

COMMISSION OF INQUIRY
INTO THE SOUTH AFRICAN COUNCIL OF CHURCHES

HELD AT PRETORIA

ON 7 SEPTEMBER 1982

CHAIRMAN:

THE HONOURABLE MR JUSTICE C F ELOFF

COMMISSIONERS:

MR S A PATTERSON

MR T L BLUNDEN

PROF P OOSTHUIZEN

MR F G BARRIE

CHIEF INVESTIGATING OFFICER:

ADV K P C O VON LIERES SC

INVESTIGATING OFFICER:

ADV ETIENNE DU TOIT

SECRETARY:

MR M L MARAIS

ON BEHALF OF COUNCIL FOR THE

S A C C:

ADV S W KENTRIDGE SC

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LUBBE RECORDINGS (PRETORIA)

/l deM

VOLUME 9

(p 371 - 445)

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THE COMMISSION RESUMES ON 7 SEPTEMBER 1982

EUGENE LESLEY ROELOFSE, still under oath

CHAIRMAN: For the record, Mr Patterson is with us today; Professor Oosthuizen unfortunately not. He will not be able to attend throughout but he does come whenever he can and of course as I said before, he is getting a running transcript so that he can catch up on what he does not hear himself.

MR KENTRIDGE: Yes, I am indebted to Your Lordship.

FURTHER CROSS-EXAMINATION BY MR KENTRIDGE: Mr Roelofse, when we adjourned yesterday afternoon, I was questioning you about paragraph 47 of your memorandum which started on page 12 (10) and went on to page 13. Perhaps you would turn it up again? You recall what I was asking you about? Anyway I will repeat it just to refresh your memory. I was questioning you in connection with your statement on page 13 where you said the inevitable conclusion was that the SACC could easily have intervened but that for reasons "unknown to me, it preferred not to do so", and you remember I was putting it to you that that statement was incorrect and unfair. Of course at the stage you are talking about the SACC had intervened. -- Mr (20) Chairman, I do not (intervenes)

I am sorry, just to recap - and you said to me that may be so but you were simply here trying to give a chronological account of what happened and you were dealing in paragraph 47 with the situation as at May 2, 1979. Right, so you now recall what I was asking you about? -- Yes.

Right. Well, let me put it again that that statement of yours that the SACC could have intervened but that it preferred not to do so, is wrong and you must surely know that it is wrong. They did intervene. -- I do not agree with (30

that / ..

that statement as had been put to me. I believe that the statement as I put it here, gives a fair picture of the situation at that time in connection with an intervention that would have stopped the situation in its tracks.

Right. You have indicated that you had or thought you had full authority to go through the files to find anything in them concerning SATCIC and Bishop Mokoena and you have put in a number of letters, but one of them which you have not put in is one which I am sure you are aware of, the SATCIC letter of 25 April 1979 to Bishop Tutu in which they refused (10 to accept the resignation or suspension of Bishop Mokoena. Do you remember that letter? -- Yes, I (intervenes)

I am going to put it to you - have you got a..it is not amongst your exhibits, but let me hand you a copy. -- Yes?

Look at it - do you have it amongst your supplementary documents? -- I think I do, Mr Chairman.

Ah! -- Could I just find that?

So much the better - 25 April 1979, letter from the SATCIC board to the general secretary of the SACC. -- Yes, I have got it. (20

Do you have it? -- Yes, Sir.

You do. Well let us place it on record. You have a copy of it, it is in your file but it is not amongst the documents which you chose to put in your memorandum and your annexures. Is that right? -- That has not been submitted yet, Sir.

CHAIRMAN: First of all, ER 9, it is a document headed - a document on the letterhead of Southern Africa Theological College for Independent Churches; a letter dated 25 April 1979 to Bishop Tutu.

MR KENTRIDGE: Your copy is in a file you have in front of (30
you / ..

you called "Supplementary Documents". -- That is correct.

And those are documents in your possession which you did not choose to put before the commission? -- I have not at this stage submitted it.

Well, I am going to read it out then because I am afraid My Lord, at the moment we have got a copy for you and a copy for my Learned Friend, Mr Von Lieres and the witness has his own, but let me read it out. It is dated 25 April 1979, it is addressed to:

"The General Secretary

(10

Bishop D. Tutu,

S. A. Council of Churches,

Braamfontein.."

and it is signed by the Rev. S. E. Majola, Secretary, SATCIC BOARD. Did you know Mr Majola? -- Yes, I met him.

Right, and it reads like this:

"Dear Sir,

We, members of the Satcic board after you left the meeting of the 23rd inst. in which the matter of the suspension of Bishop Mokoena was brought to us, have, after you left, discussed the matter amongst ourselves. It was then resolved that the S.A.C.C. may deal with Brother Mokoena as it may find it proper as its employee. The Satcic board needs his leadership and cannot have him stand down in as far as matters of the African Independent Churches are concerned, neither can the Satcic board suspend him, except the African Independent Churches through the National Conference."

(20

Mr Roelofse, are you looking for another copy? -- Yes, Mr (30

Chairman / ..

Chairman.

Let me just pause there. What this shows is that there was a meeting between Bishop Tutu and the members of the SATCIC Board on 23 April in which obviously the SATCIC Board was informed of the suspension of Bishop Mokoena and in this letter they are saying that the SATCIC Board is not prepared to expel him or dismiss him from the leadership of SATCIC. So far that is right, isn't it? -- That is correct.

Then look at the second paragraph:

"The Satcic Board is aware that Mr Roelofse (10

is bent on breaking personnel, and is busy interfering with the administration of the College. In fact, he has engaged himself in instigating students against Authorities of the College. He has wrongfully fired employees of Satcic who are not in his control, and handcuffed an employee of the College, drove him to the Police who told him to free the man at once and later he fired the man.

He has intimidated students by pointing a (20

fire arm at them, threatened to arrest and beat up the Warden of the college, demanded for his reference book, thus interfering in the hostel's administration.

Roelofse is busy and bent on having, in fact spread rumours to students and many others

that the Director for Church Development (that is Bishop Mokoena) is fired from the SACC

He has organised malicious allegations against the moral life of the man and the SACC finds (30

it proper to investigate the allegations. We, the leaders of African Independent Churches will not dignify Mr Roelofse with investigations.

In the light of the foregoing, the African Independent Churches through the Satcic Board, hereby give notice to the SACC that Satcic will be moved out of St. Ansgar's Mission property with effect from 29th June 1979.

Finally, Sir, we wish to place on record our profound respect to you as a man, and Church leader. We are proud of your high standing, but we are not prepared to stand anything Roelofse."

(10

Signed by Reverend Majola. Now Mr Roelofse, it is not my purpose for a moment to suggest that Mr Majola is right about your conduct; all I am using this letter for is to indicate that far from doing nothing, the SACC took the matter to SATCIC, tried to persuade them to dismiss Bishop Mokoena and the SATCIC people were quite obviously not prepared to do so. Isn't that what this letter shows? -- That is what the first paragraph shows, Sir, but in view of the fact that the rest of the letter has been put I feel that comment on this is perhaps called for.

Yes, I am going to ask you. I am going to let you comment on it but let me just complete my point. My point is two-fold: first, that you were unfair in saying that the SACC could have intervened but preferred not to do so, because this letter shows it did intervene but that SATCIC was not prepared to dismiss Bishop Mokoena; that is my first point which I put to you. Before you comment on the second paragraph, that

(30
seems / ..

seems correct, doesn't it? -- No, Mr Chairman. The fact is that this was already now 25 April. The intervention that I had wanted goes back right to the beginning of the year and this was now the situation that was dragging on day after day, week after week and month after month.

Mr Roelofse, I am afraid that just would not do, because if you look at your paragraph 47, you said: "I met with the praesidium on May 2.." and you expressed your disquiet and you give the reasons for your disquiet and you say at the end of that paragraph:

(10)

"The inevitable conclusion was that the SACC could easily have intervened, but that it preferred not to do so.."

and I am putting it to you that that statement must be wrong, because the Council of Churches had intervened and you must have known it. Did you not know of this letter of 25 April 1979? -- I knew about this letter, Sir.

Alright. Now the next question to you - and I will still give you a chance to comment on it - why did you not put this letter before the Commission? -- The letter which (20 I have here I put into my supplementary documentation. I was going to put it in during my evidence and I am still giving evidence. There is no compulsion I think for me to have put it in before. I anticipated that this question would come up under cross-examination and that is why I have the letter here.

Mr Roelofse, please. You have given in your memorandum as I have said 200 pages of exhibits about this college, including such things as the dinner menus of the students. You have put in documents going back to 1974. -- Yes. (30

And / ..

And yet you are telling us that you did not think that this was sufficiently important to put into your main evidence? -- Mr Chairman, the situation is that the allegations of SATCIC against my manner there was dealt with at a praesidium meeting; it was in fact raised by me and it was in one of their minutes. It is in the documentation, although the letter itself is not.

Yes. You see, I suggest you do not put in any letter which might possibly show you in a bad light. -- I do not think that is a correct conclusion, Sir. (10

You do not? Very well. Now you wanted to comment on the second paragraph and I said I would give you a chance to do so. I think this is the time to do so, if you want to. -- I should mention firstly that this issue of the SATCIC complaint against me I myself brought up at the praesidium meeting, May 2 - Annexure 38, page 3.

Correct, so you did. -- And you will see in that second paragraph there on that page, Sir, that I referred to these charges and I said that the charges were of such a nature that I could take further steps against the SATCIC Board; I(20 would not insist on such a court case. I would be satisfied if Reverend Majola would be given the opportunity to withdraw his charges; I would be prepared to let the matter go through if Mr Majola would apologise. Now I did see Mr Majola subsequently. He obviously was being torn between various loyalties. We did not go into all the details of this letter but the arrangement was sort of let us leave the thing, and I was happy with that.

Yes, you left it. So you left it. -- That is the first point, Mr Chairman. The second point is that the praesidium(30
itself / ..

itself on hearing about this letter did not follow this thing up. They gave me the impression that they were quite satisfied with the explanation I had given them about these allegations at the time. The second point is that on May 17, despite these allegations - Annexure 39 - the Reverend Peter Storey acting as vice-president instructed me to continue questioning people about irregularities that had been committed.

Yes. -- The next point I should like to mention, Sir, is that on May 20, which is now long after this letter the Reverend Storey on Annexure 41, in fact says that he would (10 not be happy about my withdrawal into investigations.

Yes. -- On October 1979, in Annexure 53 the St Ansgars Board had a meeting. This was now long after the letter and it thanks me for my tremendous effort and even talks if I remember correctly about a honorarium that should be given to me for the work I was doing. In November 1979, the St Ansgars board again thanked me; November 1979, this is now Annexure - that is a supplementary annexure I have got here - Annexure..anyway there was a report before the executive of the SACC, if I may just hand that in. I think it is (20 bound to become relevant, Sir..

Well really, I do not mind you handing it in but just remember what we are dealing with is whether or nay you were right in saying that on May 2 the SACC could have intervened but it preferred not to do so.

CHAIRMAN: At the same time I think the witness feels that the letter has been read out and that he would like to comment in what..

MR KENTRIDGE: Oh yes..(simultaneously)

CHAIRMAN: .. whatever fashion he would like on the content (30

of the letter.

MR KENTRIDGE: Yes well, are you still on this then? -- Yes, Sir.

Mr Roelofse, you were still commenting on the letter of..? -- Yes.

Alright. -- On November 1979 - I have spare copies of this document, Mr Chairman. There was a report to the executive by Mrs Sally Motlana. It is headed: "Report on St Ansgars", November 1979 and on page 2 under "Conclusion":

"We the St. Ansgars Board wish to thank (10
Mr Eugene Roelofse for the wonderful work
he has done at St. Ansgars under trying
conditions and sacrifice."

CHAIRMAN: This letter has been handed up. Just for the record this becomes ER 10. It is a document dated November 1979 and it is headed: "Report on St Ansgars".

MR KENTRIDGE: ER 10, yes. Seeing that you have raised this, this is by Mrs Motlana, a woman in whom you said you had lost confidence and this is at a time when you said you were being met with hatred. -- The hatred I was being met with, Mr (20
Chairman, was from staff.

Yes? -- My relationship with the executive committee members, generally speaking, was very good.

If there is nothing more you want to say about the letter of the 25th..(intervenes) -- Oh, but on the contrary, Sir, the allegations that were made against me here I deny as I did deny them at the meeting of the praesidium where I brought this up. What I do admit is the allegation that I threatened to beat up the warden of the college. I admitted it then, I admit it now and the context in which that incident should (30

be seen is that I had received numerous complaints that he was assaulting the students, Black students. I received further complaints that he was beating the girl students. I spoke to him about it, there was not an improvement and I do admit that I said to him that it is enough that Black students in South Africa are gassed, are shot at, are beaten, are arrested by the police. I will not permit this to be done by a person that has a connection with the South African Council of Churches and that if he beat up particularly a girl student again, I would give him a hiding such as his (10 father never gave him. That I admit, Sir.

Yes, well, that is perfectly in order as far as I am concerned. As I indicated to you I am not challenging you on this, I do not for a moment suggest that these allegations are true. Let us get back to the real point, Mr Roelofse. Let us get back to your statement that the SACC could have intervened but it preferred not to. This letter of 25 April shows that there had been intervention, but I want to go further. I want to say that the South African Council of Churches did not leave it at that; in spite of this response (20 they took it further and persuaded Bishop Mokoena to resign from the chairmanship of SATCIC. Do you know that? -- Yes.

Let me put to you another document. It is a document signed by Bishop Mokoena on 2 May 1979 and handed to the acting general secretary of the South African Council of Churches in which he states that he severs all relationship with SATCIC and that he resigns from the post of chairmanship of the SATCIC board. Do you perhaps have that in your..? -- Yes, Sir.

Well, let me show you the document. -- Yes. (30

You / ..

You knew about this, didn't you? -- I knew that he had resigned.

Yes, you did and you knew that this document in fact was laid before that praesidium meeting on 2 May, wasn't it? -- Yes.

May I put that in, My Lord?

CHAIRMAN: This becomes ER 11, and it is a document headed "Report by Bishop Isaac Mokoena to the Acting General Secretary on his negotiations with the SATCIC Board on May 2, 1979". Have you not got copies? (10

MR KENTRIDGE: I have got a copy in front of the witness at the moment.

CHAIRMAN: Well, copies will be prepared and distributed to the Commissioners.

MR KENTRIDGE: Yes. You know about that, you knew about that. Mr Roelofse, why didn't you mention that in your memorandum? -- This resignation from the SATCIC Board, Mr Chairman, was a rather short-lived affair.

Yes, I know that and I am coming to it. Please first answer the question. Why did not you mention this in your (20 memorandum either? -- Because I do not believe that this resignation of Bishop Mokoena from the SATCIC board was an example of intervention that would have stopped this thing in its tracks. The reason I am saying so, Sir, is that if you refer to subsequent annexures - excuse me, 17 May - that is Annexure 39. I was still talking about the investigation of irregularities. On 18 May I wanted to opt out and suggested that the police now be called. On May 20th there was still negotiations about this thing and the files involving Bishop Mokoena were now eventually made available to me after the (30

20th.

Yes. Mr Roelofse, please try and stop for one moment talking about yourself and attend to the question. The question is simple. The question is why did you not in your chronological statement tell the Commission in your memorandum that far from failing to intervene, the SACC was taking every step to get Mokoena to resign from the SATCIC board? -- There was a stage that this happened, that they did impress upon Bishop Mokoena to resign but this matter arose from this particular sentence in paragraph 47.. (10

Yes, that is correct. -- And I do not think that this document disproves the view and impression that I put down on paper there.

Really.. -- I did not have this document in my possession anyway as is evident here.

But you knew that the SACC had persuaded Mokoena to resign and made him sign this document, didn't you? -- Yes, I heard that he was now resigning from the SATCIC board.

Yes, and you admit that nowhere in your memorandum do you state that? -- Yes, I admit that. (20

Yes, very well. Let me put to you what happened. You know that Bishop Mokoena was suspended for 2 months pending further investigation, that is by the SACC. -- That is one of the decisions they took.

Correct. And you know that they procured this resignation by Mokoena. -- Yes.

And you know that Mokoena notwithstanding this resignation in fact did not resign. -- Yes, Sir.

And you know that consequent upon that and consequent upon further investigations at the end of May the South (30

African Council of Churches laid a complaint with the police.

-- That is correct.

There is one other factor. Do you know that in addition, the South African Council of Churches sent copies of Bishop Mokoena's admissions of forgery to Messrs. Borkums, the Attorneys of SATCIC? Do you know that? -- No, Sir.

Do you accept that they did so? -- I accept it.

Yes. You have mentioned Annexure 38. Perhaps you would have another look at it? That is your Annexure 38 - that is the notes of the meeting of the praesidium. Now at this(10 stage let us just have a look at some aspects of it. I know you have read some of it. Let us have a look at the top of page 2:

"The praesidium had decided to have Bishop Mokoena dismissed when it became clear that cheques had been forged already since 1976.

However, when he came to Bishop Tutu and asked for forgiveness it was felt that he should be given a chance for a new beginning and that the decision of Bishop Tutu, taken in consultation

(20

with the executive staff at the retreat before

Easter not to dismiss but to suspend Bishop

Mokoena for a period of 2 months without salary

should be honoured. The praesidium had appointed

a special commission of enquiry to investigate

the matter. Account had to be taken of the

fact that Bishop Mokoena had promised to repay

the money that had been misappropriated. Bishop

Tutu had decided to deal with the matter in a

pastoral way. At the time when it was decided

(30

to have Bishop Mokoena suspended for a period of 2 months the accusations of immoral practices against Bishop Mokoena had not yet been proved. In the course of the further discussions Mr Roelofse again pointed out that it had not become clear to him that the SACC regards the misappropriation of funds entrusted to the SACC by donor agencies as a very serious offence."

Now Mr Roelofse, your view throughout was that Bishop Mokoena should be prosecuted? -- My view throughout, Mr Chairman, (10 my view at the very beginning was that when the first evidence was presented of forged cheques that the person should be called on or called in straight-away to give an explanation. Obviously this was not proof but it was an allegation against him; that there was proof but the charges had not really been proved. Now I was not satisfied that that was done. I wrote again and enclosed further cheques and it was only at a later stage that the man was called in. Now at that stage I was very dissatisfied with the way that things were being handled. I referred to it in another memorandum of (20 mine which had already been submitted where I complained that some of the staff appeared to have a rather lighthearted approach to the question of stealing money.

