

[noseweek](#)

[BREAKING NEWS: FISHROT STINK WAFTS INTO SOUTH AFRICA](#)

Noseweek Issue #242, 1st December 2019

The so-called Fishrot Files just released by *Wikileaks* reveal how Samherji, Iceland's fishing conglomerate, colluded with key players in the Namibian fishing industry to gain preferential access to that country's lucrative fishing grounds and fishing quotas.

Icelandic citizen Johannes Stephansson worked for Samherji in Namibia where his job was allegedly to gain profitable rights in that country's fishing industry, however much bribe money it took. Stephansson claims that over a four year period he paid – allegedly on the instructions of his employer – millions of dollars in bribes to high-ranking political figures in Namibia. These were reflected as consultancy fees in Samherji's financials.

In 2016 he decided to call it a day and resigned, but not before downloading more than 40 gigabytes of documents from his employer's computers. He delivered these to *WikiLeaks* who handed them to the Doha-based news channel, *Al Jazeera*. Their investigative unit subsequently uncovered a network of fraud, corruption and money laundering with tentacles extending from Southern Africa to Iceland, Cyprus, Dubai and the Marshall Islands.

"It's a blueprint of how foreign companies are stripping Africa's resources for their own benefit and leaving nothing behind," Stefansson says in *Al Jazeera's* hour-long documentary, *Anatomy of a Bribe: A deep dive into an underworld of corruption*, that was broadcast worldwide on the 1st of December. In the programme, a journalist, posing as a representative of wealthy Chinese investors, attempted to obtain fishing quotas for a proposed joint venture with the Namibian fishing company, Omualu.

Enter Bernhardt Esau, the Namibian Minister of Fisheries and Marine Resources. He was filmed accepting an iPhone from undercover reporters and shown asking for a payment of \$200,000 for his political party, the ruling Swapo. Sacky Kadhila-Amoomo, the managing director of Omualu, is seen giving instructions for the money to be laundered under the guise of a foreign investment in real estate, through the trust account of Sisa Namandje, the personal lawyer of Namibia's president, Hage Geingob.



During the talks with Omualu, the reporters were also asked to donate \$500,000 and a 20% share of the joint-venture to Mike Nghipunya, the CEO of the state-run fishing company Fishcor, in exchange for Fishcor providing preferential access to its fishing quotas, allocated by Minister Esau. Esau and Justice Minister Sacky Shanghala both resigned from their positions after Al Jazeera showed the evidence to the Namibian government.

James Hatuikulipi, the Namibia managing director of Investec, also resigned while his second in charge, Ricardo Gustavo, was suspended. The two ministers, as well as Hatuikulipi and Gustavo and two others were subsequently arrested and remain in custody until their next appearance in court in January.

In the meantime Hatuikulipi has resigned as chairman of state-owned Fishcor and Fishcor's CEO, Mike Nghipunya, was suspended. Both Hatuikulipi and Nghipunya also represented Fishcor on the board of Seaflower Pelagic Processing (Pty) Ltd, a joint venture between Fishcor and African Selected Fishing (ASF). Which brings us uncomfortably closer to home— although it must be recorded that, at this stage, any connection with South Africa is vigorously denied.

Last year Nghipunya told the Namibian that Fishcor held 40% and an Angola-based company, African Selection Fishing (ASF) held 60% of the Seaflower shares. An Angolan trust, African Selection Trust (AST) holds shares in African Selection Fishing and appoints three directors to Seaflower's Namibian board: they are a South African accountant, Johannes Breed, and two Namibians, economist Adriaan Louw and lawyer Maren de Klerk.

Quoting an earlier report in the *Daily Maverick*, *Noseweek* wrote in September that African Selection Trust benefitted enormously when Fishcor received a huge fishing quota; the allocation was 50 metric tons of mackerel per year with an estimated value of R1.8 billion over the 15-year period. At the time of the allocation in 2018 the Namibian carried a story that the country's fishing industry was outraged because Namibian fishing companies were closing down while AST - an Angolan company – was expanding.

Noseweek's interest was sparked by the presence of Johannes Breed in the fishing industry in both Namibia and Angola because he is also became a director of eight South African companies in the fishing industry in 2018, mostly as the sole director. One of the eight is Afro Fishing, a fish-canning factory in Mossel Bay that is controversially planning to expand and divert its operations to produce fishmeal and fish oil. They want to process a thousand tons of pelagic fish per year on the harbour, which is right in the middle of Mossel Bay town.

Since April the local Mossel Bay online news platform, mosselbayontheline.co.za, has reported extensively about Afro Fishing's plans and how the stench that accompanies fishmeal factories has had a negative impact on towns across the world and specifically in South Africa. It is particularly threatening to a town like Mossel Bay that is largely dependant on tourism for its income.

Journalist, editor and owner of the internet paper, Elsa Wessels, started a petition against the fishmeal factory and when the Fishrot scandal broke in Namibia she wrote to the company that has been doing the environmental impact assessment for the Mossel Bay project, asking it to postpone the public participation process until the investigation in Namibia is completed and the public duly informed.

