



5 September 2019

**Dear Julius**

I trust this finds you well.

As you know, I am researching moneyflows between VBS Mutual Bank, Sgameka Projects and Mahuna Investments.

Scorpio has analysed about 470 transactions documented in Mahuna Investments' bank statements effected between 2017 and 2018. The account received over R10-million in this period, of which R5,3-million is stolen VBS-money channeled to Mahuna Investments from Sgameka Projects (R4,8m) and Grand Azania (R500 000). Roughly 200 of these transactions are point-on-sale (POS) transactions, where a bank card is used to pay for the goods and services.

Our analysis shows Mahuna Investments funded your lifestyle and political aspirations. The life savings of poor and vulnerable VBS depositors were transformed into school related expenses for your sons, products bought from luxury brands and designers, the Polokwane party venue Mekete Lodge and your party the EFF.

While Scorpio can prove that the R5,3-million in VBS-money is illegal, we cannot yet express an opinion on the rest of the income.

However, these look suspect, because of:

1. Two payments from Afrirent, relating to this article:

<https://www.dailymaverick.co.za/article/2018-11-29-firm-that-won-r1bn-joburg-fleet-contract-paid-malema-eff-slush-fund/>

2. The transactions are all round numbers, with no decimal figures as typically seen when a company has delivered goods or services and are paid for such;

3. Mahuna Investments paid no tax, its expenses are not those of a company, but personal expenses relating to groceries, clothing, personal business interests, accommodation and travel costs.

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Mahuna Investments has at least 5 curious characteristics:

1. Your sons' names appear in the bank statements relating to school fees paid. Some of the school fees include payments to Wits University;
2. The house you lived in at 49a Edward Rubenstein, Sandown, received about half a million rand;
3. Your cousin Matsobane Phaleng, the ostensible “owner” of the account, receives R245 000 in “directors fees”. His name doesn't appear anywhere else in the bank statements and the expenses do not match with his movements around the country. It is clear that the account is not Matsobane's, and that the money is not being used to support his lifestyle;
4. Scorpio matched your diary publicly documented on various social media accounts, including your own and the EFF's, to these POS transactions;  
It seems that the bank card has followed you around the country, including to Vryburg, Mmabatho and Rustenburg during the July 2018-land debate, the Durban July in 2017 and 2018, Seshego and Polokwane on numerous times (including your grandmother's birthday in 2017 and Christmas/New Year in 2017 and 2018), Durban during the EFF's 4<sup>th</sup> birthday, East London during the EFF's 5<sup>th</sup> birthday, Bloemfontein and Cape Town.
5. A material part of the POS transactions were spent at Hyde Park and Sandton City – all within a 3,6km radius from your home in Hyde Park.

Scorpio's analysis of Mahuna Investments suggest that you are the main beneficiary of the account, that it exists to be your alter ego and is a shield between you and law enforcement.

We have spoken to several sources linked to Gucci South Africa, who stated that you are a regular and good client of the brand, that you have your own personal shop assistant whom you communicate with, that you visit the shop when it is quiet and that you ask for unbranded bags so as not to walk out of the shop with branded bags.

Here is a list of some of the expenses you personally made and/or was made on your behalf by utilising the bank card and internet payment facilities during the period of 2017 and 2018:

Checkers Hyper: R3 670,82

Durban July: R538 410 in 2017; R30 860 in 2018

Emporio Armani: R3 650

Fireworks over the 2018/19 New Year: R50 000

Game: R16 921,72

Gucci: R67 800

Incredible Connection: R22 999

iStore: R15 139

Lacoste: R15 760

LM Tailored Suit, designer Linda Makhanya: R415 087

Louis Vuitton: R35 100

Matsobane Phaleng's directors fees: R254 000

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Major League Gardens: R500 000

Mekete Lodge: R1,79-million

P'nP: R28 839,28

Sandown house and pool: R458 056,48

School fees: R203 021,11

Skins Cosmetics: R34 695

Spitz: R6 765

Woolworths: R7 232,82

An example of these payments are:

When you attended the July 2018 land debate in Vryburg, Mmabatho and Rustenburg, you took the bank card linked to Mahuna Investments with you. During 17 to 19 July 2018, you acquired R6 200 in accommodation, fuel, a purchase at a Mmabatho pharmacy and Nando's in Vryburg.

Days before, you and various family members were at the annual Durban July. The Mahuna Investmenst bank card bought R45 500 in goods between 6 and 9 July, including at The Warehouse, the Hampshire Hotel, Lifestyle Tops in Ballito and a fuel purchase close to Harrismith on your way back to Johannesburg.

The above payments were POS transactions.

At the Durban July a year before, you spent R538 410 in what is described as “Opulent Marquee”.

The above payment is an internet payment.

**My questions to you are as follows:**

1. What is your business interest in Mekete Lodge, Major League Gardens and Opulent Experience Marquee?
2. Do you wish to dispute any of the above findings?
3. Is there any context to the Mahuna account that you wish to communicate that may provide a different explanation?
4. Do you agree that Mahuna Investments funded your lifestyle, business interests and political aspirations?

Regards,

***Pauli van Wyk***

Investigative Journalist