

CONFIDENTIAL

Financial Intelligence suggests that the subjects:

**MASHUDU JONAS MAKWAKWA<sup>1</sup> (ID 6901066129084) ("MJM")**, employed by the South African Revenue Service ("SARS") as an Executive and Chief Officer: Business and Individual Taxes and **KELLY-ANN ELSKIE<sup>2</sup> (ID 8805160057083) ("KE")**, an employee at SARS, may be involved in or facilitating corrupt activities.

Suspicious and unusual cash deposits and payments into MJM's and KE's personal bank accounts require investigation to determine if these cash deposits and payments are proceeds of crime and/or money laundering in order to institute appropriate criminal justice action.

### **SUSPICIOUS AND UNUSUAL CASH DEPOSITS AND PAYMENTS INTO MJM's<sup>3</sup> ACCOUNT**

MJM's personal bank account<sup>4</sup> is the primary account used to receive and disburse funds. Credits into this account have increased yearly<sup>5</sup> from R1,358,817.01 in 2010 to R3,418,925.43 in 2015 (approximately 152%). Likewise, MJM's payments have grown over this period, creating a dependency on suspicious cash deposits and payments to maintain his current standard of living. These payments and cash deposits are of concern as they originate from unknown sources and undetermined legal purpose.

### **SUSPICIOUS AND UNUSUAL CASH DEPOSITS:**

Between 01 March 2010 and 31 January 2016 seventy five (75) cash deposits<sup>6</sup> totalling R785,130.00 were deposited into MJM's personal bank account; of which forty eight<sup>7</sup> (48) cash deposits amounting to R726,400.00 was deposited between 2014 and 2015.

<sup>1</sup> See Annexure A. ID document of MJM.

<sup>2</sup> See Annexure B. ID document of KE (formerly JORDAAN).

<sup>3</sup> FNB Private Wealth Cheque account 60066187648.

<sup>4</sup> See Annexure C. FNB account 60066187648. Statements for the period 01 January 2010 to 31 January 2016.

<sup>5</sup> 01 March to 28 February of each financial year.

<sup>6</sup> Deposits of coin and paper money of the Republic.

<sup>7</sup> See Annexure C. FNB account 60066187648. Cash deposits marked in yellow.

CONFIDENTIAL

A comparative analysis in the value of cash deposits into MJM's personal bank account between 2010 and 2015 revealed that in 2013/2014 a sudden increase from R5,500.00 to R278,400.00 occurred, while in 2015, the value of cash deposits increased to R448,000.00.

Cash deposits constituted R278,400.00 (or 11.4%) of total credits into the account in 2014 and R448,000.00 (or 13.1%) in 2015.

In one cash deposit of R68,000.00, MJM was confirmed as the depositor<sup>8</sup>.

In the forty seven (47) other cash deposits, the identity of the depositor is unconfirmed. However, in thirty four (34) cash deposits (R606,200.00) information suggests that MJM conducted these cash deposits in person.

On 25 September 2014, MJM exchanged foreign currency (US\$ 13,500.00) into South African Rand equal to R147,850.65<sup>9</sup>, which amount was credited to his personal bank account. The source of the foreign currency is unknown.

*The volume and value of cash deposits are highly unusual, as MJM is permanently employed<sup>10</sup>. These afore-mentioned cash deposits should be investigated to determine whether these funds were received by this SARS employee constitute payments of proceeds of crime arising from corrupt activities as defined in the Prevention and Combatting of Corrupt Activities Act 12 of 2004 ("PRECCA"), in light of the position of authority held by MJM.*

*The exchange of foreign currency should be investigated to establish if there were exchange control contraventions in this transaction.*

Further, it was also noted that other irregular and ad hoc payments from SARS were credited into MJM's personal bank account. The value of these payments<sup>11</sup> for the past two (2) financial years (2014 to 2015) amounted to R334,459.05 as compared to R82,635.30 between 2012 and 2013.

