

DISCUSSION DOCUMENT ON COUNTER REVOLUTION, STATE CAPTURE AND CORRUPTION IN SOUTH AFRICA.

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PREFACE

With so many commissions of inquiry into corruption and impropriety of all sorts currently underway, it is important for South Africans to proffer as accurate and in-depth analysis as possible so that our movement and people unite in action to help achieve objectives which are in the national interest.

This document constitutes **part** of a Series which seeks to address *Counter Revolution, State Capture and Corruption in South Africa*, which are conspiring to defeat the Democratic Revolution which emerged victorious in 1994.

Future editions of the series will illustrate other examples of the counter revolutionary offensive to assist the democratic movement as it continues to discharge its responsibility to defend the people's democratic victory and to defeat the counter revolution.

COUNTER REVOLUTION TODAY

We define counter revolution as any commission or omission which deliberately seeks to undermine and eventually defeat the objectives of the national democratic revolution.

It has historically manifested itself in different ways in each country, depending on the complex interplay of local and international balance of forces. During the Cold War, counter revolution manifested largely through armed (and mainly terrorist) action against the nascent liberation movements and their governments throughout the African continent and the developing world. It also found expression in the development of pliant and pliable states who served as proxies for the right wing international ideological order.

As a governing party, the ANC develops its own policies through its internal processes which are informed by its ideological perspectives and its historical mission. These policies form the basis of policy formulation in the state.

To ensure that the policy formulation and implementation in the state follows its designs, the ANC deploys its cadres in state institutions and various levels of government.

It therefore stands to reason that defeat of the national democratic revolution would manifest itself in, amongst others, essentially three ways,

The first is that the policies of the ANC must be distorted and veer away from the objectives of the ANC, either through populist stances or through downright revolutionary adventurism.

Secondly, the enemies of the revolution would also ensure that they form part of the cohort of deployees in state institutions.

Thirdly, the ANC deploys a cohort of incompetents who then wittingly or unwittingly become part of the counter revolution through no fault of their own.

Throughout its existence, there have been various attempts to distort the policies of the ANC. The ANC has, until recently, managed to resist these attempts. However, in recent years, it has become clear that the ANC has been denuded of its ideological content and is available to be persuaded by all and sundry.

Daily, we witness from within the ANC, actions and utterances whose only objective is to sabotage the implementation progressive policies of the ANC.

In the current phase of the revolution, counter revolution has primarily manifested itself through the deployment of enemies of the ANC and what it stands for. Draped in the very garments of the ANC, these 'cadres' have been able to deceive the ANC and the people that they represent a more radical tendency within the ANC.

In truth, these have never stood for what the ANC represents. As we shall demonstrate, the strategic mistake of the ANC was to assume that they and their like would never be able again to gain political dominance or significant political influence after the defeat of apartheid.

The modus operandi of these 'cadres' is that they identify critical state institutions whose destruction will result in the defeat of the national democratic revolution. We shall come back to this question later in the paper.

THE VICTORY OF THE DEMOCRATIC MOVEMENT

The holding of the first democratic elections in our country in April 1994 marked a strategic and historic victory for the national liberation and democratic movement as led by the ANC.

In other words, those elections constituted a strategic and historic defeat for the racist forces of colonialism and apartheid which, certainly since the arrival of the Dutch settlers in the 17th century, had done everything to ensure their domination of both the black and the indigenous majority.

As the ANC took power in 1994 as the leading Party in the Government of National Unity (GNU) it understood that it had dealt a final blow to the apartheid forces, such that these would never be able to gain political dominance again.

This conviction was reinforced by the unanimous adoption by the democratically-elected National Assembly of the White Paper of the very "Reconstruction and Development Programme" (RDP) which had served as the 1994 'Election Manifesto' of the ANC.

This meant that henceforth the RDP was both a national programme binding on all Parties, and a programme of the GNU.

All this was a clear confirmation that the national democratic movement, led by the ANC, had achieved a defining hegemonic position in terms of the definition of the new post-apartheid South Africa.

In 1996, the elected multi-party Constitutional Assembly which also served as our national legislature, adopted our country's National Constitution.

It was clear that the Constitution carried words and concepts which unmistakably emphasised the decisive impact of the ANC on the formulation of the constitutional order which would inform the formation and governance of the new South Africa.

All this confirmed that a strategic, historic and irreversible political shift had taken place in our country.

The ANC understood that this marked the final defeat of the forces of colonialism and apartheid and the ultimate victory of the forces of national liberation. This victory of the democratic forces set the stage for the implementation and transformation of South Africa into a democratic, non-racial and non-sexist country.

A CORRECTION – THE COUNTER REVOLUTION LIVES.

With the benefit of hindsight, it is clear that we, as the ANC, made a strategic mistake in 1994, and immediately after when we convinced ourselves that we had 'dealt a final blow to the apartheid forces, such that these would never be able again to gain political dominance or significant political influence.'

The fact of the matter is that even as the national liberation and democratic movement celebrated its victory in 1994, there were elements of the apartheid regime which did not accept the defeat of the apartheid system itself.

These included, but not limited to, the formations which had constituted the Strategic Communication (STRATCOM) units of the Security Forces and the Defence Intelligence Division of the South African Defence Force (SADF).

These apartheid formations did not accept that it was necessary for the then apartheid regime to enter into negotiations with the ANC, aimed at the ending of the apartheid system.

This was because they argued that the apartheid regime disposed of sufficient force that it would and could use against the ANC such that the ANC would not be strong enough to present itself as a legitimate voice of the black majority and a threat to white minority domination.

Nevertheless, they understood and accepted that the balance of forces at that time, i.e. 1989/1990 and the following years, made it inevitable that the democratisation process had to proceed.

In retrospect, our experience has also demonstrated that the ANC and the rest of the democratic movement made a second strategic mistake when they concluded that the counter-revolutionary offensive against the democratic revolution would come from outside its ranks.

Taking all this into account, it is clear that the country is in the grip of a general political, economic and social crisis which became entrenched in the last nine to ten years.

This crisis became entrenched because our system of governance had been captured by forces beholden to the counter-revolution.

COUNTER REVOLUTION – THE NATION HAS BEEN WARNED.

The Commissions appointed by President Cyril Ramaphosa, such as the (Zondo) Commission on State Capture, have been exposing very disturbing instances of corrupt practices. All these negative developments represent more than individual instances of corruption and bad governance by particularly bad individuals.

At issue is a more strategic goal, which is the victory of the counter-revolution and therefore the unravelling of what the democratic revolution has achieved since 1994, and the ultimate defeat of the effort to realise the goals of the NDR.

To understand this, we must consider the South African Council of Churches (SACC) “Report to the Church Public on the Unburdening Panel Process” released in May 2017. The SACC laid the first important steps towards the conclusion we have reached about counter revolution when in this Report it said:

“It now seems that the problem is far greater than corruption, but organized chaos. We have now come to learn that what appears to be chaos and instability in government may well be a systemic design of the madness that ill our governmental environment – a chaotic design.

A careful analysis makes the case for the following observable trends of inappropriate control of State systems through a power-elite that is pivoted around the President of the Republic that is systematically siphoning the assets of the State.”

The SACC Report was followed by yet another report: “Betrayal of The Promise: How South Africa is Being Stolen,” by the State Capacity Research Project (SCR¹) which was also released in May 2017.

Echoing the SACC report, the SCR¹ said:

“Until recently, the decomposition of South African state institutions has been blamed on corruption, but we must now recognise that the problem goes well beyond this. Corruption normally refers to a condition where public officials pursue private ends using public means. While corruption is widespread at all levels and is undermining development, state capture is a far greater, systemic threat. It is akin to a silent coup...”

¹ The SCR¹ Report was produced by nine academics and one journalist, convened by Prof Mark Swilling from Stellenbosch University.

THE SARS COMMISSION.

We now proceed to present a concrete example of the counter revolution, or ‘silent coup.’ In doing so, we rely on the “*Commission of Inquiry into Tax Administration and Governance by*

the South African Revenue Service," appointed by President Ramaphosa on May 23, 2018 and chaired by retired Judge Robert Nugent.

The Preamble to the Terms of Reference of the Commission reads:

"... taxation forms a crucial basis for a democratic government, imposed for the purpose of funding the constitutional obligations of Government including the provision of public services to all;

"... the significant revenue shortfalls in two consecutive years in 2016/17 and (projected for) 2017/18 are identified as key fiscal risks and a factor in South Africa's credit rating..."

In his comments introducing the 2017/2018 SARS Annual Report, then Minister of Finance, Nhlanhla Nene, wrote:

"The South African Revenue Service (SARS), as the collector of more than 90% of government's revenue, remains a key enabler of the National Development Plan."

