <p>Human Settlements Gold Fields Limited 2005 Share No response from office.</p>	<p>Tokyo Sexwale</p>  <p>Human Settlements Gold Fields Limited 2005 Share No response from office.</p>	<p>Tokolohe Trust No response from office.</p>

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South Africa's top politicians have put their trust in trusts.

A database of trust records held by the justice department and the register of parliamentarian's interests shows at least 20 of the country's top elected officials have significant interests in trust funds – often opaque financial vehicles which are not readily open to public scrutiny.

Several of the trusts are charitable, where the ministers and deputies hold positions as trustees or stewards of good causes.

Trust funds are coming under scrutiny in the wake of revelations about ANCYL leader Julius Malema's secret Ratanang Family Trust and how it was allegedly used to dole out state tenders to pals through a company which the trust part owns.

At present, codes of conduct for ministers and parliamentarians don't formally require them to declare such interests, although there's an unwritten agreement between political parties that if a trustee benefits financially from a trust, it should be declared.

Parliament's code of conduct is set to undergo a review "in the next few months", Parliament's registrar of members' interests Fazila Mohamed told City Press.

An investigation by City Press shows that of the country's 66 minis-

“
The main problem is how to verify that disclosures of interest, gifts and financial interests are accurate
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– DEREK LUYT

ters and deputy ministers, at least 18 are linked to trust funds. In addition, Deputy President Kgalema Motlanthe and speaker Max Sisulu also have interests in trusts.

According to the database, former businessman and Minister of Human Settlements Tokyo Sexwale has the most extensive interests, with four trusts linked to his name. Officials in his office failed to respond to repeated requests for comment.

Unlike company records which are publicly accessible, information about the membership, purpose and financial affairs of trust funds are held by the Master of the High Court. Access to these records is not open to the general public, making it virtually impossible to scrutinise independently.

Aaron Roup, secretary of the Fiduciary Institute of South Africa, indicated that as a rule, only trustees or persons authorised by trustees, are allowed access to records and written permission is needed to examine the records.

Mohamed said members of Parliament are "advised that if they are a beneficiary of a trust, as opposed to simply being a trustee, the benefits are required to be disclosed".

"If you own massive shareholdings through a trust, the shareholdings must be disclosed. Many people own property-bearing trusts and that property must then be disclosed."

In their responses to queries by Media24 Investigations, several ministers responded that they had not declared their interests in trusts as they were not required to make declarations while others said they were not beneficiaries.

"The most problematic area is conflicts of interest between the functions of the trust and an official who could benefit from them. Tenders are an obvious example," said Derek Luyt from the Public Service Accountability Monitor. "It is also difficult to establish the interests of officials in a trust, given the more lenient standards of financial accountability compared to

other company structures." Luyt said the ethics codes were not on their own an effective tool to keep public servants accountable, as disclosures were "almost impossible" for police to ascertain.

"The main problem is how to verify that disclosures of conflicts of interest, gifts and financial interests are accurate. This can be very difficult, not only in the case of trusts.

"It is almost impossible to measure the extent of patronage."

A review of the current ethics codes was announced shortly after Public Protector Thuli Madonsela called for clearer guidelines in a report on her investigation into President Jacob Zuma's delay in declaring interests.

This review is now being undertaken by the justice department, whose spokesperson Tlali Tlali did not respond to requests for comment.

Judith February, head of Idasa's Political Information and Monitoring Service, said the fact that President Jacob Zuma started his term by declaring his own interests late set an "unhelpful precedent".

She said that unless government heeded the public protector's calls, "the effectiveness of the codes will remain in doubt".

"We have a situation ... where members don't comply with the provisions of the ethics codes, there are no adequate sanctions to serve as a deterrent and there are no legal requirements for the auditing of the executive branch asset disclosure forms except at the Auditor-General's discretion."