<sup>8</sup> See Annexure D. Image of depositor.

<sup>9</sup> See Annexure C FNB account 60066187648 (page 72).

<sup>10</sup> See Annexure E. SARS official salary advice.

<sup>11</sup> See Annexure F. Table of ad hoc payments from SARS.

CONFIDENTIAL

*These payments should be investigated to determine whether there were any misrepresentations or fraud on the part of MJM that resulted in SARS making these payments.*

**SUSPICIOUS AND UNUSUAL PAYMENTS:**

On 11 February 2015, the DEPARTMENT OF WATER AFFAIRS AND FORESTRY<sup>12</sup> conducted a transfer to the entity NEW INTEGRATED CREDIT SOLUTIONS<sup>13</sup> (Registration 2001/004355/07) to the value of R17,872,957.13<sup>14</sup>.

On the same day, NEW INTEGRATED CREDIT SOLUTIONS transferred R17,872,957.13<sup>15</sup> to another account in the same name via an inter-account transfer.

On 12 February 2015, NEW INTEGRATED CREDIT SOLUTIONS conducted a subsequent inter-account transfer of R5,000,000.00<sup>16</sup> between accounts held in the entity's name.

On 12 February 2015, the entity MAHUBE PAYMENT SOLUTIONS<sup>17</sup> (Registration 2013/066828/07) received R4,468,239.28<sup>18</sup> from NEW INTEGRATED CREDIT SOLUTIONS.

On 13 February 2015, MAHUBE PAYMENT SOLUTIONS made an internal electronic funds transfer ("EFT") payment of R4,200,000.00<sup>19</sup> to a Standard Bank Savings account held in the name of the same entity.

<sup>12</sup> Funds originated from National Treasury via account number 80332862 held at the South African Reserve Bank.

<sup>13</sup> See Annexure G. CIPC registration certificate.

<sup>14</sup> See Annexure H. ABSA Call account 4053260748 (page 43).

<sup>15</sup> See Annexure I. ABSA Call account 9105455793 (page 05).

<sup>16</sup> See Annexure J. ABSA Cheque account 4058209511 (page 28).

<sup>17</sup> See Annexure K. CIPC registration certificate.

<sup>18</sup> See Annexure L. Standard Bank Bizlaunch account 241349907 (page 77).

<sup>19</sup> See Annexure M. Standard Bank Savings account 226322955 (page 15).

CONFIDENTIAL

On 26 February 2015, MAHUBE PAYMENT SOLUTIONS made an internal electronic funds transfer (EFT) payment of R3,800,000.00<sup>20</sup> back to the Standard Bank Bizlaunch account.

Following this, on 26 February 2015, MAHUBE PAYMENT SOLUTIONS made an EFT payment of R3,813,300.00<sup>21</sup> to the entity ARVOMARK<sup>22</sup> (Registration 2012/113693/07).

Again, on 26 February 2015, ARVOMARK made an EFT payment of R3,420,000.00<sup>23</sup> to the entity CLIPPER FINANCIAL SERVICES<sup>24</sup> (Registration 2010/004515/07).

Immediately thereafter<sup>25</sup>, CLIPPER FINANCIAL SERVICES made an EFT payment of R3,125,000.00<sup>26</sup> to MAHUBE PAYMENT SOLUTIONS.

On 04 March 2015, MAHUBE PAYMENT SOLUTIONS made an EFT payment of R1,254,000.00<sup>27</sup> to ARVOMARK.

On the same day<sup>28</sup>, ARVOMARK made an EFT payment of R1,140,000.00<sup>29</sup> to the entity STREET TALK TRADING 181<sup>30</sup> (Registration 2011/075845/23), retaining R114,000.00, approximately 10% of the amount transferred.

Upon receiving this transfer, STREET TALK TRADING 181 immediately<sup>31</sup> transferred R600,000.00<sup>32</sup> to the entity BIZ FIRE WORX<sup>33</sup> (Registration 2012/023231/07).