National Treasury estimated in 2018 that Gross Tax Revenue during the 2017/18 financial year would account for 86% of Total Government Expenditure.

Given the importance of the revenues collected by SARS, the very first task stated in the Terms of Reference of SARS Commission is phrased as follows:

"1. The Commission must enquire into, make findings, report on and make recommendations on the following:

"1.1. The adequacy and legality of steps that SARS took, or failed to take –

"1.1.1. in light of the revenue shortfalls, relative to the budgets announced on 24 February 2016 and 22 February 2017, to improve revenue collection, including steps to change the timing of tax refunds..."

The SARS Commission Terms of Reference highlighted what it called "the significant revenue shortfalls in two consecutive years in 2016/17 and (projected for) 2017/18" because of the importance of SARS and the Revenues it collects to the discharge of the function of Governance.

To emphasise this point, we cite, once again, the point made in the Preamble to the SARS Commission Terms of Reference:

"... taxation forms a crucial basis for a democratic government, imposed for the purpose of funding the constitutional obligations of Government including the provision of public services to all..."

IF SARS WERE TO COLLAPSE...?

In brief, our Government would collapse if SARS failed in a significant way to discharge its Revenue Collection task!

That collapse would also mean the collapse of the Strategic Programme which informs or should inform everything the Government does. In our case, this would mean the collapse of the National Democratic Revolution!

The Judge Nugent SARS Commission has told a truly frightening story about SARS during the period April 1, 2014 to March 31, 2018.

Its Final Report says:

“At the commencement of the period to which this inquiry relates (April 1, 2014) SARS was on a trajectory that had earned it accolades domestically and abroad. According to Dr Randall Carolissen...a review of SARS in 2014 by the International Monetary Fund, benchmarked against its Tax Administration Diagnostic Tool (TADAT), showed that in most categories SARS was world class...It was also respected by the Organisation for Economic Co-operation and Development, and was held up in this country as a model public institution.”

Later the same Final Report says:

“What I have described is a far cry from the environment that existed at 31 March 2018. I reported earlier that the air at SARS reeks of intrigue, fear, suspicion and distrust.

We heard of it in evidence, and we encountered it ourselves...The trajectory of modernisation, that had been in the making for a decade, was summarily stopped when Mr Moyane arrived, with not so much as a word to the person who had been instrumental in creating it.

And now only adjustments and adaptations are made to the systems from time to time, while the systems themselves degenerate as technology advances...the organisational structure of SARS has been remodelled such that fragmentation of functions inhibits co-ordinated action over various disciplines, to the benefit of delinquent taxpayers and the disadvantage of major taxpayers who try to comply The Large Business Centre (LBC) as it had existed was eviscerated to the detriment both of governance and revenue collection.

The restructuring of the organisation displaced some 200 managerial employees from their jobs...When an organisation that was world class ends up four years later like that, it cannot but mean that the integrity and governance of the organisation has failed...

The failure of integrity and governance at SARS, soundly evidenced alone by the change over four years, has certainly compromised the performance of its core function of collecting tax, to the detriment of the country at large.”

FAILURE OF INTEGRITY AND GOVERNANCE AT SARS.

The central point to make about those “*interventions*”, which produced this negative outcome, is that they were deliberate and purposive, rather than accidental.

The “*interventions*” were made with the conscious intention to weaken SARS so that it fails in its task to collect the Revenues which are necessary to discharge the function of governance.

The inescapable conclusion is that the “*interventions*” which some made to ensure the “*failure of integrity and governance at SARS*” were part of a counter revolutionary offensive

to defeat the Democratic Revolution and wipe out all the progressive gains South Africa had made since 1994.

ENTER MR. TOM MOYANE

During most of the period reviewed by the SARS Commission, Tom Moyane was the SARS Commissioner. Moyane assumed this position on September 27, 2014.

The Nugent SARS Commission says the following about the interventions which were made which resulted in the *"failure of integrity and governance at SARS"*:

"The transition of SARS from what it was to what it became was brought about by events that are shocking. We think what occurred can fairly be described as a premeditated offensive against SARS, (our emphasis) strategized by the local office of Bain & Company Inc, located in Boston, for Mr Moyane to seize SARS, each in pursuit of their own interests that were symbiotic, but not altogether the same. Mr Moyane's interest was to take control of SARS. (Our emphasis).

Bain's interest was to make money. This (Moyane's appointment to head SARS) was not a plan for mere succession in public service." (Our emphasis).

The Report puts the matter of *the Moyane Mission* in stark words when it says:

"I [Judge Nugent] reported in my interim report that the (weakening of SARS) was brought about by at least reckless mismanagement on the part of Mr Moyane. We have heard much evidence since then.

"What has become clear is that what occurred at SARS was inevitable the moment Mr Moyane set foot in SARS. He arrived without integrity and then dismantled the elements of governance one by one. This was more than mere mismanagement. It was seizing control of SARS as if it was his to have." (Our emphasis).

The foregoing statement by the Nugent SARS Commission to the effect that what happened to SARS was *"a premeditated offensive against SARS, (our emphasis) strategized by the local office of Bain & Company Inc, located in Boston, for Mr Moyane to seize SARS..."* is fundamental to the movement and country's understanding of what was at play not only at SARS but during the years 2009 – 2018.

Below, we discuss the relationship between Bain & Company Inc (Bain South Africa) and Tom Moyane.

BAIN SOUTH AFRICA INTERVIEWS – PLUS DUMA NDLOVU.

The first meeting between Bain and Moyane took place on 13 October 2013, a whole year before Moyane was appointed to head SARS! At least seven other meetings followed before Moyane stepped into the SARS building.

A series of other important incidents also took place. The same Bain representatives who interacted with Moyane also met then President Jacob Zuma. These Bain representatives told

the Nugent SARS Commission that they first met President Zuma on 11 August 2012. After that they met President Zuma ten times or more.

Bain & Company Inc/Bain South Africa representatives also told the Nugent SARS Commission that before they met President Zuma, they had identified the South African public sector as an area they should target for profit-making purposes.

The Nugent SARS Commission Report says:

“According to Mr Massone (the Bain representative), his first meeting with Mr Moyane was arranged by Mr Duma Ndlovu pursuant to a written agreement between Bain and Ambrorite (Pty) Ltd, a company owned by Mr Ndlovu and Mr Mandla KaNozulu.

“That agreement commenced on 1 November 2013. In it the parties recorded: ‘Bain & Company SA, in collaboration of Ambrorite, has identified the Government and State - Owned Enterprise sector as a strategic priority. This sector represents an important share of GDP and is an important buyer of consulting services. It is commonly accepted that to build a sustainable consulting business in South Africa a substantial participation to this sector is required.

In addition, Ambrorite intelligence has allowed Bain in the last few months to acknowledge that in the next few years a number of State - Owned Enterprises and Agencies will be subject to leadership and strategic changes and will require significant transformation and turn-around processes. This is at “the core” of Bain activity and skills...Bain & Company South Africa is of the opinion that a collaboration with Ambrorite would substantially benefit its business and the probability of success in this sector.’

“The agreement went on to record that, in pursuit of its objectives to, amongst others, ‘identify key priority targets in the Government/SOE sector’, ‘an initial analysis performed by Ambrorite for Bain preliminary shortlisted company like SA Revenue Service (SARS), SA Post Office (SAPO), SITA, Eskom.’ (sic)

“In short, the owners of Ambrorite would facilitate business opportunities for Bain, and SARS was one of the first targets. Consequent upon that contract, according to Mr Massone, he was introduced to ‘various key leaders, decision makers and executives from the public sector’, including Mr Moyane and former President Zuma.”

BAIN AND TOM MOYANE – EARLY DAYS.

The Nugent SARS Commission Report says:

“Mr Massone said he was introduced to Mr Moyane because, so he was told, Mr Moyane had ambitions of becoming the next Commissioner of SARS, following the resignation of Mr Magashula (in July 2013). The purpose of the meeting, said Mr Massone, was to ‘advise Mr Moyane on how to achieve his professional goals’.”

According to an Affidavit submitted by Vittorio Massone to the Nugent SARS Commission, Bain proceeded to train Moyane to take over as head of SARS.

Massone said that in his first 13 October 2013 meeting with Moyane they discussed a document entitled “SARS 2.0”.

Of this document the Nugent SARS COMM Report says:

“The (SARS 2.0) slides identified what Bain considered to be shortcomings at SARS and said at the outset: ‘In order to transform SARS into an innovative revenue & custom agency, SA government will have to run a profound strategy refresh and focus on execution to reach SARS full potential’.

