

Messy Fight Over Mandela Trust Goes Public

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JOHANNESBURG — Nelson Mandela was livid. He believed that two of his daughters, working with a lawyer he had recently fired, were trying to meddle in his financial affairs. So he summoned the daughters, Makaziwe Mandela and Zenani Dlamini, to his home here for a family meeting in April 2005. According to two people present, he gave them a withering talking-to.

“Mr. Mandela made it clear,” Bally Chuene, Mr. Mandela’s current lawyer, said this month in a sworn statement, “that he did not want them involved in his affairs.”

At the time, the daughters appeared to acquiesce to Mr. Mandela’s wish to appoint independent trustees to a trust he had created to provide for his descendants. According to the statement, they agreed to the appointment of Mr. Chuene and George Bizos, a veteran human rights lawyer and close associate of Mr. Mandela, as trustees to a trust financed by the sale of paintings of Mr. Mandela’s handprints.

But the daughters secretly amended the trust document, with the help of Mr. Mandela’s estranged lawyer, Ismail Ayob, according to statements by Mr. Chuene and Mr. Bizos. And by 2011, they were seeking to distribute much of the trust’s money, about \$1.3 million, among Mr. Mandela’s children and grandchildren, despite the insistence of the independent trustees that he wanted the money to last for generations.

Now the matter is in court, with Mr. Mandela’s daughters seeking to remove Mr. Bizos and Mr. Chuene as trustees of the boards of two companies that support the Mandela Trust, arguing that they were improperly appointed. The case has brought into the open a long-simmering dispute over who will control Mr. Mandela’s financial legacy after he dies.

The latest documents to emerge in the increasingly messy legal fight portray Mr. Mandela’s daughters and other relatives as being willing to trample on his expressed wishes to get their hands on money he set aside for his descendants’ welfare.

Makaziwe Mandela, who sits on several corporate boards, runs a wine company called House of Mandela and speaks for her sister, declined to comment on the affidavits, as did Mr. Ayob.

Mr. Mandela, 94 and in frail health, spent 27 years in prison in his battle against apartheid, emerging in 1990 to lead the African National Congress in a negotiated end to the brutal system of racial separation. He became South Africa's first black president, stepping down in 1999 after one term to pursue charity work. He retired from public life in 2004, and has largely disappeared from view as his health has declined.

The extent of the family's wealth is not publicly known. Mr. Mandela received a presidential salary and pension, and his autobiography, "Long Walk to Freedom," was a best-seller. But he never worked in the private sector, and his personal wealth is believed to be relatively modest.

Mr. Mandela was the first to admit that his life as an anti-apartheid activist and his long imprisonment meant that his family was often neglected. He had six children with two wives, both of whom he divorced. He is now married to Graça Machel, a children's rights activist and former first lady of Mozambique.

"To be the father of a nation is a great honor, but to be the father of a family is a greater joy," Mr. Mandela wrote in his autobiography. "But it is a joy I had far too little of."

Makaziwe Mandela said in an earlier interview that her father had been a distant figure her entire life. "My father knows us, but never really knows us," she said. "We never really had that opportunity to develop that bond."

The fragile relationship between Mr. Mandela and his daughters was strained even further in a second family meeting on June 11, 2006.

"The meeting was very heated and, in some respects, unpleasant," Mr. Chuene said in his statement. "Mr. Mandela was furious."

His daughters, Mr. Chuene said, "had allowed themselves to be used by Mr. Ayob and had continued to associate themselves with him knowing full well that he had terminated his relationship with Mr. Ayob."

"He was moreover upset that they continued to be involved in his personal affairs despite his clear instructions," Mr. Chuene said.

Soon after, the trustees met in November 2006 to choose board members for the companies that fed the Mandela Trust, and Mr. Bizos, Mr. Chuene and two others were named to the boards.

Then, in August 2011, Ms. Dlamini, who is South Africa's ambassador to Argentina, called for another family meeting "to discuss the financial constraints that she and other members of Mr. Mandela's family were experiencing," Mr. Chuene said in his statement. At the meeting, family members asked that the money in the two companies that feed the trust be distributed directly to them.

But Mr. Bizos balked.

“As a confidant of Mr. Mandela, I know that his wishes in relation to the three general trusts established by him was that these ought to provide long-term assurance, to the extent possible, for the support and education of the beneficiaries, which would include generations to come,” Mr. Bizos said in a sworn statement. “I was, accordingly, concerned to learn in the last quarter of 2011 of a proposal for the distribution of almost the entire capital of the Mandela Trust in lump sums.”

He added that whenever any member of the family had requested money from the trust it had been granted.

Not long after, Ms. Mandela and Ms. Dlamini’s lawyer, Mr. Ayob, started writing letters to Mr. Bizos and the other board members demanding that they resign. When they refused, Mr. Mandela’s daughters took them to court, and what had been a quiet disagreement became a very public battle over the legacy of a man many here consider a secular saint.