I really do not want to interrupt you. I am asking: did you want Bishop Mokoena prosecuted? As soon as he had confessed to the forgery, do you think he ought to have been prosecuted? -- My view that I expressed to Bishop Tutu at the time and I think to the praesidium as well, Sir, was to recover the money from him and get rid of him.

Yes. You know there are two very useful words in the (30

English language. One is yes and the other is no. Mr Roelofse after Bishop Mokoena had confessed to the forgery, was it your attitude that he ought to have been prosecuted? -- Not at that stage, Sir.

That is right. You see, that is like saying no - very helpful. Just look at the last page of Annexure 38, the conclusions of this praesidium on 2 May. This is what they said:

"It is advisable to have the commission of enquiry that originally had been asked to investigate the whole SATCIC affair, be reconstituted. (10

2. It is necessary to ascertain the full amount of money that has been misappropriated.

3. Mr Roelofse is invited to submit further evidence of offences committed by Bishop Mokoena to the praesidium.

4. The praesidium accepts the draft of a letter to the donor agencies.

5. The praesidium requests the acting general secretary to prepare a draft for a response to the three questions submitted by Bishop Mokoena to the praesidium." (20

So you were invited to submit further evidence? -- Yes.

That is right - good. Now, in your memorandum in the next few paragraphs you deal with your correspondence with the Reverend Peter Storey in which he had suggested that you go on with your investigation but subject to certain conditions; you did not find the conditions acceptable and then he withdrew the conditions limiting you and you then went ahead with (30

your / ..

your investigation. -- Yes.

And we need not reread it all. If you would just go on to page 14 to paragraph 52, you said:

"The Reverend Peter Storey responded immediately in a letter dated May 20th. He changed the conditions he had previously set and told me to continue my investigation. I immediately searched the offices of Bishop Mokoena and found a large quantity of documents which were of interest because they indicated the existence of a variety of serious irregularities." (10

and as you told the Commission yesterday, you took this as meaning that you were entitled to ask for any document relating to Mokoena or SATCIC. Correct? -- Yes.

Right. So here you were and you had been given the green light to go ahead with your investigation even to the extent as you saw it, of being entitled to search the office of Bishop Mokoena and you did so, correct? -- Correct.

Now in spite of this you tell us in due course that you had lost confidence in the Reverend Peter Storey. -- (20 Yes.

You had become suspicious of him. Is that so? -- I had lost confidence in him.

Yes, you lost confidence in him although he had allowed you to go ahead with your investigation. That is why I said yesterday you did not have confidence in any one. Every one drew your censure, your loss of confidence, your criticism. -- No, I think that is an unfair conclusion.

Well, your document perhaps speaks for itself. At any rate, here you were allowed to go ahead with your (30 investigation / ..

investigation as you had wanted to do and am I right in saying what you found as a result of your investigation you state in paragraph 54 of your memorandum together with your report, Annexure 42? -- I found amongst these things - I cannot recall whether this is stated in Annexure 42 - there is a whole question of these documents prepared for church leaders - but that is a lot of the things that I found there.

Yes. Now we will come to that. Let me put it to you clearly: as a result of this further investigation you did you say here it indicated the existence of a variety of (10 serious irregularities. -- Yes.

What serious irregularities? -- The preparation of documents for church leaders, members of RICA as the church held, which led to certain fraud charges against Bishop Mokoena and on which he was acquitted.

Yes, those were the irregularities, if I can just sum it up, was that when people from the independent church came to him and asked him to help them prepare a constitution to be registered in Pretoria he would charge them for it and keep the money himself. -- That is so, that is one of the type (20 of the irregularities that were found.

And then another is charging for drawing up powers of attorney and matters of that sort. -- That is another type of irregularity, Sir.

And he was charged with that in the magistrate's court. -- He was charged with that, Sir, but there were other matters arising from this investigation on which he was not charged.

Yes. Do you mean offences involving money? -- Yes, Sir.

Yes. Taken by him? -- Yes, Sir.

And where do you refer to those other peculations, let (30

me call them, these other takings of money by him. Where do you refer to those in your report? -- I mention it here:
Variety of Serious Irregularities.

Yes. -- These documents were made available to the police.

Yes, they were made available to the police and the police for some reason, only charged him on some of them?

-- That is correct.

At any rate then you had gone through with your investigation, you had found these other irregularities and they had been put before the police. -- That is correct, Sir. (10

I must say I find it hard to see what you had to complain of at that stage. You had investigated, hadn't you? -- I had eventually.

Now let us have a look at what you found, which you summarised in paragraph 54. What you set out paragraph 54 first in paragraph (a), has got nothing to do with theft by Bishop Mokoena or anyone else. You say here that the students had petitioned the SACC because of maltreatment but the SACC had not done so but had instead backed Bishop Mokoena who had called in the security police. Now I want to put to you (20 that that statement by you is not only untruthful but deliberately untruthful on your part. -- I would deny that that is untruthful.

Read - I want you to read it carefully before I ask my next question. -- Yes, I have read it, Sir.

Now I am not disputing for a moment that when the students went on strike Bishop Mokoena called in the police, but your statement that the SACC backed his action in so doing I am suggesting is entirely false. -- If I could just find a reference to it.. (30

Well yes, look for it if you want to. -- I know that it appears on one of the annexures which I submitted at that time.

Your petition you refer to, Mr Roelofse, was a petition addressed to the head of SATCIC and also to Mr Berglund who was then an official of the SACC. Did that petition ever get beyond Mr Berglund? -- I do not know.

Well, exactly, you do not know that it ever got beyond Mr Berglund and yet here you blame the SACC for not intervening. -- If I could comment on that - the situation was (10 that Dr Berglund was representing the SACC on the SATCIC board, he was on that board.

Yes, why did (intervenes) -- Secondly..

I am sorry. -- .. the situation is that Dr Berglund being head of theological education, was a most senior SACC official. He sometimes acted as general secretary in the absence of the general secretary and my contention is that if these people had sent a document to such a senior official of the SACC then they have in fact sent it to the SACC, particularly as there is record of an acknowledgement of receipt of this (20 by Dr Berglund somewhere.

Have you got that? -- No.

Well, we have not seen anything of the sort. Do you know that it reached Dr Berglund? -- I do know that it reached Dr Berglund because..

You may well be right. -- ..the issue was raised at a staff meeting or a general assembly one morning, I cannot remember exactly on what occasion it was. But it was suggested that the student strike at SATCIC was part of a communist uprising.. (30

Well / ..

Well, who suggested that? -- .. on the premises.

Please say who suggested it? -- Can I continue, Sir?

Yes. -- And Dr..at least Bishop Mokoena was complimented on the firm manner on which he had restored order. I know that there is a reference to this in one of my reports, Sir. I am sorry that I cannot just put my finger on it..

Well I am going to .. -- .. but I am going to look for it.

I am going to come to your report. I am just putting it to you that Bishop Mokoena was not complimented on calling the police or the security police. If you are right in what(10 you say happened, I want to suggest to you that no-one other than Mr Berglund knew about it, if indeed he did. I am going to prove that to you. -- Mr Chairman, the whole incident of the student problems at SATCIC was mentioned in front of the staff in Diaconia House. It was discussed and I can assure the Commission that Bishop Mokoena was in fact complimented. Mr Roelofse, just have a look at what you say in sub-paragraph

(a). You say:

"Bishop Mokoena had called in the security police.."

(20

Now I want to suggest that you refer to the security police because you know that nothing could be more damaging to the SACC amongst its own adherents than to say it called in the Security Police. Is that not so? -- No, that is not true Sir, because the students told me that it was the SP. Now to them the colloquial ..well, expression for the security police is SP.

But it does make it worse, doesn't it, to call in the security police? -- That was part of my objection..

Exactly. -- That the security police should be called (30

in / ..

in on a thing like this.

That is what you say here, that is why you stress security police. Now in fact your report on it is the document you handed in as ER4 - can I have ER 4? Would you look at ER 4? -- ER 4.

That is your letter of October 9, 1978. I am sorry, it is the letter you put in, Mr Collins's letter of October 9, 1978. -- Which reference, may I hear, is that?

Well, it was one of your supplementary documents. -- Oh.

You somehow for some reason had a letter from Mr Collins to the general secretary, of October 9th. -- Right. (10

You remember that Mr Collins complained that Bishop Mokoena had called in the police? -- That is right.

Yes. Now there is no reference there to the security police, is there? -- No, Sir. On the other hand it does not deny that it was the security police. You will notice that Mr Collins says in the penultimate paragraph that "St Ansgar's has been under surveillance.."

Yes. -- And I know that other police force sections, perhaps also participate in surveillance but when one sees that word one thinks in terms of the security police. (20

Well you see, we do not have to go to simply Mr Collins - look at your own Annexure 42 in which you make your report. Look at page 3 of that document. You see? You refer to that incident, you do not refer to the security police, do you? -- No, Sir.

No, it is only when you come publicly before this Commission that you have to put in the word "security police". Any stick to beat the SACC, hey Mr Roelofse? -- No, Sir, at the time this was written I had not the slightest idea (30

that / ..

that I would be appearing personally before the Commission, or in fact that it would be a public hearing.

Why in your contemporary document, Annexure 42 on page 2 when you refer to this incident, why do you not stress there that it was the security police? -- It could be that at that stage - I cannot tell you exactly at what stage I heard that it was the SP.

Yes. -- You see, when you consider the context of this Mr Chairman, the people tells me it was the police. That is so and it was the police and it was afterwards when I started talking to these people and winning their confidence that they were talking about being detained, talking about SPs.

Yes. -- Now whether it was in fact the security police or whether it was any other part of the police force, the fact is that the police were called; that they did arrest students on SACC property; that they were terrified of this experience but that they, in fairness, did say that they enjoyed their eating.

Mr Roelofse, you see that would not do, because Annexure 44 was written by you on 30 May 1979, many months after the strike. -- Yes.

Yes. -- That is true.

Now you see, there is something else - I do not want to go through this document again but this report of yours which you have put in deals, if I may say so, and from the point of view of mid 1979, it deals with history. It is an indication that over the years there had been many complaints about Bishop Mokoena, isn't that so? -- Yes.

Yes. And look what you say about this. Look at the last page, page 7. Look at the third paragraph: (30

"Thirdly / ..

"Thirdly it would appear that neither the praesidium nor the finance committee or even the staffing committee had knowledge of the allegations and that most of the documents were never tabled at a meeting of those ultimately responsible for the control of the SACC staff, and also responsible towards donor agencies."

-- Yes, I see it.

And then, look at your second last paragraph: (10

"It would therefore appear that office bearers of the SACC have been at a significant disadvantage in not having vital documents on which they could have based preventative of retributive action."

-- That is correct.

Yes. -- I did say that, Sir.

Now you know in spite of the fact that the matter had gone to the police by the end of May, you did not let up on the Mokoena case if I can put it that way. -- That is correct.

Yes. -- There is a reason for it. (20

Yes, there may be. For example, just have a look at your Annexure 44. You see it? It is your letter of 4 June 1979 to Dr Kistner, the acting general secretary, and it is headed:

"Allegations against Bishop Mokoena"

and you say:

"I have now found further confirmation that the SACC was warned about Bishop Mokoena so far back as 1974. The following questions are of such a nature that it is inexplicable

(30

that / ..

that the executive committee did not take these factors into account when appointing him head of the church development division unless of course, Dr Berglund did not pass this information along."

Now at that time Bishop Mokoena was out of the SACC, was he not? -- That is possible.

Yes, Mr Berglund had left, he had gone back to Sweden had not he? -- That is correct, yes.

And here you are writing a letter about the fact that 5(10 years previously Mr Berglund was warned about Bishop Mokoena. -- That is correct, and if one looks at the last paragraph of page 1, Annexure 44..

That is just what I wanted you to read. Perhaps you would read it aloud? -- Yes:

"These letters, together with other information at our disposal makes it desirable that Dr Berglund be questioned. The expense of getting him back will be a good investment."

Well, now this is what I was going to come to. Here (20 you are, you have found that there was a warning about Mokoena back in 1974 and you are asking, suggesting that Dr Berglund be brought back from Sweden to be questioned about these things. Were you.. -- Yes.

You were seriously making that suggestion? -- I was even offering to fly there myself and borrow money and if the SACC was not satisfied with the information I had brought back, I would have paid off the debt myself..

Well you see.. (simultaneously).. -- ..being that I believed that only on this particular issue which is simply(30

a question of how a particular man did his job, but in the wider ramifications of SATCIC and St Ansgars, considering as I have already put evidence before this Commission, that firstly Dr Berglund wanted me to boost my estimates for repairs for reasons which I could not get out of him; secondly I found explanations as to what had happened to previous grants for the same purpose. If I may just explain, Sir, I was being faced with the situation where I was asked to do estimates for very, very extensive repairs involving perhaps R20 000, R25 000 - I cannot remember the figure. Then(10 I discovered that a similar sum had already been given to St Ansgars for the same purpose by probably the same donors and I did say in one of my documents put before this Commission that I found the explanations given to me as to what had happened to that money rather nebulous and I now recall that was in a written report to Bishop Tutu and I think it was in February and I think this is a very important document, as this matter has now been raised. If I may just have your permission to look it up quickly.

Well, I am not going to stop you but do not think I am(20 going to let you get away from Annexure 44. It is no use, we are going to come back to it. -- Yes, I would like us to do that. The point is that seeing all these things in perspective and where at this stage I had now been given, or shortly before as I understood it, a carte blanche to look into irregularities I sincerely believed that Dr Berglund would be able to assist me in my enquiries.

You had as you say here in Annexure 44, you had got a letter dating back to 1974 which shows that someone had warned Dr Berglund about Bishop Mokoena being an undesirable(30 character / ..

character and you seriously said it would be a good investment to get Dr Berglund back from Sweden and question him. -- I said so, Sir.

You see, when I said to you yesterday that your attitudes of suspicion were obsessive and that your view of yourself as an investigator was obsessive, you did not agree. I want to suggest that this borders on the irrational. -- On the contrary, Sir, here I was now dealing with a person at very, very top level or who had been at the very top level firstly. Secondly, a man who at that stage was now holding a very (10 responsible post with an organisation connected to a major donor agency; thirdly, his word had been unquestioned in the SACC. Where he had tried to resign from the St Ansgar's board the confidence in him was still so high that there was a request that this resignation be not pursued.

Yes. -- If I may be permitted to use the expression, Sir, he was in the theological sense and in the SACC hierarchy "top of the pops", but here was a man who apparently had failed to transmit certain information. Here was a man who had, I think, wrongly handled the student problem at SATCIC(20 and had done certain other things.

Yes. -- And I believed that for the SACC's own interests to unscramble this egg it would have been a good investment to have brought him back.

What makes you think he would have come back? -- Mr Chairman, that is speculative. There are two ways of having done it, the one was that somebody would go and see him and question him; the other one was that he would be asked to come back because there is a very good relationship between the church in Sweden with whom we were then working and the South (30

African Council of Churches.

Mr Roelofse, here you are after Mr Berglund at a time when you have been asked to, or allowed to investigate irregularities. Bishop Mokoena was, so to speak, his case was in the hands of the police. -- Right.

In the course of your investigation did you find any other evidence of theft or fraud by anyone other than Bishop Mokoena? -- There was the question of allegations of extortion at SATCIC by a person connected very closely to the staff of Bishop Mokoena. This is referred to in minutes or the memo-(10 randum of events, if I remember correctly, of the Reverend Peter Storey. There was questioning of other staff as well.

By you? -- By the committee at the time. --

Yes. Let us just get it straight, I said did you find any evidence of other theft or similar wrongdoing and I think your reply was that there was extortion at SATCIC - was it at SATCIC? -- There were allegations of extortion at SATCIC by a person who was on the staff of Bishop Mokoena and who shared an office in Diaconia House in the division of church development. (20

Was he employed by the SACC? -- There was some question as to who was going to pay his salary but the fact was that he was in that building.

And was that Mr Mithia? -- That is correct.

And he made a statement, didn't he, which was put before the police. -- He made a statement, yes.

So that is what it all amounted to after your investigation? -- That is not quite the picture, Mr Chairman. I have hinted at further complications that came there months after the original information had been put with the police. When (30

I was called in to give them a statement myself I noted to my horror that despite the numerous allegations against Bishop Mokoena they were going to go to court with only two affidavits. That is all they had obtained. They said they had difficulty in obtaining them and eventually I obtained about 20 of them myself.

Yes. -- But the fact of the matter is that the allegations were so extensive that I believed that 14 cases of forgery could have been put against him.

Yes. -- I believed that over 80 charges of fraud could(10 have been brought against him plus certain other charges.

Yes, and for some reason the police did not do so. -- That is correct.

Well, let us come back to the point. At this stage in May 1979 you got full authority from Mr Storey to continue your investigations without restraint. That is why I have been asking you what evidence of wrong doing on the part of SACC staff or officials or officers came out of your investigations. -- I have just said it was probably near a hundred charges plus the incidents that the other gentleman were (20 involved in would have brought the total over a hundred.

Involving Bishop Mokoena and Mr Mithia who was his assistant. -- That is right.

Good, that makes things clear. I am going to come back to Bishop Mokoena but I want to put something to you now concerning evidence which you gave yesterday about interest-free loans. You recall that you were criticising interest-free loans on the basis that it was a pity that for example ex-detainees would only get a R50 grant whilst staff members got interest-free loans and you made the point that it was (30

wrong to ask for funds from the public when you get funds by asking for interest on loans to staff. That was your argument.-- It was not a question of simply loans to staff, it was a question of interest-free loans per se.

Yes. Well now did you yourself ever get an interest-free loan? -- I got a loan to buy a car and to the best of my knowledge I was charged interest on it. What happened was the money was made available to me and it was deducted from my salary and as far as I am aware the interest on these things - it was a nominal figure - but that it was applicable to all loans. (10

Well, I suggest that you got an interest-free loan. -- I have no knowledge that this was an interest-free loan, it was a question of getting a loan to buy a car for my official duties and that loan was deducted from my salary; SATCIC was responsible for doing it and I know that the regulations said that there should be interest and if interest was not added to it I never got statements about the thing or anything like that, it was just taken off my salary and if interest was not taken from it then it is not my responsibility. (20

What was the rate of interest if there was interest?
-- I think it was a nominal figure.

Yes. You see, I think it might have been fairer to have said yesterday that you were one of the beneficiaries of this system. -- I do not believe I was, but I cannot swear to it.