This did not go down well with Afro Fishing and Breed; as Noseweek has now learned that Breed and Afro Fishing plan to bring an urgent application in the Cape high court asking the court to order Wessels' to remove all references linking them to the Namibian Fishrot scandal and to publish an apology (that they will draft).

Wessels says she has only quoted the international media and has a duty to inform her readers. Afro Fishing says she has gone too far.

In his founding affidavit the company's local CEO, Deon van Zyl says that AST Angola holds 5% shareholding in African Selection Fishing (ASF) Namibia and that ASF holds 60% of the shares in Seaflower Pelagic. This means AST effectively has 3% of the shares in Seaflower. [*Why, with only an alleged indirect 3% shareholding it gets to appoint the majority of directors of Sea Flower is not explained.* - Ed.] Van Zyl claims there is nothing unusual about Breed being a director of multiple companies because he is an accountant and a businessman. He also denies that the South African company Afro Fishing of which he is a director is related to, or has any shareholding in, or is owned or associated with Namibia's Fishcor, Seaflower Pelagic, AST or ASF, except that Breed serves as a director on both AST and Afro Fishing. Absent from Van Zyl's affidavit however is information about the other shareholders in AST, ASF, Seaflower and Afro Fishing.



Deon van Zyl

When asked whether Hatuikulipi and Nghipunya, the alleged corrupt Fishcor directors who have been sitting with Breed, Louw and de Klerk on the board of Seaflower Pelagic, held shares in their private capacity in ASF or AST, Van Zyl's response was "the matter is sub judice, so at present we will not answer any questions until the order has been granted," ostensibly referring to Afro Fishing's planned application to the high court to gag Wessels.

Noseweek supplied Van Zyl with three legal opinions that the sub judice rule, which was in force in the pre-democratic era, has been severely curtailed by South Africa's current constitution. He responded by saying they do not want to interfere in the court process.

Ironically three of the four questions that *Noseweek* sent to Van Zyl had nothing to do with Afro Fishing but with Seaflower Pelagic and the 60% shareholding of ASF. *Noseweek's* questions referred to the two people in Namibia, one suspended for allegedly receiving \$500 000 and 20% shares whenever Fiscor enters into joint ventures with foreign private companies, and the other awaiting trial in prison for corruption and money laundering, the alleged proceeds of bribes paid to obtain fishing rights.

Noseweek will be closely following the court proceedings in both countries.

TIMELINE

Samherji is Iceland's leading seafood company. Founded in 1983 it has operations in countries across the world. The company sells its fish to supermarket chains such as Marks and Spencer, Carrefour, Tesco and Sainsbury's in the UK and has a turnover of more than

\$700 million per year. Since November of this year however, Samherji has been globally frowned upon for far more than having a fishy odour.

The brand that was established over 36- years ago has been torn apart in just 21 days.

11 November 2019: Whistle-blowing group, WikiLeaks starts downloading the Fishrot Files on the Internet; 30 000 confidential company documents leaked to them by a former Samherji employee, Johannes Stefansson.

12 November: The Icelandic newspaper Stundin reports that between 2011 and 2018 Samherji transferred more than \$70 million through Cape Cod Financial Services, a shell company based in the Marshall Islands, with part of the money going to Namibian officials in return for fish quotas.

13 November: Samherji's CEO Thorsteinn Már Baldvinsson steps aside pending the outcome of an internal investigation into the company's business in Namibia.

13 November: Namibian Fisheries Minister, Bernhard Esau and the country's Justice Minister, Sacky Shanghala, resign from their government positions.

14 November: Samherji hires the Norwegian law firm Wikborg Rein to review its payments to Cape Cod Financial Services.

15 November: Namibian James Hatuikulipi resigns as MD of Investec and Investec Asset Management Africa.

23 November: Former Namibian Fisheries Minister, Bernhard Esau and Ricardo Gustavo, an employee of Investec Asset Management Namibia, are arrested.

25 November: Norwegian police announce they are investigating DNB, the country's largest bank to establish whether any laws were broken in its handling of payments from Samherji to Namibia.

27 November: Former Namibian Justice Minister Sacky Shanghala and James Hatuikulipi, are arrested together with Esau's son-in-law Tamson Hatuikulipi and Pius Mwatelulo.

28 November: Namibian state owned Fishcor CEO, Mike Nghipunya, is suspended.

1 December: International news channel al Jazeera broadcast an hour long documentary, The Anatomy of a Bribe: A Deep Dive into the Underworld of Corruption, showing how easy it is to bribe Namibian senior government officials, including president Hage Geingob's personal lawyer, Sisa Namandje, to obtain fishing rights in Namibia.

2 December: Two prominent South African advocates, Mike Hellens and Dawie Joubert, are arrested, pleaded guilty to two criminal charges and were fined R10,000 for representing the accused in court in Namibia, while in the country on tourist visa's and not having court appearance rights in that country. Hellens and Joubert, who were both previously on former president Jacob Zuma's legal team.

Copyright © 2019 www.noseweek.co.za