EXHIBIT HH 8

AFFIDAVIT & ANNEXURES

OF

DUMISANI CELE

JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE CAPTURE, CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS OF STATE

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IN THE COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE CAPTURE, CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS OF STATE ("THE COMMISSION")

AN INVESTIGATION INTO THE VREDE DAIRY PROJECT

SWORN AFFIDAVIT

I, the undersigned,

DUMISANI CELE

hereby declare under oath as follows:

1. I am a former Director: Specialist Audit Services at the Department of National Treasury.

2. The content of this affidavit is true and correct and falls within my own personal knowledge, unless the contrary clearly appears from the context or is otherwise stated.

3. I have previously provided an affidavit for purposes of a criminal investigation into the Vrede Dairy Project, under CAS 200/07/2017, which affidavit was used in an application launched in terms of section 38 of the Prevention of Organised Crime Act, 121 of 1998. In this regard, I attach a copy of this affidavit hereto as annexure "**DC1**".

4. Furthermore, and during my employment with National Treasury, I was engaged with an investigation conducted by ENS Forensics, into the Vrede Dairy Project, which culminated in a final report being issued on 11 February

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2014, a copy of which report I attach hereto as annexure "**DC2**".

5. I have been advised that the affidavit, as well as the report are relevant to the investigations of the Commission of Inquiry into Allegations of State Capture, Fraud and Corruption in the Public Sector and certain Organs of State ("the Commission") and confirm in particular the content of that affidavit as if specifically repeated herein.

6. This is all I wish to record at this stage.

DEPONENT

Signed and sworn before me at Durban this 17th day of June 2019 after the deponent declared that the deponent is familiar with the contents of this statement and regards the prescribed oath as binding on the deponent's conscience and has no objection against taking the said prescribed oath. There has been compliance with the requirements of the Regulations contained in Government Gazette R1258, dated 21 July 1972 (as amended).

COMMISSIONER OF OATHS:

FULL NAMES: ZT Nkwanyana

CAPACITY: Director: S1

ADDRESS: 330 Langalibalele
Pietermaritzburg
3200.

"DC1"

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[PARK ROAD CAS 200/07/2017]

AFFIDAVIT

I, the undersigned,

DUMISANI CELE

Do hereby make oath and say that:

1. I am an adult male South African aged 41, born in 1976, I'D No: 760301 5366 085, and employed by the eThekwini Municipality as the Deputy Head within the City Integrity and Investigations Unit, with contact number 081 542 4777.

2. The facts set out in this affidavit are, unless otherwise stated or the converse appears from the context here of, the facts herein are within my personal knowledge and are, to the best of my knowledge and belief, both true and correct.

3. I make this affidavit in my official capacity as the former Director for Specialized Audit Services wherein I reported to Chief Director, at the time the Unit had separate section which was the IT and Forensic section and I was responsible for Forensic within the National Treasury in Pretoria.

4. The National Treasury established the Unit during 2010. The Specialised Audit Service (SAS) is established by the Minister of Finance within the Accountant General at National Treasury mainly to enhance the support and enforcement of the prescripts of the public procurement processes. The SAS

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key objectives to provide performance auditing and investigative capacity in all spheres of government, on a broad range of financial management and internal control system in the supply chain management of public procurement.

5. The units mandate is informed by the provisions of Section 217(1) of the Constitution, Section 6(2)(e) of the Public Finance Management Act (PFMA) Section 5(2) of the Municipal Finance Management Act (MFMA

6. Due to the powers vested in me at the time, I had authority to obtain any documents within the three spheres of Government whenever there was a complaint related Supply Chain. I also had access to National Treasury systems including the Basic Accounting System ("the bas"). Whenever a complaint is lodged with National Treasury, it would be forwarded to Specialised Audit Services (SAS) for investigation. The first thing I will do is to conduct preliminary investigations; this would include printing the BAS records to see if any payment were made towards the project/service provider in question.

7. On or about 10 June 2013, National Treasury received a complaint regarding the irregular appointment and payments made to Estina (Pty) Ltd with registration number 2008/15033/07. The National Treasury received the complaint through a Mail & Guardian media enquiry dated 10 June 2013.