Massone next encountered Moyane at Genadendal, the Cape Town Presidential Residence, which Massone visited to meet President Zuma. They merely exchanged ‘pleasantries’ in the ‘waiting room’.

Massone’s next meeting with Moyane was on 15 May 2014. This was a ‘catch-up’ meeting given that there had been no substantive discussion since October 2013.

The next meeting with Moyane took place on 2 June 2014. At this meeting they discussed a “**first 100 days**” document. Massone wrote that this is a “document that summarises for the candidate (head of SARS) what his “report card” ideally should look like after the first 100 days in office...”

The next meeting with Moyane took place on 26 June 2014. It discussed a document entitled “**Potential SARS organisation chart and focus areas**”.

On 6 August 2014 Moyane attended an event held for Bain’s clients. This was ‘*Bain’s Global Economic Macro-Trends Breakfast*’.

The next meeting took place on 28 August 2014. It was attended by Jonas Makwakwa who made a presentation about his experiences at SARS.

After this last meeting with Moyane before he was appointed head of SARS, and at Duma Ndlovu’s suggestion (our emphasis), Bain updated the ‘**SARS 2.0**’ document and another document entitled “*SARS what has to be done*” was provided by Bain.

The Nugent SARS Commission Report says:

“An email records a further meeting at the offices of Bain on 22 September 2018, attended on this occasion by Mr Moyane, Mr Ndlovu and Mr Patrick Monyeki. The meeting is not disclosed or explained in Mr Massone’s affidavit. It appears from other evidence that Mr Monyeki is a long-standing friend of Mr Moyane. He appears again later, when the information technology contracts were awarded, which I deal with later in this report.”

WHAT ARE THE LESSONS THUS FAR?

What is clear from the foregoing is that:

- Bain knew a year before he was appointed that Moyane would become the head of SARS;
- it therefore trained Moyane about what he should do once he takes over at SARS;
- some people already working at SARS, such as Jonas Makwakwa, were also brought into the processes intended to prepare Moyane for his future role at SARS;
- Bain had a pre-determined view about what should be done to restructure SARS without ever having directly studied the Service and interacted with it;

- Bain's interaction with Moyane coincided with its parallel interaction with President Zuma; and,
 - there was a then hitherto unknown 'private sector organisation', Ambrorite, led by a well-known 'anti-apartheid activist', Duma Ndlovu, which facilitated the interaction between Bain and Moyane, introduced Bain to President Zuma, and gave Bain the intelligence information it needed for its business purposes. This included what proved to be correct 'intelligence' that Moyane would be appointed to head SARS!
- The inescapable conclusion is that from the immediate foregoing that the counter revolution made all the necessary preparations to carry out the "premeditated offensive against SARS" which the Nugent SARS Commission spoke about.

BAIN, ZUMA, NDLOVU, MASEKO, MABUZA.

The bare facts about the interaction of Bain with President Zuma, are that:

- (i) in his affidavit, Massone detailed his engagements with President Zuma; and,
- (ii) ultimately President Zuma appointed Tom Moyane to head SARS.

In his affidavit Massone says that Duma Ndlovu attended all the meetings he had with President Zuma. He says he first met President Zuma on 11 August 2012. He was introduced by Siphso Maseko, the current CEO of Telkom, who was 'an old client of Bain'.

The meeting discussed Project Phoenix proposed by Bain. The project was intended to create a national and regional ICT champion, leapfrogging economic development and urban and rural transformation, etc.

The next meeting with President Zuma took place on 23 August 2012 and discussed the Phoenix Project in its potential relationship with Telkom. Ndlovu and Maseko were also present.

Another meeting took place on 27 October 2012, with Ndlovu, Maseko and Jabu Mabuza present, which further elaborated on Phoenix.

Yet another meeting took place on 25 April 2013. This meeting discussed a Bain proposal about infrastructure development being done through a single delivery agency.

Massone also met President Zuma on 4 August 2013. The meeting discussed further progress with regard to Phoenix Project.

They also met at Genadendal on 25 February 2014. The meeting should have discussed the Bain proposal about a 'central procurement agency'. This did not happen because President Zuma arrived late.

The 'central procurement agency' idea was finally presented to President Zuma at a meeting on 26 April 2014.

Another meeting was held on 22 May 2014. It discussed a proposal about supporting the SMEs and was presented by Maseko.

Other meetings took place between 23 May 2014 and 3 July 2014. These meetings focused on how to implement the NDP.

A further meeting took place on 6 July 2014 at the Presidential Residence in Durban. It discussed 'Project Sirius', which was about the energy sector, including a turn-around strategy for Eskom.

Another one took place on 28 July 2014. It discussed the Phoenix Project and its relationship with Telkom.

In his Affidavit Massone wrote:

"I have said that most of the meetings with Zuma were arranged and scheduled by Ndlovu. I should add that none of the ideas or projects referred to above (save for Telkom) were ever followed up or lead to any projects for Bain."

The Nugent SARS Commission Report says that a meeting between President Zuma and Massone took place on 3 April 2014. Following this meeting, Massone exchanged e-mails with another Bain colleague, one Franzen. This is the e-mail exchange:

Franzen to Massone: *'Ciao – just wanted to check how your "big meeting" went yesterday. Take care'*

Massone to Franzen: *'Thank you, Fabrice, it went very well - Sars is aa go, right after the elections - central procurement agency: he loves it, wants an implementation plan - wants to accelerate Phoenix - -asked us to organise a workshop with the new cabinet of ministries after the elections (sort of new strategy by sector + RDO/mobilization) So I'd say very well... I'll update the team on next call. Thank you'*

Franzen to Massone: *'Congrats!'*

Massone to Franzen: *'Be ready for SARS!!!! Tom passes by for coffee next Friday morning, if you want to say hi to him'*

The Nugent SARS Commission concludes that:

"It can be inferred from the exchange that Mr Massone was assured at the meeting with Mr Zuma that Mr Moyane would be appointed Commissioner of SARS, and that Bain was assured it would be awarded a contract to 'transform' SARS, after the general election, which was to take place on 7 May 2014. It is probable that Mr Moyane would also have been at the meeting."

TOM MOYANE ARRIVES AT SARS.

By April 2014 the stage was all set:

- (i) for Moyane to take over as head of SARS; and,
- (ii) for Bain to be retained by SARS as a 'consultant' to implement the programme of a "premeditated offensive against SARS" which Bain had been discussing with Moyane since 2013.

In this regard the Nugent SARS Commission Report said that:

"Clearly Bain and Mr Moyane were in deep collusion to restructure SARS, no matter what they might have found at SARS. Neither was concerned for the interests of SARS, but for their

own interests, that were at least aligned with one another, though they might not have been quite the same."

According to the Nugent SARS Commission, six weeks after he assumed his position as SARS Commissioner, Tom Moyane addressed a memorandum to the Minister of Finance seeking approval *"to approach independent consulting companies to assist with an evaluation of all its operations, including its operational performance, its information technology infrastructure, and its organisation and governance."*

It is not necessary for us to detail all the matters which relate to this approach. It suffices that we quote what the Nugent SARS Commission Report says about this matter:

"What Mr Moyane represented to the Minister was untrue, both in what was said and in what was not disclosed.

The memorandum conveys an intention to approach consulting companies in order to select one. In truth the only approach that was to be made to consulting companies was to entice them to participate in a procurement sham. What he ought to have said to the Minister is that he had already colluded with Bain on a strategy to restructure SARS, for Mr Moyane to take control, and for Bain to increase its wealth."

Bain was subsequently appointed in January 2015 to do the consultancy work on SARS about which Moyane had written to the Minister of Finance.

However, it is important to note that there were concerns about the bidding process which led to Bain being selected as the preferred bidder.

SARS issued the tender documents on 11 December 2014. Bain responded to the tender the following day on 12 December, making a competitive costed offer.

A number of years later, in September 2018, a representative of our National Treasury said:

"My suspicion is that Bain may have been approached and was aware of the scope and started preparing its tender papers which is obviously unfair because other people would have only been exposed to the tender information on the 11th December. The process was not done properly and one cannot say Bain was properly appointed which results in an irregular appointment."

Later, in December 2018, Bain & Company issued a Corporate Statement in which it confirmed the suspicions of the National Treasury and said:

"It is clear from our investigations that Bain's participation in the procurement (bidding) process may have been irregular as the firm had prior knowledge of the RFP (Request for Proposals)."

It is clear that Moyane took all necessary steps to ensure the selection of Bain as the SARS consultancy. After all, he had been working with SARS for an entire year before his appointment as SARS Commissioner to prepare for the time when he would work practically with Bain to 'restructure' SARS.