Incidentally, why do you say SATCIC had something to do with it? I suggest they had nothing to do with it. -- I am sorry, Sir - I mean SACCAS. If I said SATCIC, I mean SACCAS.

Yes. -- Thanks for correcting me.

And incidentally, you remember you told the Commission (30

at great length the story of your employee after you had left, someone called - I think, was it Elizabeth, whom you had had to pay out of your own pocket? --- Yes.

Did she not also have an interest-free loan? --- There was an interest - there was a loan; as far as I knew this was a loan for a home in terms of the 99 year leases, and that in terms of the regulations there would be interest on it, or whatever - you see, Mr Chairman, let me just explain, that we were being treated as members of the SACC staff, and all that I knew about that loan was a letter which 10 I wrote to Bishop Tutu recommending that she be assisted, saying that I trusted her, she had had so much service et-cetera, and the negotiations were between the SACC and that particular staff member.

And she got a loan? That you know? ---- To the best of my knowledge she got a loan, because I know that when eventually five months after we - the links were severed that there had been a deduction or an attempted deduction of the outstanding commitment, which of course would have been quite correct. 20

Now, Mr Roelofse, just let us get back to your memorandum. I just want to refer you to page 20; that is the report of Mr Matterson. Now, this is another of your allegations against professional men. You say you are at a loss to understand how the chairman of any finance committee, especially if he happens to be a lawyer, would include so many apparent contradictions and inconsistencies in the space of a single paragraph. Now, I am going to suggest to the Commission that there are no contradictions whatsoever there, and that this is simply another example of the way you 30

attack/...

attack anyone with any connection with the SACC. Now, would you like to have a look at that paragraph?

CHAIRMAN: Perhaps he can study it during the adjournment.

MR KENTRIDGE: Yes, by all means. I think it is Annexure 62, page 4.

THE COMMISSION IS ADJOURNED

ON RESUMPTION:

EUGENE LESLEY ROELOFSE, still under oath:

MR KENTRIDGE: Mr Roelofse, I was referring you to page 4 of your Annexure 62, which I was suggesting you made an excuse for one of your attacks on a professional man, in this case Mr Matterson. --- Mr Chairman, if I could just explain on that issue, I do not think it is a correct thing to say, that I attacked - used it as an occasion for an attack on a professional man, and particularly not Mr Matterson, who is a man that I respect very, very much indeed. Here I tried to give my impression of a report that went out under his - as the main signatory. 10

Yes, well, the way you put it, of course, if you have a look at the way you put it, which I referred to. You say you are at a loss to understand how the chairman of any finance committee, especially if he happens to be a lawyer, could include so many apparent contradictions and inconsistencies etcetera, and as I put to you yesterday, that seems to be your attitude to all the professional men involved, whether accountants or lawyer; you are at a loss to understand them? --- Mr Chairman, there were many actions taken by professional men in this context, which I am still at a loss to understand. 20

Right. Now, the reason why I am going to suggest that/... 30

that you are being unfair in this respect, is that the control or influence which the SACC had in relation to SATCIC was at best extremely limited. Now, I can take you through the constitution, but you probably know it. I just want to put this to you. --- Mr Chairman, it was a limited degree of control, as far as the constitutional and legal issues were concerned. There is no doubt about that, but over and above the sheer provisions of the constitution, there was this very special relationship between donor, partner, money funnelled through SACC for the purposes of SATCIC and 10 inter-relationship as far as landlord and tenant was concerned, and an inter-relationship as far as the staff serving on various committees and so forth, together.

But Mr Roelofse, we have already seen that when the SACC wanted to insist on the resignation of Bishop Mokoena from SATCIC, it was unable to do so? Its will did not prevail? --- It was at one stage able to do so, and then afterwards it was - it came back to square one. At one stage they did impose upon him to resign, and then he unresigned.

Exactly, and then they reported him to the police? 20 They could not get him out of SATCIC, could they? He is still there? We know it? -- That is so.

Yes. Let us talk about the money. We know that the arrangement was that any cheque drawn on the official SATCIC account should be countersigned by someone from SACCAS, but we also know, do we not, that SATCIC had opened this account in Roodepoort, which could be signed by the principal and by Bishop Mokoena, and that is the account on which cheques were forged? --- Mr Chairman, if one looks at the SATCIC constitution, I think this is quite important, if we 30 could/...

could just - somebody help me with the reference there, we have got a SATCIC constitution somewhere.

Yes, it is Annexure 22. --- Thank you very much. I have difficulty, Mr Chairman, in keeping it in my head all the time.

And if you want to look at the bank account one, it is 7.4.-- Now, in the trial of Bishop Mokoena, there was a dispute as to whether the constitution meant that each cheque should have - whether it should have two signatories or in fact whether it should have three signatories, 10 because the point was put to one of the witnesses, about this signatory that had to be a SACCAS representative, which I had pointed out in my correspondence previously, I came across no cheque that had in fact been signed by Mr Mbatha, who was the SACCAS representative.

The point is, Mr Roelofse, rightly or wrongly, SATCIC had a bank account in Roodepoort on which the bank allowed them to draw without the signature of any SACCAS representative. --- The bank did allow that, Mr Chairman, and that was one of the points indispute in the case. 20

Exactly, and that money that was taken was SATCIC money in SATCIC's bank account? -- Yes, I believe that.

And you know that following the exposure of what Bishop Mokoena was doing, there was a dispute between the South African Council of Churches and SATCIC as to the SACC's powers over SATCIC's funds? --- Yes, that is correct.

And you know that the SACC attempted to freeze the SATCIC funds? --- Mr Chairman, my recollection was that the SACC attempted to freeze the money that was still being held by the SACC that was going to be paid over to SATCIC. 30

Correct/...

Correct, and are you aware that SATCIC brought two court applications to compel the payment over of this money?

--- Yes.

In consequence of Bishop Mokoena's activities, what funds of the SACC as distinct from SATCIC, were lost? --- I cannot say that. I do not know whether there was any.

Exactly. Thank you. Now, I wonder whether you would look at Bishop Tutu's evidence in the Mokoena trial, of which you have made quite a number of mentions; that is your Annexure 17, Mr Roelofse. Incidentally, to place it on record, it is not even the complete evidence of Bishop Tutu? --- I wish I could find the rest of it. I would be grateful for it.

Well, Mr Roelofse, we have tried to find these records of the Mokoena trials, and we are unable to get them either. I was wondering whether you could help with the mystery, but you cannot? -- No.

You made several references to Bishop Tutu's evidence in your memorandum. Have you got it? --- I have got the memorandum.

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But have you got the evidence? -- Yes.

Perhaps it will clarify the matter if you look at the foot of page 3 of that record, the last paragraph on that page. The prosecutor asks Bishop Tutu to state the duties of the accused, that is Mr Mokoena, and the answer is, the last line of page 3:

"He was largely responsible for liaising with what are called the African Independent Churches, to assist them as a kind of catalyst in their development and assist them in their organisation and in

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theological/...

theological education, to assist them in bringing them together because there are well over 2 000 of these independent churches in South Africa, and an attempt was being made to weld them into a unity instead of getting them as vociferous as they are".

Do you recall that? --- I have read that.

And then at the top of page 6, the first line, Bishop Tutu is asked to call him, that is Mokoena, Bishop; is he also or was he a Bishop? And the answer is:

"Well, he is so called in his own denomination, 10
Your Worship".

--- That is correct.

And then on page 9, the question is: "What relation has that college got to the South African Council of Churches?" Do you see that at the top of the page? --- Yes.

And he says:

"In terms of constitution 9 (whatever 9 may mean) it is an independent body that was admittedly set up as a result of the work of the Council in raising funds and at the start the constitution said the SACC 20 would appoint a treasurer who would be one of the signatories to the cheques of the SATCIC College, and then I was a member of the Board of this college as was another staff member".

Were you ex officio member of the Board or just by appointment or election? I was myself in fact ex officio, but the other staff member was by election to the Independent Churches, and the other one, it turns out, was Mrs Mosala. Then, if we can go to what you were quoting, the quotations you gave were from the cross-examination of Bishop Tutu, 30

I think. Now, do you remember the line taken by the cross-examiner of Bishop Tutu? It was that Bishop Mokoena had dual capacities, that he was not merely an employee of the SACC, but he had other capacities, both in the Independent Churches and in SATCIC? --- That is correct.

And the line taken, which apparently appealed to the Court, that what he was doing with these constitutions, he was doing independently and it had nothing to do with the SACC? --- Yes.

Yes, well, we will not debate - we will not discuss 10
whether that was right or wrong, because you and I probably have the same views on that, Mr Roelofse, but let us turn to page 27, which you quoted on more than one occasion. This is about the funds. Look at the top of the page. Bishop Tutu says:

"The people overseas paid funds through an ecumenical agency, to an ecumenical agency, but the funds were controlled by SATCIC if they were funds for SATCIC. If they were funds for running the division, then they were controlled overall by the SACC". 20

"So on this point that you have mentioned, if they were funds, let us say, ear-marked for SATCIC, then it will be controlled by SATCIC themselves?"

The answer:

"They would have to be controlled by SATCIC, yes".

"But the SACC have no control over those funds?"

--- Excuse me, may I just ask, Mr Chairman, I have lost that particular reference. Could it just be repeated please?

Yes, page 27. -- Thank you.

We read the first 10 lines. You might just like 30
to/...

to glance over them? --- Yes, thank you.

Then, Mr Roelofse, the cross-examiner says:

"But the SACC have no control over those funds?"

And the Bishop replies, that is Bishop Tutu:

"The SACC had this particular control, which I explained, that in the constitution the SACC was one or at least an appointee of the SACC, was one of the signatories, and therefore unless our signatory was satisfied that the funds were being used for the sort of things that the donors had given it for, he would not append his signature, and therefore that particular cheque would not be honoured by the bank". 10

And then the cross-examiner says:

"So what you are therefore saying is that the SACC had a veto-right on the spending of that money?"

Now, Mr Roelofse, you kept saying in your memorandum that Bishop Tutu said that the SACC had a veto over the money, but if you read this you see that Bishop Tutu does not accept that at all; he says, it had that kind of control, namely the one he had mentioned in the previous paragraph, and the cross-examiner goes on, and it is his word, 'veto': 20

"What it comes down to, it bears down to a veto-right?"

And then he goes on:

"So in other words, what you are also saying is that this co-signatory of the SACC, he had to sign each and every cheque of SATCIC before it would have been paid out?"

"Yes".

So, Mr Roelofse, what you call the veto-right, simply means/.... 30

means that under the constitution the SACC representative ought to have signed every cheque, but we know that SATCIC somehow made an arrangement with the bank whereby their own signatories could sign. Is that not so? --- I do not know what arrangements they made, Mr Chairman.

But at any rate, you know that Bishop Mokoena was apparently able to draw money out of that Roodepoort bank without any SACC signatory? However it happened? --- Right.

Then let us have a look at this passage on page 37 that you quoted so often in your memorandum. Do you have 10 it? --- I have it.

Look about two-thirds of the way down the page, about these organisations called RICA or AICA. Do you see the reference to them? --- Yes.

Then the cross-examiner says:

"Yes, was it founded? Did you investigate it?"

And then Bishop Tutu says:

"I attempted to deal with the matter relating to Bishop Mokoena pastorally when the matter of the cheques came to my knowledge. I did not dismiss Bishop 20 Mokoena immediately as I had the right to do. I attempted to deal with him pastorally".

Now, is it not quite clear to you, Mr Roelofse, that he is talking of the dismissal of Bishop Mokoena from his post in the SACC? ---- Yes.

Right. The .. --- If I could just explain my understanding of it, is that Bishop Tutu was saying, here is a man who has been doing something irregular in regard to a completely different job than the job which he had - from which I could fire him, and because he was doing certain 30 things/...

things wrong in Roodepoort, he could be fired in Johannesburg. That is my understanding.

That is right. If you had an employee in your office, Mr Roelofse, who also had a completely different job somewhere else, and you found that that employee had been dishonest in his other job, you might well lose confidence in him? ---- That is correct.

Mr Roelofse, you had a good deal to say about what you called the inept way in which Bishop Tutu dealt with Bishop Mokoena. You felt that the SACC and Bishop Tutu were indecisive and trying to protect him and so on, and you were very worried about their attitude to theft. You thought it was not positive enough? --- Yes. 10

Now, what is your attitude to theft? --- Mr Chairman, when this situation took place, and I think this should be put into perspective, the first request to Bishop Tutu was in fact to call him in and talk to him about it. I must say that I was on good personal terms with Bishop Mokoena, at first. There were then repeated allegations and I found no action which I considered to be suitable, and eventually this led to this estrangement, because I could not accept that situation. Now, I have also been asked by counsel what is my attitude to theft. I am dealing with it quite a lot in my job, and the first thing that one tries to do, is to let people make restitution, and then to try and remove them from a position where they can continue with their type of activity. I discriminate very strongly on the one hand to an odd incident where somebody in a moment of weakness or in a moment of need help himself, and even at the beginning it was indicated to me that the cheques that Bishop 20 30

Tutu/...

Tutu - so sorry, my apologies, the cheques that Bishop Mokoena had forged, had in fact been a matter of need. He was not earning a big salary; none of us were, and it is understandable. So the pastoral approach of Bishop Tutu was one that I could subscribe to, provided that the pastoral approach had some element of urgency about it. I would have been quite happy in my mind if when Bishop Tutu called in Bishop Mokoena and there had been restitution or some arrangement for it, and that he would lay off this sort of thing. You will recall that in one of my annexures I asked that 10 the cheque book be removed from him, because my understanding of the constitution was that the treasurer, being one of the signatories, should really have been a man who had the cheque book in his possession. Nevertheless, I would have been quite satisfied, Mr Chairman, if at the early stage of this situation, there was talk between the higher-ups and the man that was now accused, that some arrangements was entered into there, that this sort of thing could be stopped, and that the matter could be dealt with internally, a pastoral approach obviously in this context would 20 have been a good one. My problem was that there was delay after delay, and also added to that, there was the problem of, I do not want to talk about it, this type of attitude, which I found very upsetting, and I think this escalated into eventually what happened, and I am still sorry for what happened. I believe it could have been dealt with at an early stage and nipped in the bud.

Well, I will show you how it was dealt with, on the dates which you yourself provided. You wrote your first letter on 22 March, but you provided your - what I 30 would/....

would call the weight of your evidence in your letter of 2 April 1979, which is your Annexure 31, and even in that letter, Mr Roelofse, you made no direct accusation against Mr Mokoena, but you indicated that this required urgent investigation. Correct? --- Mr Chairman, I think that there is a bit of a gap here. The first intimation that there were things wrong, I mentioned somewhere in one of these memoranda that I had already discussed with Bishop Tutu at the beginning of the year, if not in December the previous year. There is a reference to it in one of the documents. 10

We are talking about your allegations of forgery, Mr Roelofse, which came first in your letter of 22 March, Annexure 29, which placed suspicion on Bishop Mokoena. --- Mr Chairman, factually that is correct, but it should surely be seen in the context of rumours I had picked up of dishonesty taking place in that same institution, which I had referred to the attention of Bishop Tutu well before that.

Yes, and you criticise people for not acting on your rumours, Mr Roelofse. That is not what I am dealing with. After you started bringing forth evidence of forgery, you know that Bishop Mokoena was interviewed by Bishop Tutu, and you know that at first he denied the forgery. Do you know that? -- Yes, he denied it at first. 20

Yes, but then on 2 April you came with more circumstantial evidence, in Annexure 31. Do you have it, on 2 April? --- That is right.

Further evidence? -- Yes.

Even there you made no direct accusation against Mokoena, did you? --- No. 30

Now/....

Now, you complain in your statement that it was only four days after that letter of the 2nd, on 6 April, that Bishop Tutu discussed this matter with the praesidium? You thought that was not urgent enough? --- Mr Chairman, one again must see this in the context. I cannot just lay my hands on my original complaint about what was happening in that area. I see the one of 22 March, but there is one before that. There were rumours of dishonesty in the whole place. It must, I believe, be seen in the context of evidence already by then provided that there were thefts - theft of 10 building supplies and other things on the St Ansgars property, which of course is not the same as SATCIC, and I do not believe that Bishop Mokoena was involved in that at all. The whole atmosphere, if I could just - I will be brief, if the whole atmosphere could be looked at then, that there was now something very fishy going on on the property. I asked for certain things to be done, and there were suspicions which I discussed and I wrote about, and eventually the cheques were shown to me. So I do not think it is a fair inference to say that on 30 March or whatever - 20 on 2 April I give cheques and on 6 April Bishop Mokoena is interviewed. I think it must be seen against the background of the evidence already made available to the higher authorities within the SACC.

By evidence you include your rumours? --- Mr Chairman, I would include any information that there was something wrong.

When did you make your first allegation against Bishop Mokoena? --- This was well before 22 March. It must have been in February.

30

When/....

When did you bring your first .. --- If not in January.

When did you bring your first evidence of forging of cheques? --- The first evidence of forging of cheques, Mr Chairman, was brought on 22 March.

And you know, as we have said, that Bishop Mokoena denied that at first? --- That is correct.

We also know that by 9 April he had ceased to hold his position; whether he was going to be dismissed or as was first decided, or suspended, by 9 April he was out of his SACC position? --- That is correct. 10

Right, and this is the gravamen of your complaint? That it was not until 9 April that he was out of his position. Now, is that not a triviality? --- No.

All right, you do not think it is. I am saying again that your behaviour here is quite obsessive. --- I deny that.

You spent a lot of time in your memorandum complaining of the fact that Bishop Tutu, as you put it, was not impartial, that he was in favour of leniency, namely a suspension pending investigation, repayment out of his salary, and then if he did not come back, to give him some sort of allowance to allow him to live on. That approach rather shocked you? --- Mr Chairman, the question of an allowance was raised in relation to the chance that Bishop Mokoena would now lose his job, if he were asked to resign. Now, my problem with that approach was, how do you give a man an allowance because he has lost his job because he has removed some of your funds or some of the funds within this community? Should not the first priority be to get back the money that he has taken, and then at a later stage talk about this? There was talk about him being indigent and so forth. This 30
may/...

may well be true, but to me this was sort of putting the cart before the horse.

Well, you know, it was not, because the idea was, during the suspension he would not be paid by way of recovering what had been taken? Mr Roelofse, your attitude was that Bishop Mokoena should be destroyed? --- No, on the contrary. The allegations or threats of destruction to somebody was that Roelofse should be destroyed.

Yes, if he was dismissed and prosecuted, it would have meant his destruction, would it not? --- Mr Chairman, 10 the question of his dismissal came in at a very late stage of the proceedings.