8. In the newspaper it appeared that Free State Department of Agriculture appointed the service provider under an initiative called "Mohoma Mobung

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Strategy" which was integrated as "Zero Hunger" strategy. The article further mentioned an approval by the Head of the Department dated 5 July 2012 subsequent to the proposal submitted by an entity styled as Estina in partnership with an Indian based entity called Paras.

9. The article further indicated that Paras has denied any knowledge of the project. The estimated cost of the project was stated to be between R400 million to R500 million (inclusive of VAT). The Department committed R30 million under the financial year 2012/2013. However, it appears that on 5 July 2012 transactions in excess of R30 million were captured on the Basic Accounting System ("BAS").

10. The agreement entered into between the Department of Agriculture and Estina suggests that Estina was recommended as the sole provider that could execute the project. The agreement also suggests that Estina would inject a capital injection of R228 million into the project. Furthermore there was an indication that certain beneficiaries would own 51% of this AGRIBEE entity. It also appeared that the funds used were from a grant that is administered by the National Department of Agriculture. On the article it was not clear whether the project was a Private Public Partnership ("PPP") or sole supplier.

11. As a result of this complaint the National Treasury initiated the investigation and I was assigned to the investigation. In conducting the investigation I acquired the services of ENS to assist with investigation. During the investigation I was required to establish:

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[PARK ROAD CAS 200/07/2017]

11.1 If the project was an approved PPP arrangement or a sole provider engagement,

11.2 To verify the supply chain management process followed in the appointment of Estina/ Paras;

11.3. To verify how much the department committed and the source of the funds, and if there was any capital injection by the service provider to the project;

11.4 To investigate the reasons and supporting documentation for the BAS payment made in excess of the R30 million, which was said to be available by the department;

11.5 To verify if there were any beneficiaries identified for the AGRIBEE and who are they;

11.6 To establish, through liaising with AGRI.SA whether there was value for money to the State on this project; and

11.7 To establish the then state of the project and provide recommendations.

12. Within the National Treasury there is a section that is responsible for registration of PPP. That section is also the custodian of PPP information. I went to that section to verify if there was any registered and approved PPP. It became evident that there was no registered and approved PPP. Then it was clear to me that it was not a PPP.

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13. Next option was to verify whether this was a sole source provider engagement. I prepared a letter to Free State Department of Agriculture addressed to Mr Thabethe the Head of Department. I signed that letter on 22 August 2013 on behalf of my supervisor.

14. The subject of the letter was the "request for information pertaining to allegations of irregular engagement Estina/ Paras for establishment of integrated dairy in Vrede". In the letter the following was requested;

14.1 All documents relating to the initiation of the dairy in Vrede up to the payment stage

15. After the letter was signed I made an appointment with Mr Thabethe. It became clear that there was resistance from the department. As a result of this, the then Acting Accountant General signed the same letter. I went to Free State Agriculture to meet Mr Thabethe. With me on that day was Ms Swart Jacobs from ENS appointed to assist me with investigation. I hand delivered the letter to Mr Thabethe at Free State Agriculture on the day of the meeting in the present of Ms Swartz. While walking to his office on the passage, the CFO spoke to me in Sotho and said "Dumisani baSotho ba tla u bolaea" meaning the Sotho people are going to kill me. I explained to the ENS representative what she meant.

16. When I served the letter to Mr Thabethe he told me that I had no powers to investigate his department. I informed him that I was exercising powers vested in the National Treasury through the Public Finance Management Act where there is a complaint relating to SCM. He told me that he will declare

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intergovernmental dispute. I pleaded that he must provide the documentation on Vrede project whilst declaring an intergovernmental dispute.

17. On that day I remember that I left without getting any documents from him (Mr. Thabethe). Eventually some of the documents I had requested from Free State Agriculture were delivered to National Treasury. However not all documents were delivered.

18. During this meeting it was evident the Mr Thabethe was not happy with the intended investigation. Subsequent to this meeting, the Director General of National Treasury received a letter, dated 29 August 2013, from the office of the Premier signed by the Director General.