Following its appointment, Bain proceeded to present its 'SARS restructuring' proposals to Moyane, undoubtedly based on the suggestions it had made to Moyane since 2013, as it prepared him to succeed to the position of head of SARS.

BAIN, MOYANE AND THE SARS ORGANISATIONAL STRUCTURE.

We have already indicated some of the conclusions of the SARS Commission in this regard. We proceed to quote directly from the Nugent SARS Commission Report.

Reporting on the outcome of one of the 2014 meetings Bain held with Moyane before he became SARS Commissioner, the Nugent SARS Commission Report says:

“A decision was taken that the organisational structure of SARS would be changed even before Bain and Mr Moyane had spoken to anyone at SARS. Bain knew nothing about SARS other than what was available from public sources. From information furnished to me by Bain it had no more than peripheral experience of a tax collection agency.

And without knowledge of how and why SARS was structured as it was, it had no idea of the environment for which it had been structured. What was good for the tax authorities in New Zealand, and elsewhere, of which Bain in any event had only second-hand knowledge, is not necessarily good for SARS, and they might at least have asked those who understood SARS, if that was indeed their concern.”

Bain did not move away from this position after it was formally appointed as a consultant to SARS in January 2015: and yet it proposed a new SARS structure which Moyane implemented.

The Nugent SARS Commission Report further says that:

“The principal feature of the new structure, apart from combining all taxpayer affairs into BAIT, was to fragment many of the functions that previously had operated cohesively. The most prominent was the operation of the Large Business Centre...

Another case of fragmentation was in the compliance division. Headed by Dr Malovhele,

It had developed a tool to measure and monitor tax compliance, from which strategies could be devised to target areas of non-compliance, without which there is obviously no revenue... (Our emphasis). Dr Malovhele said: ‘And as we speak there’s no BAIT [Business and Individual Tax] compliance programme. There’s no customs compliance There’s no SARS compliance programme, you know, even though SARS went to parliament and said we have the compliance but there isn’t because where it was moved they didn’t have the competency and the skills to do it. So I wrote quite a number of notes to senior people explaining to them there’s a problem here. The compliance research function it’s no more. It’s not there.’ “

When Bain and Moyane discussed the changes they would effect at SARS when Moyane became Commissioner, they elaborated what amounted to an implementation plan. In this regard the Nugent SARS Commission Report says:

“The second striking feature (of the implementation plan) is that it anticipated there would be resistance to the change. Those who would support change must be identified. Those who would hamper the change must be neutralised. Then there were those over whom to keep watch.

“This was not a strategy for succession in public service. Public servants succeed one another in service of a common goal, which is the welfare of the state. They have no need to neutralise other public servants. This was a strategy more appropriate to a corporate takeover. The presentation had nothing to do with tax collection. It had all to do with seizing control of SARS.”

In simple language, this means that Bain and Moyane consciously took the decision that the counter revolutionary project at SARS required that those who opposed this project “*must be neutralised*”!

BAIN, MOYANE & THEIR ALLY – THE SUNDAY TIMES – THE DECIMATION OF SENIOR SARS STAFF.

The Nugent SARS Commission reports that:

“Two weeks after Mr Moyane took office, on 12 October 2014 a report appeared in the Sunday Times newspaper, alleging that what it called a ‘rogue unit’ existed within SARS, whose members had secretly installed listening devices in the home of then President Zuma.

That report was followed in the course of the next year or more by about thirty other reports concerning the alleged activities of the unit.

“About two years after the first report the Sunday Times retracted its allegations and apologised but by then there had been tragic consequences for SARS and the country and for those employees the Sunday Times reports had implicated.” (Our Emphasis).

The “*tragic consequences for SARS and the country*” which the Nugent SARS Commission refers to are that these false reports by the *Sunday Times* gave Moyane the opening he sought to remove those who would oppose his strategic plan to “*seize control of SARS*” from positions of leadership and authority in the Revenue Service.

We have already cited the observation of the Nugent SARS Commission Report that in addition to the removal of senior leaders of SARS such as Mr Ivan Pillay and others:

“Some 200 employees were displaced from their jobs and were required to apply for positions in the new structure. A significant number who had been in management positions were rejected for alternative management posts, and found themselves appointed to supernumerary posts that had no job profile and no job content, ostensibly to avoid retrenchment, but in truth it was the departure lounge.”

One of the detailed accounts contained in the Nugent SARS Commission Report, which illustrates how crude and determined the process launched by Moyane to decimate the capacity of SARS was, relates to a senior person who headed the vitally important Large Business Sector of the Revenue Service.

That detailed account says:

“One who left (SARS) was Ms Sunita Manik, the head of the Large Business Centre, which was fragmented in the new organisational structure.

She is a Chartered Accountant, with certificates or diplomas in Management, Organisational Development, Education Training and Development, as well as Psychology. One day she arrived at work and was summarily removed from her position as head of the LBC, to be replaced by one of her subordinates, and from then she was assigned to an office where she was allocated no work.

She applied for the post of Group Executive of Investigative Audit in the new structure. Albeit that she was the only candidate and met the criteria, she was not appointed. She said it

was made clear to her that she could not expect a management position, and it was suggested she transfer to the SARS Academy, a post she had occupied when she had first joined SARS. In exasperation she ultimately resigned after 23 years' service to SARS."

The Nugent SARS Commission reports that as a result of the Moyane offensive against the senior SARS staff:

"By about the middle to latter part of 2015 (less than a year after Moyane was appointed, the SARS) EXCO had been denuded of virtually all the management experience and skills that had existed when Mr Moyane arrived...By the middle of 2017, after the restructuring, nothing was left of the former EXCO."

Concerning this decimation of the staff of the Revenue Service, the Nugent SARS Commission Report pointedly says that:

"In the absence of a rational explanation for having acted as Mr Moyane did, and we cannot think of one, the explanation must necessarily be found elsewhere. Mr Moyane had barely arrived at SARS, with no experience of the organisation or of revenue collection, yet almost immediately he denounced and humiliated his senior management who might be expected to have advised and guided him as he came to grips with his new role, and dissolved the body through which SARS was being managed.

All that on the basis of no more than a newspaper report, and moreover, a report on an alleged unit of which at least most of the Chief Officers could not be expected to have had knowledge. I think the inference is inescapable that this was the first step in 'neutralising' possible detractors as foreshadowed in Bain's 'TM100 days' presentation."

In this context we must cite some of the important comments made by the Editor of *The Sunday Times*, Bongani Siqoko, when he apologised for the fake news spread by his newspaper which, among others, had helped Moyane and Bain to victimise and remove senior SARS officials who opposed the Moyane/Bain counter revolutionary offensive to destroy SARS, which highlighted the actual abuse of the media to achieve counter revolutionary objectives!

Mr Siqoko said:

"While we were interrogating, investigating and reporting these stories, there was clearly a parallel political project aimed at undermining our democratic values and destroying state institutions, and removing individuals who were seen as obstacles to this project. We admit that our stories may have been used for this purpose. It is this project which also tarnished our reports on SARS.

"There was ferocious infighting within state institutions, and warring factions were prepared to use state organs to settle scores, villains became heroes, and heroes fell as the tectonic plates shifted violently, as we have seen in the case of the former Hawks Head, Anwa Dramat, and Gen Shadrack Sibiya of the Gauteng Hawks, and SARS officials who became targets of this political project.

"That we allowed our stories to be abused for this purpose, we apologise."

BAIN, MOYANE & WEAKENING THE SARS ICT CAPACITY...& GOODBYE TO BARRY HORE – SCARY!

In addition to the decimation of staff, we can cite other examples of what Moyane did to weaken SARS. One critical example relates to information technology and the reduction of SARS' capacity to collect the revenues required by the State to discharge its responsibilities to the people.

The Nugent SARS Commission Report says:

"SARS is an information technology driven business. Information technology plays not merely a supporting role, as it might do in other government bodies, but enables its core business.

Secondly, SARS needs to be linked to the digital economy if it is to fulfil its mandate effectively. It cannot be permitted to fall behind, and should ideally be ahead of developments in the digital economy...

"At the commencement of the period under inquiry SARS had an effective and world-class IT division...SARS IT worked closely with the Modernisation Programme Office, and with a generous budget, and dedicated people, had the capacity and capability to quickly and efficiently initiate and complete projects within the Modernisation Programme. The division was led by a 'core team' headed by Mr Hore."

In September 2014, shortly before Moyane assumed office, the Acting SARS Commissioner, Ivan Pillay, informed the staff of the Revenue Service that the SARS EXCO had:

"approved the SARS modernisation programme comprising 25 projects, of which eight are legally mandatory projects and three are collaborations with other government agencies...The Programme Management Office, (headed by Mr Hore), will maintain a list of the proposed projects to plan for their implementation."

