

# Fisheries department rots from the top

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13 Nov 2018

South Africa's fisheries authority is in a state of crisis, paralysed by a factional war between its two most senior officials and hollowed out by a culture of corruption.



The Department of Agriculture, Forestry and Fisheries is unable to perform many of its most basic tasks, including allocating fishing rights and enforcing regulations, because of the rot and factional war at the top. Photo: Ashraf Hendricks

This has left the Department of Agriculture, Forestry and Fisheries (DAFF) unable to perform many of its most basic tasks, including allocating fishing rights and enforcing regulations. An exodus of skilled staff, including top scientists, has aggravated the problem.

As a consequence, the fisheries sector, a critical pillar of the Western Cape's economy, is plagued by deep dysfunction, a state of affairs that disproportionately affects poor people. Government programmes intended to uplift fishing communities — now [hotbeds for abalone and crayfish poaching](#) — have repeatedly stalled.

The rot at the department, entrenched for many years, has been laid bare by a power struggle between director-general Mike Mlangana and his deputy, Siphokazi Ndudane. Even the minister for the department, Senzeni Zokwana, has become embroiled in the dispute, siding with Ndudane.

Over the last 18 months, their rift has played out in a bewildering sequence of suspensions, court cases and accusations of criminality. Reporters, law firms, unions and opposition politicians have been drawn into the fray, sometimes unwittingly being used for factional agendas.

The department has spent tens of millions of rands on legal fees for both officials, in some cases hiring opposing sets of counsel. In the last two years, the department has also commissioned at least three forensic reports into corruption, although even these have been tainted by allegations of improper influence.

From both sides, there are claims that the department has been “captured” by private interests, ranging from tenderpreneurs to abalone poaching syndicates. In this series we review the evidence, based on court records, internal documents and more than a dozen interviews.

## **Instability and “looting”**

A scientist by training, Siphokazi Ndudane was appointed deputy director-general of DAFF in February 2016, responsible for managing fisheries. She says she was the 11th person to fill the position in seven years. “My assumption is that the branch has to have instability for those who continue to loot the system,” she told GroundUp in a recent interview. “I was hoping to achieve order.”

This year, Ndudane was suspended for four months, accused by Mlengana of fraud, theft, extortion, forgery and other grave misconduct. Ndudane maintains that she is the victim of a smear campaign, orchestrated to sideline her and allow unfettered corruption at the department to continue. But some of the charges against her are troubling.

Mlengana himself was suspended last year on a range of charges, including allegedly steering a lucrative abalone processing contract towards his business partners. As soon as he returned to office, this April, Mlengana moved to oust Ndudane, but was temporarily [blocked by minister Zokwana](#).

Finally, in July, Mlengana placed Ndudane on precautionary suspension, revoking her access to the department. Ndudane took the matter to court — running up further legal costs — and returned to work, provisionally, in October. (The case is ongoing, but the judge ordered Ndudane to resume her duties.)

Beneath the tit-for-tat disciplinary and legal action is a deeper tussle for control of the department, which serves as gatekeeper to the fishing industry. Generating some R6bn annually, fishing is big business in South Africa, with a wide array of companies and interest groups jostling for access. Then there is poaching, a shadow economy worth hundreds of millions more. According to [Traffic](#), a nonprofit that monitors wildlife smuggling, poached abalone is South Africa’s third most valuable fisheries export, surpassed only by hake and squid.

With such vast sums of money at stake, the department has become a natural target for corruption. Like all government agencies, DAFF also issues tenders for big projects, ranging from construction to processing confiscated fish. At almost every level, the department has been compromised by graft, from low-paid fisheries inspectors right up to senior management. “There’s a fight to keep control of the network,” said Pieter van Dalen, the shadow minister for fisheries in the Democratic Alliance.

And in the battle between Mlengana and Ndudane, few people come out looking clean.



Image source: [www.pixabay.com](http://www.pixabay.com)

## The abalone tender

Factions have existed within DAFF for years, industry insiders say. A “cabal” surrounding former minister Tina Joemat-Pettersson, for instance, was implicated in dodgy quota allocations and awarding a fraudulent [fisheries patrol contract](#) to Sekunjalo, owned by Iqbal Survé. Officials from that saga feature later in this series.

But the split between Mlengana and his deputy began with a suspicious abalone deal.

Since the mid-2000s, the national fisheries authority has sold off confiscated abalone, ostensibly to fund anti-poaching operations. Over time the process has become increasingly opaque, with little public oversight. In just the last decade, law enforcement agencies have reported some 4,000 abalone confiscations, averaging more than one daily. The bulk of that abalone, totalling several hundred tonnes each year, has been processed and auctioned to private firms.