19. On or about 9 September 2013, I travelled again to Free State Agriculture with a representative from ENS to have another meeting with Mr Thabethe regarding the outstanding documentation.

20. During the investigation I was also required to verify the supply chain management followed in the appointment of Estina/Paras. In order to give effect to section 217 of the Constitution and provisions of PFMA, each department must have a supply chain management policy that will deal with the procurement of goods and service. Goods and service must be advertised through a newspaper article and/or government gazette by a procuring institution in order to give fair and equal chance to any supplier of goods and services to compete.

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21. The investigation established that no supply chain management was followed in the appointment of Estina instead the department deviated.

22. The investigation established that the CFO, Dhlamini, co-signed the letter for deviation. However, the letter was flawed in that no reason for the intended deviation was stated. Despite this, the CFO concurred and appended her signature.

23. Practice Note No 8 of 2007/2008, states that should it be impractical to invite competitive bid for specific procurement e.g. in the urgent or emergency cases or in cases of a sole supplier the accounting officer/ authority may procure the required goods or services by other means such as price quotations or negotiations in accordance with Treasury regulations. This was not complied with.

24. The reasons for deviation from inviting competitive bids should be recorded and approved by the accounting officer/authority or his or her delegate. Accounting officers/authorities are required to report within 10 working days to the relevant Treasury and Auditor General all cases where goods and services above the value of 1 million (Vat Inclusive) were procured.

25. The report must include the description of goods and service, the name of the supplier, the amount involved and the reasons for dispensing with the prescribed competitive bidding process.

26. There was no evidence that the Supply Chain Management were followed neither any evidence that proper deviation process were followed in the

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appointment of Estina/ Paras nor evidence of a report reasons for dispensing with the prescribed competitive bidding process.

27. The Treasury Regulations requires the Accounting Officer not to only provide reasons for deviation but also to report to the relevant Treasury and the Auditor General, in writing, the incidents wherein a deviation had occurred. Mr Thabethe could not produce proof that he complied with this requirement.

28. This means that the market was not test before appointing Estina. There was no information that the tender was advertised by the department and no other providers responded to the advert. The Accounting Officer appeared to have abused his powers when appointing Estina.

29. The investigation revealed an amount of R114, 000-000 had been paid to Estina. The BAS revealed that at least three (3) of those payments were created on 05 July 2012 however they were only authorised for payment during April 2013. The last payments were captured by a certain Zwide BP, payment authorized by Moalosi SJ and Moloi NJ.

30. Part of investigation was to identify whether there was any beneficiaries identified for the AGRIBEE and who are they. The investigation discovered that there were no beneficiaries identified in terms of AGRIBEE.

31. Having regard to the contraventions in this procurement, it appears that both the Chief Financial Officer (Ms S Dhlamin) and the Accounting Officer, Mr Thabethe could have committed financial misconduct as envisaged in section

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81 of the Act in that they allowed irregular expenditure to occur in the department thereby contravening section 38 of the Act.

32. Section 86 of the Act makes it a criminal offense to contravene provisions of section 38 of the Act.

33. I read this affidavit before I signed it.

I Know and understand the contents of this affidavit.

I do not have any objection to taking the proscribed oath.

I consider the prescribed oath to be binding on my conscience.

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SIGNATURE OF DEPONENT

3/10/2017

DATE

I certify that on this 03 day of October **2017**, the Deponent signed the affidavit in my presence and declared that she knows and understands its contents, that she has no objection to taking the prescribed oath and that she considers the oath to be binding on her conscience.

Dated at Durban (Place) on this 03 day of October **2017** at ___(time)

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[PARK ROAD CAS 200/07/2017]

SIGNATURE OF COMMISSIONER OF OATHS

FULL NAMES : MANDLA MTOCO.

COMMISSIONER OF OATHS

DESIGNATION: EX OFFICIO REPUBLIC OF SOUTH AFRICA : South African Police Service member

RANK : CAPTAIN

FORCE NUMBER : 7056057-0

ADDRESS : SA Police Service
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