Three months after the Ivan Pillay announcement, the new SARS Commissioner, Tom Moyane, without consulting Mr Hore, stopped the EXCO-approved modernisation programme. He claimed that he needed outside expert opinion to inform him about "*the SARS Operating Model, Structure and its Modernisation Programme.*"

The effect of this was to bring to a halt for a whole period of four years, the modernisation programme which SARS needed to keep up with a constantly developing technology environment.

When the Nugent SARS Commission sat, Ms Mmamathe Makhekhe-Mokhuane was The Chief Officer of the SARS Digital Information Services and Technology (DIST). She informed the Commission that because of the destruction caused by Moyane, "*DIST currently operates only to 'keep the lights on' and without any new or focussed innovation.*"

Mr Hore had joined SARS in 2005 specifically to use his exceptional skills to lead the process of the modernisation of the technology on which SARS depended to do its work.

Realising that he could not work with Moyane, who was determined to undermine and weaken the technology platform he had built and was constantly improving, Mr Hore tendered his resignation from SARS on December 1, 2014 and left the Revenue Service in January 2015.

The Nugent SARS Commission reports on a communication which took place between two Bain members of staff, commenting on Mr Hore's resignation, as follows:

"Goodbye Barry Hore ...", wrote Mr Franzen to Mr Massone on 3 December 2014, to which Mr Massone replied "Now I'm scared by Tom (Moyane).. This guy (Hore) was supposed to be untouchable and it took Tom just a few weeks to make him resign... Scary..."

Within a few weeks of his arrival at SARS, Moyane had forced out the leading SARS expert of information and other technology, Mr Hore. Within a few years he had radically reversed the technology gains SARS had made under the leadership of Mr Hore.

The effectiveness with which Moyane set about carrying out his destructive work frightened even the very same people who had trained him to play out his counter revolutionary role at SARS.

THE BROAD SWEEP OF THE NEGATIVE MOYANE OFFENSIVE.

How far SARS had drifted away from its tasks as an important institution within the democratic State was exemplified for instance by the fact that it developed conflictual relations with other institutions of the very same democratic State. In this regard the Nugent SARS Commission says:

"(Because of the interventions made by Moyane), measures to counter criminality have been rendered ineffective and those who trade illicitly in commodities like tobacco operate with little constraint.

Relations between the Commissioner of SARS and other state institutions – the Treasury, the Auditor-General, the Davis Tax Committee, the Financial Intelligence Centre – are icy, if there is any relationship at all, and SARS is isolated from its former high status amongst international bodies...

So fraught were these relations (with other State institutions) that SARS even went so far as to take the Auditor General to court!"

This court action arose from the fact that the Auditor General had determined that bonuses for senior staff authorised by Moyane without the authorisation of the Minister of Finance constituted irregular expenditure in contravention of section 18(3) of the SARS Act. By this time Moyane was trying to reduce the level of accountability of SARS to the National Treasury. When Moyane was removed from his position, the Acting Commissioner appointed in his place withdrew the misplaced court action.

As we have seen, Bain started training Tom Moyane to take over as SARS Commissioner well before then President Zuma appointed him to this position.

Once he was appointed, Moyane manoeuvred to ensure that Bain was appointed as an official SARS consultant. This was to ensure that Bain continued to work with Moyane to destroy SARS.

Moyane set out to destroy SARS by instituting restructuring processes which, among other things, decimated the Revenue Service of many of its most senior, skilled and experienced staff and radically weakened the operating arms of the Service.

The aim of all this was to weaken and destroy the capacity of SARS to collect the revenues without which the democratic Government and State can neither exist nor function! The aim of all of this was therefore the defeat of the Democratic Revolution which our people had ushered in in 1994.

THE RESULTS OF THE BAIN/ MOYANE COUNTER REVOLUTIONARY OFFENSIVE BEGIN TO SHOW.

Soon, the results of this counter revolutionary offensive began to show in the form of shortfalls in the revenues collected by SARS.

The 2018 Medium Term Budget Policy Statement (MTBPS) of the National Treasury said: "Revenue shortfalls have widened over the past four years, with under-collections rising from R7.4 billion in 2014/15 to R49 billion in 2017/18. These shortfalls would have been larger were it not for increases in personal income, dividend withholding, capital gains and other taxes."

The MTBPS further said: "A backlog of VAT refunds at SARS, and an underestimation of refunds due, has led to an overly optimistic view of revenue growth."

The more detailed picture relating to the revenue shortfalls reads as follows:

- the shortfall for 2014/15 was R7.335 billion;
- the shortfall for 2015/16 was R11.292 billion;
- the shortfall for 2016/17 was R30.709 billion; and,
- the shortfall for 2017/18 was R49 billion.

These figures tell the stark and inevitable story that during each of the years when Tom Moyane was SARS Commissioner, there was a revenue shortfall and that these shortfalls were growing in volume with each passing year.

It is important to recall the observation of the Nugent SARS Commission when it says:

"(Because of the interventions made by Moyane), measures to counter criminality have been rendered ineffective and those who trade illicitly in commodities like tobacco operate with little constraint."

It is vital that we bring to the fore what the Nugent SARS Commission concluded about the destructive **Moyane hurricane**:

"No responsible leader of a major and complex organisation would have acted as Mr Moyane did, with lasting impact on the current state of SARS. With no experience of SARS or of revenue collection, his first decisive step was:

- to denounce and humiliate its senior management and deprive it of its role.

Having done so:

- he turned a world-class organisation upside down, leaving SARS as it is today;
- (such that it is) wracked with intrigue, suspicion, and distrust, and fear of senior management;
- information technology that is in decay;
- a fragmented structure that inhibits collaboration amongst functions to the detriment of revenue collection;
- space for the illicit trade to flourish;

- loss of long-serving skills;
- skilled and experienced personnel in supernumerary positions doing little if anything at all; and,
- revenue collection compromised.”

Perhaps the last word in this regard rightly belongs to the people who trained Tom Moyane to take over as SARS Commissioner and served with him in SARS to implement his destructive programme which as the Nugent SARS Commission said, “*turned a world-class organisation upside down*”.

Of course here we are referring to Bain & Company.

BAIN & COMPANY CORPORATE STATEMENT...ACCEPTING SOME OF THE BLAME.

In a ‘Corporate Statement’ issued in December 2018, Bain & Company, Boston, USA, the parent company of Bain South Africa, said:

“The past few months have been a highly challenging and sobering period for Bain South Africa and Bain globally. Through public testimony and documents submitted at the Commission of Inquiry headed by Judge Nugent, it has become painfully evident that the firm’s involvement with the South African Revenue Service (SARS) was a serious failure, for South Africa and SARS, and clearly for Bain too.

“The Commission’s hearings, and the final report published last week, have laid bare the disarray in which SARS now finds itself, with both morale and performance severely damaged.

Contributing to that outcome was not the intent of the Bain project and we clearly made significant errors of judgement in taking on this work.

“As a firm, we have been shocked and saddened by our involvement with SARS. We let down our clients, our people, our alumni and our firm. Most of all, we have let down South Africa.

“We accept that through various lapses in leadership and governance, Bain South Africa became an unwitting participant in a process that inflicted serious damage on SARS...”

These are important public admissions made by Bain & Company. However, we believe that the extracts below, from the same Corporate Statement, are especially significant. Bain & Co also said:

“In our execution of the (SARS) assignment...we made three significant mistakes.

“First, we overstated the case for change by talking about the requirement for a “Profound Strategy Refresh” of SARS. Although there was scope for improvement, this did not justify the proposal of such a fundamental overhaul of the business.

“Second, when Mr. Moyane disregarded our proposed organisational structure changes and developed his own answer, we should either have walked away, or at least ensured that our scope for the next phase of work was broad enough to ensure a workable operating model

was put in place. Instead we consented to a scope of work which we knew impaired our ability to deliver appropriate results.

“Third, it is also clear that while we started the work in good faith (still believing misguidedly that everybody’s intention was to improve SARS), by late 2016 we either knew, or should have known, that Mr. Moyane had a different agenda. It was a mistake not to walk away also at this point, instead seeing out our contract through March 2017.”

Bain & Company are now saying that their staff at Bain South Africa knew or should have known that Tom Moyane was not interested in putting in place ‘*a workable operating model*’ at SARS.

Accordingly, they should have walked away from the contract they had with SARS, but did not, though they knew that they would or could not do anything which would help to strengthen SARS.

THE FALL GUY FROM BAIN, VITTORIO MASSONE DISAPPEARS.