BIZ FIRE WORX retained R120,000.00 and electronically transferred R480,000.00 in three (3) payments<sup>34</sup>, into MJM's personal bank account as follows:

<sup>20</sup> See Annexure L. Standard Bank Bizlaunch account 241349907 (page 79).

<sup>21</sup> See Annexure N. Standard Bank Business Current account 300120699 (page 57).

<sup>22</sup> See Annexure O. CIPC registration certificate.

<sup>23</sup> See Annexure P. Standard Bank Business Current account 023210346 (page 255).

<sup>24</sup> See Annexure Q. CIPC registration certificate.

<sup>25</sup> 26 February 2015.

<sup>26</sup> See Annexure L. Standard Bank Bizlaunch account 241349907 (page 79).

<sup>27</sup> See Annexure N. Standard Bank Business Current account 300120699 (page 60).

<sup>28</sup> 04 March 2015.

<sup>29</sup> See Annexure R. Standard Bank Bizlaunch account 023071966 (page 55).

<sup>30</sup> See Annexure S. CIPC registration certificate.

<sup>31</sup> 04 March 2015.

<sup>32</sup> See Annexure T. Standard Bank Business Current account 421586427 (page 258).

<sup>33</sup> See Annexure U. CIPC registration certificate. MJM was a director between 08 February 2012 and 03 May 2012.

<sup>34</sup> See Annexure C. FNB account 60066187648 (page 35 and 39). EFTs marked in orange.

CONFIDENTIAL

- 09 April 2015 (R150,000.00);
- 09 April 2015 (R200,000.00); and
- 07 May 2015 (R130,000.00).

*These payments must be investigated to determine:*

- *Whether the funds received constituted payments of proceeds of crime arising from corrupt activities on the part of MJM and other individuals and entities involved in these transactions.*
- *Whether the afore-mentioned conduct, concealment and disguising of the true source of these funds constitute acts of money laundering as defined in section 1 of the Prevention of Organised Crime Act 121 of 1998.*

Six (6) days after receiving the last payment from BIZ FIRE WORX (13 May 2015), MJM made an EFT payment of R200,000.00<sup>35</sup> from his personal bank account to Mercedes Benz Financial Services for a Mercedes Benz C220 BLUETEC (Licence DR93JXGP), in favour of a Kelly-Ann ELSKIE ("KE").

#### **SUSPICIOUS AND UNUSUAL CASH DEPOSITS INTO KE's ACCOUNT**

Between 22 and 24 December 2015 three (3) cash deposits totalling R450,200.00 were deposited into KE's personal bank account<sup>36</sup>.

The cash deposits<sup>37</sup> were structured into two (2) payments of R160,000.00 each and one (1) payment of R130,200.00.

The deposits were made over three (3) consecutive days into three (3) different branches of the same bank, all located within an approximate 10 km radius.

KE was confirmed as the depositor<sup>38</sup> for two (2) of the cash deposits.

<sup>35</sup> See Annexure C. FNB account 60066187648 (page 35).

<sup>36</sup> See Annexure V. ABSA Account 4079460540. Statements for the period December 2013 to February 2016.

<sup>37</sup> See Annexure V. ABSA Account 4079460540 (page 57).

<sup>38</sup> See Annexure W. Image of depositor and accompanying persons.

CONFIDENTIAL

The source of these funds is unknown and the value of these cash deposits is suspicious and unusual considering the financial profile of KE.

KE used these proceeds along with funds from the sale of a previously owned property to purchase a new property.

*These payments must be investigated to determine:*

- *Whether the funds received constituted payments of proceeds of crime arising from corrupt activities on the part of KE and evaluate the implications to SARS.*
- *Whether the afore-mentioned conduct, concealment and disguising of the true source of these funds constitute acts of money laundering as defined in section 1 of the Prevention of Organised Crime Act 121 of 1998.*

**END.**