



## **STATEMENT**

Issued by A P Stemmet  
On behalf of : The AMAGP  
Cape Town

8 October 2019

### **COMPETITION COMMISSION APPROVES SALE OF THE TISO BLACKSTAR GROUP**

#### **Is the Competition commission acting in contempt of the Mpati Commission of Inquiry?**

The recommendation by the Competition Commission that the transaction whereby the Lebashe Investment Group would acquire the Tiso Blackstar Group (TBG SA) should be approved must come as a complete shock for anybody who followed the evidence before the Commission of Inquiry into the affairs of the Public Investment Corporation chaired by Judge Mpati.

The question arises whether the Competition Commission is pre-empting the findings and recommendations of the Mpati Commission or is just ignoring it in contempt. Whatever it is, it is surely disrespectful.

Evidence of dubious transactions by and on behalf of Lebashe were placed before the Mpati Commission which is at present considering the evidence and preparing its report to the President. Out of respect for the Commission the AMAGP will not repeat or argue the evidence before the commission. Apparently the Competition Commission does not share this respect.

Evidence were placed before the commission of alleged misappropriation of funds of Paidf 1 and Paidf 2 intended for development in Africa articulated by Harith/ Lebashe and allowed by the PIC and GEPF to create a Permanent Capital Vehicle(PCV) in Mauritius under control of their own companies (in USD accounts) earning enormous interest for themselves. It should be noted that of the USD1050 Paidf funds USD600 million were from GEPF funds.

Serious allegations were made against the Lebashe directors both of whom were linked to the PIC and GEPF from whom a loan of R2,5 billion was obtained. It is interesting to note that one of the directors of Lebashe, Jabu Moleketi, was a former Deputy Minister of Finance and in that capacity also the chairman of the PIC. Tshepo Mahloele is at present the chairman of Lebashe and also the CEO of Harith General Partners. He is a former chief of the Corporate Finance and Isibaya Fund Divisions of the PIC.

The Competition Commission has now found that the proposed takeover does not raise any public interest concerns. Not even from the GEPF? When the news of the possible take-over broke in June of this year the AMAGP wrote to Mr Abel Sithole the CEO of the GEPF objecting to the wisdom to spend more than a billion rand from Paidf 2 by Lebashe that have been intended for infrastructure projects in Africa. Needless to say we have up to date received no answer from the GEPF.

Obviously they, as usual, did nothing about our concerns.

Confidential rumours reached our ears, that Harith/Lebashe would in future report to their sponsors only every three months is, disconcerting. Really? And what about the monitor function which is included in the mission of the GEPF? Every time when there is a loss of GEPF money our questions about monitoring of the investment are "answered" by a dead silence. Can we still trust the Board of Trustees with the safeguarding of our pension money? How many more times must we suggest that the Board of Trustees should resign as their colleagues of the "old" PIC did?

Whether it us a healthy situation that about 90% of the English newspapers including papers such as Business Day, Sunday Times, Sowetan, Financial Mail and Vrye Weekblad will now apparently be in the hands of people apparently close to the ruling party, we'll leave in the hands of the politicians.

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