Bain & Company lay the greater blame for the betrayal of the people of South Africa on the Bain Partner who was Head of Bain South Africa and the person personally involved in all the matters relating to SARS and Moyane detailed in this document.

His name is Mr Vittorio Massone, an Italian national. He did appear before the Nugent SARS Commission.

Of Mr Massone, the Nugent SARS Commission Report says:

“Indeed, the evidence of Mr Massone, both the evidence he gave before us, and his evidence in a subsequent affidavit, is littered with perjury, both in what he said and in what he didn’t say. The affirmation made by a witness is not only to tell the truth, but also to tell the whole truth, and that is not what Mr Massone did.”

At some point the Nugent Commission battled to get a document to which Mr Massone had referred. After much ‘obfuscation and evasion’ by Bain (in the words of Nugent SARS Commission) the document was produced together with an affidavit deposed by Massone.

The Nugent SARS Commission Report then says:

“Mr Massone was summoned to appear before the Commission once again, but he was said to have fallen ill and he returned to his home in Italy before that occurred. He did not appear again, notwithstanding that he was directed to do so by the Commission, and he is said still to be ill in Italy, though he has been able to consult extensively with Bain’s advisers in Rome.”

Later the Nugent SARS Commission were informed that Mr Massone had resigned from Bain.

And so disappeared this important witness needed by the Nugent SARS Commission for further cross examination!

WHO IS MR. TOM MOYANE?

The other important witness, Mr Tom Moyane, appeared only once before the Nugent SARS Commission, together with his legal counsel. His mission was to denounce the Commission as illegitimate.

He did not appear even once as a witness!

But who is Tom Moyane?

Nadja Manghezi wrote an interesting book about the involvement of Mozambique and Mozambicans in our struggle, entitled *"They were part of us and we were part of them': The ANC in Mozambique from 1976 to 1990."*

The book gives us some glimpses about the person central to our narrative, Mr Tom Moyane.

It says that Mr Moyane was born in Soweto in 1953. His parents originally came from Mozambique.

Moyane started studying economics at the University of the North (Turfloop) in 1974. In 1976, the students at Turfloop, including Moyane, joined the other students in the country who were participating in the June 16 student uprising.

Moyane was later arrested in Soweto and transferred to Pietersburg Prison. Later, in October 1976, a magistrate granted him and his co-accused bail of R500 which a relative of one of his co-accused paid.

He and his parents decided that he should leave the country and travel to Mozambique to avoid his impending trial and further arrest.

Manghezi says that some of the Mozambicans working in the South African mines were involved in clandestine political activity. They informed Tom Moyane's father that they would help Tom to reach Mozambique.

They then produced a forged Mozambican identity document which stated that Tom Moyane was a retrenched mine worker. They also gave Tom some training on how he should behave as he passed through South African immigration.

This 'retrenched mine worker' then flew from the then Jan Smuts Airport to Maputo, on board a TAP (Portuguese airline) plane. Moyane told Manghezi:

"I was given money (by my parents) and on Saturday I had gone to (Johannesburg) town to buy as much clothes as possible. And I took some of my books, and also took my University documents with me. All that had to do with my education I packed in my battered suitcase. I was told to wear racket clothes, dirty, not well ironed, oversized and keep my hair uncombed, not completely done...

And indeed, as I got (to Immigration), they looked at this (identity) piece of paper and they called a black policeman to ask me questions as to where am I going and why. I kept on saying: "Ani xi tive. Ani xi tive. Mina kaya. Mi famba kaya." I am going home... I could see the black policeman was a little bit suspicious but I kept to my words. Finally, they gave me the (identity) document and said: Go."

Manghezi also wrote about an incident in Maputo on January 20, 1989 involving Moyane and his wife, Zola. Moyane told Manghezi that at 02.00 hrs that day, somebody tried to break into their flat. He said:

"Around 2h00 in the morning, the door of the kitchen side balcony was snapped. It just "cracked". I jumped out of bed, into the corridor and then to the kitchen. I saw a person standing on the balcony with a balaclava on. The face covered. I couldn't believe what I saw. Zola was also up. I put the (AK47) gun on semi-automatic. I had never used a gun in my life except for training purposes. But I knew for a fact that it is either us or him."

He went further to say:

"Zola was coming. She had grenades. Already the pins were ready. We didn't talk. She just came out of the bed and took the grenades. There I knelt. As he pushed the door, I opened fire. I don't know how it happened. But the first shot went through the forehead. It pushed him right away from the door. The impact of the bullet pushed him into that wall and it brought him back. He hit the wall and he came rushing again. Second bullet. (Tommy clicks with his fingers to illustrate). As I was shooting I could hear footsteps running on top of the house. Running away. And I opened fire.

"I was just shooting and shooting and shooting. I emptied the magazine at him and also at the wall. One bullet hit the wall and ricocheted, and hit me here. I was very lucky, it just grazed my left shoulder. And then the shooting ceased."

Later Moyane explained:

"At about nine in the morning, some of the top Frelimo brass band came to the flat to find out about the incident. The captains, the generals and what have you. All lined up in military outfits. They said: We have got a report from captain so and so that this has happened. Since it is next to our military installations, we are concerned. Before they came, I took a video of the dead "assassin"."

Moyane had already explained to Manghezi that the ANC had supplied him and his wife with an AK47 automatic rifle, a Makarov pistol and two hand grenades. "

To conclude the story about this early morning incident at the Moyane flat in Maputo, Nadja Manghezi makes this interesting observation:

"The rest of the story is about how Tommy and Zola got away. Out of the flat. And out of the country. They left as soon as they had the opportunity. And until now nobody knows about the event. Who was the young man who got killed? What was the link to the Apartheid regime? Only that they wanted to get rid of Tommy and Zola but did not succeed because of their alertness."

We leave it to our readers to draw their own conclusions about these two stories – the first as Tom Moyane left South Africa in 1976 and the second, in 1989, as he prepared to leave Mozambique!

THIS NARRATIVE RAISES MORE QUESTIONS.

This narrative as related to Nadja Manghezi and reflected in the book *"They were part of us and we were part of them": The ANC in Mozambique from 1976 to 1990.*"

This narrative actually raises more questions than provide answers about Tom Moyane.

- When Moyane left the country for Mozambique he was out on a R500 bail which was paid by a relative of his co-accused. This was in October 1976, four months after the June 16th Soweto uprising. It would be correct to assume that during this period the South African security police would be in a state of high alert also because this was the period of the beginning of the mass exodus by students leaving the country.
 - Yet Moyane left the country "legally" by flying out of Jan Smuts Airport using the Portuguese airline TAP.
 - His cover story was that he is a retrenched Mozambican miner, instructed to present himself to the authorities as such "wear racket clothes, dirty, not well ironed, oversized and keep my hair uncombed, not completely done.
 - Yet his "battered" suitcase was full of incriminating evidence that would blow his cover if any security officer opened it. In the suitcase were his new clothes and his university books. Those who left the country at that time knew that such a high-profile port of exit such as the airport was to be avoided at all costs.
 - But in his case sailed through immigration without his suitcase being opened although the Black policeman seemed "suspicious."
 - He also relates a shooting incident which occurred at his flat in Maputo on January 20, 1989 involving him and his wife, Zola. Moyane. But there is no evidence of such an event ever occurring in Maputo.
 - The timing of the event 1989 also raises questions, a full five years after the Nkomati Accord was signed on the 16th March 1984 and on the eve of Nelson Mandela's release from Prison in February 1990 as well as the unbanning of political organisations.
 - According to Moyane "the ANC had supplied him and his wife with an AK47 automatic rifle, a Makarov pistol and two hand grenades." But nowhere are we told where, when and by whom was Moyane trained in the use of weapons.
-
- The background to Moyane's military training is relevant because we are told that he opted to go to school and further his studies and subsequently got "permanent job with the Mozambican Cashew Secretariat."
 - This fact is even more important considering that he was also supplied with "two hand grenades" which is an extremely dangerous weapon and has always been handled and handed out with extreme caution and sensitivity by MK commanders.
 - The other person who features in Moyane's life in SARS is Jonas Makwakwa with whom he had a very good relationship. Where and how Moyane met Makwakwa and what was his role in the events that subsequently unfolded at SARS is another question that begs an answer.

TOM MOYANE AND JACOB ZUMA.

When Tom Moyane left South Africa in 1976, he had no contact with the ANC and unlike other young South Africans at the time, he was not assisted by the ANC to enter and settle in Mozambique. He only established contact with the ANC in Maputo a month after he arrived in the country.