I do not think it did, because the praesidium originally wanted to dismiss him and Bishop Tutu pleaded that he only be suspended pending investigation. Now, what I want to know is, what do you find so terrible in the fact that Bishop Tutu wanted to suspend him pending further investigation, did not at first want to prosecute him, felt that if he left the employ, he should have some allowance to allow him to live? What is so dreadful about that? Do 20 you not regard that as a charitable approach? ---- Mr Chairman, in the context of the events that took place, one should bear in mind that there were delays after the first - there were no real steps taken originally when there was this rumour, if you like, at that stage, that all was not well. There was something funny going on as far as money was concerned, in relation to SATCIC. The second point is that when I had presented my report, you see, my past experience, which may not be relevant to this, was that if an official, and a reasonably senior official, hands a 30

memorandum to a boss, right at the top, or gives information to him, that at least these matters are discussed with the person now bringing the information, but I found a barrier; I found that discussion on this subject was not welcome, and this is one of the reasons why - and I am pleased that this is how it turned out in a sense, that I kept on putting my things in writing. This thing could have been solved in another way, but I found that the messenger was being blamed for the message.

Well, indeed, and I am going to tell you in a 10 moment why, but first of all, let us get this clear: did you object to Mr Mokoena being treated in a Christian and charitable way, yes or no? -- I had no objection to him being treated in a Christian and charitable way.

Now, Mr Roelofse, you said that at the retreat which was held in April, a high officer of the Council of Churches, whom you named, said that Mokoena was unlucky as he was simply the one who was found out? -- Yes.

That shocked you? --- Yes.

It shocked other people there too, did it not? 20
--- What actually shocked me was that that comment which just sort of blurted out, was not immediately explored right there. It was sort of just ..

Yes, but who was that person referring to? What others had not been found out? -- That was the answer that I was wanting.

Is it not obvious to anyone who has not a morbid mind, she was referring to other people in the Independent Church and SATCIC? --- We were, Mr Chairman, at a SACC staff retreat; we were all staff members of the South African 30
Council/....

Council of Churches.

Yes, Mr Roelofse, and the man you were discussing was an official of SATCIC who had apparently stolen money from SATCIC? Is that right or wrong? --- That is right, excepting that the matter was now - that was being discussed, was this man, action being taken against him as an SACC staff member by the SACC hierarchy.

Mr Roelofse, I have told you already that Mrs Mosala denies that she made any such statement, although the statement was made by someone else.-- I recollect that it 10 was made by this - by her. I can actually still see that in my memory, but ..

I can give you the name of the person who in fact said it. --- Yes.

I am prepared to write it on a piece of paper for you. -- If I am wrong, I will apologise.

Is it possible you were confused? -- Yes, it is possible, that I am mistaken, and if I am mistaken, then I will certainly apologise, but you must bear in mind, Mr Chairman, that I had had this as this particular lady in my mind; 20 I had often used that name in my discussions, with members of the praesidium, with Bishop Tutu particularly, because this was a sort point and it cropped up again and again, and at no stage was it pointed out to me - was I corrected on the name of this person.

Can you give me - well, my instructions are quite the contrary. Can I have that piece of paper back please? --- Yes.

Just look at paragraph 44 of your memorandum. You see what you say there? You say that Bishop Tutu's view 30 was/...

was that a White man should not investigate a Black man? ---
Yes.

Now, I am going to put it to you that that is a complete distortion of your conversation, and Mr Roelofse, what I am going to suggest is that you were told by Bishop Tutu that your activities as an investigator were causing resentment amongst the staff, because they felt that you were casting suspicions on all of them? --- No.

And furthermore he said to you that this was a very sensitive matter, for one staff member to be investigat- 10
ing other members of the staff. Do you remember that? ---
He said that one member of the staff - he did not like investigating another member of the staff. That in fact was echoed by The Reverend Peter Storey in his memoranda, but he specifically added that he does not think it a good idea that a White man should investigate a Black man.

Just listen to me, and further what Bishop Tutu said to you, having said that this investigation of staff by a fellow staff member was a very sensitive issue, he asked you to bear in mind that it became particularly sensitive 20
when it looked as though a White member of staff was investigating the Black members of staff? --- He said he did not like a White member - a White man investigating a Black man.

No, what Bishop Tutu said is as I have put it, that this sensitive situation was exacerbated when it looked to the staff as though a White man had been sent to investigate the Black members? --- Mr Chairman, I do not look like a White man. I happen to be a White man, and Bishop Mokoena does not look like a Black staff member; he happens to be a Black staff member, and my very point that I 30

made to him was, why do you not get a green man to investigate him?

I suggest this paragraph 44 of yours is simply another attempt to discredit Bishop Tutu. I suppose you will deny that? --- There is no attempt in my memorandum or evidence to the best of my knowledge, any attempt to discredit Bishop Tutu, and therefore this cannot be another one.

Let us have a look at your paragraph 46. Could you turn to your paragraph 46? You say you were suspecting a cover-up, a cover-up of what? --- You are referring 10 to paragraph 36?

Paragraph 46? --- I was expecting a cover-up in the sense that the whole affair about the money and about the other things that had been happening, regarding SATCIC or Bishop Mokoena, would not see the light of day.

Mr Roelofse, that cannot be true, and I will show you why. The time you are referring to when you wrote to Dr Kistner is 30 April 1979? --- Yes.

We know from the letter of 25 April, do we not, that SATCIC had already been told about Mr Mokoena's conduct and 20 they had refused to dismiss him? Is that not so? -- Yes.

Yes. We also know that the matter had been in front of the praesidium? --- Yes.

Who were the members of the praesidium? --- They varied, but it was generally the General Secretary and the two Vice-Presidents, and I think the President himself.

And who were those gentlemen at the time? --- It was Bishop Tutu, Mrs Motlana, Reverend Peter Storey and I think Reverend Sam Buti was on it as well.

Who? --- I think The Reverend Sam Buti was still 30

on/...

on it at that time, as President. I am not sure of that.

And the Acting General Secretary, Dr Kistner, would have attended the praesidium meetings? --- That is correct.

And you suspected all these people of a cover-up? -- In the sense that the whole issue was not going to be dealt with, Mr Chairman, I could not understand otherwise than in terms of a cover-up, why I was told to discontinue my investigations.

Mr Roelofse, by this time Bishop Mokoena had been suspended? That is common cause, is it not? --- That is 10 so.

His organisation had been told about his forgery? --- Yes.

It had been discussed with the whole staff at the retreat? -- Yes.

Do you still talk of a cover-up? -- Yes. If one refers, Mr Chairman, to Annexure 33, which is relevant to paragraph 46 of my memorandum, this letter on 30 April speaks for itself; it was written 3 years ago, and I stand by what I wrote in that letter; it was my honest opinion. It 20 was hard for me to write this letter, but I wrote this letter to Dr Kistner, and it eventually served before the praesidium. Now, if that letter was wrong, if it was totally unrelated to the distress that I was feeling at the time, one would have thought that I would have been told so at the time, because this is the letter that I wrote on that particular day.

Mr Roelofse, you felt that if there was any investigation, it had to be by you. Why by you? Were you the Auditor-General of the SACC? --- No, unfortunately they did not 30 have/....

have one.

Are you the Auditor-General of South Africa? --- No.

Because as we see later, you are dissatisfied even when things are investigated by the auditors and by an independent auditor? --- Well, Mr Chairman, the fact of the matter is that I felt a serious responsibility, and I tried to do my job. I was placed in this practical position, Mr Chairman, that on the one hand I was making speeches right across the country, attacking the Government, the furniture trade, the second-hand car trade and everybody else, 10 on the question of irregularities, and now there were certain things happening right on my doorstep, what was my position going to be, and in fact that problem of mine is minuted in the - I think it was a praesidium meeting, where I said that I was put in an invidious position about this.

Well, what you have referred to, Annexure 33, look at page 2 of it, the third paragraph from the end, what you call dilemma number three:

"When these criminals actually lead the morning service, should I stay away or should I pretend 20 that the evidence I have is a figment of my imagination?"

Who were those criminals? --- They were people that I believed had been guilty of certain crimes; some of them had appeared in court and for various reasons, had been found not guilty.

By this time? --- Perhaps not at that time. I cannot say the date exactly there, but the fact - I am sorry?

This is 30 April 1979? --- Yes.

Who were the criminals you were referring to? --- I was - I do not know what my position is vis-à-vis...

Well, you can write it down if you like? -- Yes. 30

Well/...

Well, these are - you have given two names that have already been mentioned; Bishop Mokoena and Mr Mithia. Now, at that stage, Bishop Mokoena had already long been suspended on 30 April 1979. He was not leading any morning services, was he? --- Mr Chairman, he had been leading them, and at the very moment, on the very day that he was leading one of these prayers, prayer services, the morning assembly prayers, this was my dilemma, because he was sitting right next to Bishop Tutu, I was sitting on the opposite side of the hall, he was - gave us a song to sing about, Make our Heart as white as Snow, and I looked at Bishop Tutu in astonishment; he gave a sermon concerning the question of honesty, which made me look with further astonishment, and at that very moment the cheques that I had referred to, or sent under cover of my letters, were lying a few floors just exactly above the room in which we were. 10

Yes, and that was a time when Bishop Mokoena was denying his forgery and had not been found guilty by anyone? Is that not so? He had not yet confessed, and he had not yet been suspended? --- Mr Chairman, the time lag between his confession and the production of the evidence, was so that the evidence had been put there before, and I feel that it would have been more correct that in view of - firstly, that when these cheques came, it was immediately discussed with him, secondly, that I - if necessary could have been called in to provide the Bishop with additional information on this, and that at that stage it was not quite correct for him to be leading the morning services. I found it very difficult; I found that the type of sermon and the type of hymn was inappropriate, and for then the sort 20 30

of/....

of - there was normally a motion of thanks after a service like that, for him to be held to be a fine example of Christianity, when there were a lot of allegations against him already, and a certain degree of proof, was inappropriate at that particular point in time.

And you are suggesting he should have been forbidden to carry on a service because an allegation had been made against him which at that stage he had denied, and which had not yet been proved? That was your attitude, was it? --- My attitude, Mr Chairman, was that here were certain 10 allegations against him. You will recall that in my previous complaint these things had gone back from the - from 20 February, it had gone on and there were other repeated bits of information, these people sometimes used a roster for services, and - but many a time it was a question of invitation, and it would have been no problem to have just said, look, we have this bit of a problem at the moment, there we are. But the - can I just put this also into perspective, that the paragraph referred to here, on page 2 of Annexure 33, which was read out, it is in there, 20 and this was my dilemma, because I was now at a stage when I say, I suspect that there are further people. We already had an example of one of the people in this sort of a problem, leading a morning service, particularly with this type of content in it. I am suspecting more people; are they also going to trot out, because there is - I once saw a memorandum prepared by Dr Kistner, in which he had mentioned this problem, that morning services or religious devotions were used to sort of cover up what was going on, and that profuse thanks to the Lord that this problem and 30

that/....

that problem had been sorted out, at a time when it had not in fact been sorted out, was done deliberately.

Well, Mr Roelofse, was your attitude then that anyone who you suspected ought not to lead the services? --- No, Mr Chairman, that is not a correct inference.

That is what it seems to come to, Mr Roelofse. Mr Roelofse, in fact you were given every opportunity to investigate, were you not? --- After the Reverend Peter Storey sent his second letter to me.

Yes, and let us just get the date of that again. 10
That was about 17 May? --- Yes.

That was Annexure 39? --- Right.

Now, you have told us about your investigations, have you not? --- Yes.

And you went on investigating? --- Yes.

And you were still investigating right through 1979, were you not? --- Yes.

And on 11 January 1980 you wrote Annexure 58 to Bishop Tutu. Do you see that? --- Yes.

You start off in the second paragraph, you say 20
you are grateful that the issues raised in your memorandum of November were discussed in apparent detail by the finance committee, so your memorandum had certainly got to the finance committee? -- That is right.

And then you say:

"I also accept that the appointment of Mr Matt Stevenson is to ensure a stream-lined and efficient administration".

Right? -- That is correct.

And then you set out again what disturbs you: it 30
is/....

is the comment that the finance committee has taken note of the past, when in essence my memorandum had contained two questions about specific corrective action. What are the chances of debiting whoever did the administration and got substantial fees for the job, right? -- That is right.

And then there was in (b) a suggestion that the auditors should examine the books in relation to grants? --- That is right.

Now, look what you say on page 2. You say:

"What I am trying to convey is that for all I know, substantial sums of money might have been misappropriated and used for private enrichment",

and you say you feel it is imperative that this angle be investigated and clarified as a matter of the utmost urgency. It would surely be wrong to prosecute only Bishop Mokoena for his alleged crimes, when others might have been involved in acts of a similar or even more serious nature. Did you have any evidence that there were others who had been involved in acts of a similar nature? --- No, at - no.

You did not, but this was your attitude; you said there must be an investigation in case anyone had been stealing money? -- Mr Chairman, that is quite correct, but I ask that this letter be seen in the context of Annexure 56, which was my original complaint on financial irregularities, where I had said, if I may just make a few points on this, that I am trying to be alert in my job as an ombudsman; secondly there had been rumours that everything is not quite right with the finances of the SACC; thirdly, that the Government is starting to take an interest in the finances of the SACC and I make it plain that some of the members of the

Cabinet who have of course their own axes to grind, political axes. Now, I go along with that because of my anxiety that fingers are going to be pointed, this is what I have found. Now, it looked to me as if there was something funny. This question of no vouchers or authority mentioned on page 3, this lack of documentation of information about what had happened to the funds. Now, we were now in a situation where we had had an Information Scandal, now we were having what I thought could be a lack of information scandal, and I was trying to draw that to the attention. So it was not 10 as if it was out of the blue; I am saying here is a possibility of money, why do you not just think about it. It was not something ephemeral like this; it was, here was a memorandum coming from the auditors themselves, which I now thought that simply saying, we have taken note of the past, was an inadequate response.

Well, you know, if you look at Annexure 60, that you were invited on 11 March to provide documentation and other evidence to support the allegations you make in the last paragraph of that letter, that is to say your allegat- 20 ions about the possibility of theft on a large scale. Now, do you remember what your response was to that? --- Yes, it is Annexure ..

Well, before we come to your response, what you are saying here, what you are being told in this letter, Annexure 60, is that you keep making these suggestions, you keep talking about the possibility of extensive theft, and they are saying to you, please produce your evidence. What is the evidence? Now, Mr Roelofse, whatever may have happened in the past, whether you thought people were interested 30 enough/...

enough in what you told them, here you are being asked urgently to provide documentation and other evidence? --- Yes.

And then it is said, which evidence will be sent to the auditors. So they are going to follow you - they are going to put it before the auditors, and they say that on receipt of the auditors' report the finance committee would make the appropriate recommendation to the executive, that the most stringent action be taken against anyone who may be proved guilty of malpractice. So whatever happened in the past, here in March 1980 you were given the green 10 light; they said, give us whatever you can, we will put it before the auditors, the auditors' report will go to the finance committee, it will then go to the executive. No cover-up, Mr Roelofse; you are invited to do what you wanted to do all the time. Is that not correct? --- Yes.

Then let us look at your reply, and I am going to suggest that your reply - in your reply you beat a lame retreat; you say that you have made no allegations. Let us have a look at it. It is Annexure 64, is it not? 17 April 1980? --- That is right. 20

Now, look what you say about it, having quoted the previous correspondence, you say, of your own letter:

"You will note that the paragraph referred to does not contain a single allegation".

You say there is no allegation? --- No allegation against any specific person.

And you say in this letter that - you say in this letter, on page 2 in the third paragraph:

"The auditors have already uncovered a serious situation and the question is whether it arose from 30

administrative/...

administrative ineptitude or dishonesty",
and your intuition tells you that it is dishonesty, that
that option should be thoroughly explored, and you say what
you think the auditors should do. Right? --- That is correct.

So here you have this invitation; you have been inves-
tigating without any obstruction, from May 1979, here you
are in March 1980, you were told, give us the evidence, and
you come forward with nothing that you have not put forward
before. Correct? -- Yes.

Now, you know, Mr Roelofse, that the auditors did 10
make certain investigations. Did they not? --- They did.

And you know that Mr Potter made two separate inves-
tigations, did he not? -- That is correct.

And none of that satisfied you? --- That is correct.

You know that Bishop Mokoena's case went to the police?
--- Yes.

You know that Mr Mbatha's case went to the police? ---
That is right.

None of this satisfied you? --- That is right.

I just want to - sorry? --- Mr Chairman, when one 20
looks at for instance this step here, I do say in this an-
nexure 64, that this is what I suggest that the auditors
do, and in fact there was an instruction from the finance
committee for the auditors to do exactly that, but when one
looks at Annexure - may I just please refer to Annexure 62,
page 4, at the bottom of the page:

"The auditors have been requested to prepare an in-
depth report on the Council's own records and controls
for the 1978 financial year"

and so forth. In other words, there is now a report 30
that/....

that they are requiring on the Council's own records and controls; no SATCIC money, no nothing else, but the SACC money. This should be coming forth by the end of August. In fact it did come forth by the end of August, and that is appended as Annexure 50, if I am correct; the dates - 1979, and the auditors say that:

"Having completed our limited review, it is our opinion that a full investigation into all controls and procedures would be of no further benefit".

Now, I understood that to mean that it comes up to a certain point of investigation; it does not go further. The fact that I was dissatisfied with what the auditors did, that is a fact, it is true what counsel put to me, I was dissatisfied with them and I took what I considered to be appropriate steps, that I was dissatisfied with Mr Potter's reports, is equally true, and to the best of my ability I took what I thought to be appropriate steps in that regard.

Yes, by reporting that to the Public Accountants and Auditors Board? --- That is correct.

We have been through that; you reported Pim Whiteley, Mr Tim Potter, Mr Wentzel and Mr Aitken? --- Yes.

Mr Roelofse, in fact what that letter to you amounted to, was put up or shut up, and in fact you could put nothing further before the Board notwithstanding - before the Council notwithstanding your eight months' investigation? --- Mr Chairman, that is true, because if one looks at page 2 at the top of the page, of Annexure 64, I say very explicitly:

"It would indeed have been premature and foolish for me to make accusations, allegations against any person in the absence of solid evidence. My letter of

(so/...

(so and so) categorically states the raw material from which I compiled my memorandum was therefore clearly inadequate and sketchy. It would however be emphasised that every single figure I mentioned came straight out of the auditors' reports".

