



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

DPE WARNS OF INDEPENDENT NEWS PROPAGANDA CAMPAIGN

PRETORIA 05 September 2020 - The Ministry of Public Enterprises must caution the media and the public about the news coverage that can be expected in the Independent Media Group this weekend. We received the following inquiry at 1.30 pm on Friday from the Group. "Attention: Mr Mkokeli. My name is Bongani Hans, journalist for Independent Media. There is an ANC activist whose name is Phapano Phasha, who recently wrote to the ANC's National Integrity Commission and asked that Public Enterprises Minister Pravin Gordhan be investigated. She alleged that the Minister had been engaged in a generally corrupt relationship, which among other things involved approving over R1.2 million of pension monies to unduly benefit "his long time friend", former Sars senior official Ivan Pillay. She said the money was approved contrary to the pension fund laws of the country to assist Pillay to pay for his children's school fees, a luxury. She also wants the commission to investigate allegations that the Minister was involved in the establishment of the rogue unit at Sars, which she said spied on both President Mbeki, President Zuma as well as the late Comrade Jackie Selebi. She said there was evidence that the unit members were given over R1.1 million by former senior prosecutor Adv Gerry Nel to install spy recordings to 15 offices of both the Hawks and NPA. She also alleged that Pravin Gordhan was involved in the tender corruption of IT systems of R4.5 billion and R7 billions both in the National Treasury and SARS respectively. She also said Gordhan had in the SOEs replaced almost all African professionals with mostly white males, in some instances with Indians and coloureds, feeding a narrative that Africans are incompetent if not corrupt but also fueling unnecessary racial tensions. "It is undisputed and now confirmed that Cde Gordhan or the Eskom board disregarded the submission of the appointment of an African female with years of relevant experience required for the Eskom job and instead appointed a white female who

was employed at Sun International. "And this, despite the African female having been given a letter of appointment already. SAA, Mango, Denel, Eskom, to mention but a few have seen the replacement of blacks by whites in senior levels like CEO etc, most of them inexperienced in the sector, and not even academically qualified," she said. She also wants the commission to investigate allegations of nepotism against the Minister saying that he appointed his niece into the R146 billion Eskom pension fund as a trustee. "This blatant act of nepotism was not declared, which is against all rules governing such appointments. "I therefore call on the NIC to include all new allegations in their investigations on the matters against Cde Gordhan," said Phasha. Therefore I would like to minister to please respond to what Phasha says about him. Would the Minister subject himself to NIC or any form of investigation in order to clear his name once and for all? What is it that the Minister is doing to deal with allegations because Phasha is not the only one who has made them. My deadline is at 3.30. Thanks"

DPE RESPONSE

The Ministry respects, supports and encourages media freedom. All titles of the Independent Media group have elected to end their membership of the South African National Editors' Forum (Sanef) and no longer subject themselves to the national Press Code, or the authority of the Press Ombud. Their internal ombud system has collapsed. Their news reporting can no longer be objectively challenged or adjudicated upon, other than before a court of law. This has necessitated this public response. We release it advisedly considering our deep respect for legitimate public institutions. Their deadline is ridiculously unfair.

DISCREDITED TALES

The Sunday Independent and the rest of the Group habitually revive discredited political narratives to tarnish the reputation of the Minister. This same inquiry was discussed with another reporter from the Group: Sunday Independent's Manyane Manyane, on August 15. It seems the fake news mill has dried up and the time to do a Bell Pottinger-style regurgitation of old and discredited tales has come again. The issues regarding Mr Ivan Pillay's retirement have been thoroughly examined and discredited in public platforms and the courts as nothing improper was found. That

also applies to the matters related to the "Rogue Unit". The Rogue Unit narrative was used in the past to sow divisions and offer a veneer of political cover for removing the opponents of State Capture from public office. This narrative was driven through the Sunday Times, which has since withdrawn its reports and apologised for the damage they caused. The editor who oversaw the coverage has since vanished literally into thin air, never to be seen in public again.

UNACCOUNTABLE JOURNALISTS

We are still waiting for the Sunday Independent to correct the lies they published last month where they accused the Minister of interfering in the process to appoint the chair of the Eskom Pension and Provident Fund. We totally rejected the malicious allegation. They seem determined to revive the same lies through the latest inquiry. The same paper also accused the Minister of appointing his niece to the same Fund, without providing evidence. We rejected their allegations in August. Eskom also provided detailed information on the process.

The Sunday Independent is yet to correct their false reports and inform the public of the true version: That the choice and appointment of both the Fund chairperson and all trustees is entirely the responsibility of Eskom. And that the Minister's niece had all along been part of Eskom's management ranks, having joined the company in 1998. The Minister was a MP then. These malicious reports are based on a deliberately false narrative of DPE "interference" in the management of state-owned companies. Mr Iqbal Surve, Chairman of the Sekunjalo Group, which publishes the Sunday Independent, last year, blamed Minister Gordhan for a raid on his companies' premises in Cape Town. The raid was by the Financial Sector Conduct Authority. The claim that the Minister ordered the raid is false. The Office of the Chief Justice issued a statement at the time categorically denying that the judge that granted the arrest warrant, P.A.L Gamble, was in cahoots with Minister Gordhan. The Minister and Judge Gamble do not know each other.

DESTRUCTIVE CABAL

We do not view their latest inquiry as legitimate journalism. Instead, the journalist and his colleagues have allowed themselves to be used as foot soldiers in a campaign to bring about State Capture 2.0, and protect the corrupt elements in the state and society. This happens when there is palpable anger in society directed at the corrupt elements. Unfortunately, a once-iconic public institution like the "Indy" and the rest of the Group have reached these terrible lows. This is despite the investment of workers' pensions in the business. A destructive cabal employed to tarnish the reputation of all those fighting against corruption and to defend malfeasance amplifies the work of people like Phapano Phasha. There is no proof of her constructive contribution to public affairs. Her name props up only in the context of B-Grade fake news and propaganda campaigns, seemingly counterfeited from Bell Pottinger. These shenanigans happen as the majority of South Africans are putting their shoulders to the wheel to fight the first version of State Capture. We will continue to engage with the legitimate institutions in the media industry and representative bodies like Sanef about the scourge of fake news, which needs to be nipped in the bud. Journalism is a critical public instrument and should not be played with.

ENDS

For media, inquiries contact Sam Mkokeli 082 084 2051

Issued by: Department of Public Enterprises 05 September 2020