In this regard Moyane told Manghezi:

"And then I went to see Josefate (Machel) again to tell him that I was given a job, and he said: 'I have already established contact with the ANC. You have to see Mr. Lennox Lagu who is the representative of the ANC in Mozambique, and then indeed they drove me to Rua Pereira de Aça off Mao Tse Tung where I met Lennox.

I told him who I was, and he started writing, talking, talking. And then I went to the UNHCR, registered myself. That was the beginning. Then later he (Josefate) said to me: 'There is a comrade who would like to see you also'. I didn't know who it was...

"Then I met Zuma. Just before the new year. 1976 December. Here is this man, with a little bit of baldness that is receding. We had a chat, and he told me that he was also responsible for the ANC in Maputo.

He asked me a number of questions. We had a long chat. I was not subjected to some questioning, interrogation.

It was a flowing discussion about my involvement in South Africa. And then he said, he would be interested to know where I was staying...

"Zuma came (to the farm where I was working and living) in a Volkswagen. The famous VW that he was driving. He came to the farm late in the evening. We started talking. Talking. Talking. Talking. About the struggle...

"Comrade Zuma told me that there were students coming here in 1977. He didn't know how many they were, but they would be coming towards the end of the year 1977. I indicated to him that my interest is not to continue working here, I wanted to study..."

Moyane joined this group of students and completed his studies in 1982. Because of his qualifications, thanks to Jacob Zuma having inserted him among the ANC students enrolled in 1977, he got a permanent job with the Mozambican Cashew Secretariat.

He was therefore not affected by the process to remove many members of the ANC from Mozambique as a result of the signing of the Nkomati Accord between the Mozambique and apartheid South African Governments in 1984.

When President Jacob Zuma appointed Tom Moyane as SARS Commissioner in 2014, this was to cap a 38-year-old relationship between these two gentlemen.

In April 2016 Tom Moyane said:

"I do have a relationship with the President (Zuma), a relationship that is natural of all cadres of the ANC. He was the first to receive me in the People's Republic of Mozambique, as it was known then in 1976...and I worked under his leadership as he was the deputy chief representative of the African National Congress."

THE ENEMY WITHIN.

The ANC presented its first Submission to the Truth and Reconciliation Commission (TRC) in August 1996. Among other things the ANC reported that during the course of the struggle for liberation the apartheid regime had infiltrated many of its agents into the organisation and the rest of the democratic movement.

So seriously did the ANC take this matter that it said that one of the matters which required the attention of the TRC was to report on:

"Which agents were deployed in the ANC, the MDM, Self-Defence Units and other community-based structures and in what way were they involved in the supply of information leading to, or in the actual execution of, gross violation of human rights?"

The ANC put the matter in this way because it was making its Submission to 'chamber' of the TRC which dealt with human rights violations.

Otherwise in its Submission, the ANC said, among other things:

"During the 1950s it had become clear that the regime had begun to systematically infiltrate ANC structures in order to gather information, and also in order to deploy agents provocateurs tasked with undertaking actions that would discredit the ANC and create a basis for repressive actions against it..."

"This trend intensified in the early 1960s... Infiltrators were given various tasks...(For instance) Operational intelligence would...be gathered...in order to locate leaders and to accumulate evidence to be used against them in trials.

Later, such operational information would be used to prepare for assassinations, the capture and murder of operatives, attacks on homes or ANC installations, and so on...

"Most casualties among leaders and activists both within and outside the country derived from such infiltration, be it the MK High Command in Rivonia, leaders of the Black Consciousness Movement and trade unions in the early 70s, and more massively after the 1976 uprising.

"Special indoctrination centres were used to train prospective infiltrators in the policies of the ANC, its mode of operation, and to prepare them for various missions, including ingratiating themselves with the leadership in order to be deployed in responsible positions..."

"At times, the regime would demonstrate a callous disregard particularly for its black agents by sending them en masse into ANC structures in exile, without much preparation and with little chance of escaping the clearance net. This, however, was also part of a red herring approach, to conceal its better trained agents and keep the ANC's security structures busy on inconsequential cases.

"However, some (of the enemy agents) were well-trained in the fields of political, military, and intelligence work.

This included briefings on how to aim at being deployed in certain positions of strategic importance, how to rise within the ranks of the ANC, how to identify key moments at which agitation against the leadership could serve to undermine the ANC, how to gather information for necessary assassinations and other attacks, or to carry out such deeds themselves...

"Some of these agents had been groomed for deep and long-term penetration of the ANC and had through exemplary behaviour attained highly responsible positions."

The then Deputy President of the ANC, Comrade Thabo Mbeki, led the ANC delegation which made the August 1996 ANC Submission to the TRC. In his remarks when he presented

this Submission, the Deputy President further highlighted the significance of this matter of the agents which had been infiltrated into the ANC and the rest of the democratic movement, even in the context of the process of governance in democratic South Africa.

Reporting on this matter on 22 August 1996, SAPA said:

"It would be foolish to assume that there were no longer "enemy agents" within the ANC, given that hundreds were infiltrated into the organisation's structure during the apartheid conflict, Deputy President Thabo Mbeki said on Thursday.

"Mbeki was speaking after presenting his party's submission to a special hearing of the Truth and Reconciliation Commission in Cape Town.

"He told the commission chaired by Archbishop Desmond Tutu, that hundreds of state agents were infiltrated into ANC structures to destabilise and discredit the organisation as part of a secret intelligence war waged by the former National Party government.

"The organisation had been able to identify the activities of more than 600 enemy agents in exile and in internal ANC and mass democratic movement structures."

Comrade Mbeki went on to say:

"I would assume that there are people within the ranks of the ANC generally who came from among those ranks (of enemy agents).

I would assume that there are. I think it would be foolish to assume there are not. Who they are I don't know."

As we have said, it was exactly because the ANC was convinced that it had not succeeded to identify and expose all the infiltrators that it appealed to the TRC to help in this regard.

The sad and unfortunate reality is that the TRC also did not succeed to identify and expose the agents of the erstwhile apartheid regime who remained embedded in what was now our country's governing party.

Here we must mention that as early as 1994, the ANC had delegated some of its cadres who were serving in Government to seek the cooperation of the former leaders of the apartheid intelligence services to expose the said agents to a small, select group of ANC leaders and thus demobilise them without any negative consequences to themselves.

The ANC hoped that these former apartheid intelligence leaders would respond positively to its request, given that there was now a Government of National Unity in place in which these leaders were serving side-by-side with their ANC counterparts.

"Unfortunately, all these former leaders of the apartheid intelligence services effectively refused to do what the ANC had requested. We refer here to the leaders of the former National Intelligence Service (NIS), the Defence Intelligence of the former SADF and the intelligence section of the Security Branch of the former SAP.

The ANC was very keen to demobilise the apartheid agents in its ranks because it was acutely aware of the danger that these people could be abused by their historic handlers who had not accepted the defeat of the apartheid system to engage in counter-revolutionary activities against the democratic order!

Thus, depending on how well positioned these erstwhile apartheid agents would be within the democratic system of governance, our country stood the danger that it could experience a counter-revolution which would, on the face of it, originate from within the ranks of the very democratic movement!

As we have indicated, the fact of the matter relating to the enemy agents who were infiltrated into the ANC and the rest of the democratic movement is that:

- the ANC failed to root out all these agents during the years of struggle;
- the former leaders of the apartheid intelligence services refused to cooperate with the ANC to demobilise their erstwhile agents;
- the TRC also failed to identify these agents; and,
- very little progress has been made during these first 25 years of democracy to identify and demobilise those agents.

This means that the alert sounded by then ANC Deputy President Thabo Mbeki in 1996 remains relevant, that *'it would be foolish to assume that there are no longer any apartheid agents in the ranks of the ANC'*.

RENEWAL OF THE ANC – AN URGENT AND IMPORTANT TASK.

The reality is that counter-revolution cannot succeed in South Africa unless people within the ANC act to support or facilitate such counter-revolution!

Where in this document we speak of successful counter-revolutionary interventions, such as the attempt to destroy SARS, this means that in all likelihood the enemy agents Deputy President Mbeki warned about acted to facilitate such success!

This sharply brings to the fore the urgent and vital challenge to attend to the matter of the renewal of the ANC!

The resolution on "Organisational Renewal" adopted at the 54th National Conference of the ANC highlighted this matter. Among others it said:

"The 53rd Conference affirmed an urgent need for renewal, which at its centre is about building the ANC's resilience, enhancing its transformative and governance capacity and its ability to adapt to changing situations so that it can continue to serve, organise and lead the people..."

"Organisational renewal therefore is an absolute and urgent priority, and we may go as far as to say, to the survival of our great movement."