And the type of thing that I mentioned, just to briefly close off, was expenditure without vouchers, these projects all over the place that were not accounting, the Asengeni Fund where there was a dearth of records, several other things.

Mr Roelofse, do you remember when I opened my cross-examination, I put certain things to you in general. As you have said now, all these letters of yours do not contain a single allegation. What they include is a mass of insinuations? --- No. I could not agree with that statement. I once again point out that my memoranda included figures taken straight from the auditors' reports, and that my subsequent memoranda I again emphasised that all my figures came straight from the auditors' reports. It could be that my adding and subtracting was wrong or something like that, but the figures came out.

What has that got to do with criminal conduct? --- Because I suspected at the time that there might well have been criminal conduct in connection with why some of these vouchers could not be produced.

Well, Mr Roelofse, let me just take you through what you have said about the auditors, people of that sort. Just have a look first at page 16 of your memorandum. This is about the special investigation which the auditors made in 1979? -- Yes.

You mention that the auditors have spoken about their/...

their fees; that is in the last paragraph on page 16 at the foot of paragraph 58? --- That is correct.

And then on the next page, in paragraph 59 you say your surprise grew to astonishment, and you thought it unfair for the auditors to charge for the re-audit of the same books? Do you see that? --- Yes.

Do you see that? --- Yes, I see that.

So that is your first criticism of the auditors. Now let us have a look at page 24. --- Mr Chairman, I would ask to agree on a certain point made by counsel. If I may just respond, in connection with this paragraph 59, it was not a question of just saying, they have done an audit, they have got to do a re-audit and they have got to be paid again. This must be seen in relation to my belief that the irregularities, that they uncovered on the second audit, was of such vast dimensions, you will recall, I mentioned like 80% in a certain vote of payee could not be identified et-cetera; in my belief I thought that they should have uncovered irregularities at the first audit, and if the first audit said everything was OK and the second one said, it is almost OK, that would have been right, but because of the nature and the extent of the irregularities, I believed that it was unfair that they should charge or be paid for both audits. Please, if I can just put that into perspective.

Look at page 24, paragraph 74(d); this is about your memorandum. Do you see it? -- Yes.

You say, your memorandum had openly questioned the accuracy of the auditors' work; the auditors had to the best of my knowledge not noticed the unpaid rent at SATCIC and yet the self-same people were to determine the validity/... 30

validity of what I had written. Did you think them incapable of determining the validity of what you had written? --- Well, Mr Chairman, the practical aspect of this situation was that the auditors had in the first case been doing our audit regularly, or the audit of the SACC, for many years; they were requested to do a re-audit of a certain section there; they had not noticed very, very serious discrepancies; they had not noticed that the rent was unpaid at SATCIC, in other words, this was a loss to the SACC or could have been a loss to the SACC; they had not been direct 10 and clear on some of the other things that were reported on in their reports, and I now found for these people to go and determine the validity of what I had written, where I had in fact quoted the auditors' own figures, I felt that was ..

You thought it was the auditors' job to ascertain that the rent had not been paid? --- Well, Mr Chairman, it was my view that a heavy rental owing to a certain organisation in terms of a contract, represented an asset and that an auditor could hardly say he had checked through and 20 the assets and so on are correct, when in fact there was a very substantial sum that was outstanding. I felt that that would fall, in my view, within the confines of the responsibility of an auditor.

Well, turn on to page 43, paragraph 119 please? This is where you submit your complaint to the Public Accountants and Auditors Board, on 23 October 1981, long after you had left the Council of Churches incidentally? -- Yes.

Right, and here as you say at the top of the next page, you questioned the professional standard of the work 30

carried/...

carried out by the SACC auditors? --- That is correct.

And by Mr Potter? -- That is correct.

And in paragraph 120 you question the reply of the Public Accountants and Auditors Board to you, you found it confusing and distressing? -- That is correct.

And on page 45, at the end of that paragraph, you are dismayed about the attitude of the Board's lawyer? --- Well, he was writing on behalf of the Board.

But now, it goes further; you also made a complaint about Mr Wentzel. Is that also on the grounds that he, 10 as you put it, that his professional standards of work were not adequate? --- I feel that in view of certain matters which are still outstanding, unless the Chairman wants me to be questioned on the matter of Mr Wentzel, which I did not bring up in my evidence, I would prefer not to go into that complaint, and there is a subsequent complaint against Mr Potter, and also a complaint against another gentleman. I must ask for a ruling of the Commission, whether they wish me to deal with it. I am prepared to do so, but I think this is for a ruling from the Chairman, please. 20

Well, Mr Roelofse, let us take it then that you made a complaint against Mr Wentzel? --- I did.

Right, you also made a complaint against Mr Christopher Aitken? --- Yes.

Who is the General Secretary of the Presbyterian Church of South Africa? -- Yes, excepting that I must explain that I have no complaint against anybody being a General Secretary of the Presbyterian Church. My complaint concerns the fact that Mr Aitken - it concerns his relationship as an accountant, and not his relationship to any church. 30

Let/...

Let us get it clear. You know that Mr Aitken happens to be a chartered accountant? --- Yes.

But for the last 12 years he has been General Secretary of the Presbyterian Church? -- I do not know how long. I was only dealing with a man of a professional standing.

Yes, and you happen to know that he was a qualified chartered accountant? -- Yes.

And on the South African Council of Churches he was a member of the finance committee? --- That is correct.

Why did you take it upon yourself to make a complaint about Mr Aitken? --- That would disclose the nature of my complaint, Mr Chairman, and I must ask you for a ruling on that. 10

Well, Mr Aitken has no objection to my asking you this question. --- The matter is before a judicial tribunal at the moment, or statutory tribunal.

Was it something to do with his position on the finance committee? --- Yes, it was related to that as well as certain other matters.

Did it concern work he had done as an accountant? 20
--- Work that I do not believe he would have done if he had not been an accountant.

So this is still pending? -- Yes.

Have you got a copy of your complaint against Mr Aitken?
--- I have.

Have you got it here? --- Yes.

Will you show it to me? --- I ask for a ruling ..

CHAIRMAN: Is this going to be relevant?

MR KENTRIDGE: Well, I do not know. Apparently this witness thinks - he complains about the attitude of every professional/... 30

professional man.

Mr Roelofse, although then - can we perhaps clear it up this way: you have put into your documents, your complaints against Mr Potter and against Pim Whiteley, but not your complaints against Mr Wentzel and Mr Aitken? --- That is right. The reason is that the complaints that I have put in subsequently, or shall I say, against the parties concerned, were complaints subsequent to the preparation of my documents here. Now, I do know that I also added other supplementary documents as I went along there, but - and if the Board rules that I should deal with those complaints, I will, but ..

CHAIRMAN: No, I do not think that this arises.

MR KENTRIDGE: Very well, Mr Roelofse. Mr Roelofse, I want to come to something which you mentioned yesterday when you were being questioned by Mr Von Lieres. You said yesterday that the former General Secretary, that is Mr Rees, walked around with a briefcase full of cash notes. Did you see that yourself? --- Yes.

Did you see the briefcase opened? --- Yes. 20

In your presence? --- Yes.

In your office? -- No.

Did you ever get any payment out of that cash? -- No.

What happened is the only payment I ever got out of the SACC was my salary, I explained to the Board that there was a reduction of my salary and that was scaled over, I cannot remember exactly what term I used; what happened there was that Mr Rees came to me and said that he had budgeting problems, that the votes from which I had to be paid were not financed to the same extent, and there would be - whatever you/...

you call it, a transfer of money. So what happened was that my salary was cut by R250,00 per month; I had been earning R950,00, it was cut by R250,00, and Mr Rees said to me, look, we are having these budgeting problems, we have got to transfer money from various sources. I was paid by cheque from time to time, and sometimes I was paid in cash. What happened was that I gave a receipt to Mr Rees, and that this situation endured for four, maybe five months; I cannot remember exactly. Now, when Mr Rees left, the arrangement collapsed at the same time, and I spoke to Bishop 10 Tutu about this. I said to him that I had been reduced, and I also mentioned this to Mrs Motlana that was on my Board, but there was no further arrangement, when Mr Rees left, that left as well.

In other words, you got payment in part by cheque and in part by cash? -- Yes.

Out of that briefcase? --- He had money on him always. There was on one occasion, that is when I saw the suitcase full of cash there, he produced some of that money out; I did not know whether it was on the way to the bank or 20 just coming from the bank, because the SACC as I explained yesterday, always had ready cash available; he paid me the R250,00 and I gave him a receipt for whatever he paid me, for it, and that went to make up my salary. After that my salary dropped by R250,00, and in fact it stayed at that position for my entire service with the SACC, that it was less than the amount that I was originally appointed at, and it was only in the last month, perhaps three months, that my salary has now come over that barrier again.

Mr Roelofse, did you not find it odd that over 30

a period of months a substantial part of your salary was paid in cash? --- Mr Chairman, it was not a substantial part. There were cheques and there was cash. That is so, but what was happening was now that there was confusion in the book-keeping system; he was saying that the donors had not funded the ombudsman account sufficiently, he had to draw money paid in somewhere else, and for anybody to understand how the accounting system of the SACC was working, was quite a tall order. We must bear in mind, Mr Chairman, that at that particular stage there were no suspicions attached 10 to anybody. It was a small, relatively - very close community, and that it was accepted at face value.

You see, you mentioned this in your evidence yesterday as something that was rather odd, that money should be carried about in a briefcase? -- Yes.

But when you were so to speak the beneficiary of the briefcase, you did not regard it as odd? --- No, I think that is a very unfair conclusion to reach. I said that - if you will recall in my evidence, that it was necessary because the SACC was the type of organisation it was, that 20 cash should be available for payments where people were paid in cash instead of cheques, whatever the case may be, but the thing that I found strange was, the enormous amount, and as it happened repeatedly. In other words, it because a sort of a rather usual thing.

Mr Roelofse, did the ombudsman's office, while you were in the SACC, did the ombudsman's office ever receive any donation from Mr Rees? -- No, not the ombudsman's office, from Mr Rees to the best of my knowledge. The donations that - are we talking now about the ombudsman's office 30

when/....

when it was still under the auspices of the SACC?

Yes? --- The ombudsman office, to the best of my knowledge, never received donations. In fact we did not even know who was donating always and who not. We did from time to time get a letter from Mr John Rees and from Bishop Tutu saying that certain donations had come in, we must write a letter of thanks to somebody overseas or whatever the case may be, but I cannot recall any donation from Mr Rees himself. I am not saying that was impossible, because they kept the books. 10

Did you not see the annual accounts? --- The annual accounts did not necessarily specify exactly where every donation was coming from.

You see, you said in connection with Bishop Tutu, you were speaking of a private fund, not the SACC fund, which Mr Rees controlled from which he apparently could make donations? -- Yes. I was talking about the Asengeni Fund.

You were talking about the donation to Bishop Tutu for his house? --- I said that I had read in the paper that a donor had sent money through Mr John Rees to Bishop Tutu. I did not imply that Mr Rees had a private fund at all. It could as far as I knew have been a cheque that somebody sent to Bishop - sorry, to the address of Mr Rees to hold until Bishop Tutu came along. The whole question about the R14 000,00 grant, Mr Chairman, is one that came out after the evidence of Mr Mills, and it was only at that stage that I certainly knew about it. 20

Would you have a look at your Annexure 96?--- Yes.

This is your complaint to the Public Accountants and Auditors Board, which you also now put before this 30

Commission? --- Yes.

Would you look at Schedule 3 on page 14, the Schedule of grants received? Have you got it? --- I am so sorry, I have got Annexure 96.

Yes, it is Annexure "L", that is part of the - that is the Pim Whiteley & Close auditors' report? --- Yes, page?

Do you see on page 14 you have the schedule of grants received for the year ended 31 December 1977? --- Yes.

And have you got page 15? --- Yes, that is correct.

And what is the next page?-- I have not got - 17, 10
I make it.

17? -- Yes.

What has happened to page 16? --- I do not know. There seems to be an error here. Can somebody help me with the - you see - can I just explain? I think I said in this particular annexure, in the covering letter, that I include extract from report, extract, extract.

Right, and you include of these grants received, pages 14 and 15 and 17, but not on page 16? You do not have page 16? --- No. 20

Why did you leave out page 16? --- I did not do the actual photocopying, Mr Chairman, and I certainly did not check that this was done, and it can be that for some reason the ..

You have got your own copy in front of you. Do not worry about what we have got. In your own original there is no page 16? --- That is right.

I am asking you why you left it out? -- I do not know.

You see, I have got the original page 16. --- I would be pleased to have a copy, Mr Chairman. 30

And/....

And that shows among other things a payment of R1 000,00 by J C Rees to the ombudsman office. Do you want to have a look at it? -- I would love to. I do not dispute that this is accurate.

Yes, I am sure it is accurate. You see, there are so many odd things which you have chosen not to place before the Board. --- Mr Chairman, may I just comment on that? I do not think that is a fair thing to say, the question of choosing not to put it before the Board, is suggesting that I have deliberately refrained from giving this information to the Board, and I do not think that is correct. 10

Well, I invited you to give an explanation of why that particular page was omitted? --- Mr Chairman, as far as I could now say before the Commission, it could be possible that a lot of things are not - I have noticed here that the one page of Bishop Tutu's report, that we have only got up to four pages, and I think it runs to five. This sort of thing happens.

Mr Roelofse, you have had in front of you a file of what I think you called supplementary documents? --- 20
Yes.

Some of which have now been extracted and put before the Commission? --- Yes.

What does that file basically contain? -- It contains information that came to my knowledge or I got hold of while worked out after the submission of my report in January to the Commission.

Mr Roelofse, are you prepared to allow us to look at the documents in your supplementary file? --- I will not allow that. I will only allow documents that I submit to 30

this/....

this Commission, to be the subject - or to be shared. I have a few that I do intend still to submit. I was hoping that I would get an opportunity for that, and there are certain documents that are available.

And would you tell the members of the Commission why you will not allow us to look at your documents? --- Mr Chairman, I think that we should see this in perspective. I submitted what I considered to be a confidential document to this Commission, in January. It then appeared that I was going to be questioned on certain documents, at 10
least on the document that I submitted. I believed it was a courtesy of the Commission, completely within its ruling, to give a copy of the whole volume of my documentation to the defence team. They have ..

Defence of what, Mr Roelofse? What are we defending? --- Or counsel for the South African Council of Churches, if that is more correct. They have all these documents, and my evidence before I even submitted it to the - before I even gave my evidence, Mr Chairman. That is a ruling from the Chair. I have subsequently, wherever I could, have 20
given not only one copy of additional documentation to this Commission, but have at our own expense even prepared other documentation, so that copies could be given to counsel as well. I think there is a limit to what can be expected from myself.

Do the documents you have in the supplementary file relate to the South African Council of Churches? --- It relates to this inquiry, Mr Chairman.

Well, you say you do not want to show it. Let us get the nature of the documents. Does it include 30

documents/...

documents taken from the files of the South African Council of Churches? --- Mr Chairman, I must object to the imputation that documents were taken from the files of the South African Council of Churches.

Does it include documents emanating from the files of the South African Council of Churches? --- Yes, it includes it.

Documents which you have not yet handed in? --- That is right.

Notwithstanding your subpoena? --- That is right. 10

Do you have any objection to our seeing what documents you have, which emanated from the Council's files? --- Mr Chairman, once again I must point out that the documents that I have in my possession, will be submitted to this Commission when they become relevant in the opinion of me as a witness to submit them.

I see. Mr Roelofse, apart from such documents which emanate from the files of the South African Council of Churches, you have other documents? -- Yes.

Does that include correspondence? Between you 20 and other people? --- Yes.

Relating to this Commission? --- It could relate to the Commission as we move along in the evidence.

Does it relate to the preparation of your memorandum? --- Yes, Mr Chairman. It - can I phrase it this way? It relates to the preparation of evidence. It relates to the preparation of evidence, but forgive me if I must point out, this is a rather extraordinary line ..

CHAIRMAN: If it becomes necessary, I shall ask you to let me have sight of it, and if I think it is important 30

to/...

to disclose, I will direct it, but I think that is as far as we will take it, but you will, if I require you to let me have sight of it, you will no doubt - but if you wish, if you decide not to make it available to the counsel for the South African Council of Churches, you are not bound to do so, but I want to remind you that I am entitled to have sight of it. --- I accept that ruling.

MR KENTRIDGE: Well, of course, with respect, M'Lord, that must be so; I have got no right to demand to see them. This is not a discovery. 10

CHAIRMAN: No, but if the witness has got personal reasons for not wishing to disclose documentation, then I think that could be respected. If in the interests of justice, if I have a look at it and I see there is something which should be made available, then I shall direct that.

MR KENTRIDGE: Well, M'Lord, what I would ask Your Lordship to do at this stage is to direct that the witness identify documents emanating from the files of the South African Council of Churches.

CHAIRMAN: Well, that is a duty which he owes to me, 20 because I am doing this investigation, and if for that reason I direct him to let me have a look at it, then no doubt I shall bear that in mind.

MR KENTRIDGE: And M'Lord, if I may make the submission, I would respectfully submit that it would be advisable for - unless the Commission thinks this witness' evidence is really of no particular importance, I would respectfully submit that it is advisable that the members of the Commission should look at those other documents in order to consider whether they are of importance, and whether we ought to see 30

them/....

them. It is rather odd that the witness is reticent about these documents, and M'Lord, all I would ask is that the Commission does look at those documents and then decide whether we ought to have a chance of dealing with any of them, and of course, we naturally simply will accept the Commission's decision on that. So in that case, M'Lord, I will not ask any further questions about the supplementary documents.

Now, Mr Roelofse, you have said in your evidence a good deal or a certain amount about the Asengeni Fund? ---
Yes, Mr Chairman. 10

Which as you said was a discretionary fund? --- That is ..

Do you understand what is meant by a discretionary fund in this context? --- I understand the normal usage of the word 'discretionary'.

It means that it is in the discretion of the person in charge of the fund to utilise it as he thinks fit within of course the objects of the fund? --- Yes.

And you have had a good deal to say about the question of whether such a fund is or should be audited? Do 20
you know whether a discretionary fund - do you know whose decision it was not to audit the discretionary fund? ---
Mr Chairman, in my submission to the Commission I asked specifically that whoever decided that it should not be audited, that that problem should be explored, find out who it was.

Do you think a discretionary fund can be audited? ---
I think so.