In December 2016, DAFF awarded a contract to process and export 90 tonnes of abalone, priced at some R60m, to a South African company called Willjarro. The department was to keep 70% of the money, paying Willjarro the rest. But Willjarro had no prior experience in the fishing industry, and had been added to the DAFF supplier database just a day before the tender was advertised. At the time, Willjarro also did not have necessary permits for processing or transporting abalone, technically disqualifying it from the bid.

On 19 January 2017, Willjarro’s importing partner, a seafood trader based in Hong Kong, deposited almost R7.5m into a DAFF bank account — payment for the first batch of dried abalone. A day later, a rival South African company, Shamode Trading, launched an urgent application to review the tender, and within two days minister Zokwana had [suspended](#) the contract.

What followed was a complex and acrimonious series of court cases involving DAFF, Willjarro and Shamode. In parallel, the department commissioned two separate investigations into the tender process.

One report, produced by a company called The iFirm, eventually implicated several senior DAFF officials in colluding with Willjarro, including the chief financial officer, Jacob Hlatshwayo, an acting chief financial officer, Zoliswa Lufefe, and two heads of supply chain management. In one email, sent after concerns were raised about the contract, an official named Noyoliso Pinda urged Willjarro to “destroy the evidence”.

The other report, by law firm Sizwe Ntsaluba Gobodo, found that the tender process had been “weak”, noting several troubling departures from protocol.

It was on the basis of these reports that minister Zokwana suspended Mlangana, the director-general, in June 2017, among other things charging him with failing to disclose a business relationship with Willjarro’s boss, Gershon Ramazan. (Another company of Ramazan’s, Cropland Agricultural Equipment, has been implicated in a separate DAFF scandal, accused of [misappropriating drought relief funds](#) in 2017.)

But in return, [Mlangana alleged](#) that The iFirm had itself been appointed via an improper tender process, and that he had only been suspended for refusing to sign off on the contract. The iFirm report cost the department just over R500,000.

DAFF has now commissioned a third report into the Willjarro matter, by attorneys Cheadle Thompson & Haysom. Notably, to date no report has directly accused Mlangana of interfering in the Willjarro tender, or of being in business with Ramazan.

Meanwhile, in court, Willjarro was fighting to have its contract reinstated. The company’s Hong Kong buyers had paid for abalone that could no longer be legally exported, and Willjarro was in a difficult position. Four tonnes of product, already processed, was stuck at their factory premises in Gansbaai harbour.

Then, on 24 September 2017, the factory was [robbed](#), with nearly 1.5 tonnes of dried abalone stolen. At standard export prices, or R2,500 per kg, the loss was worth more than R3m. (The Willjarro contract had been priced at a substantial discount, possibly due to the large quantity of abalone involved.)

At the time, three separate sources connected to the abalone underworld told me that they suspected an inside job by Willjarro, using the pretence of a break-in to smuggle the abalone overseas. Willjarro has denied any involvement in the robbery and even accused Shamode, their rival, of arranging the heist. To date there have been no arrests in the case.

By mid-October, the remaining abalone was back in the department’s warehouse in Paarden Eiland, after DAFF obtained a court order forcing Willjarro to return it.

But the saga of Willjarro’s abalone — and the fight it provoked at DAFF — was only beginning.



## “Chowing abalone money”

From the very start of his tenure as director-general, Mike Mlengana intended to profit from abalone, according to Ndudane, his deputy and bitter rival. Just a few weeks after taking office, Mlengana had requested a meeting at the Westin Hotel, Ndudane said. She expected that they would discuss running the department together, but Mlengana, she claims, had more sinister plans.

“I want you and me to work together to see how we can benefit from abalone,” Ndudane recalls him saying. Former top officials had been “chowing abalone money”, Mlengana allegedly said, adding: “You must be rich by the time you leave the civil service.”

Accompanying Ndudane at the meeting was Justice Matshili, a veteran DAFF scientist who retired last year. According to Ndudane, Matshili grew uncomfortable and excused himself from the meeting. Matshili could not be reached for comment.

Then somebody else arrived: Gershom Ramazan, from Willjarro.

In a telephone interview, Ramazan confirmed the meeting, but said that the conversation was about “general opportunities for black farmers to get into the fishing space”, and had “nothing whatsoever” to do with abalone. He denied having any business relationship with Mlengana.

Mlengana declined to comment for this story, despite multiple requests.

In Ndudane’s version of events, Mlengana turned against her when she opposed the Willjarro deal. She claims she only became aware of the tender irregularities after the contract with Willjarro had been signed.

But soon after the contested abalone had been returned to the department, Ndudane became embroiled in an abalone scandal of her own.

## Abalone sting goes rotten

In November 2017, two crime intelligence detectives approached DAFF, requesting confiscated abalone to use in a sting operation. An informant of theirs, the owner of a legal abalone processing facility, had been approached by Chinese smugglers, and the cops wanted abalone to penetrate the syndicate.

