

Press statement on orchestrated smear campaign against the FSB

National Treasury notes with concern that various newspapers are publishing allegations made against the Financial Services Board (FSB) by those facing trial for very serious crimes. Such accused making allegations against the FSB include Mr J Arthur Brown and Mr Simon Nash, both of whom face very serious charges before the courts. Mr Brown faces nine charges including Fraud, Theft, Corruption and Money Laundering in the Fidentia matter, and Mr Nash is currently facing criminal prosecution for the alleged misappropriation of pension fund monies. He is facing charges of Fraud, Theft, Conspiracy and Money Laundering. Mr Nash is accused of, amongst others, defrauding the Sable and Power Pack/Cullinan Pension Funds by misappropriating the surplus belonging to the funds by implementing the stratagem devised by Mr P Ghavalas, generally referred to as the Ghavalas option.

It is the view of National Treasury that it is improper to debate issues when there are pending court cases. The law must be allowed to run its course. Instead, it seems that there is a campaign underway to deliberately and publicly smear the FSB while these court cases are in process. The questions that need to be asked is why those accused of serious offences do not raise such issues in court, and choose to do so in the media. Similarly, why do they seek to also attack journalists who expose these cases. It is surprising that some of our media appear to be falling prey to this well-orchestrated campaign to undermine the integrity of the FSB and its officials.

The National Treasury rejects the accusations and insinuations made against the integrity of the Executive Officer of the FSB and the FSB. Supervisors such as the FSB play a crucial role in protecting investor and member funds, and thereby the integrity of our financial system. The public should be protected from the many rogue individuals who seek to misappropriate the savings of the investing public. As head of the FSB, Advocate Dube Tshidi is obligated to take reasonable and necessary steps if he is privy to material information which suggests that a pension fund may be under risk – in this respect, he is performing his duty.

Some of these articles even ignore the fact that a number of parties have already pleaded guilty to various charges. In the Ghavalas option, in which matter Mr Nash is facing criminal charges, six accused have pleaded guilty to various charges, including Mr. Ghavalas who is alleged to be the architect of the scheme. The same goes for the Fidentia matter where two accused pleaded guilty and were sentenced to lengthy prison sentences.

National Treasury appeals to all to allow the various court processes to be completed, rather than cloud the issue and draw premature conclusions based on incomplete and inaccurate information. We should not allow those charged to smear the integrity of the FSB which seeks to protect the interests of the vulnerable, like members of pension funds.

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