Do you think it can be audited if the recipients for example do not want their names or needs disclosed? --- Mr
Chairman, it is the problem of keeping documentation 30

for/....

for any fund, I would suggest, is the responsibility of whoever administers the fund, and particularly in the light of that resolution by the executive of the SACC, that the whole committee should be administering this fund, you will recall, this was evidence I have already given, I did not think that the question of the anonymity of the recipient of money would ever crop up.

Mr Roelofse, supposing the gentleman in charge of the discretionary fund in a certain situation decides to make cash payments to a number of needy widows and children, 10 how is that to be audited? --- Mr Chairman, if the - let me put it this way, there are many charitable organisations throughout the country that make payments to needy widows. In fact the Department of Pensions probably does millions of such payments, and they do not seem to have any difficulty in getting some form of piece of paper.

Have you heard of the innumerable widows in this country who cannot get their pensions because they do not have - they cannot produce the necessary identity forms and matters of that sort? You must know about that? --- There 20 are people who cannot produce forms, but producing a receipt and producing identity documents, I would feel to fall into rather different categories.

And if someone signs a document and says, I, so and so, have received this money from, let us say the General Secretary, from the Asengeni Fund, do you think that satisfied an auditor? Do you think that can be audited? --- Mr Chairman, what the nature or the qualities or the description of a document is that satisfies an auditor, I am not in a position to give an opinion on. My recollection 30

is/...

is that the complaint of the auditors was basically that there was no documentation, no documentation was available.

Did the auditors make what you would call a complaint about the Asengeni Fund? Or did they not? --- They pointed out that this fund was in the discretion, the total discretion of the General Secretary, and therefore they did not call for - in certain cases they put it that way.

Esactly; it is not that they said that they called for vouchers or documents which were missing; they said it was a discretionary fund and they did not call for 10 documentation? --- Mr Chairman, they also said, on the one report which I remember rather well, where they said that vouchers for the majority of the disbursements were not available.

Disbursements of what? Asengeni Fund? -- Yes.

Which one is that? Which document is that? --- It is a quote which I actually use in this original report, or complaint of mine.

Well, let us find it. --- I will find it.

CHAIRMAN: I think the witness can try and find it 20 in the lunch interval. We will take the adjournment now.

THE COMMISSION IS ADJOURNED

16 THE COMMISSION IS RESUMED AT 14h00 ON 7 SEPTEMBER 1982

EUGENE LESLEY ROELOFSE, still under oath:

MR KENTRIDGE: M'Lord, before resuming my cross-examination, I regret that I must draw Your Lordship's attention to a report in a newspaper called The Citizen this morning. It has a headling "Witness blames Tutu for Finance Chaos", and it reports Mr Roelofse's evidence, and it says:

"Mr Roelofse has painted a picture of chaos in the running of the financial affairs of the SACC, and said that some of the blame could be laid at the 10 door of the General Secretary of the Council, Bishop Desmond Tutu".

Then the following sentence is in quote:

"He walked around with a briefcase running over with money; while filling it with one hand, he made payments with the other without keeping records of many transactions".

Now, M'Lord, as we all know, it was made abundantly clear by Mr Roelofse that this evidence of his about a gentleman walking around with a briefcase running over with 20 money, was made in connection with Mr Rees and not with Mr Tutu at all, that no one in this Commission listening could have had the slightest doubt about it, and I respectfully submit that this is a disgraceful report, and I would respectfully ask Your Lordship to request the newspaper to correct it.

CHAIRMAN: It accords with my recollection, that this allegation of the briefcase laden with money, was made in relation not to Bishop Tutu, and the newspaper will - it is my wish that the newspaper will correct that 30

impression/...

impression as soon as possible, and give the correcting report the same prominence as the report to which reference has been made.

MR KENTRIDGE: I am indebted to Your Lordship.

Mr Roelofse, I think we were talking for a moment about Asengeni, were we not? -- Yes.

And you were going to point out in some way or other that the auditors have said something about Asengeni that you wanted to point out? -- Yes, the reference is Annexure 62 page 2, at the top of page 2, Division and other Funds: 10

"We have not been able to examine adequate supporting documentation for the majority of disbursements made by the Asengeni Relief Fund, as these disbursements are at the discretion of the General Secretary".

Now, Mr Chairman, what is being said here, is, we have not been able to examine adequate supporting documentation.

It does not - it is not clear from this particular sentence as to whether they mean they have not been able to examine adequate documentation, in other words, numerically, 20 or whether the supportive role of these documents was inadequate. But it does say, for the majority of disbursements, and then they explain why, they say, as these disbursements are at the discretion of the General Secretary. In other words, the fact that it was in the discretion of the Secretary, as I read it, created a situation where they could not examine it, and that is how I understood it. It could be that there is a different interpretation on it.

Well, if there was any doubt about it, it was certainly cleared up in the later financial statements, where 30

it/...

it was said quite clearly, since the majority of disbursements are in the absolute discretion of the General Secretary, we have not called for any record or documentation relating to such disbursements. That was said in the 1979 and 1980 accounts, not so? ---Mr Chairman, that is correct, but I would suggest that their different manner of expressing themselves, refers to those particular documents and that their different manner of expressing themselves did not necessarily change the meaning of the wording they used, relative to the account that we have just referred to. 10

You see, what all this leads up to is the statement in your memorandum, at page 50, in which you suggest that nearly R6 million of SACC expenditure, from 1977 to 1980, was what you call 'unaudited expenditure'. --- Yes.

Have you got that in front of you? --- That is right.

What do you mean by saying it is unaudited expenditure? --- Well, what I mean is expenditure that has been okayed by the auditors.

That is rather a different thing, is it not? --- 20 Well, Mr Chairman, my understanding of auditing is that when you have something audited, the end-up is, if you have got all the documentation that is available, they now audit a thing and give you a little letter saying everything is all right, that if they cannot do that, then my understanding of it is that they have not been able to carry out the audit completely, particularly if they are saying that there was not documentation for these transactions.

Let us have a look. We will have a look at it. You see, when you say this was not audited, and this was 30

unaudited/...

unaudited expenditure, you now tell us all you mean is that the auditors could not vouch for it; they could not verify it. Is that what you mean? -- There was some of this that could not be verified, and there was some of it where there was no record of it at all, according to them, because they were saying for example, that certain branches of one of the funds did not keep proper books and there was no point in even trying to put the books together.

You see, you are mixing up a number of things here, Mr Roelofse, and I do not know why you are doing it, 10
or whether - what the reason is. There were funds like Asengeni which were unaudited; the auditors said, this was a discretionary fund, we did not even call for documents. Is that not so? -- Yes, but they also said ...

Just a moment, that is one thing. The second - I will let you answer if you want to add anything. The second type of thing is where the auditors did audit; they examined the payments, they examined the books and vouchers, and they said that there were missing vouchers and documents or receipts, so that they could not verify the sums 20
in question? -- That is correct.

Those are two different things, are they not? -- Yes.

Yes. Did you want to add something to that? -- Mr Chairman, the auditors did various things, and they have said what counsel has quoted them saying, but I must, with respect, again repeat that they have also said that we have not been able to examine adequate supporting documentation. Now, I agree that there is perhaps a difference of interpretation of exactly what that phrase means, but it could be made - or it could be read to me that they wanted to 30
and/...

and could not, because it was in the discretion, in other words, it could be taken, I think, fairly to mean that they went to Joe Smit or whoever was in charge of this particular fund at the time, and said, listen, we would like to audit this, and the person in charge says, this fund is in my discretion; I am not going to show you, I am not going to make available. It could be read to me like that as well.

Mr Roelofse, I think you are well aware that the vast majority of the Asengeni disbursements were made to 10 attorneys? --- There have been claims to that effect.

Yes, varying from year to year, an average of 60% to 80%? -- Yes, I would agree that that is probably the case.

Do you know that attorneys' books are audited? --- I know that they are audited.

Do you know that they have to keep accounts, trust moneys? -- Yes, and Mr Chairman, arising from that, you will recall that in my reply to the memorandum of Mr Alan Wentzel, I particularly spoke or mentioned this question 20 of coffins and urgent assistance, and I mentioned legal work, and said that people have got to keep books and if there was any loss of vouchers or anything like that, efforts could have been made to obtain copies.

Well, I want to tell you that the attorneys' books, Bowens' books with regard to the Asengeni receipts were audited and specifically checked, by their auditors? --- I would accept that.

Let us reduce this to some rationality. Please start with your page 50, where your figures are R5 915 777,00 30 unaudited/...

unaudited expenditure? --- Yes.

Could we go backwards and start at 1980. Do you have the 1980 accounts? You have it somewhere. Can you give us the reference? --- 103.

Thank you. Now, you see your figure of unaudited expenditure for 1980, as you give is, is R883 000,00? --- That is right.

And it is very clear, is it not, how it is made up? First of all, if we have a look at the figures for Asengeni, that is page 10, do you see page 10, under the heading "Receipts and Payments"? -- Yes.

Justice and Society? --- Yes.

You here have a separate column for Asengeni Fund Legal Assistance, and that is audited, is it not? -- That is correct.

And then there is the Asengeni Fund Discretionary, which was not audited for the reason stated by the auditors; that is R131 617,00. Now, do you know where the balance of R751 000,00 comes from? --- Mr Chairman, I ..

Well, I will help you. If you look at page - 20 at paragraph 2 of page 1 of the auditors' report, it says - "The financial statements incorporate trust and other funds as set out in Schedule 1".

Now, do you see Schedule 1? -- Yes.

Schedule 1 is - do you have it? -- Yes.

What page is Schedule 1? --- 13.

Thank you. These are the schedules of trust and other funds. Do you see it? -- Yes, that is correct.

If you can just go down the list; there are all sorts of things, like Soweto Teachers' Trust Fund; on the 30

next page there is the Pretoria Council of Churches, the Zululand Council of Churches, and what happens here with these funds is that the South African Council of Churches makes a payment to those particular bodies. Right? --- Yes.

And the auditors can do no more than check that those payments were made to those bodies; it cannot check what those bodies did with the money. Correct? --- I do not know what the procedure is there.

Well, have a look then back to the auditors' report, paragraph 2: the financial statements incorporate 10 trust and other funds as set out in Schedule 1; our audit responsibilities to not extend to these funds, which comprise funds deposited with the Council or given for definite purposes, and consequently we express no opinion on such funds, and there you will see, at the bottom of page 14, the amount of R751 993,00, and that makes up your R883 000,00, does it not? -- Right.

Yes, and this you regard as unaudited expenditure? This is part of your unaudited expenditure? -- Yes.

But are the auditors not right in saying that 20 their audit responsibilities do not extend to all those separate funds, which are the beneficiaries of the SACC? --- Mr Chairman, my reading of this situation is that the auditors were saying, their audit responsibilities did not extend to these funds. I have no objection to accepting that the audit responsibilities of Pim Whiteley & Close do not extend to these funds. This could be the manner in which they had been instructed; look, you audit these funds, you have no responsibilities for those funds, but there is no indication here that the expenditure from those funds, 30

because/...

because they are talking about trust and other funds, were in fact audited.

No, they were not by these - by Pim Whiteley, but let us have a look at that page 13. Do you see what those various things are? -- I do.

Any number of funds, some big, some small, scholarship funds, resettlement trust funds, teachers' trust funds, Wilge_spruit trust funds, a water scheme, Transkei help education, Transkei Council of Churches, marriage guidance, Council trust fund, Pretoria Council of Churches, 10 children's day-care centre. Now, as the auditors say, these are funds deposited with the Council or given for definite purposes, and if the Council, having been given funds which are being ear-marked for say Ecombi Help, and they give that money to Ecombi Help, why do you say that the South African Council of Churches has made unaudited expenditure, putting it together with say the unaudited part of Asengeni? --- Well ..

Are you not adding up peas and beans? -- I do not think so at all. If we can take an example here, on that 20 very same page, the eighth item, is boat people. Now, the position with the Fund for boat people was that the SACC set up this fund, collected money from the staff, as well - we had to forego certain meals and so on and we contributed the money into the kitty, it was a collection amongst the staff and other people contributed as well, because we were told that the boat people - in Vietnam I think it was - were in dire straits; they were hungry, therefore we had to share in their hunger in order to really make a contribution. This money was collected in 1979; in 1979 - well, on 30

1 January there was a balance of R2 000,00, there were further receipts of money, and during the whole of 1980 only R73,90 was paid over to the people whose hunger must have been more than a year old then.

That is part of the R751 000,00? --- Yes, because ..

And - just a moment, R73,90 was paid to the boat people? -- Yes.

That is what you say is part of the unaudited amount?

--- Yes.

Now, what do you suggest that the auditors 10
should have done about that R73,90 that was actually paid to the boat people? --- Well, when the auditors look at an account, Mr Chairman, quite obviously they do not only look at the expenditure; they look at the position regarding such a fund and what its purpose is, I would presume, and I would have thought that looking at the boat people fund, they would have said to the SACC, look, you have come in with a balance of R2 000,00; you have got another R2 000,00 in, you have got R4 000,00 in the kitty, you have only spent R73,90, which spread amongst the boat people is not 20
very much; what are you doing with this money?

Do you regard that as part of the auditors' job? --- Well, I thought that if this is in fact a trust account, that any auditor that looks at an account, looks at the purpose of the account, who the signatories are, etcetera, and that the whole thing would sort of come under scrutiny. This was my idea, although obviously only the expenditure was included in this schedule that I have put in item 50.

Mr Roelofse, just let us - it is a good example; the R73,90 to the boat people, what the auditors are 30

saying/...

saying, Mr Roelofse, is that all they can vouch for is that R73,90 was sent to the boat people fund, but whether the boat people fund actually used it properly or spent it on drink, they cannot say? I just fail to see why you include this in - with the Asengeni unaudited discretionary fund to make up your R880 000,00? --- Mr Chairman ..

Let me ask you another question about this very thing: this balance of R4 103,73, there is no problem about that, as you say? That is still in the coffers of the SACC? That is not lost, is it? -- No. 10

The auditors do not say whether it is there or not? --- This is the point, because they say they have not examined this account.

Well, I do not think that is what they say at all. --- Can we refer to their specific comments?

Surely the funds have got a balance at the end of the day? -- But the auditors are not commenting one way or the other. If I understand comment 2 of page 1, and please correct me if I am wrong, but my understanding of it is that these are funds you people have got; that is to say 20 the A fund, the B fund, the C fund, not funds in the centre of the amounts. We have not even looked at it. We do not know whether there is R73,90 that has been spent, or whether in fact - the auditors are not saying, they are not committing themselves, as I read it, whether there has been a payment of R73,90 with a balance of R4 100,00, or whether there has been an expenditure of R4 103,00 with a balance of R73,90. They are absolutely neutral towards both these schedules.

Well, I think the auditors will deal with that. 30

I am dealing with your statement that that R73,90 is part of unaudited expenditure, and I am saying that your criticism and your placing it in the same category as the Asengeni Fund is ridiculous. Incidentally, Mr Roelofse, do you know the R4 103,00 for the boat people is still there? --- No. Is it still there?

Yes, because exchange control permission for its transfer has so far been refused. --- Arising from that, Mr Chairman, I was wondering whether any effort was made to return these funds to the people who donated it. 10

No, efforts are being made to get exchange control permission. -- I accept that. I hope they are still hungry.

You hope who is still hungry? --- I hope they will still be hungry when the money comes, so that they can buy food with that money.

Why do you hope that they are still hungry? --- Because if they are now fixed up and everybody has got a job, then maybe this money should have been given to others.

Yes, that is a most helpful remark for everybody concerned, Mr Roelofse; typical of your general approach, 20 I would say. Now let us go to the 1979 accounts, where you find R1 740 000,00 of unaudited expenditure, as you call it. Have you got the 1979 accounts? --- I think I have got an extract of it somewhere.

Can you give us the reference please? I think you have it as part of your Annexure 96, Annexure "N", is it? Do you see on page 1, paragraph 2.1, they again talk about these trust funds. Is that right? -- That is right.

And if you have a look at page 7 of that document, that is of the accounts - or perhaps you do not include 30

it here? -- Schedule of funds of the Council.

Well, it is on page 7 that they deal with these trust funds. You do not seem to have put that in? --- These were only extracts, Mr Chairman, if you realise - I am sorry, you will understand, Mr Chairman, that an entire financial report is a rather thick document. There were several of them included in here, and the purpose of this annexure, which was attached as a supportive document to my original complaint to the Public Accountants Board, I felt that these were the relevant pages of it, and the entire thing as it was 10 sent to the Public Accountants Board, which quite obviously can easily get the entire document for each year, was included as this Annexure 96. So it is not a complete one; I make mention of it that these are extracts on my page 1 of my covering letter.

Well, I will tell you then, I have got the complete one on page 7, you might like to make a note of these figures, that the trust funds of exactly the same sort, although smaller in number, amounted to R646 000,00, in payment. Right? Have you got that figure? --- Yes. 20

Now, further with regard to the Asengeni, there in 1979, there was a figure of R547 816,00. Now, that they say they did not audit; they say they did not call for any record or documentation relating to such disbursements. Now, I want to put it to you that of the - in that year, of the R547 000,00 of Asengeni payments, R517 000,00 related to legal expenditure. --- I have no comment on that. It is possible. The point I was trying to make is not what was legal expenditure and what was expenditure for other purposes like assistance to people. The point I was 30

trying/...

trying to make is that the official auditors of the SACC say in their report that they have not been able to examine certain funds, the majority of disbursements, for whatever reason they may have, they have not been able to examine it. They also say that according to 2.1, the trust fund of that same annexure:

"We express no opinion on the trust funds, which includes funds deposited with the Council"

and so forth. They also say that - 2.2, inter-church aid development funds, are not controlled by formal reporting procedures, they are not expressing an opinion on that.

Yes, but on what? On whether the funds granted for those projects have been used for their specified purposes? -- That is right.

In other words, if they give money, for example, to let us say some home industry, somewhere in a homeland, they give it R20 000,00, all that the auditors say is that you paid them R20 000,00. They are making it clear that they cannot control the question of how the fund was actually used by that home industry. Is that not all they are saying? -- They are saying that, but at the same time one must bear in mind, the comment of the Chairman of the finance committee, as already reported, where he is quoted by Mr Wentzel, the financial adviser to the SACC, saying, look, Mr Matterson has on many occasions expressed his concern about the way in which this sort of money was being spent by these things. Now, there was perhaps a technical difficulty or a legal problem, as to who was responsible for reporting to whom, but the very fact that the finance committee suggested an inspectorate to look after that, I

think/...

think shows that the SACC had, if not a legal, then a moral responsibility, and at least that the auditors of the SACC should take a look at things, as in fact on one occasion they were instructed to do and did, and they reported on these organisations that had not sent in proper reporting.

