

9 October 2017

Adv. Busisiwe Mkhwebane
The Public Protector of South Africa
National Office
Hillcrest Office Park
175 Lunnon Road
PRETORIA
0083

By email: customerservice@pprotect.org

Dear Adv. Mkhwebane

INVESTIGATION INTO THE ALLEGED CONFLICT OF INTEREST AND CORRUPT RELATIONSHIP BETWEEN FIKILE MBALULA AND SEDGARS SPORT

1. This letter is addressed to you for your urgent attention.
2. The undersigned organisation is acting on behalf of our members that kindly request your immediate intervention.
3. We further request that an investigation is undertaken by your office regarding the alleged payment by a sporting goods supplier, Sedgars Sport, of at least R300 000, and possibly as much as R680 000, for a trip to Dubai by Minister Fikile Mbalula and his family last year, as reported by Eyewitness News (EWN) on 9 October 2017.
4. It is in the public interest to establish whether there is a conflict of interest, as well as a corrupt relationship between Mbalula and Sedgars Sport, as the EWN investigation indicates the following:
 - 4.1. Mbalula was the Minister of Sport and Recreation at the time of this trip, while the company involved was doing business with the South African Sports Confederation and Olympic Committee (Sascoc).
 - 4.2. The investigation suggests that Sedgars Sport sponsored at least part of the Mbalulas' trip in late 2016, by channelling money through an apparently inactive company called Reimon Uniforms. Sedgars Sport has been a clothing supplier to Sascoc for more than a decade.
 - 4.3. Sascoc's Jessica Choga confirmed to EWN that Sedgars Sport supplied the formal clothing worn by South Africa's Olympic athletes and officials. She said while there

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Member Administration – Fax: 012 644 0342 • **E-mail:** afriforum@afriforum.co.za • **Directors:** Flip Buys, Rev. Dirk Laufs, Dr Dirk Hermann, Alana Bailey, Prof. Danie Goosen, Frans de Klerk, Deon de Vries, Louis Trichardt, Prof. Koos Malan, Kallie Kriel • **Reg. No** 2005/042861/08 • 054 - 590 - NPO

was no formal contract with Sedgars Sport, Sascoc did and continues to purchase clothing from the company on a needs basis.

- 4.4. Public reports reveal that Sascoc's business relationship with Sedgars Sport extends as far back as 2005, when talks began about the company manufacturing outfits for Team South Africa. At the time, it was reported that the company had produced clothing for the country's athletics, boxing and beach volleyball competitors.
- 4.5. EWN has established that Mbalula, his wife and three children departed from Johannesburg on 28 December 2016 and returned on 3 January 2017. The family stayed at the Atlantis, The Palm Hotel in Dubai, developed by Sol Kerzner's Kerzner International Holdings and internationally acclaimed for its Atlantis-themed waterpark. The entire holiday package, including return affairs, cost approximately R680 000.
- 4.6. Two independent sources confirmed that Sedgars Sport paid for at least half of the trip. Two payments were made from a bank account linked to Reimon Uniforms on 28 February 2017 – the first of R200 000 and then a further R100 000 – to Johannesburg-based travel agency Munlin Travel. Reimon Uniforms appears to be an inactive company whose bank account accepts and channels funds from Sedgars Sport-linked accounts to various other parties.
- 4.7. It is understood that the remainder of the R680 000 expense was paid for in cash by a Sedgars Sport employee.
- 4.8. While Yusuf Dockrat denied any link between Sedgars Sport and Reimon Uniforms, stating their relationship was purely one of client and supplier, company records and online resources suggest otherwise:
 - i. Dockrat is a former director of a company called Barns of Investment. Its postal address is 2372, Vereeniging.
 - ii. Reimon Uniforms lists its postal address as 2372, Vereeniging.
 - iii. The current director of Reimon Uniforms is listed as Zakiya Dockrat, believed to be a relative of Yusuf Dockrat.
 - iv. Ananda Arangies is listed as a former director of Reimon Uniforms. Her LinkedIn profile lists her as currently employed by Sedgars Sport.
- 4.9 Parliament's members' code of conduct requires parliamentarians to declare foreign travel, except "personal visits paid by the Member, business visits unrelated to the Member's role as a public representative, and official and formal visits paid for by an organ of state or the Member's party". The details to be declared include a brief description of the journey, particulars of the sponsor and the estimated value of

travel, accommodation and subsistence and travel allowances. It's not clear if Mbalula has disclosed this trip to the ethics committee.

5. We therefore request, on behalf of our members and in the public interest, that the public protector investigates the matter.
6. As you will surely understand, corruption has become a national crisis and your swift and prompt response will be appreciated.
7. We await your kind but urgent response hereto. Kindly note that AfriForum is ready to engage with you on any aspect of this investigation.

Yours faithfully

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