Given what this document has shown, concerning the present danger of counter-revolution coming from within the ranks of our Movement itself, it is self-evident that the organisational renewal which the 54th National Conference of the ANC correctly spoke about, must centrally include and mean the renewal of the ANC to enable it to defeat the counter-revolution!

The same resolution on 'Organisational renewal' to which we have referred states that some of the tasks of the ANC are:

"To select and deploy capable leaders and public representatives, with integrity, capacity, the correct orientation and expertise to drive and implement our programmes; (and),

"To develop Cadres schooled in our values and policies, with the capability to be agents of change wherever they are deployed."

These are indeed very correct tasks the ANC must carry out.

Successfully to do so would mean that the ANC has correctly identified what its weaknesses have been with regard to developing such cadres and has put in place the right measures to address those weaknesses.

So far, the ANC has not correctly and seriously engaged either of these two vitally important matters!

Indeed, it has not even recognised the fact that we face a present danger of counter-revolution – that interventions to weaken the ANC and the Alliance, to weaken the state institutions, to debilitate the state enterprises, to corrupt such institutions as the Intelligence Services, the SAPS and the NPA, to erode the value system of service to the people, and so on, are exactly what the counter-revolution would seek to achieve!

For instance, in the Strategy and Tactics document adopted at the 54th Conference we find the following observation:

"Further, it cannot altogether be ruled out that the liberation movement itself can be so corrupted – in terms of its objectives, policies, value systems as well as composition and conduct of its leadership – that it becomes a bed of counter-revolutionary infestation.

Given its historical standing in society and besides the electoral outcomes referred to above, this may result in the delegitimisation and destabilisation of the democratic polity in its entirety."

Thus, specifically, the ANC addresses the possibility of the advance of the counter-revolution as merely a theoretical proposition. It therefore fails to examine South African reality to determine whether or not its observation of the possible *corruption of the liberation movement* may not be taking place already!

To illustrate how unwise this approach is, we should, for instance, take note of some of the observations contained in the March 2019 *Report of the High-Level Review Panel on the SSA*, chaired by Dr Sydney Mufamadi, which said, among other things:

"From about 2005, with the emergence of the divisions in the ANC, there has been a growing politicisation and factionalisation of the civilian intelligence community based on the factions in the ANC...

This became progressively worse during the administration of the former President, with parallel structures being created that directly served the personal and political interests of

the President and, in some cases, the relevant ministers. All this was in complete breach of the Constitution, the White paper, the legislation and other prescripts...

"The amalgamation of NIA and SASS into the SSA was a monumental blunder. Apart from the fact that it did not take place on the basis of a formal change of policy, involving parliamentary and public consultation and was initially irregularly effected- it did not achieve its stated intentions of reducing expenditure, effecting better coordination, reducing duplication and so on. It might have achieved some of those in small measure, but it created more problems than it solved."

These findings speak to developments which had emerged and matured during the years preceding the holding of the 54th National Conference of the ANC in December 2017.

Clearly, they point to the counter-revolutionary destruction of the civilian intelligence services, which resulted, among others, in these services '*servicing the personal and political interests of the President and some Ministers*', rather than those of the people as a whole!

We will return to this particular matter of the objectives of the counter-revolution later in this document.

The actions proposed by the ANC to achieve the renewal of the ANC lack the focus which the situation demands.

In this regard we are convinced that all those of us who are serious about the renewal of the ANC, agreeing with the 54th Conference that such renewal is about the very "*survival of our great movement*", must work to ensure that the ANC leadership studies, adopts and implements various proposals contained in the *Declaration of the November 2017 National Consultative Conference (NCC)*.

We are convinced that those proposals, and the corresponding observations, remain relevant to this day, that is, even after the December 2017 54th National Conference of the ANC.

Among other things, the NCC said:

"The ANC leadership has fallen prey (our emphasis) to forces who seek to advance their own selfish and corrupt interests which is inconsistent with the values, policy positions and ethos in the advancement of the National Democratic Revolution.

"Membership of the ANC has come to be seen by some as a path to positions, personal power, privilege and licence to plunder the state resources.

"In government, some members of the ANC have failed to resist and combat actions that subvert the democratic state."

As we would expect, the NCC committed itself to work to respond to these negative developments, saying, however, that "*turning the ANC from its present destructive path will not be a simple matter.*

It then went on to say:

"A programme of self-correction must build on the ANC's historic values of service, selflessness and integrity.

"Self-correction will require sustained introspection, critical analysis and concerted action to restore the ANC's credibility as a leader of society and a humble listening organisation that is rooted amongst the masses of our people it seeks to lead."

In terms of practical steps which need to be taken, relating specifically to organisational renewal, the NCC suggested that:

"The ANC Conference in December 2017, in accordance with Rule 11.5 of the ANC Constitution, (should) establish a committee to design and develop a renewal document. For the Sake of our Future, including a plan of action and oversee a thorough renewal of the ANC structures including the branches as follows, amongst others:

"to assess and scrutinise the suitability of the elected leadership at all levels in line with the adopted documents, in particular "Through the Eye of the Needle", and,

"(to) take urgent and practical steps to professionalise and modernise the ANC with priority being given to the membership system."

Within the context of this very same project of the renewal of the ANC, the NCC also proposed (i) the convening by the ANC leadership elected at the 54th Conference of a National Consultative Conference and (ii) the re-establishment of the Integrity Commission as an independent Constitutional structure of the ANC.

Here are the exact statements in this regard:

"A principled new leadership will be expected to heed a call for an urgent, all- inclusive conference that will get a process underway of correcting the wrongs within the ANC through an intense and fundamental organisational renewal into a truly modern organisation that will be adequately fit for purpose and responsive to the challenges of our times."

And further:

"The Integrity Commission must be an independent constitutional structure within the ANC with the capacity to act independently from and without the influence of the ANC NEC or any official, including the president of the organisation...The integrity commission must submit its report directly to the NEC."

What the ANC is and will be, will be determined, like any similar political formation, by its members. Accordingly, when any such organisation decides on its own renewal, it must of necessity first focus on its members and subsequently on matters of the organisational structures and their functioning.

It was therefore correct for the NCC to have said that to achieve its self-correction, the ANC would have to engage in:

- *sustained introspection;*
- *critical analysis; and,*
- *concerted action to restore the ANC's credibility as a leader of society and a humble listening organisation.*

Necessarily, as the NCC suggested, that process requires the '*establishment of a committee to design and develop a renewal document*'!

It is urgent that the ANC acts on all these matters.

The proposed organisational processes are of critical importance in terms of *the renewal of the ANC*, so that it carries out its historic and strategic mission to (a) defend the gains of the national democratic revolution, to (b) advance that revolution and to (c) defeat the counter-revolution!

CONCLUSION

In the 2017 Report we referred to earlier, the SACC said that the negative forces it had identified sought to achieve their objectives, among others, by:

- securing control over state wealth, through the capture of state-owned companies by chronically weakening their governance and operational structures;
- securing control over the public service by weeding our skilled professionals;
- securing access to rent-seeking opportunities by shaking down regulations to their advantage, and to the disadvantage of South Africans;
- securing control over the country's fiscal sovereignty;
- securing control over strategic procurement opportunities by intentionally weakening key technical institutions and formal executive processes;
- securing a loyal intelligence and security apparatus; and,
- securing parallel governance and decision-making structures that undermine the executive.

Building on these correct observations, we would like to observe that what has happened in our country especially in the last nine to ten years has been:

- the severe weakening of the democratic movement, including the ANC, the Alliance and other formations of the broad democratic movement;
- the radical weakening of various institutions of the democratic State, including SARS, the SAPS, the NPA, and others;
- the weakening of the capacity of the State to apprehend and stop the wrong-doers in order to end the corruption expressed as the looting of public funds, as was done by the Guptas- Watsons et al and their collaborators;
- the destruction of the commitment to particular ethical standards and a work culture within the Civil Service, which committed this Service to the value to serve the people; and,
- the severe weakening of commitment to the obligation by the public sector to account to the people about the management and use of public resources, resulting in huge sums of public funds being diverted to individual criminal gain by various individuals.

This is exactly what the counter-revolution has sought to achieve as an essential part of its advance towards the defeat of the Democratic Revolution.

The strategic challenge which confronts all forces which value the defence of our people's democratic gains is to unite to defeat the anti-democratic counter revolution.

This means that all these forces which stand for democracy must:

1. agree that there exists a present and real threat of counter revolution so unequivocally illustrated by the effort to destroy SARS, as detailed by the Nugent SARS Commission;
2. agree to work together to unearth all other initiatives of the counter revolution; and,
3. agree on a common programme of action to defend the democratic gains, including the functioning of government, the role of business and civil society, and all other relevant contributing matters.