

# **V CHETTY INC.**

**ATTORNEYS, NOTARIES & CONVEYANCERS**

**OUR REF: MR CHETTY/MC/V17892**  
**YOUR REF:**

**17 MAY 2024**

MR PIETER-LOUIS MYBURG  
PER EMAIL: [REDACTED]

Dear Sir

**RE: QUERIES VNA CONSULTING – ANC PAYMENTS; THATO MAGASHULE;** [REDACTED]

1. We have been instructed to respond to your email of Friday, **10 May 2024** (8:49 AM) as is set out below.
2. Before responding in detail to the queries raised by you, it is crucial to place on record that you obtained the information underlying your request for responses from our clients in the course of the pending litigation in the Durban High Court from the Rule 35(3) response provided by our clients to your request in terms thereof.
3. The last of the relevant documents in this regard were made available to your attorneys on **12 September 2023**.
4. Over seven (7) months have elapsed, during which period you have obviously interrogated the documents.
5. Your queries and insinuations are consistent with those in your book *Gangster State*, published around 2019, which are the subject of the pending litigation.

6. It is self-evident that you propose to perpetuate the defamatory allegations made by you of and concerning our clients. We trust that as a responsible journalist you understand the importance of fair and unbiased reporting.
7. In this regard, our clients consider that your actions constitute an abuse of the pending legal process. In particular, you are abusing your rights as a litigant in relation to the documents provided to you that would otherwise not have been available to you to perpetuate your defamation of our clients.
8. You are also aware that this response was prepared under extremely constrained circumstances due to your refusal to allow our clients a reasonable extension of time to do so.
9. During the **2014** to **2017** period, **VNA** was party to diverse agreements with the KwaZulu-Natal and Free State Provincial Governments.
10. The said agreements were concluded following lawful tender processes, the outcome of which was not challenged or disputed by any unsuccessful tenderer.
11. **VNA** was also party to an ongoing agreement with **Vodacom** to manage the refurbishment of its Midrand campuses.
12. During the said period **VNA** maintained three (3) principal transactional banking accounts, namely:
  - 12.1. Standard Bank account number: [REDACTED]
  - 12.2. Standard Bank account number: [REDACTED]
  - 12.3. First National Bank account number: [REDACTED]
13. Interbank transfers were effected from time to time and as and when the need to do so arose.

## **Donations**

14. On occasions when **VNA** was requested or deemed it appropriate to do so, it made donations to the **African National Congress ("ANC")** and the **African National Congress Youth League ("ANC Youth League")**.
15. **VNA** was also requested by the **ANC Youth League** to contribute towards a breakfast meeting which was convened by it and to effect direct payment to **Blose Consulting** of R57 000,00, and it did so. The persons who requested **VNA** to effect the latter payment were **Delani Mzila**, the Finance Manager of the KZN Provincial Office of the ANC and **Thanduxolo Sabelo**, the Secretary General of the Youth League.
16. **VNA** was lawfully entitled to make such donations. A review of the **VNA** accounting records will confirm that the donations were made. They were carried through to the **VNA** annual financial statements which reflect, *inter alia*, that the donations made during each financial year were as follows:

<b>Financial Year Ending</b>	<b>Donations</b>
28/02/2014	R169 062,00
28/02/2015	R1 396 724,00
28/02/2016	R1 070 445,00
28/02/2017	R1 187 663,00
<b>Total</b>	<b>R3 823 894,00</b>

17. None of the said donations were concealed in any way.
18. Donations were made when sufficient funds were available therefor.
19. **VNA** refutes any suggestion or insinuation that any of the donations made by it were:
  - 19.1. unlawful;
  - 19.2. less like "*arms-length donations*" and were like "*alleged kickbacks*";
  - 19.3. undertaken to effectively gratify the **ANC** in the Free State on the back of payments from the Free State Department of Police, Roads and Transport ("*DPRT*");
  - 19.4. "*kickbacks*" to the governing party.

20. Payments made by **Vodacom** to **VNA** were effected into account number [REDACTED]. When interbank transfers were effected from the latter account, they were referenced accordingly.
21. **VNA** also refutes the insinuation that any of its banking accounts were operated as a "slush fund". All of its banking accounts were operated for specific transactional purposes as would be evident from any analysis thereof..