You see, if you are right, Mr Roelofse, if someone gives - if the SACC gives a donation of R100,00 to a lady to enable her to pay her rent, the auditors, or the SACC finance committee, must make sure that she spent it on her rent. Is that so? Do you really think that? --- I 10
doubt, Mr Chairman, whether one could take it right to that degree. Quite obviously people came for assistance and the assistance was given, and I admire the extent to which some of this assistance was given, but when it comes to very large amounts, I think then a rather different standard of principle should apply, particularly, as I have said, against the background of suspicions by the Chairman of the finance committee, and rumours that were flying all over the place, and reports that were made by the staff, that everything was not all right as far as some of these projects 20
were concerned.

Well, Mr Roelofse, the SACC would be the first to admit that many of those projects went wrong. They have a certain number of field workers, but it is quite clear, you mentioned the case of those tractors which were rotting in a field; the SACC certainly knows that that happens, but we are talking about what you call unaudited expenditure. If money is given to a project like that, say R20 000,00 to buy tractors, and it is used for that but the tractors may be rotting in the fields, do you call that 30

unaudited expenditure because the auditors cannot check up that its money is being properly used? --- Mr Chairman, the context in which that question of projects was brought up in my report which I have submitted to this inquiry, is that some of these organisations fail to report back to the SACC what they had done with the money in the form of an audited report; in fact the auditors in one of their projects, I have that annexure here to this effect, stated, if the - if I might just refer to Annexure "0" of that - so sorry, section 97 - Annexure 96 0, there is an example of 10 the receipt and payments account of the inter-church development fund, and all sorts of comments are made by the auditors, saying that some of these reports that they got back were historical reports, some of them were not financial reports, some of them were not audited, etcetera. That is just an example, and the principle I think that should apply here is that nobody can blame the SACC if in good faith it has given, no matter how much money, to a particular project, and the people that received the money in fact abuses it. The respon_sibility comes in, in my opinion, that 20 before the new money is given, account has got to be given of the old money, and in my report to Bishop Tutu of November, the one that we have explored rather thoroughly by now, I think, I particularly gave an example of the type of thing that I found objectionable, and that is not even a project; it is now to one of the Councils of Churches, which is connected to the SACC, where I mentioned on page 4 of Annexure 56, section 8 - forgive me if I quickly read this:

"The Northern Cape and Western Transvaal Council of Churches got a grant of R690,00 in 1974. This was 30

not/...

not accounted for. Then it gets a grant of R11 330,00 in 1976, which was not accounted for. Then it is given a grant in 1977 of R6 839,00; not accounted for either. To top it all in 1978 a further grant of R5 000,00 is made. In total R23 859,00 over five years and nothing accounted for".

MR KENTRIDGE: What do you mean by 'accounted for'? --- Well, I understand accounted for to mean the return to the SACC as the donor of that money, or the channel through which the money passed, and therefore people who have a cer- 10 tain responsibility, of an audited statement of what had happened with the money.

In other words, they did not give - they did not send back an audited statement? --- They sent back no statement.

No, that does not mean that they did not use it for the purposes for which it was given. Does it? -- It does not by itself mean so, but if they did, there should be no problem in telling the SACC how they spent it.

Mr Roelofse, you know, I am not going to let you get away from the point which is unaudited expenditure. 20 In 1979 part of your figure is made up with the Dependants Conference amount of R546 525,00? -- That is right.

Now, what the auditors say, on page 1 of their report of 1979, about the Dependants Conference.

"We are not able to report on the financial position of the Dependants Conference at 31 December 1979, or on the results of its operations for the year then ended, as certain branches have not kept proper books and records".

Do you see that, certain branches? -- That is right. 30

"With/...

"With the result that annual financial statements have not been prepared for the 1979 financial year".

Right? --- That is right.

Now, you take that into account as though that whole R546 000,00 was unaccounted for? --- Mr Chairman ..

Do you not? --- We ..

It comes into your figure? You cannot get your figure without taking into account the whole of that R546 000,00?

--- Mr Chairman ..

Is that right or wrong? You can make .. --- It 10
is wrong.

It is wrong? Well, let us see. In that case .. --
We are now talking, on the one hand, counsel has just suggest-
ed, money unaccounted for, where in fact he is referring
to expenditure here which is headed "Unaudited". Now, we
had the argument the other way around just now, and when
we talk about the Dependants Conference and we say here,
the auditors say, with the result that annual financial state-
ments have not been prepared, to me this means, it has not
been audited, because how does an audit take place with- 20
out financial statements?

Mr Roelofse, when the auditors say, we cannot report
because certain branches did not keep proper books and re-
cords, do you not understand that the auditors looked at
the Dependants Conference funds; they conducted an audit
and at the end of the audit they said that they found that
proper books and records had not been kept by some branches,
so they could not vouch the financial statement of that fund?
Is that the same thing as just not auditing it at all? ---
Mr Chairman, what they say here could be taken to mean 30

as/..

as counsel has put it to me. I suggest it also could be taken to mean that the auditors say, look, when we tried to audit the stuff, there were not proper books and we left it, and that is how I read it.

Now, what is the significance of adding up these figures, as you have, and calling them unaudited expenditure? Why do you do it at all? What are you trying to show? --- The point that I am trying to make here is that there - in my opinion - was a large proportion of funds spent from funds of the SACC, which had not been okayed. I think it 10 is a simple expression. That is what I tried to show, and furthermore, that the proportion of funds that had been spent, that had not been okayed by the auditors, or for which the auditors for one reason or another, had not seen vouchers, was very significant. I am really not concerned in this instance, as I am talking now, whether it is - there is a variation in that figure; the point is that to me this meant two things: the first one was that in my opinion a large proportion of expenditure of the SACC had not been okayed by the auditors. Secondly I believe that be- 20 cause it had not been okayed by the auditors, that the books at the end would represent a misleading picture, and thirdly that to ask people, invite people to come and inspect books where some of these expenses had not even - the vouchers had not even been given to the auditors, was in my opinion misleading.

Well, Mr Roelofse, you see here on **Dependants Conference** they say, certain branches had not kept proper books and records. Do you know there were branches in many parts of the country? --- That is correct.

30

Yes/...

Yes. --- And, Mr Chairman, it is also true to say that some branches were big and some branches were small, and they do not qualify their statement in the sense of us knowing whether it was the Johannesburg branch that did not keep books, but Rysmierbult kept it, or whether it was the other way around. To me reading that statement, as it stands, whatever interpretation one puts on it, is that it represents not only an unhealthy picture; it represents a very serious situation, even if it was one branch, and thirdly, that as a result of these things not having been okayed, what- 10 ever now the inclusion of certain figures in the books, will inevitably end up with a misleading overall financial picture.

Well, that is a non sequitur, Mr Roelofse, but I am sure that the Commission is not concerned with your opinion on matters like that. At any rate, what I want to put over- all is that these figures you have given, are made up of Asengeni, Dependants Conference and what are called the gene- ral trust funds, that is to say funds held for and given to other organisations. Those are the three items which make up always your unaudited expenditure. Is that so? 20 --- They would be the main items, yes.

Now, as we have already said, in 1980 of the amount you have given of R883 751,00 represents these independent trust funds? --- Yes, we had that figure.

Yes, and the only other thing is the R131 000,00 of the Asengeni discretionary fund which was not used for legal expenses? --- That was the 1980 figure, if I remember cor- rectly.

Yes, and as far as Dependants Conference is concerned, you do not put that in any more, do you? --- As far as 30

I know that Dependants Conference was audited for that particular year.

Esactly, so obviously it will not put into the unaudited expenditure? --- No, it was audited.

And as you know, Mr Potter was specifically appointed to do an independent investigation because of the unsatisfactory nature of the record-keeping in the SACC? -- I never saw his letter of appointment.

You have a few things to say about Mr Potter. Let us have a look at what you say about Mr Potter. You 10 said you first met Mr Potter at the trial of Mr Mbatha? Is that not right? -- Yes.

And you expressed your surprise that Mr Potter - this is at the foot of page 42 - that Mr Potter although appointed to investigate evidence of irregularity as outlined in your report of November 1979, has never as much as picked up a 'phone to ask me for information, assistance or even an opinion.. Well, let us leave aside for a moment your opinion. You had previously, as I have pointed out, been asked urgently to send to the finance committee or to the 20 auditors, any further evidence which you had, and you said you had no further evidence, you just wanted the auditors to investigate. So what further information was Mr Potter going to get from you? --- I believe that Mr Potter could have been in a position to discuss some of the issues that I had raised, more fully, and that it could have been of assistance to him.

What information could you have given Mr Potter which you had not put in your various memoranda?--- I could have given Mr Potter certain indications of perhaps where 30

to/...

to look, and bearing in mind that Mr Potter was now doing a particular investigation, arising from certain issues that I had raised, I believed that it would have not wasted his time to have had a chat, for us to have had a chat, so that I could express my concerns to him, particularly in view of the - I can say semi-assurance of the Vice-President that I would be given an opportunity to do so.

Did you ever get in touch with Mr Potter? --- No.

What prevented you? --- Well, I was put in a position where the SACC Vice-President had said, there we have 10 appointed Mr Potter, he is going to do the investigation, no doubt you will get an opportunity to speak to him, and that was it. I waited for him to approach me now. I felt at that stage that I had done my duty.

Yes, so you had. Well, you have not told us of any information you could give him. What assistance could you have given him? Why did he need you to give him assistance? --- I am not suggesting that he needed me, Mr Chairman. I am suggesting that as Mr Potter was now having discussions with a variety of people, that it was strange that he did 20 not think that I was able to assist him in any way at all.

Well, what inference do you draw from that? Do you draw an inference from it? Does it make you suspicious? --- I wondered why he did not contact me.

Well, let us see whether you could have given much help to Mr Potter. This is the sort of thing that you say, on page 49, in sub-paragraph (e):

"It does not appear that Mr Potter explored the possibility, however remote, that interest-free 30
loans/...

loans may have been granted to committee members of the SACC".

That is the way you look at Mr Potter's duty, that he must explore the possibility, however remote, that interest-free loans may have been granted to committee members of the SACC?

--- Mr Chairman, I think that should be seen in its proper context. Mr Potter was now appointed to do a probe of the SACC, as I understood it, not just the bookkeeping system, but of the responsibilities of the - the financial responsibilities of the SACC, the finance assets, and in fact virtually, as I understand it, the type of enquiry that this committee - this Commission is engaged upon, to see what has been happening, where are there things that can be improved, and so forth. I understood him to have a very wide brief to look at anything, and obviously - there it is a question of income, did the SACC get all the income it was supposed to have got, was all the money spent that was recorded, the unrecorded expenditure, etcetera. It is a very, very wide brief, particularly as Mr Potter was now called in as a very senior accountant.

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20

Mr Roelofse, just look at this objectively for a moment: do you not think that your proposition on reflection is simply absurd? --- Which now?

Look at the three reasons you give, that this could be relevant for three reasons; the possibility, however remote, that some committee member may have had an interest-free loan. Is this what this investigation was all about? I just do not understand your way of thinking, Mr Roelofse. Perhaps I am at fault. --- Mr Chairman, could I know what paragraph has been referred to now?

30

Yes/...

Yes, paragraph (e) on page 49. -- I think that paragraph (e) on 49 is relevant, seeing that it is one paragraph out of a whole lot of other views which I had expressed in that particular section.

You see, I think that your attitude to Mr Potter can just be explained by a piece of evidence which you gave yesterday. You were dealing with the fact that as you put it, Mr Potter in his reports had given the SACC a clean bill of health, and what you said yesterday is:

"I was put in a difficult position because Mr Potter had given the SACC a clean bill of health". 10

Do you remember those words of yours yesterday? --- Oh yes.

Yes, you were put in a difficult position. That is all you were concerned about, Mr Roelofse? You were put in a difficult position because Mr Potter had given the SACC a clean bill of health? What did you have to do with it? --- Mr Chairman, the first thing that I think I should point out, is that when one looks at Mr Potter's report, the first report which is Annexure 99, that the information included in this report, there are two views; the one was, 20 obviously it was presented to the press as a clean bill of health, but reading it again analytically, I doubt whether this bill of health was as clean as was stated in the newspaper, and the second point that I want to make is that I believed that Mr Potter's report described as a clean bill of health, was in conflict with a lot of the evidence that was available, and to describe the SACC's affairs as being healthy, and particularly, a clean bill of health means, everything is all right, normally, when people read that expression, is remote from what the true situation was. 30

Mr/...

Mr Roelofse, please try to give a straight answer to a simple question. I was referring to your evidence of yesterday, and I was asking you why this should put you in a difficult position? We are dealing with August 1980; you are about to leave the South African Council of Churches. You said it put you in a difficult position, and I said, what did it have to do with you? Why should it give you a difficult - make your position difficult? --- The reason why it made my position difficult was, I now had had a situation where in good faith I had prepared this original 10 report on the finances of the SACC, drawn attention to certain things that had surfaced, during the investigations of the auditors; subsequent to that there was this strange press report that appeared in the Daily Mail, which apparently there was some comment, or it was reported, a comment at Hammanskraal by the Reverend Peter Storey; I still felt convinced that there were certain things that were wrong, and now to top it all, the top chartered accountant, or one of the top chartered accountants in the country, does an examination and he says, a clean bill of health. That 20 is how his work was described. I do not think Mr Potter ever himself described his report as a clean bill of health, but this was the words used by SACC officials to describe this report, and I felt that this was in conflict with what the true situation was.

I am going to ask the question .. (INTERVENTION)

THE COMMISSION IS ADJOURNED

ON RESUMPTION:

EUGENE LESLEY ROELOFSE, still under oath:

MR KENTRIDGE: Mr Roelofse, another thing that you 30

said/...

said yesterday in your evidence, about Mr Potter and his reports, you said you found his terminology was very strange for an auditor, and you said, suspicions therefore grew in your mind. What were your suspicions? --- Could I just get that reference?

No, it was something you simply said in your evidence yesterday morning, just before you were questioned by Mr Von Lieres. You said suspicions grew in your mind when you read the strange terminology that Mr Potter had used. Did you have suspicions of Mr Potter?--- Mr Chairman, I 10 had suspicions about Mr Potter's report, and the suspicions that were in my mind, related to the impression I was getting that the terminology used in Mr Potter's report did not accurately reflect the situation, the financial situation within the Council of Churches.

Mr Roelofse, in the course of your evidence you mentioned your meeting with a Mrs Haas in the Northern Cape in April 1980? --- That is correct.

You said that she was a woman who was out here from Switzerland; she had connections with Swiss church con- 20 nections? --- That is right.

And she was interested in child labour, was she, or child welfare? --- Yes, really the question of child labour on the farms.

And you met her there in the Northern Cape? --- That is correct.

And you told her what you were doing in that connection? -- That is right.

And I assume that she must have been impressed with what you were doing? --- We did not discuss whether 30 she/...

she was impressed with my work or not. We discussed the cases that I was on.

But she must have been very interested in what you were doing? -- Yes, she was.

And she could certainly see the efforts you were making for the welfare of Black children on farms? ---- That is correct.

Were your conversations friendly? --- Yes.

So she certainly has no reason to lie about you or to attack you? --- I would not think so. 10

You said however that she must be - must have been confused about the conversation? --- That is what I have said.

Where did this conversation take place? -- In my car.

Where? --- On the way to the site of one of the incidents I was investigating, or on the way back, one of the two; it may be a bit on the one and a bit on the other.

But why should she be confused? -- I have already said in my evidence that we were dealing with a particularly tragic case that I was investigating; she did at one 20 stage - I cannot say that at the time that I was talking to her about what, that she did cry in the car. We had some Black children with us in the car.

I just cannot quite make out why that should confuse her about what you told her? --- She was emotionally upset. But I cannot say that the emotional upset of that particular day was the only reason why she would be confused or could be confused, if she is put before the situation of reporting back on a conversation which we had had, which was a casual conversation, a substantial amount of time afterwards. 30

Well/...

Well, you call it a casual conversation, but as I understand it, you were talking to her about funds of the SACC and irregularities? --- I was talking to her, she asked me how did we operate; I think that - I cannot say those were the exact words that she used, but this was the gist of the conversation. I told her about our connection with the SACC, and the possibility that in time to come we would be operating as a completely independent organisation.

And you gave her the reason why you were opting for independence? --- I said that we were an unhappy crew, 10 or also words to that effect. Mr Chairman, it is quite impossible for me to say verbatim what had happened on that particular conversation, but I will try and give the gist of the conversation that we had.

Yes, well, did you tell her that you had some problem about the funds of the SACC? --- I told her that there were irregularities.

In what? -- In connection with - there was then this discussion, or it arose from this problem of Bishop Mokoena and the SATCIC situation, that we had gone through. 20

Did you tell her that funds were being received for personal benefit? Or used for personal benefit? --- I said that there was - there were suspicions that some of the people in the SACC had been using funds for their own benefit, yes.

Did you name those people? --- I do recall - or it is quite possible that I mentioned the name of Bishop Mokoena.

Oh, is it? Bishop Mokoena had been tried and acquitted long ago; he had been out of the SACC for a year at that time, had he not? --- That is so. 30

Yes/...

Yes. --- And you will recall that over that period I was still investigating - or had knowledge of other things that were taking place; there was the problem of getting the whole finance situation sorted out. It was a general discussion.

Have a look at Annexure 84 please? This is a telex transmission of Mrs Haas' statement? --- That is correct.

I want you to read Annexure 84 again? ---- I am reading it.

According to Mrs Haas, she says: 10

"R (that is Roelofse) told me of incredible things going on in the SACC and the man without passport being behind it".

Who is the man without passport? --- The man without the passport is a reference to Bishop Tutu.

Yes, not to Bishop Mokoena? --- Yes.

Right. -- But I deny that this is what I told her. Just a moment. She goes on:

"Enormous sums of money disappearing, not reaching the projects they were meant for, and I am not 20 talking of hundreds, I am not talking of thousands, I am not even talking of hundreds of thousands, he said. He was able to prove it, had the proof in a safe with his lawyer. The government had already got wind of it, a journalist was onto it, the proof was safe in case something happened to him".

How much of that did you say to her? --- Mr Chairman, to ask me how much of this I said to her, when this whole thing is out of context, and it is garble, one cannot really salvage any particular comment that holds water out of this 30

entire/...

entire telex that is being quoted here.

