

New Fishrot Fiddles and Whistleblower Surfaces

By
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Former fisheries minister, Bernhard Esau and his son-in-law, Tamson 'Fitty' Hatuikulipi,

Time passes slowly for the two former ministers and three government officers and their cohorts detained in Namibia while the Fishrot corruption scandal is being unravelled. It's not so for those pursuing the truth, if anything the days fly by too quickly. Recent developments include unsuccessful bail hearings, money laundering by trusted finance

companies that did not question the money they received, allegations of tax dodging, and the whistleblower who claims he will finish what he started.

The "Fishrot" scandal involves an elaborate bribery and kickback scheme allegedly devised by former fisheries minister Berhard Esau, former justice minister, Sacky Shanghala and James Hatuikulipi to sell horse mackerel quotas. Those same quotas had been allocated to state-owned fishing company Fishcor but were sold onward to Icelandic company Samherji.

The alleged scam seemingly drew in the Angolan fisheries ministry too. A joint venture between the Angolans and Fishcor saw Fishcor's quota allegedly being sold off to Samherji.

Investigators say the accused allegedly used front companies in Namibia, Angola and South Africa to siphon about R103 million in kickbacks to companies in the offshore tax havens of Dubai, Cyprus and Mauritius.

The two main Fishrot cases are the State vs Berhard Esau and five others and the State vs Mike Nghipunya and five others.

Two other Fishrot cases are the alleged bribe offering to an Anti-Corruption Commission (ACC) official and the other the alleged removal of files from the home of former justice minister Sacky Sanghala.

[Namibia. 'Fishrot' a Cop out for Fishing, Mining Accord](#)

[Namibia. New Twist to Fishrot Scandal](#)

Namibia – Angola – South Africa link

While somebody had to be the mastermind and fingers are currently being pointed at James Hatuikulipi, he certainly never acted alone in the money world of investments.

Court papers show this to be the case.

Hatuikulipi is a former managing director at Investec Namibia and a former board member of Fishcor. Investec Asset Management Namibia (recently renamed) is one of three investment firms. The other two are IJG Securities and PointBreak.

They are alleged to have accepted N\$10 million, N\$61 million and N\$23 million respectively from two firms, Celax Investment and DHC Inc, a law firm.

IJG Securities is an investment company and is a registered broker with the Namibian Stock Exchange. It mainly deals in investments on the premier exchange, as well as the buying and selling of government bonds and treasury bills.

Pointbreak is a Namibian financial services group that offers investment and wealth management services to private individuals. It is owned by FNB Namibia.

There's a trail of transfers between all the companies, as well as a Samherji Namibian subsidiary called Mermaria, and JHT trading owned by Tamson Hatuikulipi. Tamson Hatuikulipi is the son-in-law of former fisheries minister, Berhard Esau.

Both Celax Investment and DHC Inc have a common denominator in the form of South African lawyer, Marén de Klerk. He co-owns them with South African businessman Adriaan Jacobus Louw (Celax), and Stoan Horn and Celeste Coetzee (DHC Inc).

De Klerk was also former justice minister Sacky Shanghala's lawyer, and a board member of Seaflower Pelagic Processing, a joint venture between Fishcor

and African Selection Fishing Namibia. African Selection Fishing Namibia is a subsidiary of the Angolan-based African Selection Trust (AST), which operates a fishmeal plant in Angola.

In May the Namibian Cabinet approved the termination of the 2017 partnership between Fishcor and African Selection Fishing Namibia (Pty) Ltd.

Swapo

De Klerk is also accused of allegedly laundering money to benefit president Hage Geingob's Swapo campaigns, politicians, business people and their friends.

According to a Facebook post, despite pockets of denial that Swapo did not benefit from proceeds, Fishcor's suspended CEO Mike Nghipunya said he had authorised payments to the ruling party on the instruction of Esau.

Nghipunya was replaced by Paulus Ngalangi who had been the company's general finance manager. In June the Namibian government withdrew his appointment after it was alleged he had transported a South African suspected of having COVID-19 into Namibia.

This disruption will no doubt further delay a planned restructuring of the operations of the state-owned fishing firm.

Bail hearings

During former fisheries minister, Berhard Esau and Tamson Hatuikulipi's bail hearings in the Windhoek Magistrate Court last week, defence lawyer Richard Metcalfe, said his clients should not be held unnecessarily.

Metcalfe claimed the Anti-Corruption Commission was ignoring the real issues in its quest to implicate his clients.

This, he said, was because the ACC was ignorant of the workings of the Namibian fishing industry and how quotas are sold, and usage fees paid. Furthermore, that their claim that the Fishrot accused were part of a corrupt conspiracy stems from that ignorance, he said.

Instead, he said, the activities of the three investment companies should not be overlooked. He said it appeared that the three investment companies “enjoy special status ... who are apparently immune from prosecution”.

Esau and Hatuikulipi have been in custody since they were arrested in November 2019. Their bail hearings were refused.

Samherji

Shortly after the latest bail hearings, Fishrot scandal whistleblower Johannes Stefansson is reported to have told a Namibian newspaper he will testify when the Fishrot trials finally begin in the High Court.

While Icelandic fishing company Samherji claims Staffansson is a drug addict with an axe to grind, Steffansson says: “I have given an affidavit.”

“When I will be called into court, I will come. One thing is certain, I will finish what I started.”

Stefansson has revealed how a fishing multinational shifted mass profits out of Namibia. Watch the video interview with Icelandic journalists Helgi Seljan and Aðalsteinn Kjartansson, who were at the forefront of reporting on the Fishrot saga in their country. They provide information about the latest developments in Iceland in relation to this case.

UPDATE: Aftershocks of Namibia 'Fishrot' Scandal

Tax avoidance allegations

Samherji recently defended its Namibian operations against an article published in *Finance Uncovered*, an investigative journalism training project.

According to a Twitter thread, the article claims Icelandic fishing giant embroiled in Namibia's [#Fishrot](#) corruption scandal may have avoided paying millions in Namibian taxes through its dealings with group companies in Cyprus, Mauritius and the UK.

Whistleblower [@JohannesStefans](#) has told Namibian investigators in his affidavit that Samherji shifted significant revenues to group companies in what he believed was a tax avoidance scheme.

It shows how Samherji's Namibian subsidiaries sent at least 93 million Namibian dollars (US\$8.2 million) in controversial fee payments to the group's companies in low-tax Mauritius and the UK.

Documents also show how Samherji's Namibian companies appear to have sold fish below market prices to a group sales company in Cyprus.

Samherji for its part strongly denies any wrongdoing. It says there were legitimate business reasons for all the transactions unearthed by *Finance Uncovered*. It argues that it is standard practice for multinational companies to use subsidiaries to legally minimise legal, tax, and operational risk.

"Many of *Finance Uncovered's* allegations have revealed complete misunderstandings of international business operations," the company says.

"They have ignored the obvious fact that multinational companies use specific subsidiaries and structures to minimize the spread of legal, tax and operational

risk. Completely legitimate; well-founded commercially and standard structures are all read in light of alleged questionable tax planning.

“The above statements do not mean that we disregard the possibility of historic mistakes in our subsidiaries’ Namibian operations. So on top of ceasing all operations in Namibia last year, and on top of putting massive efforts and resources into investigating the allegations we were faced with in 2019, the Samherji group already in January [this year launched plans](#) to build a state-of-the-art, group-wide compliance programme that is aimed at making us a global leader within compliance, governance and internal control in the fisheries industry. Finance Uncovered’s pursuit does not alter or have any impact on these ambitions.”