#### **Marvel Deeds (Proprietary) Limited**

22. On **14 July 2016**, **VNA** appointed **Marvel Deeds** ("**Marvel**") to undertake certain preparatory work for a property development ("the **Juniper Apartments Project**"). A copy of the relevant appointment letter is tendered for inspection at our offices.
23. From **September 2016** until **March 2017**, **Marvel** undertook such work, rendered the necessary tax invoices and was remunerated accordingly. Particulars thereof are as follows:

<b>Invoice Dates</b>	<b>Invoice Amounts</b>	<b>Payment Dates</b>
September 2016	R150 000,00	05/09/2016
October 2016	R200 000,00	12/10/2016
	R50 000,00	17/10/2016
25/11/2016	R100 000,00	28/11/2016
14/12/2016	R300 000,00	19/12/2016
06/02/2017	R150 000,00	28/02/2017
20/03/2017	R235 000,00	R150 000,00
		22/03/2017
		R85 000,00
<b>Total</b>	<b>R1 185 000,00</b>	22/03/2017

24. **Marvel** undertook the required work and was remunerated accordingly.
25. **VNA** refutes the insinuation that payments made to **Marvel** may be considered an "alleged kickback", or an "illicit gratification channelled to the then premier via his son".

**Shuttle House Limited Building  
 Shuttle House Building, Portsmouth Limited  
 Shuttle House Building, Portsmouth Limited  
 Shuttle House Building, Portsmouth Limited**

26. On 2 April 2017 **Freddie Talbot** is an employee of the Free State Department of Human Settlements signed an address to the principal signature **Mr. B. Muthusi** the **CEO** of the Department, an agreement between the Department and **SHB**.
27. Around November 2016, the CEO of **SHB**, **Mr. B. Muthusi**, convened a meeting of all service providers, which **SHB** attended.
28. During the meeting, **SHB** was requested to contribute to an Emerging Contractor Mentoring Programme, which was part of the Contractor Development Programme.
29. The contribution that **SHB** was requested to and made amounted to R150 000.00 to **Shuttle House** following the issue of an invoice in support of construction mentoring training, a copy of which is tendered for inspection. As far as **SHB** was and is concerned, the mentoring training was provided in accordance with the aforesaid Programme.
30. **SHB** engaged **Shuttle House Consulting** to undertake certain work on its behalf. A copy of the agreement underlying such an appointment is tendered for inspection. **SHB** settled the invoice for R150 000.00, which was received from **Shuttle House** on or about 4 August 2017.
31. **SHB** makes any suggestion or instruction that the payments to **Shuttle House** and **Shuttle House**.
  - 31.1. have about them "the stuff of alleged corruption";
  - 31.2. were unlawful.
32. The **SHB** records recently obtained and examined reflect that **Phakisoledi Freddie Talbot** resigned as director of **Shuttle House** on 27 March 2016 and that he was appointed as the sole director of **Shuttle House** on 28 May 2016.
33. **SHB** was not aware at the time it made the payments of any alleged link between the entities and **Freddie Talbot**.

**Work was done for the KZN Department of Public Works, the Free State Department of Human Settlements, and the Free State Department of Police, Roads and Transport.**

34. Diverse contracts were concluded between the aforementioned Government Departments and **VNA**. The contracts entailed, *inter alia*, professional engineering and consultancy services, project management, architectural services, engineering services, quantity surveying services, built environment services and the like.

**VNA dependency on Government contracts**

35. **VNA** acknowledges that the principal source of its income from **January 2014** to **September 2017** was work undertaken on behalf of the State. All such work was undertaken in terms of agreements that were lawfully concluded following upon open tender processes.
36. None of the payments to **VNA** alluded to in your email were unlawfully procured or effected. **VNA** refutes any insinuations to the contrary.

**The Sizakele Zuma Foundation**

37. You were previously informed and are aware that the payment of R250 000,00 to the **Sizakele Zuma Foundation** was a lawfully effected donation.