Let me go through the entire telex:

"To my shocked questions how he could prove it, he shrugged his shoulders; he had the proof. What about the auditors? Oh, they are all in it. How can enormous sums like that disappear? 'Just look at those people who can afford a beautiful house, two cars, a big new refrigerator. Did you see how Tutu lives?'"

Those words are ascribed to you? --- I note that.

Who had a beautiful house and two cars? --- There 10 were many people with beautiful houses and two cars.

Who would be referred to here with a beautiful house and two cars? Bishop Mokoena? --- No, the point is, Mr Chairman, that I deny that this is even something approaching an accurate conversation that I made, and secondly that these ideas that I had in my head, when I talked to her or anybody else.

And then it goes on, or at another point:

"I can tell those who look at me with hatred. He also was sure that this was the real reason for the 20 withdrawal of the passport".

That is a reference to Bishop Tutu.

"He had already warned Tutu and submitted several memoranda without getting any reply. This has to be made public. I have a loyalty to my donors, especially the German churches".

Now you deny that you said this to Mrs Haas? --- Yes.

Now, Mr Roelofse, we have had telephonic confirmation from Switzerland of the contents of this telex. You are denying it. Can I just put this to you: if you had 30 said/...

said these things to Mrs Haas in April 1980, if these were the things that you had said, it would have been inexcusable. Would you agree? --- Yes.

Despicable, would you agree? --- It is untrue.

Now, Mr Roelofse, at that stage, you as you were telling Mrs Haas by your own admission, were opting for independence? --- That is correct.

And as you put it in your evidence the other day, you told her you did not want your administration mixed up with this irregular administration. Is that right? --- I 10
said we wanted to opt for independence, yes.

Mrs Haas was connected with the KEM in Switzerland? --
It could be.

Do you know what the KEM is? --- It is some religious funding agency, to the best of my knowledge.

And it would have been very helpful for you in your independent ombudsman office to have funding from this organisation, would it not? --- I do not know how strong they are.

It would have been very helpful if their funding 20
came to you rather than to the SACC, would it not? -- I was unaware that they were contributing to the SACC. To the best of my knowledge they were contributing, and this was the context of our discussion up there, was that they were either contributing or considering a contribution towards a farm labour, children protective project that was being run in the Northern Cape.

Mr Roelofse, how could Mrs Haas be confused about these things? Did you or did you not tell her that enormous sums of money were disappearing from the SACC? ---- I 30

did/...

did not tell her that.

Did you or did you not tell her that sums of money were not reaching projects they were meant for? ---- I did not tell her that.

Did you tell her that some of the funds had been taken for the personal benefit of people? --- That I might have told her.

Yes. Where would she get this statement: "I am not talking of hundreds, I am not talking of thousands, I am not talking of hundreds of thousands". Is this not all 10 of a piece with what you have been saying here? --- These views on large sums of money, that the SACC had at its disposal and was unaccounted for, was very, very well-known; it had been reported in the press several times. Yes, it does co-incide with what I have said in my evidence here.

Are you suggesting that Mrs Haas would confuse Bishop Tutu with Bishop Mokoena? --- That is possible.

But Tutu was in particular in church circles, it was a world-renowned name, was it not? --- We have evidence, Mr Chairman, that Bishop Mokoena also did certain over- 20 seas trips, and one of the court records here confirmed that he had been overseas and raised certain money. He was well-known as well. He went to Ghana; he went all over the show.

Did he go to Switzerland? -- I do not know whether he went to Switzerland.

Was he a man without a passport? -- No.

You see, Mr Roelofse, at this stage, in April 1980, Bishop Mokoena was past history; he had been gone for a year. He no longer had anything to do with the Council 30

of Churches, and I put it to you that it is not credible that if you were talking to her about a Bishop, it was Bishop Mokoena and not Bishop Tutu? --- Mr Chairman, I discussed the whole issue; I have been discussing the issue of Bishop Mokoena here, I have discussed it overseas, the whole question of SATCIC I have discussed, and I have never ever suspected that Bishop Tutu has stolen money. I have made this clear in my evidence. I have made it clear privately, I wish to emphasise that again. I have no evidence that points to Bishop Tutu as a thief. I have never suspected him of being 10 a thief.

That is right, and that is why it would have been very despicable if you had indeed said this about him, without any ground. --- Of course.

Yes. Look at this sentence here:

"To my shocked questions, how could he prove it, he shrugged his shoulders; he had the proof. What about auditors: Oh, they are all in it".

Why should she have made that up? --- I do not know the source of this information to her. It is alleged that 20 she sent this, I must accept the allegation that it did come from her. All I can say is that it does not reflect the conversation that we had.

Did you not have suspicions of the auditors? --- Mr Chairman, when one talks about suspicions about the auditors, I must make it clear that here I am talking, not of suspicions, that the auditors are dishonest. I have reported these particular auditors to the Public Accountants and Auditors Board, and my complaint makes it very clear that I have got suspicions as to whether they have complied 30

with/...

with the requirements of the Board.

And so, to say that the auditors all are in it, if that was said, would have been a disgraceful thing to say, would it not? -- It is not true.

Look at this: "Do you see how Tutu lives?" You did not ever talk to her about how Mokoena lives, did you? --- No.

Have you ever commented on how Tutu lives? --- I could have mentioned that he has a very fine house.

And two cars? --- I do not think he has got two 10 cars. He has got one car, I think one is - his wife's car, is an official car or something.

Then I can tell those, she says, who look at me with hatred, that is what you have been saying here, is it not? There are those who look at you with hatred? --- Mr Chairman, I have just tried to explain that I did not say it and counsel is now persisting in suggesting that I did say it.

But did you not say it in this Commission, that there were people who looked at you with hatred? --- I said - I referred to hatred here, that is true. I have referred 20 to hatred for years. Anybody who has known the conditions under which I have worked, know that I am not liked; I am hated by the farmers, whose cases I investigate; it is an almost inevitability that an ombudsman is a hated man.

We are not talking about that. We are talking about the hatred you said you saw in the SACC? -- I was hated there too.

Look at this: "He was also sure this was the real reason for the withdrawal of the passport". That could not have anything to do with Bishop Mokoena, could it? --- 30

No/....

No.

He had already warned Tutu and submitted several memoranda without getting any reply? --- It is true that I did say that I had written to Bishop Tutu about certain matters of the funds of the SACC. You see, the situation is here, Mr Chairman, that when you take certain comments and you superimpose other comments on them, you get a very, very different picture. All I can say is that that telex does not reflect the gist, the drift or the atmosphere of any conversation I have had with Mrs Haas or anybody else. 10

Well, I want to suggest to you, Mr Roelofse, that this cannot be the result of any confusion, either Mrs Haas is not telling the truth or you are not telling the truth. It is as stark as that? --- Mr Chairman, I am sorry, this is not a reasonably even accurate reflection of any conversation I have had with Mrs Haas or anybody else.

Did you hear the last question I put to you, suggesting that this could not be the result of a confusion, such as a confusion between the name of Tutu and Mokoena? ---

No, Mr Chairman, that is true, that the whole thing 20 could not be a confusion distinctly between those two names, but it can be the confusion of somebody who is (a) hearing certain information interspersed with other things that are being discussed, a certain project which is rather disturbing, that we are on at that particular day, having to get a recall of this two months or three months later, whatever time it was, and I would suggest that the very fact that so much of it is in quotes, makes the reliability of this document suspect. If she had made note while she was sitting down and we were having a conversation, this is 30

one thing, but the very great use of quotation marks here, direct speech reported, I believe discredits this document as an accurate reflection of that conversation.

Mr Roelofse, you said when Bishop Tutu got this, he was more angry than you had ever seen him? ---That is right.

Yes, if you had said this about him, he would have had every reason to be angry? --- Of course.

Mr Roelofse, how often did you see Mrs Haas? --- It was on one visit - sorry, I also saw her - it is possible that I saw her in Johannesburg. Now, I have got to 10 think about this, because I know that I saw her in Vryburg, and whether I saw her in Vryburg first and then in Johannesburg, I really cannot say. The reason is, I do many visits to Vryburg, because I have a lot of cases to investigate there, and I really - I think that it was that one particular day that I saw her, and whether I gave her a lift afterwards again or something like that, I really cannot tell you. But I think I saw her on one occasion. I did not see her when I was in Switzerland subsequently.

Mr Roelofse, you said in your evidence last week 20 that you had told her that some of the funds of the SACC had been used for personal benefit? --- Yes.

Now, let me ask you again: by whom? Whose personal benefit? --- What I had said there, Mr Chairman, in the context was that there was evidence, there were suspicions that funds of the SACC had been used for personal benefit, gain, whatever it was.

I am asking, by whom? --- That was not specified. The only specification that was made, was that there was a mention of forged cheques on the part of Bishop 30

Mokoena.

Those were not SACC funds? --- Mr Chairman, when one talks about the SATCIC funds and one talks about the donors supplying and these funds coming first to SACC and from SACC being transferred to SATCIC, generally speaking, to any outsider, what was funds intended for SATCIC, was SACC funds.

But you were not an outsider? --- No, but I was talking to one.

But why talk to an outsider about SATCIC funds? ---
Because the whole situation regarding my suspicions 10
and eventually some proof, about the abuse of funds, had originated with Bishop Mokoena, and this was a thing which was often talked about, and the fact that he had been a Bishop, he had been an official of the SACC, he was an important man, he held a high rank in his church, and that alone makes it a newsworthy and a talkable sort of item.

That could not have been given by you in April 1980 as a reason for opting for independence, could it? --- In April 1980, Mr Chairman, we were talking about the situation regarding the finding of these irregularities. My 20
concern that these irregularities had not been dealt with as promptly and as adequately as I thought possible, further investigations, all these things would naturally come into a discussion on the question of funding, and one of the reasons for opting for administrative independence.

Poor Mrs Haas got all this wrong? She thought you were talking about Bishop Tutu, and not about the hundreds of rands which Bishop Mokoena might have taken, but about hundreds of thousands? She thought that you were talking about these sums going to people like Bishop Tutu? --- 30

No/...

in the selling of traditional handicrafts to tourists and perhaps exporting some of it, and it involved the production of these things by Ndebele women, Zulu women and many other people.

It was a project for encouraging homecrafts amongst sections of the Black population, was it not? --- That is right.

And it was to be run as a business? --- That is right.

And the SACC lent money to that business? --- That is correct. 10

And the business was not a success, was it? --- No.

And it resulted in a very large bad debt, did it not?

-- Yes.

Do you know about The Voice? -- Yes.

That was a newspaper? --- That is right.

A newspaper company to which the SACC lent money? --- I understand they lent money to them.

Yes, on the basis that it would be a newspaper which represented Black views and Black thinking and news about Blacks in South Africa, is that right? --- That is right. 20

In the end that newspaper was not a financial success, was it? --- I believe so.

Yes, and there was a bad debt there too, was there not? --- That is right.

And these bad debt provisions went up over the years? --- That is right.

You spoke of loans to ex-detainees in addition to the grant to ex-detainees? --- That is right.

You said some detainees came to see you? --- I 30

said/...

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You said some detainees came to see you? --- I said/... 30

said two of them came to see me.

Two? Did you say two? Well, I will take it you said two. Where was that? Where were they from, Eastern Cape? --- No, Johannesburg, Soweto.

Did they show you letters of demand? --- No, they came and complained about it, and they said that they had received such letters, and what were they to do about it.

Where - when was this? --- This was - I think towards the end of last year, towards the middle of last year, maybe. It was during last year that they came to see me. 10

Do you remember what the amounts were? --- They said that they borrowed a sum of round about R200,00, in addition to the R50,00 that they had been given.

Did they suggest these letters of demand came from a lawyer? --- Yes.

Well, I do not know whether that is right or wrong. I can only tell you that the official lawyers of the South African Council of Churches, Bowens, instruct me that they have only ever written two letters of demand in respect of loans to private persons from the SACC - I am sorry, 20 in respect of loans to ex-detainees, because that is what you were talking about, was it not? -- I was talking about two. I cannot say that the letters came from Bowens. They - I asked them, where are you from, and they said Soweto. That does not necessarily mean that they were arrested in Soweto or anything like that. There is a lot of drifting going past and of course a lot of people move around the country as well. I do not wish - I cannot say, Mr Chairman, that those letters of demand came from Bowens.

No, you never saw them, and I want to tell you 30

that/...

that I am instructed that Bowens only wrote two letters of demand for repayment of loans to ex-detainees on behalf of the SACC; one was to someone who had been given a loan so that he could go into a chicken-production business, and it was found that he did not use it for such a business, and there was a second case of a man who it was believed was in a position to pay it. --- I would accept that without any reservation.

And in neither case did it go beyond a letter of demand, and in the case of a very large number of ex- 10 detainees, the loans were simply written off? --- That is possible. I can only record what the people complained to me about.

Yes, two of them. Do you know why these - in the case of most of the ex-detainees the amounts were given as loans and not as donations? -- No.

Did it not occur to you that it was a matter of self-respect of the recipients? --- It could well be. The point that I tried to - the context of the point that I tried to make, where this matter came up, was the fact that these 20
17 two in particular said to me - these two said to me that they had tried to pay back the loans, they had certain difficulties about it, and then they read that other people had been given rather substantial sums, and this was their big objection, that there was not - that the money that was being given to detainees was small; I tried to point out to them that according to my recollection of the information given to the Dependants Conference and other members of the staff that if they got R50,00, that was all that there was to get, but their objection was, from hearing that large sums 30
had/....

had been given to other people, and particularly somebody who is known to be not poor.

Would you look at page 52 of your report, of your memorandum? I want you to look at page 52 and 53? --- Yes.

Your paragraph 129. Now, I suggest that this is an attack on the legal firm of Bowens? --- I deny that, and it certainly was not the intention.

Let us look at some of the things you say. You are talking here about the fact that Mr Barrett had interviewed Mr Rees and had made a report back to the SACC, on 10 which the SACC came to a decision. Do you see that in paragraph 129? -- That is correct.

You say:

"The SACC did not disclose in this press interview that the attorney concerned was a Mr Oliver Barrett of Bowens, who was also the attorney of Mr Rees".

Is that intended as a criticism of the integrity of Mr Barrett? --- Not at all. It is intended as an example - I am talking about the SACC here, that the SACC in explaining things to the public, very often gives an explanation which is 20 a limited one, and does not convey the situation as such.

Well, let us look at your next paragraph. You say:

"Another thing the SACC did not disclose was that Mr Barrett's firm was according to Mr Potter's report the second-biggest recipient of fees from the Asengeni Fund".

Are you suggesting that this impaired the integrity of that firm? --- Not at all.

Then why .. --- What I suggest, Mr Chairman, is that here you had a situation where according to the 30

statement/...

statement made by the SACC as reported, the SACC had asked their own lawyer to go and do a report on the usage of a particular fund, and asked the specific attorney who himself had to - or his firm who had to supervise the spending of this fund. Now, obviously this puts a person in an invidious position.

Mr Roelofse, they did not supervise the spending of anything except legal fees. --- Yes.

Why did you think the SACC ought to have disclosed that Mr Barrett's firm was the second-biggest recipient 10 of fees from Asengeni? Did you or did you not think that that would impair their integrity? --- Mr Chairman, the use of the word 'disclose' there is perhaps the wrong one. I believed that Mr Barrett's firm, being the second-biggest recipient of fees, should not have been called upon to undertake this work. I know that I have said here what the SACC did not disclose.

Why did that disqualify Mr Barrett's firm? Do you think that they were affected by the fact that they were the recipient of fees, or do you not? -- Mr Chairman, I 20 have the highest regard for the integrity of the firm of Bowens and for the integrity of Mr Barrett himself. What I was trying to convey here is that this is what the SACC said and in fact the SACC was asked in one report whether they did not think it would have been necessary, or it would have been a good idea for an attorney unconnected - I cannot just - there is a report in the Sunday Times about that, unconnected with the Asengeni Fund, to have done that job, and there was a reply from the SACC which of course was an unsatisfactory reply in my opinion. 30

I want to suggest that this statement of yours is a disgraceful statement, and another example of the way you have dredged out every little point you could to try to discredit anyone connected with the Council of Churches. --- I would deny that. It has never been my intention to discredit people; it has never been my intention particularly to discredit either Mr Barrett, who knows I hold him in high regard and always have, or the firm of Bowens.

Mr Roelofse, you know, according to Mr Potter's report, as you said, the second-biggest amount of fees from 10 the Asengeni Fund came into Bowens? --- Yes.

But you also know, do you not, that that was used by Bowens to pay other attorneys and many counsel throughout the country? --- Exactly, it says, and I quote it somewhere, that the - that Bowens, a major recipient of Asengeni money, supervised the work of the other attorneys in regard to this fund.

Oh yes, that is very different. You say they supervised the work. What you do not say, which you well knew, was that of the funds that went to them, only a small 20 percentage represented their own fees? --- I would not be surprised if all the funds that they got, for the part of the Asengeni Fund that was used for the purpose of providing legal aid, whether all of it was paid out to other attorneys.

In that case .. --- It was Bowens' duty as I understood it from Mr Potter's report, was to supervise the work of other attorneys out of South Africa, as far as I knew at the time there was a lot of work being done by other firms in Johannesburg. I know Bowens did a certain amount, but my impression was that Shun Chetty and - who was it, 30

Priscilla/...

Priscilla Jana & Co after Bowens left, were probably the most active in providing this type of defence.

You do not say anything about that. You simply say they were the second-biggest recipient of fees. Let me give you .. --- Well, that I quote from Mr Potter's report.

But you know very well that simply put like that in this context, it is misleading? They were not the biggest recipient of fees; they were the biggest recipient, or second-biggest recipient of payments. It does not matter what Mr Potter said; you knew the truth, did you not, when you 10 wrote this? --- I quoted this from Mr Potter's report, to the best of my ability, Mr Chairman. There was no intention of mine to embarrass Bowens; there was - has been no intention after that.

Let me give you the figures, Mr Roelofse. From February 1977 to April 1980 the Asengeni Fund paid R544 917,00 to Bowens; of that Bowens' own fees over all those years were not more than R59 000,00; that is just over 10%. -- I accept that without any reservation.

I have got Mr Potter's report in front of me. 20
It is your Annexure 99, and he deals with this on page 16.
I want to suggest he does not use the word 'fees'.

CHAIRMAN: Mr Kentridge, might this be a convenient stage for the adjournment?

MR KENTRIDGE: Indeed, M'Lord.

THE COMMISSION IS ADJOURNED