The operation was approved by provincial crime intelligence bosses and by the National Prosecuting Authority (NPA). A small group of senior DAFF officials, including Ndudane, agreed to provide three tonnes of dried abalone for the sting, worth more than R7.5m.

What happened next is currently subject to investigation by the Hawks, and the details are too convoluted for this account. But the sting was abruptly cancelled, the abalone recalled — and when it arrived back at the DAFF stores, it was rotten.

With two other senior officials, Ndudane is now accused of conspiring to defraud the department, and of participating in a scam to swap good abalone for bad. In an interview with GroundUp she denied the charges, but did not offer an alternative explanation for the missing abalone.

The sting had been kept secret from the head of DAFF’s monitoring and surveillance team, Nkosinathi Dana, who would ordinarily be in charge of investigations. According to Ndudane and officials close to her, this was because Dana had suspected links to Chinese abalone syndicates.

In return, Dana alleged that Ndudane and other officials had improperly circumvented him, colluding to steal the abalone.

When Dana found out what was happening, he approached the NPA and had permission for the sting revoked. Dana declined to comment.

Asked to comment, Khaye Nkwanyana, a spokesman for minister Zokwana, said that there had been “incidences of collusion” between officials and abalone poachers. “Syndicates involved in [poaching] are wealthy and we think they bribe their way through.”

The department had taken action against those officials, Nkwanyana said, without referring to anybody by name. He said there were criminal cases in court that DAFF was “attending”.



West Coast Rock Lobster by [Flickr user Derek Keats](#), CC BY 2.0

## Charge sheet

Stealing three tonnes of abalone was one of 13 charges levelled against Ndudane by Mlengana this May. Other charges included lying in Parliament about abalone thefts — more on these in an upcoming article — and hiring private law firms without authorisation.

In September, a new, expanded list of charges was leaked to the Democratic Alliance’s Beverley Schäfer, recently promoted to Western Cape Minister of Economic Development, Tourism & Agriculture. Schäfer went public with the document, but made a critical mistake.

Treating the charge sheet as a judgement, Schäfer announced that Ndudane had been found guilty of 155 counts of fraud, 37 counts of theft, extortion, forgery, and several other transgressions. The story was widely reported in local media. Soon afterwards Schäfer [withdrew her statement](#), but still pressed for “decisive action” against Ndudane.

More than four months after being suspended, Ndudane has still not faced a disciplinary hearing.

In the meantime, the impasse at DAFF has only deepened. Supporting Mlengana, the National Health Education & Allied Workers Union (Nehawu) held minister Zokwana [hostage](#) in his office in May and staged a [shutdown](#) of DAFF’s Pretoria offices in September. They have called on President Cyril Ramaphosa to replace the minister. The MK Vets, meanwhile, have reportedly fallen in behind Ndudane.

Nkwanyana, the DAFF spokesman, denied that the department had been handicapped by the suspensions. “There is no standoff,” he said.

For the industry, an institution that was already ailing has become even more difficult to work with. But because fishing companies rely on DAFF for quotas, and with long-term fishing rights up for renewal in 2020, few are willing to speak out about the crisis.

“We don’t want to get caught in the politics,” said Jeremy Marillier, executive director at FishSA, an umbrella organisation for the industry. “There’s paralysis, and we’ve become collateral damage.”

On 15 May, the department’s Paarden Eiland stores were robbed by men in police uniforms. It was at least the fourth robbery of the stores within three years. Almost five tonnes of abalone were stolen, including almost all the (rotten) abalone from the failed sting and a tonne of the abalone returned by Willjarro. No arrests have been made in the case.

The following day, minister Zokwana announced that DAFF would no longer be storing confiscated fish. In September, Schäfer reported that a guard had been [shot and killed](#) outside the Paarden Eiland warehouse.

Forthcoming articles in this series (to be published in 2019) will document the crippling skills shortage within DAFF, fresh allegations of graft in the quota allocations process, and the contentious role of legal firms in the feud between Mlangana, Ndudane and Zokwana. By then, however, the impasse may have been broken.

Ramaphosa is under increasing pressure to intervene. Insiders say that Zokwana, who is also chairperson of the South African Communist Party, is too strong politically for Ramaphosa to remove. But there are signs, too, that Mlangana has support from the presidency, which backed his ousting of Ndudane earlier this year. “The question,” said Marillier, “is why hasn’t the president acted yet?”

Back at work, for now, Ndudane will eventually need to answer to her charges. So, too, will Mlangana, whose own disciplinary process stalled when he returned in April. As her profile picture on WhatsApp, Ndudane has a short message. It reads: “Truth is like a surgery. It hurts but it heals. A lie is like a painkiller. It gives instant relief but has side effects for ever.”

*This article was [originally published on GroundUp](#).*

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