**Premier Attraction 1016 (Proprietary) Limited**

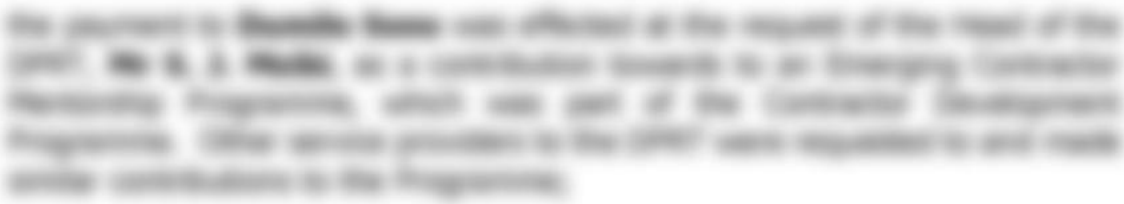


38. You were previously informed and are aware that a lawful contract was concluded between **VNA** and **Premier Attraction 1016 (Proprietary) Limited** whereby **VNA** took over a contract to render professional services that had been concluded between a private developer, **Octis Holdings (Proprietary) Limited** and **Premier Attraction**. Payment for such services was due when the developer secured funding. **VNA** agreed to and compensated **Premier Attraction** in an amount of R2 000 000,00 for the work it had completed as of the date it took over the contract on the basis that **VNA** would recover such amount from the developer when funding was secured.

39. **VNA** continued to render services under the contract taken over by it until about mid-**2016** when the developer intimated that funding had been delayed. It was then agreed that **VNA** would suspend its further services until funding was secured.
40. In this regard, a full disclosure accompanied by the necessary documentation was made to the State Capture Commission. Copies of all such documents are tendered for your inspection.
41. We add that pursuant to the release of the State Capture Report on **4 January 2022** our clients volunteered on **11 January 2022** to fully co-operate with the investigating authorities, the NPA and the Hawks, in relation thereto. A reminder was recently addressed to the NPA and Hawks in this regard.

### **Requested undertaking**

42. In view of:
  - 42.1. your declared intention to publish an article about the financial transactions alluded to by you and to raise therein insinuations of impropriety, unlawfulness, kickbacks, gratification, corruption and operation of a "*slush fund*";
  - 42.2. our clients' denial of such allegations and/or insinuations;
  - 42.3. the obviously defamatory nature thereof;
  - 42.4. your failure in your book *Gangster State* to disclose the responses provided to you, prior to the proposed publication thereof, by our clients in relation to the allegations made therein of and concerning our clients.our clients require an undertaking that should you proceed with publication of the proposed article, you include therein, **with equal prominence**, our clients' version as set out herein.
43. At a bare minimum, your article must reflect, *inter alia*:
  - 43.1. our clients' denial of the allegations and/or insinuations made by you;
  - 43.2. that our clients admit having lawfully made donations to the **ANC** and the **ANC Youth League** in the amounts alluded to by you;
  - 43.3. that the payments were made from a banking account lawfully operated by our clients and disclosed accordingly in their accounting records. No effort was undertaken to conceal such payments;



- 43.4. that **Marvel Deeds** was lawfully appointed to undertake and execute certain building construction work concerning a private development on behalf of **VNA**, and were remunerated therefor. The relevant contract and invoices evidencing the work undertaken and payments effected are all available for inspection. The contract and payments had nothing to do with **Mr Ace Magashule**, the former Premier of the Free State Province. The payments were certainly not a *"kickback or illicit gratification"*;
- 43.5. 
- 43.6. 
- 43.7. 
- 43.8. a lawful contract was concluded between our clients and **Premier Attraction**, whereby **VNA** took over a contract to render professional services, which had been concluded between a private developer, **Octis** and **Premier Attraction**. Payment for such services was only due when the developer secured funding. **VNA** agreed to compensate **Premier** in an amount of R2 million for the work they had completed as at the date of the takeover on the basis that **VNA** would recover the said amount from the developer when funding was secured. Work continued under the contract until mid-**2016**, when the development was suspended. A full disclosure with the relevant documents in this regard was made to the State Capture Commission;
- 43.9. that the pending action in the Durban High Court involves a claim for damages instituted by our clients against you arising from your publication of defamatory matter of a substantially similar nature to that presently proposed by you in your book *Gangster State*. The documents underlying your proposed article were provided to you during the discovery process in the course of the litigation.



44. In the event that you are unwilling to provide the requested undertaking or propose to publish your proposed article without disclosing the material information set out herein you are requested to afford us reasonable notice of such intention to enable us to seek appropriate interdictory relief restraining you from doing so. Bearing in mind that the allegations made by you pertain to events that occurred between seven (7) and ten (10) years ago, there can be no urgency underlying your proposed publication.
45. We trust that you will adhere to your obligation to discharge your role as a journalist with the required ethical and moral responsibility.
46. A copy of this letter will be copied to your editor **Mr Branko Brkic** in order that he may ensure compliance with the request made by us herein. Please in any event share the content of this letter with him.
47. All of our clients rights are reserved.
48. Kindly acknowledge receipt hereof.

Yours faithfully

**V CHETTY**

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**V CHETTY INC.**